

## ThedaCare, Inc.

### Hospital System Overview

ThedaCare is a four hospital integrated, primary care health system headquartered in Appleton, Wisconsin, consisting of two urban community hospitals, two critical access hospitals, behavioral health, home care, senior living, a community-based residential facility and other ancillary health care services. ThedaCare's roots began in 1987 with the merger of Appleton Medical Center and Theda Clark Medical Center, which joined together to form Novus Health Group. In 1994, Novus partnered with United Health of Wisconsin Insurance Company, which was owned by independent physicians practicing at both Hospitals, and became United Health Group. In August 1999, United Health Group changed its name to ThedaCare. ThedaCare has grown from its modest beginning as a merger of two community hospitals with 2,000 employees and \$150 million in revenue to an integrated system today with 5,300 employees and \$479 million in revenue. ThedaCare is the largest employer in east central Wisconsin, the state's second largest economic market, and the third largest health care employer in all of Wisconsin.

ThedaCare's physicians have twice been rated No. 1 in HEDIS (Healthcare Effectiveness Data and Information Set) effectiveness of care measures; the organization ranks at or above the 95th percentile in more than 20 measures of clinical quality. In addition, ThedaCare has been named one of the "Most Wired" hospitals by *Modern Healthcare*. The System had net assets of \$375 million as of December 2006.

#### THEDACARE OVERVIEW

Hospitals	4
Number Beds (Licensed/Staffed)	487/367
Employees (approx)	5,300
Physicians	+400
Admissions	17,375
Surgical Procedures	46,285
ER Visits	55,596
Net Assets (2006)	\$375 million
Gross Patient Revenue (2006)	\$749 million
Net Patient Revenue (2006)	\$465 million

Source: Bloomberg, ThedaCare  
 Audited Financial Statements 12/31/06  
 And Interim Report

Recently, ThedaCare teamed up with Shopko to open Fox Valley's first FastCare clinic inside the Appleton Shopko store on Northland Avenue in Appleton. ThedaCare FastCare which opened in November 2007, operates as a service of ThedaCare Physicians and provides convenient and affordable health care services for many basic health concerns such as colds, sore throats, fevers, ear and sinus infections.

ThedaCare Physicians have 19 primary care locations throughout the service area with approximately 129 employed physicians who practice at those locations. The sites typically provide primary care with basic laboratory and x-ray services.

Besides the hospitals and the physician clinics, the System also includes the following:

- *The Heritage*, a 137-unit retirement center and 18-unit assisted living center.
- *Peabody Manor*, a 58-bed skilled nursing facility.
- *ThedaCare Behavioral Health Services* provide outpatient substance abuse and mental health services.

- ThedaCare at Home provides home health services, durable medical equipment, nursing and related home health services, including infusion therapy and respiratory care services.
- Ingenuity First provides comprehensive occupational medical, counseling and training services.

## Market Overview

ThedaCare draws approximately 92% of its patients from an eight-county service area in east central Wisconsin, comprised of Outagamie, Waupaca, Calumet, Winnebago, Green Lake, Shawano, Menominee and Waushara counties. There are two other health systems that operate in this area: Affinity Health System and Aurora Health Care. Affinity is a joint venture between Wheaton Franciscan Services, Inc. which owns St. Elizabeth Hospital in Appleton (197 staffed beds) and Ministry Health-Care, Inc. which owns Mercy Medical Center in Oshkosh (172 staffed beds). The joint venture manages the two hospitals. Aurora is a 13-hospital health system headquartered in Milwaukee, Wisconsin. In 2003 the system opened Aurora Medical Center, an 78-bed hospital in Oshkosh, to complement its existing ambulatory care facility there.

Consistently for the past eight years ThedaCare has been the leader in the eight-county service area. In 2006, according to ThedaCare, it had a 35.8% share of the market, with Affinity following at 25.7% and Aurora at 8.9%. There are other small community hospitals in the service area but ThedaCare does not consider them to be competitors.

Hospital	City	Affiliation	Beds
1 Appleton Medical Center	Appleton	ThedaCare	152
2 Theda Clark Medical Center	Neenah	ThedaCare	161
3 New London Medical Center	New London	ThedaCare	29
4 Riverside Medical Center	Waupaca	ThedaCare	25
5 St. Elizabeth Hospital	Appleton	Affinity	197
6 Mercy Medical Center	Oshkosh	Affinity	172
7 Aurora Medical Center	Oshkosh	Aurora	78
8 Berlin Memorial Hospital	Berlin	Independent	102
9 Wild Rose Hospital	Wild Rose	Independent	25
10 Shawano Medical Center	Shawano	Independent	25
11 Calumet Medical Center	Chilton	Independent	15
12 Children's Hospital of WI	Neenah	Independent	42

Short Term  
 Critical Access  
 Children's Hospital  
 ThedaCare  
 Other Systems

