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St. Mary's Healthcare Center to Join Avera Health

PIERRE, S.D – Dec. 17, 2012 – St. Mary's Healthcare Center will become part of Avera Health effective Jan. 1, 2013 as the result of an agreement reached today between Avera, and Catholic Health Initiatives, the Englewood, Colo.-based health system that includes St. Mary's.

Avera and Catholic Health Initiatives have been in discussion since last spring about ways to collaborate and strengthen St. Mary's ability to more effectively serve Pierre, Gettysburg and surrounding communities into the future.

“Stronger ties between the physicians of Avera Medical Group Pierre and the local hospitals will mean better coordinated care for patients,” said Kevin Lofton, President and Chief Executive Officer of Catholic Health Initiatives. “The rapidly changing health care environment calls for a more integrated approach to the way health care services are delivered to communities. This transfer is in the best interests of the people and communities we serve.”

The transfer includes: St. Mary's Healthcare Center, Maryhouse and ParkWood in Pierre; and Gettysburg Memorial Hospital, Oahe Manor and Oahe Villa Congregate Living Center in Gettysburg. All employees in good standing will remain employees of the hospital and their respective facilities as St. Mary's transfers to Avera.

“Avera is excited to expand our services in central South Dakota,” said John Porter, President and Chief Executive Officer of Avera Health. “Our mission calls us to provide the highest quality of care possible at local facilities. Adding the services and employees in Pierre and Gettysburg allows Avera to provide a full continuum of care to patients across the region.”

Avera and St. Mary's share a Catholic heritage, and the two organizations are working together for a smooth transition for patients, employees and physicians. Both organizations have conducted extensive “due diligence” to review each system's operational and financial performance. The transfer is also subject to review and pending approval by regulatory and church authorities.

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St. Mary's Healthcare Center includes Maryhouse, ParkWood and the Gettysburg Medical Center. St. Mary's Healthcare Center is a 60-bed acute care facility accredited by The Joint Commission. Maryhouse is a 105-bed long term care facility, including a 23 bed Transitional Care Unit. ParkWood is an independent living facility. Gettysburg Medical Center includes acute care, long-term care and independent living at the facility in Gettysburg, South Dakota.

Avera Health is the leading health system in the region providing high-quality care, where you live, at more than 300 locations in about 100 communities. Avera's unique partnership model makes possible a wide range of medical services through the expertise of specialists, sophisticated technology and cutting-edge research to meet the health care needs of local communities and providers. Management and other support services are provided through the Avera Central Office in Sioux Falls, SD, and its five regional centers: Avera St. Luke's in Aberdeen, SD; Avera Queen of Peace in Mitchell, SD; Avera McKennan in Sioux Falls, SD; Avera Sacred Heart in Yankton, SD; and Avera Marshall in Marshall, MN.

About Catholic Health Initiatives: Catholic Health Initiatives is a national nonprofit health system with headquarters in Englewood, Colo. The faith-based system operates in 18 states and includes 80 hospitals; 40 long-term care, assisted- and residential-living facilities; two community health-services organizations; two accredited nursing colleges; and home health agencies. In fiscal year 2012, Catholic Health Initiatives provided more than \$715 million in charity care and community benefits, including services for the poor, free clinics, education and research. With annual revenues of more than \$10.7 billion and approximately 83,700 employees, CHI ranks as the nation's second-largest faith-based health system.