



**NEWS RELEASE**

***For Immediate Release...***

**Ownership in Heart Hospital of New Mexico Changes**

**10/4/2001 - Albuquerque, New Mexico:** Heart Hospital of New Mexico announced today a change in its ownership structure. The 55-bed Albuquerque hospital opened in October 1999 with a shared ownership structure including MedCath, a North Carolina-based firm that manages cardiac hospitals nationwide, St. Joseph Healthcare System and two physician groups; New Mexico Heart Institute, and Southwest Cardiology Associates. The change in the ownership structure is the result of MedCath purchasing 32 percent of the 35 percent interest in the hospital held by St. Joseph, and 13 percent of the 41 percent interest held by the two physician groups. The sale of equity by the physician groups allows them to reinvest in additional outpatient capacity as well as the development of medical facilities adjacent to the Heart Hospital. The sale by St. Joseph's enables the organization to reinvest in operational improvements in its health care system.

"We are extremely excited about the future of the Heart Hospital of New Mexico and its role in advancing our mission, which is to redefine the way cardiovascular care is delivered in the United States," said David Crane, MedCath president and chief executive officer. "Our increased ownership position demonstrates our continued commitment to the hospital itself and to the local community it serves."

Representatives from both cardiology groups partnered in the heart hospital venture agree that the change is positive for the entire community. "The new ownership structure will further the original vision and mission of the Heart Hospital, including ongoing physician involvement in governance, delivery of patient-focused care, and leading edge cardiovascular technology," said Harvey White, M.D., chairman of the board of Heart Hospital of New Mexico. "The restructuring provides financial resources which the physician groups will reinvest to fund the expansion of cardiovascular services available to the community," stated Richard Gerety, Heart Hospital surgical director. "It will enable us to develop an integrated medical campus with outpatient care facilities adjacent to the Heart Hospital."

The restructuring provides St. Joseph Healthcare with the additional funds that could be used for capital and operational improvements within the St. Joseph Healthcare System, according to Interim CEO Arthur T. Dunn. Dunn said, "Everything we have done in the past with the Heart Hospital, we will continue to do in the future. We believe that the Heart Hospital provides the best cardiac care in the state. We will work closely with the excellent Heart Hospital physicians and our St. Joseph Medicare Plus patients will continue to receive their heart care at the Heart Hospital of New Mexico." St. Joseph closed its cardiac programs when the Heart Hospital of New Mexico opened and there are no plans to reopen those programs.

Located on an 8-acre campus near downtown Albuquerque, the Heart Hospital of New Mexico is an entire medical facility dedicated to fighting heart disease. The specialty hospital results from the shared vision of the New Mexico Heart Institute and Southwest Cardiology Associates, the same talented cardiovascular physician groups that pioneered New Mexico's heart programs and established Albuquerque as a leader in heart care. Other remaining partners include St. Joseph Healthcare, a not-for-profit Albuquerque healthcare system with a century of community service, and MedCath.



## Heart Hospital of New Mexico Q & A

The success of the Heart Hospital of New Mexico is the result of nationally-recognized New Mexico heart doctors working with MedCath to deliver unique, patient-focused cardiovascular care that fosters strong doctor-patient relationships. In the two years since it's opening, the Heart Hospital of New Mexico has become the state's leading heart care program.

**Question:** What does this equity restructure mean to the community?

**Answer:** The equity restructure will enable Heart Hospital of New Mexico, New Mexico Heart Institute and Southwest Cardiology to expand the range of cardiac services available to New Mexicans. It will result in more care for the community through the development of a fully-integrated medical campus with outpatient care facilities adjacent to the Heart Hospital. It will also enable Heart Hospital of New Mexico to continue to evaluate and invest in the most sophisticated cardiovascular technology.

St. Joseph will continue to work closely with the Heart Hospital, and St. Joseph Medicare Plus patients will continue to receive their heart care at Heart Hospital of New Mexico.

The construction of a medical office complex brings \$10+ million in construction revenues to the city. The reinvestment of funds resulting from the ownership restructure will provide additional employment opportunities and produce increased tax revenues for the community and state.

**Question:** What does the equity restructure mean to the Heart Hospital?

**Answer:** Though the equity structure of the Heart Hospital has changed, the original vision of a physician-led and managed facility remains unchanged. The vital role physicians' play in the development and oversight of the hospital remains intact with 50% representation on the governing body - four (4)-physician board members and four (4) MedCath board members. St. Joseph also retains an ex officio seat on the Board. The board structure protects the HHNM vision and mission to ensure that healthcare providers are directing patient care. The focus remains on patient-focused care that fosters a strong patient-doctor relationship.

**Question:** What opportunities does the MedCath ownership stake bring to New Mexico communities?

**Answer:** MedCath continues to offer the benefit of efficiencies derived from resource sharing, ranging from diagnostics to information technology that are leveraged across MedCath's nationwide system. MedCath, with its nationwide network of heart hospitals, is also an invaluable resource to the Heart Hospital of New Mexico by enabling New Mexicans to participate in drug trials and research studies that bring cutting-edge technology to the community.

**Question:** Does SJH have plans to open another cardiac facility?

**Answer:** St. Joseph Healthcare system has no plans to open a cardiac facility at this time. St. Joseph Medicare Plus members will continue to use the Heart Hospital for their cardiovascular services.