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Brazosport Regional Health System and CHI St. Luke's Health Sign Agreement for BRHS to Join CHI St. Luke's

HOUSTON, Texas/LAKE JACKSON, Texas/ENGLEWOOD, Colo. – (Jan. 26, 2016) – Brazosport Regional Health System (BRHS) and CHI St. Luke's Health (CHI St. Luke's) have signed an affiliation agreement for BRHS to become part of CHI St. Luke's. The agreement was signed Jan. 25 with an effective date of Feb. 1.

"CHI St. Luke's is excited to welcome Brazosport Regional to our system. I'm pleased to announce that Al Guevara will continue to lead BRHS," said Michael H. Covert, president and CEO of CHI St. Luke's Health. "In addition to having similar missions and values, our systems share a common vision of clinical and operational excellence and a firm commitment to lead the way in a new health care environment that focuses on value-driven, quality care.

"Working together, we will enhance services and expand access to care for Lake Jackson area residents, who also will benefit from our partnerships with the Baylor College of Medicine and the Texas Heart® Institute," Covert added.

"We are very pleased to be able to join forces with CHI St. Luke's Health," said Al Guevara, Jr., president and CEO of BRHS. "From our founding in 1961 as

Community Hospital of Brazosport, we have served the Brazosport community with quality services, close to home, in fulfillment of our mission of *Healthcare with Excellence and Compassion*. We look forward to this new relationship with CHI St. Luke's Health – a partnership that will enable us to strengthen our existing services, while also giving us the opportunity to enhance our quality, effectiveness, safety and efficiency. With this new alignment, we will be able to better meet the needs and expectations of our community locally, and in addition, add an entirely new dimension of access to tertiary and quaternary services that this alignment will provide. We look forward to taking BRHS to the next level – from a stand-alone community hospital, to being a part of a top quality regional/national health care system.”

Being part of larger regional and national systems like CHI St. Luke's Health and Catholic Health Initiatives (CHI) is vital to the future success of health care organizations. BRHS and CHI St. Luke's recognize that changes in the national health care landscape present challenges to a stand-alone health care system. As a result, BRHS is transitioning to become part of CHI St. Luke's Health.

The addition of BRHS to CHI's Texas division – under the leadership of CHI St. Luke's Health – honors the organization's deeply held commitment to build strong relationships of lasting value to better serve the people of Lake Jackson and the greater Houston metropolitan area, as well as people of Central and East Texas at CHI St. Joseph Health in Bryan-College Station and CHI St. Luke's Health Memorial in Lufkin.

Two years ago, CHI formed an academic affiliation agreement between CHI and CHI St. Luke's Health with Baylor College of Medicine (BCM), and an expansion of St. Luke's historic research relationship with the Texas Heart[®] Institute. These agreements represent a one-of-a-kind health care alliance in the region. The collaborations include Baylor St. Luke's Medical Center's 27-acre McNair Campus, a new 650 bed, acute-care hospital; creating with the Texas Heart[®] Institute a state-of-the-art cardiovascular center as an integral part of the new hospital; and developing with BCM a comprehensive cancer center on the new campus as well as community cancer centers across the region.

Through these collaborations, BRHS will be able to serve area residents in new and innovative ways.

No job losses are anticipated as a direct result of the transaction.

CHI St. Luke's is committed to preserve existing physician relationships in the community and build new ones in the Lake Jackson area. Medical staff privileges of the physicians at BRHS are not expected to be affected by the transaction. CHI St. Luke's is committed to creating a strong regional physician network to sustain and grow the network throughout the region.

Physicians and staff employed by BRHS as of Jan. 31, 2016, will continue their employment with the hospital.

CHI St. Luke's intends to retain the core health care services and charity care currently provided by BRHS in the Lake Jackson community. A local board of community and physician leaders will review operations and advise CHI St. Luke's.

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About Brazosport Regional Health System: Brazosport Regional is located on a beautiful 25-acre campus in Lake Jackson, Texas offering state of the art diagnostic and comprehensive treatment services with care and compassion. Our nationally accredited hospital ensures premium care 24 hours a day, 7 days a week to meet the ever changing health care needs of our community. For you and your family, it all adds up to the *right care...right here*. Additional information about Brazosport Regional Health System can be found at www.BrazosportRegional.org.

About CHI St. Luke's Health: CHI St. Luke's Health, part of Catholic Health Initiatives (CHI), is comprised of three markets—CHI St. Luke's Health is home of the Texas Heart® Institute (THI), six hospitals, three emergency centers, Diagnostic & Treatment Center, Radiation & CyberKnife® Center, and several St. Luke's Medical Group locations throughout Greater Houston; CHI St. Luke's Health Memorial (three hospitals and a long-term acute care facility in East Texas); and St. Joseph Health System (five hospitals and several St. Joseph Medical Group locations across Brazos Valley). In addition, CHI St. Luke's is a part of a joint venture agreement with Baylor College of Medicine, which encompasses Baylor St. Luke's Medical Center in the Texas Medical Center. Together, CHI St. Luke's Health, THI, and Baylor College of Medicine are transforming health care delivery with a mission to usher in a new era of health care to create healthier communities. For more information, visit CHIStLukesHealth.org.

About Catholic Health Initiatives: Catholic Health Initiatives (CHI), 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. The nation's second-largest nonprofit health system, Englewood, Colorado-based CHI operates in 19 states and comprises 102 hospitals, including four academic health centers and major teaching hospitals as well as 30 critical-access facilities; community health-services organizations; accredited nursing colleges; home-health agencies; living communities; and other facilities and services that span the inpatient and

outpatient continuum of care. In fiscal year 2015, CHI provided almost \$970 million in financial assistance and community benefit – an 8% increase over the previous year -- for programs and services for the poor, free clinics, education and research. Financial assistance and community benefit totaled more than \$1.6 billion with the inclusion of the unpaid costs of Medicare. For more information, visit www.catholichealthinitiatives.com