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NEWS RELEASE

NEW REPORT ON HOSPITAL MERGERS AND ACQUISITIONS SHOWS THE BENEFIT TO PATIENTS AND COMMUNITIES

WASHINGTON (June 3, 2013) – Only a small fraction of hospitals have been involved in a transaction such as a merger or acquisition between 2007-2012, according to a new <u>report</u> from the American Hospital Association (AHA) and the Center for Healthcare Economics and Policy. The report highlights how these transactions benefitted patients and the community by retaining vital services.

About 10 percent of community hospitals, or 551 hospitals, have been part of a merger or acquisition, and the number of hospitals involved in any one of these transactions has been modest. The average number of hospitals acquired in a given transaction was between one and two.

"Hospitals are responding to the call for better coordinated, high-quality care by moving away from a structurally fragmented care system. They are meeting that expectation by building a continuum of care that involves physicians and other caregivers to improve patient care," said AHA President and CEO Rich Umbdenstock. "Hospitals are collaborating with others ultimately to benefit the patients and communities that hospitals serve."

The report found that the vast majority of mergers and acquisitions involved expansion into new areas or occurred in areas where there were more than five hospitals, ensuring that patients had alternative sources of care. In areas where there were fewer than five hospitals, the mergers or acquisitions provided tangible benefits to the community. Larger hospitals in these areas were

also able to provide greater benefits such as access to better technologies and expanded services or retaining employees.

The report is available at www.aha.org.

About the AHA

The AHA is a not-for-profit association of health care provider organizations and individuals that are committed to the health improvement of their communities. The AHA is the national advocate for its members, which includes nearly 5,000 hospitals, health care systems, networks, other providers of care and 43,000 individual members. Founded in 1898, the AHA provides education for health care leaders and is a source of information on health care issues and trends. For more information, visit the AHA Web site at www.aha.org.

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