

Affiliation Approved between Shore Health Services and Riverside Health System

NASSAWADOX – Shore Health Services, Inc. (SHS) today announced that its Board of Trustees unanimously voted to approve an affiliation with Riverside Health System. The affiliation would include all of Shore Health Services including Shore Memorial Hospital, Shore Cancer Center and Shore LifeCare at Parksley.

“Riverside and Shore share similar values, business styles, and corporate cultures,” said Caramine Kellam, Chairman of the Shore Health Services Board of Trustees, “and the Shore Health Services Board of Trustees is confident that this affiliation will greatly benefit healthcare in our community.”

“After the announcement on February 9th that Shore would negotiate exclusively with Riverside, the two organizations have become much better acquainted. Both organizations have performed due diligence to ensure that the affiliation is based on solid financial and management criteria, and I am glad to say that we expect the best,” stated Joseph P. Zager, President and Chief Executive Officer of Shore Health Services.

“Learning more about one another has been well worth the time we have invested over the past five months,” noted Richard J. Pearce, CEO Riverside Health System. “The more time we spend in one another’s facilities and with team members, the more assured we are that these cultures will blend well together. Healthcare reform promises to change many things over the coming years, but nothing can change the fact that delivering care is about relationships. Those relationships, some that will be important to this community and to our patients for decades to come, have begun to take root.”

“The proposal offered by Riverside included many interesting opportunities and assurances,” added Mr. Zager. SHS was assured that physicians on the Eastern Shore will not be required to change their established practice or referral patterns. In addition, the majority of governance

decisions for SHS will continue to be made by a local, volunteer Board. “These two issues were of paramount importance in the acceptance of Riverside’s proposal by SHS’s Board,” stated Dr. Cathy Riopel, Chief of Shore Memorial’s Medical Staff and a member of the Shore Health Services Board of Trustees.

Another critical factor in today’s vote of approval were assurances made by Riverside to fund multi-million dollar facility improvements over the next several years, and to improve or expand the healthcare services offered locally. “We are impressed that Riverside finds important the same values that we do, namely the best interest of our patients, community, and physicians,” said Kellam.

Alan Witt, Riverside Health System’s Chairman of the Board concluded, “Our goal is to work together to add and expand services, to ensure quality outcomes, and to add physicians so more Eastern Shore residents can stay on the Shore to receive care.”

The signed agreement will be submitted to the Virginia Attorney General’s office for review. Notification related to any issues will be made to the respective organization Boards on or before September 1st.

The Shore Health Services Board of Trustees is comprised of local citizens and leaders who volunteer their time to serve the healthcare needs of the residents of the Eastern Shore. The Board’s primary goal is to ensure the continuation and enhancement of healthcare services consistent with the needs and values of the Shore community.

Riverside Health System is a 501c(3) tax exempt, non-profit organization. Riverside is driven by the care designed and delivered by over 420 clinical providers, including more than 330 physicians, who function as the Riverside Medical Group. The system also operates 931 acute inpatient beds in three acute care hospitals, a psychiatric hospital and Virginia’s largest physical rehabilitation hospital. More than 45% of all inpatients at Riverside are Medicare recipients. A voluntary Board of Trustees comprised of local business, professional and community leaders governs each major division or facility within the system. The chairperson of each community board in turn serves on the Health System board.

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