

ROCKDALE CITIZEN

LifePoint CEO emphasizes local control of hospitals

Jay Jones

Staff Reporter

Tuesday, September 23, 2008

CONYERS - On the pending sale of Rockdale Medical Center, LifePoint Hospitals President and CEO William Carpenter spoke of the importance of health care being a local commodity and how his company hoped to use that approach to manage the local hospital.

Carpenter visited the staff and physicians at Rockdale Medical Center on Thursday after it was announced his company had entered into an agreement to purchase the hospital for \$110 million - \$80 million purchase price with \$30 million in promised capital improvements.

The sale requires approval from the Georgia Attorney General's Office, which could happen by the end of the year. If so, the proceeds will go toward paying off RMC's \$85 million bond debt and place the hospital in private hands after 55 years as a public facility.

The proposed sale to the Brentwood, Tenn., company is the latest development in a long road for RMC officials to find a buyer after the hospital incurred a loss of \$15 million in 2005. The operating loss resulted in a covenant default under the financial agreements related to the hospital's outstanding bond debt.

Carpenter said Rockdale Medical Center matches the profile of the majority of LifePoint-owned hospitals as being the sole hospital in a community. He reiterated that RMC will remain an acute care hospital as it is today.

"I hope that LifePoint can bring some resources this community has lacked in recent years by allowing the focus that has existed locally on making bond payments disappear, so the focus can get back to taking the best care of your patients that you can do," he said.

Carpenter's office will remain in Tennessee, but a local board of trustees and hospital administrators will be appointed to run the day-to-day operations of RMC.

The make up of a corporate board of trustees has not yet been determined. The Rockdale County Hospital Authority said it will be allowed to name some members to a LifePoint-owned hospital board. Carpenter said local physicians will be asked to serve on the board, too.

"For us, the board is not a cookie-cutter approach, but what makes the most sense for the communities being served" he said. "The board of trustees at most of our hospitals have nine to 15 members with half being local community leaders and the other half medical staff."

Carpenter is an attorney, but has spent a significant part of his career representing healthcare companies and hospitals before he became a general counsel for Hospital Corporation of America in 1998. He was appointed LifePoint's general counsel and secretary when the company spun off from HCA in 1999. He moved up the management chain and was named LifePoint's CEO in 2006.

The company reported a steady performance in its second quarter that ended June 30. The company reported revenues of \$680.8 million, up 4.1 percent from \$654.3 million for the same period a year ago, according to the company's Web site.

Jay Jones can be reached at jay.jones@rockdalecitizen.com.