

Date: August 15, 2011  
Contact: Mike Liepman, Chief Executive Officer – (360) 794-1489  
Monica Sylte, Marketing Manager – (360) 794-1411

**Snohomish County Public Hospital District No. 1 and Capella Healthcare propose joint venture**

Snohomish County Public Hospital District No. 1, which owns and operates Valley General Hospital, and Capella Healthcare have proposed a joint venture that would lease the hospital from the hospital district. The partnership would provide capital investment and opportunities to enhance health care services for residents of east and central Snohomish County for 40 years.

“Capella believes that all health care is local, just like we do,” said CEO Mike Liepman. “They have a strong record of helping community hospitals in the Northwest, just like Valley General, thrive.”

The transaction contemplates an enterprise value of \$30 million. Proceeds from the lease would be used, among other things, to retire Valley General’s debt and bond payments and provide medical care for those who are uninsured or underinsured.

Other provisions being discussed include capital investments for the hospital, funding for staff development and physician recruitment, as well as charitable contributions for wellness related causes in the community. The community also could benefit from the additional taxes paid by the new venture from which Valley General is currently exempt.

Valley General announced its interest in partnering to enhance health care services for district residents earlier this year. The partnership with Capella needs to be approved by the Washington Department of Health and the district’s Board of Commissioners. These processes could take a minimum of four months, or longer. Quality care and access to health care services will continue as usual at Valley General during any potential partnership discussions.

Capella Healthcare partners with communities to build strong local health care systems that are known for high quality patient care and excellent service. Capella owns and/or operates general acute-care hospitals in seven states, including Capital Medical Center in Olympia, Wash., a joint venture hospital co-owned with its physicians, and Willamette Valley Medical Center in McMinnville, Ore. Capella collaborates with each hospital’s medical staff, board and community leaders to take care to the next level. A private company based in Franklin, Tenn., the organization has access to significant leadership and financial resources, reinvesting 100% of net cash flow into its family of hospitals to strengthen and expand services and facilities for the communities they serve. For more information, visit the organization’s website at [www.CapellaHealthcare.com](http://www.CapellaHealthcare.com)

Valley General is an accredited, full-service district hospital located in Monroe, Washington since 1960. The District includes 100,000 people in central and eastern Snohomish County, and provides primary care for community members through the Sky River Medical Group. Valley General’s mission is to serve the changing health care needs of its community. It provides personalized patient care known for quality and excellence with a healing environment through caring relationships. More details about Valley General can be found at [www.valleygeneral.org](http://www.valleygeneral.org).

###