

HealthCenter Northwest, LLC*

March 8, 2008

Hospital Structure:

- LLC
 - Charitable Hospital (60% Owner)
 - Physicians (40% Owner) (Approx. 130 Physicians)
 - No single physician owns more than 1% equity in LLC
- Follows Non For Profit Hospital's Mission / Vision
- Follows Non For Profit Hospital's Charity and Collection Guidelines
- Common Payer Mix

Operations:

- Service Lines
 - Inpatient Medical / Surgical Floor (25 Licensed beds)
 - Inpatient / Outpatient Surgery
 - Inpatient / Outpatient Imaging Services
 - Pain Clinic
 - Ancillary Services
 - Emergency Coverage
- Management Team:
 - Medical Directors of Medicine, Surgery, Imaging
 - CEO
 - COO/CFO
 - Leadership Team
- Pricing Strategy – Lowest of Peer MT Hospitals

*From 3/8/08 email sent by Tate Kreitinger, COO/CFO HealthCenter Northwest:

P. 1 summarizes the structure of HCNW LLC

P. 2 includes his comments on what the definition of a specialty hospital should look like.

Recommendation for Specialty Hospital Definition

Specialty Hospital is any licensed hospital in which 40% or more of the entity's equity is owned by MD investors.

AND

Any single MD owns 2% or more of the entity's equity

Federal language recently passed by the House last week applies the above definition. It is our recommendation that draft bill LC8888 follow a similar broad based definition of "specialty hospital".

If a definition demonstrates a significant limitation or restriction to the existing LLC hospital entities in Montana, I would recommend a grandfathering clause that allows the existing entities to continue with their operations subject to the equity ownership provisions defined above.

Thank you for your consideration.

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