

Bradford Era Guest Editorial
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Just over a week ago, Bradford Regional Medical Center and Olean General Hospital officials marked an important milestone in the history of each institution. The press conference was called to announce that our Boards of Directors had signed a non-binding letter of intent to integrate these two not-for-profit organizations under a parent company - an umbrella organization - to create a regional healthcare system. We also detailed the process we will undertake over next twelve months - a process of exploration, analysis and assessment by both organizations' Boards of Directors, leading to the adoption of a definitive agreement.

Since that announcement, we've invited you, our community, and our hospital family to ask questions that this news brings: What does this mean for employment? What about insurance issues? Will our communities still each have a full-service hospital? Will my family have to travel farther for health care? How does this differ from a merger and how was this idea borne?

As Chairman of Bradford Regional's Board of Directors and on behalf of the Management Team, let me assure our community and hospital family of our commitment to maintain two full-service, acute care hospitals. Over the next year as this process takes place, it's business as usual for our staff, volunteers, Auxilians and the physicians who care for you at the Medical Center. For you and your families, we expect to continue the high level of quality care that you have come to expect, and that we're proud to deliver. As you know, we are committed to providing state-of-the-art facilities in response to your health care needs, and in January will be celebrating the second anniversary of the opening of our \$15 million Outpatient Services Center. In November, we'll host an open house to celebrate the completion of the largest renovation in history at our Emergency Department, designed for easier patient access, comfort and faster delivery of health care services. And recently, our Billing Department relocated from Boylston Street to onsite at the hospital, for your added convenience.

Some of your questions have centered around trends in other hospitals around the region and the nation.

* Between 1998 and 2005, more than 1,000 hospitals were involved in similar integrations.

* Nearly one-half of the 4,900 hospitals in the U.S. are currently in multi-hospital-system arrangements, and dozens of discussions are under way regarding new relationships.

* New York State's recent report, known as the "Berger Commission," recommended numerous organizational closures, conversions and consolidations to "rightsize" hospitals and nursing homes.

As our Board of Directors plan for the future, it's important that we recognize these trends and capitalize on opportunities like the integration plan with Olean General Hospital, to create a stronger, more vibrant healthcare system for our community. Unlike

mergers or hospital closings in urban settings which take place for the purpose of reducing excess bed capacity, our integration plan will serve to grow and strengthen each of our existing acute care hospitals in several key areas.

Many of you with questions have asked us what types of opportunities that creating an integrated healthcare system with Olean General Hospital could bring. As we undertake the next twelve months of evaluation, we will have more specific answers, but we anticipate greater overall business stability and increased financial strength. As an integrated system - rather than two smaller stand-alone hospitals - we could reap benefits through greater purchasing power and the ability to share overhead. Clinically, we hope to have the ability to attract and retain high-quality physicians, clinical talent and management as well as create possible partnerships with other hospitals and tertiary centers to bring our communities enhanced health care services.

As we begin this next twelve month due diligence process while all regulatory reviews are completed, there are some answers we've yet to discover. Some of you have asked why we chose Olean General Hospital in this integration process. We feel that we have chosen the right partner for this journey toward our future discoveries, an institution facing many of the same challenges we've recognized:

- * Geographically isolated

- * Increasing challenges to effectively compete for primary care and other specialty physicians, nurses, technologists, other clinical care providers and management

- * Ongoing challenges to generate sufficient capital to support current Information Technology, clinical technology and facility infrastructure

As we look toward this year's planning process, we ask for your continued support as we build a healthcare system to provide for our region needs today and well into the future. We encourage your questions, and will share more answers through the development of the planning process. Please contact us, or use the form on BRMC's website at www.brmc.com. We welcome your thoughts, and appreciate your continued support of our services. Thank you.