Prime Healthcare Services and Catholic Health Initiatives
Close Transaction for Saint Clare’s Health System in NJ

(Ontario, CA/Denville, NJ) July 31, 2015 – Prime Healthcare Services (Prime) and Catholic Health Initiatives (CHI) announced today that they have closed the transaction for the sale of Saint Clare’s Health System in New Jersey to Prime. The parties agreed to defer the effective date of the sale until late summer or early fall. Until then, Saint Clare’s will remain part of CHI.

Included in the sale are Saint Clare’s Hospital in Boonton, Saint Clare’s Hospital in Denville, Saint Clare’s Hospital in Dover and Saint Clare’s Health Center at Sussex, as well as other facilities in Morris and Sussex counties. The transaction does not include Franciscan Oaks and the Saint Clare’s Foundation.

Saint Clare’s Health System has served the health care needs of northwestern New Jersey residents since 1895, and is the region’s premier provider of community-based health care and behavioral health services. Its three hospitals have 454 licensed beds and provide jobs to 2,500 employees. In 2014 alone, Saint Clare’s treated more than 60,000 patients in their emergency department facilities, and had more than 118,000 outpatient visits, making the system an integral and life-saving community asset.

Under the asset purchase agreement between Prime Healthcare and CHI, Prime has pledged to hire substantially all employees at Saint Clare’s Health System; invest $30 million in capital improvements at Saint Clare’s facilities over the next five years; maintain charity care at or above current levels at the hospitals; and will continue to follow the Catholic ethical and religious directives for health care services.

“Prime Healthcare looks forward to expanding its presence in the Garden State and partnering with the Saint Clare’s community of dedicated physicians, nurses and employees,” said Prem Reddy, MD, FACC, FCCP, Chairman, President and CEO of Prime Healthcare Services. “We are committed to providing the best quality care in each and every community we serve and the addition of Saint Clare’s to the Prime Healthcare family will allow us to continue that tradition.”
Peter Banko, CHI senior vice president and group executive officer, noted that the transaction received approval after a thorough review by the New Jersey Department of Health and Office of the New Jersey Attorney General that began in mid-2012.

“Prime has a growing presence in New Jersey and they will work hard to secure Saint Clare’s future under the new model of health care, which focuses on improving overall health for specific geographic populations,” Banko said. “Prime will also position Saint Clare’s to continue the delivery of care and critical services that the residents of northwestern New Jersey have come rely on for over 100 years.”

CHI has appointed Jon Timmis as interim CEO of Saint Clare’s, effective Aug. 3, 2015. Timmis, who is CHI vice president of strategy integration, has more than 20 years of healthcare leadership experience and has been with CHI for the past 10 years.

Saint Clare’s Health System has received Joint Commission Accreditation and Certification and received a safety score of “A” by The Leapfrog Group for its Denville and Dover locations in addition to a number of awards and recognitions. For more information on Saint Clare’s Health System, visit www.saintclares.org.

About Prime Healthcare

Prime Healthcare Services
Prime Healthcare is an award-winning national hospital system with 34 acute-care hospitals providing more than 35,000 jobs in 11 states. Based in California and one of the largest hospital systems in the country, Prime Healthcare is committed to ensuring access to quality healthcare. It has been recognized as among the "100 Top Hospitals" in the nation 33 times and among the "15 Top Health Systems" three times, and is the only "10 Top Health System" west of the Mississippi. Our hospitals have been recognized by The Joint Commission among the "Top Performers on Key Quality Measures" in 2014. For more information, please visit www.primehealthcare.com

About Catholic Health Initiatives

Catholic Health Initiatives
Catholic Health Initiatives, a nonprofit, faith-based health system formed in 1996 through the consolidation of four Catholic health systems, expresses its mission each day by creating and nurturing healthy communities in the hundreds of sites across the nation where it provides care. One of the nation’s largest health systems, Englewood, Colo.-based CHI operates in 19 states and comprises 105 hospitals, including four academic health centers and major teaching hospitals and 30 critical-access facilities; community health-services organizations; accredited nursing colleges; home-health agencies; and other facilities that span the inpatient and outpatient continuum of care. In fiscal year 2014, CHI provided $910 million in charity care and community benefit -- a nearly 20% increase over the previous year -- for programs and services for the poor, free clinics, education and research. Charity care and community benefit totaled more than $1.7 billion with the inclusion of the unpaid costs of Medicare.