

STONY BROOK MEDICINE AND SOUTHAMPTON HOSPITAL TAKE MAJOR STEP TOWARD STRONGER PARTNERSHIP

Non-binding letter of intent calls for Southampton Hospital to join the Stony Brook Medicine healthcare system with the objective of advancing care and potentially building a new hospital on the Stony Brook University Southampton Campus

STONY BROOK, N.Y., October 1, 2012 – Leadership at Stony Brook University, State University of New York, and Southampton Hospital have signed a non-binding letter of intent to strengthen an affiliation in which the 125-bed facility would join the Stony Brook Medicine healthcare system as the two hospitals work more closely to improve healthcare quality and access, coordination of care and efficiency for their patients.

Under the terms of the letter of intent, Southampton Hospital would provide care under Stony Brook University Hospital's New York State operating license. As the planned collaboration moves forward, Stony Brook and Southampton leadership will comply with collective bargaining agreements with the public unions at Stony Brook University Hospital and the private sector unions at Southampton Hospital. Southampton Hospital employees would maintain their status as private sector employees along with all of their collective bargaining rights.

The letter of intent calls for continuation and strengthening of Southampton Hospital's clinical services as a high quality community hospital and the maintenance of local and accessible services for the residents of the South Fork of Long Island. A joint advisory committee consisting of members appointed by both hospitals will advise on strategic and community issues for the East End facility.

The letter of intent also calls for launching a Southampton Hospital led philanthropic campaign to raise funds to build a new state-of-the-art Southampton Hospital on Stony Brook University's Southampton campus – bringing with it the prospect of expanded educational opportunities to train the next generation of healthcare professionals, as well as a real potential for additional healthcare services, jobs and economic development for the East End of Long Island. The new hospital would replace the current 125-bed facility, located at 240 Meeting House Lane in Southampton, which opened in 1909.

According to the terms identified in the letter of intent, the next step in the collaborative process is for the two hospitals to enter the due diligence phase, during which the institutions will exchange financial, business and legal information. A final agreement would also require the approval of various New York State regulatory and legislative authorities and the Southampton Hospital Board of Trustees.

Southampton Hospital and Stony Brook University Hospital have been formally affiliated since 2008, as recommended by the Berger Commission Report issued by New York State Department of Health in 2006. By expanding evidence-based approaches to medical care and disease

prevention and through enhancing the training of community-based healthcare professionals, this agreement helps advance Stony Brook Medicine in its continuing role as a leader in improving healthcare delivery and education in the rapidly changing landscape of healthcare reform. The agreement similarly advances and strengthens Southampton Hospital's over 100 year mission of improving access to the highest quality of healthcare for the communities of the South Fork of Long Island.

Southampton Hospital is a voluntary, not-for-profit organization with a medical staff of more than 240 physicians, dentists and allied health professionals. It currently operates 16 satellite locations throughout the East End of Long Island. Southampton Hospital already trains a large and growing number of new physicians and delivers excellent care to the residents of the South Fork. The hospital is the largest employer on the South Fork with slightly over 1,000 employees and in its 2011 audit reported excess revenues over expenses of \$2.2 million.

Stony Brook University Hospital is a New York State educational corporation with more than 1,000 full-time medical school faculty and affiliated credentialed physicians and over 5500 staff employees. With 597 licensed beds, Stony Brook University Hospital is Suffolk County's largest hospital and includes the County's only Level I Trauma Center, Burn Center, Comprehensive Psychiatric Emergency Program, and Bone Marrow Transplant program, amongst other unique services, and the County's busiest Emergency Department, with nearly 100,000 visits annually.

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About Stony Brook Medicine

Stony Brook Medicine integrates and elevates all of Stony Brook University's health-related initiatives: education, research and patient care. It includes five Health Sciences schools — Dental Medicine, Health Technology and Management, Medicine, Nursing and Social Welfare — as well as Stony Brook University Hospital and 50 community-based healthcare settings throughout Suffolk County. To learn more, visit www.stonybrookmedicine.edu.

About Southampton Hospital

Since its establishment in 1909, Southampton Hospital has remained faithful to the vision of its founders in providing the very best in medical care to the Eastern Long Island communities. An affiliate of Stony Brook Medicine and a member of the East End Health Alliance, a group of three Long Island hospitals on the North and South Forks, the Hospital offers a full range of inpatient and outpatient services and is staffed by more than 240 physicians, dentists, and allied health professionals representing 48 medical specialties. The Hospital is accredited by the Joint Commission, an agency that rates the quality of care provided by some 20,000 healthcare facilities across the United States. To learn more, visit www.southamptonhospital.org.

STONY BROOK-SOUTHAMPTON PARTNERSHIP COMMENTS FROM LEADERSHIP

*What state and local leaders are saying about the planned partnership
between Stony Brook and Southampton Hospital*

SUNY Chancellor Nancy L. Zimpher

On Stony Brook's proposed affiliation with Southampton Hospital:

“A closer partnership between Stony Brook University and Southampton Hospital will enable these two institutions to collaboratively provide increased access and enhanced patient care. While SUNY campuses and hospitals across New York embrace opportunities to share resources and services, I applaud Stony Brook University and Southampton Hospital for this commitment, which is certain to benefit students and patients as well as the Long Island region and all of New York State.”

Stony Brook University President Samuel L. Stanley Jr., MD

On Stony Brook's proposed affiliation with Southampton Hospital:

“Stony Brook University and Southampton Hospital enjoy a longstanding relationship and partnership in providing healthcare services for the East End of Long Island. This proposal represents an unparalleled opportunity to build on our collaboration to provide care in ways that are even more complementary, efficient and effective.”

On the possibility of building a new Southampton Hospital on the Stony Brook campus:

“This proposal would enable Stony Brook University to expand its education programs on the Southampton campus, helping us to fulfill our mission to train the next generation of healthcare providers across Long Island. Southampton Hospital can provide a valuable teaching and research environment for Stony Brook University students, contributing highly trained healthcare professionals to meet the East End's needs as the population grows and ages.”

Kenneth Kaushansky, MD, Senior Vice President, Health Sciences, and Dean, Stony Brook University School of Medicine

On Stony Brook's proposed affiliation with Southampton Hospital:

“Patients benefit from this relationship because it helps the two hospitals match the level of care provided to the level of care needed. It also helps both facilities prepare for healthcare reform by cultivating a broader, stronger network of hospitals and healthcare providers to improve efficiency, control costs and better coordinate care across Suffolk County.”

On the possibility of building a new Southampton Hospital on the Stony Brook campus:

“This represents another terrific partnership opportunity for Southampton and Stony Brook Medicine without creating a cost burden on the State University of New York (SUNY) system. It has the potential to provide a tremendous learning environment for students in the health sciences.”

Robert S. Chaloner, President and Chief Executive Officer, Southampton Hospital

On Southampton Hospital's proposed affiliation with Stony Brook:

“The proposed relationship between Southampton Hospital and the Stony Brook Medicine healthcare system represents a fantastic opportunity to bring together the intimacy and accessibility of a high quality community hospital with the specialized clinical resources and educational programs of an academic medical center. This partnership will continue to build and strengthen healthcare accessibility and care for the communities of the South Fork. It will create tremendous potential to build new facilities, create new healthcare job opportunities and expand clinical services on the South Fork, and at the same time help Stony Brook build a strong Suffolk County-based health system and advance its regional educational and clinical mission.”

L. Reuven Pasternak, MD, Vice President for Health Systems and Chief Executive Officer, Stony Brook University Hospital

On Southampton Hospital’s proposed affiliation with Stony Brook:

“Our collaboration will allow us to work together even more closely to improve healthcare quality and access for patients at both hospitals. We will be better able to develop and share best practices for patient care and hospital operations to enhance clinical outcomes, patient satisfaction, quality, and safety and to also improve our stewardship of the community resources used for healthcare.”

Peter Larsen, Southampton Hospital Chair, Board of Directors

On Southampton Hospital’s proposed affiliation with Stony Brook:

“Healthcare for the communities we serve remains job #1 for the Board of Southampton Hospital. Teaming up with the Stony Brook Medicine healthcare system assures the delivery of quality and cutting edge care to our region. Our elected officials greatly assisted Southampton Hospital with the success of these initial steps. Our thanks go out to them and to the leadership team of the Stony Brook family. We are on the correct course as we navigate through the uncharted waters of national healthcare.”

New York State Senator Kenneth P. Lavallo, R-Port Jefferson

On Stony Brook’s proposed affiliation with Southampton Hospital:

“My vision for healthcare in our region has always centered on creating a synergy between Stony Brook Medicine and our community hospitals that will improve access to quality, affordable healthcare, especially here on the East End. Today we’re taking another step toward greater collaboration and cooperation. Throughout this challenging process I have never lost sight of the goal to provide the best possible healthcare for the people we serve.”

On the possibility of building a new Southampton Hospital on the Stony Brook campus:

“As Chairman of the New York State Senate Higher Education Committee I remain committed to reinvigorating the Stony Brook Southampton Campus. Building a state-of-the-art hospital on the campus will improve healthcare delivery in the region, provide educational programs and training and stimulate the area’s economy and create jobs.”

New York State Assemblyman Fred W. Thiele Jr., I-Southampton

On Stony Brook’s proposed affiliation with Southampton Hospital:

“Most importantly, the proposed affiliation between Stony Brook and Southampton represents an opportunity to provide expanded services and the best possible healthcare for the residents of the South Fork and eastern Long Island, an area that has historically been described as medically

underserved. Further, at a time when healthcare is in a period of transition, this partnership also provides the opportunity to improve the bottom line for our community hospital.”

On the possibility of building a new Southampton Hospital on the Stony Brook campus:

“Construction of a new state-of-the-art healthcare facility on the Southampton campus would be another building block in the revitalization of the campus. Together with a growing Arts program, the new \$10 million Marine Sciences facility, and the establishment of the Peconic Institute, a new hospital would be a major step towards having the Southampton campus reach its educational potential.”

New York State Congressman Tim Bishop, D-Southampton

On Stony Brook’s proposed affiliation with Southampton Hospital:

“This innovative new partnership between Stony Brook Medicine and Southampton Hospital will strengthen the existing collaboration between two of Long Island’s leading healthcare institutions and result in even more efficient and higher quality care for patients on the South Fork. As a longtime administrator on the Southampton Campus, I am also very excited about plans to build a new teaching hospital on the campus that will enhance the academic mission of Stony Brook-Southampton and launch Southampton Hospital’s second century of healthcare excellence.”