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HOAG AND ST. JOSEPH HEALTH ANNOUNCE HISTORIC AFFILIATION TO TRANSFORM HEALTH CARE DELIVERY

Unique Health Care System Will Serve All of Orange County and the High Desert, Becoming a National Model for Effective, High-Quality, and Compassionate Care.

(Aug. 15, 2012, Orange County, Calif.) —St. Joseph Health and Hoag Memorial Hospital Presbyterian announced plans for a new regional health care affiliation which will take bold, innovative measures to transform health care delivery, ultimately becoming a model for addressing some of the biggest challenges in American health care.

The organizations intend to form an integrated regional health system including their respective Southern California hospitals, an expansive physician network, and numerous outpatient and urgent care facilities in Orange County and the High Desert. Their shared vision includes taking action to fix fragmented systems of care, greatly improve access for the underserved, and deliver on the goal of making the region among the healthiest in the country.

"This affiliation is a catalyst to extend our mission and make a real difference in health care delivery by assuring a system of highly-connected, quality services. New access points will be developed to enhance community wellness and allow more people to benefit from the research and advanced care of a vast network of doctors, clinics, and exceptional hospitals," said Deborah Proctor, president and CEO of St. Joseph Health. "We believe St. Joseph Health and Hoag have the foresight and expertise to address some of the greatest needs and accomplish the greatest good for Orange County and the High Desert. This is a critical step for the future of our communities that only can be accomplished by the brightest minds and the biggest hearts in health care."

"This is a historic day for medical care in Orange County," said Dr. Richard Afable, Hoag president and CEO. "Together, we share over a century of collective experience and a commitment to serving the health needs of people in Southern California. Our goal in forming this affiliation is transformational. Current models of medical care are too complex, too expensive, and lack the integration needed to effectively and compassionately care for people in need. It is also unacceptable that models of care are far too often out of reach for those who are most vulnerable and in need of help. Our vision – our promise – is to transform Orange County into one of the healthiest communities in California and the country. Our affiliation will

introduce innovative care processes that will improve clinical outcomes, reduce the overall cost of care, and enhance the health care experiences of all members of our community."

Specifically, the health system leaders have identified as part of their vision:

- Clinicians will work together to achieve better clinical outcomes, make care more efficient and improve the overall patient experience
- Quality-focused, coordinated programs that will address care for the poor and underserved and fill gaps that have widened under present-day economic realities
- A focus on care extending beyond the acute hospital setting, including wellness, prevention programs, long-term care, and palliation of suffering
- Specialized health services that would otherwise require treatment outside the community
- Opportunities for partnerships with other health care participants, both traditional and non-traditional

Under the affiliation, Hoag and St. Joseph Health will retain their individual identities and faith affiliations – Presbyterian and Catholic, respectively.

In planning to work together, St. Joseph Health and Hoag recognized many similarities. They are both non-profit, faith-based health care organizations, committed to providing the highest quality, affordable, and accessible health care services in the community. Both institutions achieve this through thoughtful planning of their networks of services, fostering an environment of "best practice" health care, and reaching out to vulnerable populations through extensive community benefit programs.

The planning process is being aided by support from the community, elected officials, faithbased organizations, physicians, and hospital employees. Their support and review continue to be instrumental in this process.

The health systems entered into a letter of intent to form an affiliation. The next step is an application with the California Office of the Attorney General, which is planned for October and could require more than 100 days for a decision.

About Hoag Memorial Hospital Presbyterian

Hoag is an approximately \$1 billion non-profit, regional health care delivery network in Orange County, California, that treats nearly 30,000 inpatients and 350,000 outpatients annually. Hoag consists of two acute-care hospitals, seven health centers, and five urgent care centers. Hoag Hospital Newport Beach, which has served Orange County since 1952, and Hoag Hospital Irvine, which opened in 2010, are designated Magnet hospitals by the American Nurses Credentialing Center (ANCC). Hoag offers a comprehensive blend of health care services that includes five institutes providing specialized services in the following areas: cancer, heart and vascular, neurosciences, women's health, and orthopedics through Hoag's affiliate, Hoag Orthopedic Institute. Hoag has been named one of the Best Regional Hospitals in the *U.S. News & World Report* Metro Edition. National Research Corporation has endorsed Hoag as Orange County's most preferred hospital for the past 16 consecutive years and, for an unprecedented 16 years, residents of Orange County have chosen Hoag as the county's best hospital in a local newspaper survey. Visit www.hoag.org for more information.

About St. Joseph Health

St. Joseph Health (SJH) is a \$4.4 billion not-for-profit integrated Catholic health care delivery system sponsored by the St. Joseph Health Ministry. SJH's comprehensive range of services includes 14 acute care hospitals, home health agencies, hospice care, outpatient services, skilled nursing facilities, community clinics and physician organizations throughout California, Texas, and New Mexico. Collectively, the 24,000 dedicated employees and 6,000 outstanding physicians deliver care to more than 137,000 inpatients and 3.6 million outpatients each year. Throughout its comprehensive regions of care, SJH strives to provide perfect care while building the healthiest communities and ensuring every encounter is sacred. These extraordinary efforts have been recognized locally and nationally, including distinctions in US News & World Report and Magnet recognition. Guided by the traditions of its founders, the Sisters of St. Joseph of Orange, SJH is committed to maintaining a continuum of care that matches the diverse needs of its communities. SJH's four Southern California hospitals include Mission Hospital (Mission Viejo and Laguna Beach); St. Mary Medical Center (Apple Valley); St. Joseph Hospital (Orange) and St. Jude Medical Center (Fullerton). For more information, visit www.stjoe.org.

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