

Press Release – February 24th, 2011

P3 is Prepared to Acquire Hoboken University Medical Center for \$77 million

The Paradigm Physician Partners, LLC (P3) offer to buy the Hoboken University Medical Center (HUMC) will achieve the Hoboken Municipal Hospital Authority's (HMHA) goals of maintaining HUMC as a full-service, acute-care, community hospital; preserve relationships with HUMC's outstanding employees and medical staff; and relieve the City's taxpayers of the bond guarantee obligations made to save the Hospital in 2007. P3 will deliver the best clinical services and continued healthcare services for all community members, bringing a brighter future of growth and opportunity to the City of Hoboken. The Fairfield, Connecticut company wants to inform the HUMC community, its patients and employees that P3 is still prepared to purchase HUMC for \$52MM and invest an additional \$25MM in operational upgrades in patient care and services.

P3's President and Founder, Geoff Teed, believes in Governor Christie's desire to stop the "status quo", which is represented by the current plan being embraced by HMHA. Smaller government should mean doing more at the community level to preserve neighborhoods and community, and P3's plan for HUMC is driven by an unwavering commitment to that idea. P3 wants to serve the community at large to make HUMC better than they find it or how it has ever been – upturning the status quo as represented by the alternative offer for HUMC, which pursues profit at the expense of main street. "Healthcare access is a moral obligation, a human right, and not a privilege determined by the size of your wallet. P3's vision for HUMC will unite this community, not divide it, just for the sake of making a profit. By bending the operational cost curve, we will reverse the dangerous trend of gimmick hospital financing, and preserve your community's core economic asset", said Teed.

Teed views P3's HUMC acquisition as, "an exciting opportunity and the solution to set a new historic course in hospital operations and management for the 21st century hospital so necessary for a better tomorrow. At P3, we believe in fiscal discipline but we want to demonstrate how a bridge of compassion can include affordable community healthcare when you have enlightened management. We will NOT hurt families already in crisis." To that end, P3's Founder has promised there will be no layoffs.... "No employee layoffs."

P3's business model will shine a light on the way NJ hospitals should operate and help to turn NJ into a national innovator in hospital leadership, job creation, growth and opportunity. "Our offer for HUMC includes a series of best practices and the latest evidence-based medicine that constitutes a new tool kit to protect the community who has come to rely up HUMC for their care, and not turn them away because of the size of their wallet. There will be no HUMC patients turned away, thereby maintaining regional stability between and among nearby Christ Hospital and Jersey City Medical Center" says Teed.

According to Geoff Teed, "because of the deep recession and the current healthcare crisis, the P3 HUMC purchase will demonstrate how to eliminate the day when Hoboken's main street will see another crisis in this hospital. P3's model will reduce HUMC's burden on the state budget no later than year 3 and still improve cost, quality and outcomes for patients and insurers alike. The health of our children and our community is our priority to protect, as is our relationship with caregivers, service provider partners, neighboring hospitals and insurers, to name a few. P3 will deliver a new brand of hospital leadership."

Current Situation

Teed states, "We're still at the table because we believe we have the best financial and clinical plan for the City of Hoboken, HUMC, and the community and patients HUMC serves. Despite the fact that we were not the chosen bidder in November, we want the Hoboken Municipal Hospital Authority (HMHA) and the people of Hoboken to know that we are still committed and want to work with them on a more optimal solution for HUMC. Unlike the pure profit-driven bid currently under review by HMHA, we see no reason forsake HUMC's 501(c)3 not-for-profit status. There will be no service interruptions and we will accept all major insurance carriers. There can't be two classes of citizens: those who enjoy rich healthcare service and those who have none. We need to end this dual system, and we have the best solution and management team who can ensure access to high quality care for all, while producing impressive operational returns."

Dr. Bill Bithoney, P3's planned HUMC CEO, says that, "P3 has a mission to transform healthcare, and it is the simplicity in their public-private partnership that is a compelling concept that attracts me, and convinces me that their plan is so achievable. P3's business model benefits and restructures urban hospitals in financial distress by making strategic investments in people, processes, and technology.... applying evidence-based practice and business principles WHILE retaining a hospital's non-profit status and preserving jobs. From my experience, this makes perfect economic sense, and the deeply rooted social values embedded in their business philosophy really impress me. I am proud and eager to lead this vision for P3."

About P3

P3 is a hospital management company with a proven patient-centered model. The company works with each partner hospital to create sustainable financial controls with improved standards of patient care, implementing a leadership model and 21st century governing principles informed and guided by the six "Aims of Improvement" described in the Institute of Medicine's 2001 report; Care that is Safe, Effective, Timely, Patient-centered, Efficient, and Equitable.

<http://www.ihl.org/IHI/Topics/Improvement/ImprovementMethods/HowToImprove/setting+aims.htm>

For more information about P3 and its partners: www.mdparadigm.com