

PRESS RELEASE
PARADIGM PHYSICIAN PARTNERS
RE: PASCACK VALLEY HOSPITAL

January 30, 2008

Paradigm Physician Partners (P3) submitted a request to the bankruptcy judge for a bid extension on the Pascack Valley Hospital property. The extension was requested so that P3 could complete its due diligence for the operating capital needed to reopen Pascack Valley Hospital should it secure the property that now includes the hospital. Despite the recent rumors, P3 intends to only reopen Pascack Valley Hospital as an acute care hospital that serves the healthcare needs of its surrounding community.

P3 recognizes that the mismanagement of Pascack Valley Hospital--coupled with the failure of the prior leadership to retain the support of its medical staff--were the primary ingredients in the hospital's failure. P3 plans to restore the collegiality and sense of partnership with the medical staff community and invest significantly in altering the hospital's physical plant so that the community will not only be proud of the New Pascack Valley Hospital but will be the recipient of some of the highest quality healthcare available in the United States. P3 plans to accomplish this by utilizing the current vacant west wing of the hospital as a state-of-the-art outpatient center to include the existing cancer center, heart center, and a new ambulatory surgery center. The outpatient center will be operated by a subsidiary of the new Pascack Valley Hospital that will joint venture with the community's medical staff. The new tower that was built on the east side of the hospital and occupied mostly by hospital management would retain part of the first floor for its Women's Center with the rest of the facility gutted for a "build-to-suit" medical office facility that will bring the physicians closer to their hospital.

The new hospital will incorporate evidence-supported clinical and business practices. Clinical care will encompass the entire patient experience: from home to hospital and back. We have aligned with world renowned thought leaders that include the most innovative and experienced hospital operations experts in the country. These include Institute for Healthcare Improvement (IHI) and Dartmouth and logistics and operations consultants, Honour Healthcare, a Newmark Knight Frank Company, among others here. These experts will assist P3 with the design and implementation of all the clinical services and process designs--including clinical and non-clinical operating and facility changes

The hospital itself will be altered to ensure primary operations are designed to operate efficiently and to minimize the growing problem in healthcare of hospital-borne infection and avoidable medical errors in patient care. This would include a complete redesign of the emergency room and the systems that support it, logistical realignment of departments and services such as relocation of central sterile supply to a "sterile environment" on the first floor to more efficiently support the emergency room and both inpatient and outpatient surgery. The

intended redesign will insure patient and family walkways are no longer cluttered with hospital material and equipment and are inviting instead of disconcerting.

Adding to the redesign would be a new food court relocated to the front of the hospital. This will include state-of-the-art food service facilities and equipment as well as competent chefs that will prepare patient, visitor, and employee meals that are both tasty and healthy.

As for the hospital itself, P3 intends to redesign the hospital for a maximum of 150 inpatient beds while retaining the license for 280 beds. The existing hospital rooms will be completely redesigned to eliminate the “double occupancy” which the current hospital accommodated. All rooms will be converted to single patient suites and will be operated by the hospital operating team developed by P3 and its partners.

Rumors related to the conversion of the hospital to a nursing home have been fueled by the fact that P3 will retain the extended care beds that already exist in the hospital. These beds have been operated by an outside company which will be retained because they were operating a very successful and high quality facility that served the community well. We will also explore ways in which any excess capacity can be made available to the service needs of the hospital’s community.

In addition to the plans outlined above, P3 expects our development partner to construct a multi-level parking structure to enhance the parking capacity of the facility. Some of the available land will be utilized for facilities that also support the clinical mission of the hospital. These facilities could include a retail pharmacy, ancillary services such as a wellness center, laboratory, imaging center, home health and medical equipment center, etc.

With Pascack Valley Hospital we plan to showcase a clinical model of excellence that can be easily replicated. P3 does not intend to simply open Pascack Valley Hospital. We intend to open a state-of-the-art medical campus that the community will be proud of from day one. When P3 has met its goals and established a financially viable and high quality medical complex, we intend to transfer ownership to a “not-for-profit” corporation. However, this new not-for-profit entity will have the opportunity to have P3 remain involved in governance and operations to provide oversight to ensure Pascack Valley Hospital will never again be mismanaged and will always focus on its primary mission of high quality healthcare for the community at large.

We have communicated our intentions openly to all stakeholders and representatives of the various constituents including Health Professionals and Allied Employees (HPAE) and our vision of clinical excellence continues to align the interests and gain the support of all.

“As the former Mayor of Westwood I have been very involved in the Pascack Valley Hospital as an issue over the past several years voicing early concerns for

it's viability, well before it declared bankruptcy. I have invested a great deal of time, energy and personal funds for legal advice, to review and understand the various options being presented, and I have ongoing concern regarding the operational plan for clinical services to be offered by the various parties involved in this bankruptcy proceeding. “

“It’s very clear that this community wants a guarantee of an acute care hospital of the size and design necessary to care for its citizens. P3 is making a declaration that their goal for a new acute care hospital will be met and, therefore, I would like to state for the record that the hospital model described above is one that is worth supporting. They are actively putting the pieces together, and I think we need to support P3 and afford them and ourselves the necessary time to complete the operational review of this hospital and submit their bid.”

Thomas Wanner, former Mayor of Westwood

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