

ROCKDALE CITIZEN

RMC- LifePoint talks continue on sale

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CONYERS - The exclusive negotiations between Rockdale Medical Center and LifePoint Hospitals Inc. for a possible sale of the facility will continue beyond the 30-day period originally agreed to by both parties.

Rockdale County Hospital Authority Ethel Boyle confirmed this week that the two parties were continuing their "due diligence" on the feasibility of an agreement to sell the local hospital. RMC officials announced last month that LifePoint would use the 30-day window to review the hospital accounting and inspect the facilities.

Boyle declined to go into detail except to say both parties were still talking to each other with no timetable or deadline set concerning the status of the publicly owned 138-bed hospital.

Diane Huggins, a spokesperson for LifePoint, declined comment and referred all questions to the Hospital Authority.

If the negotiations are successful, Boyle said the next step would be to file a non-binding letter of agreement with the Georgia Attorney General's office, the first step in obtaining approval to sell public property to a for-profit corporation.

RMC officials began looking for a potential buyer of the hospital last year after it suffered significant revenue losses in 2005. RMC incurred about \$15 million in operating losses that stemmed from debt brought about from the East Tower expansion and a loss of accounts receivables when the hospital converted to a new computer system.

A pending sale to Signature Hospital Corp. of Houston was announced in September 2007. After a couple of delays and two public hearings, the agreement received approval from the state Attorney General's office.

However, the pending sale to Signature was canceled this spring when the company announced it was unable to secure financing for the deal.

LifePoint Hospitals Inc. is a publicly traded company based in Brentwood, Tenn., and operates 48 acute care hospitals in 17 states. The majority of its hospitals are located in rural areas in states as far west as Nevada, according to the company's Web site, www.lifepointhospitals.com.

The company has the majority of its hospitals in the South - Alabama, Tennessee, Kentucky and Louisiana. If the sale goes forward, Rockdale Medical Center will become LifePoint's first hospital in Georgia.

The proposed sale of the hospital has faced some community opposition. Critics charged the amount offered by Signature was not as much as the hospital is worth and would barely cover RMC's debt.

Members of the county Hospital Authority and RMC Board of Directors have countered that the deal with Signature was the best they could have hoped for that allowed some local input in operations, guaranteed capital investment and an opportunity to purchase the hospital back in seven years.

Hospital officials also said the hospital cannot stay competitive in the region without capital investment and financial stability and that selling the hospital is unavoidable.