

PRESS RELEASE

Office of Councilmember David A. Catania

1350 Pennsylvania Avenue, NW, Suite 110, Washington, D.C. 20004

For Immediate Release: September 17, 2007

Contact: Ben Young
(202) 724-7772
byoung@dccouncil.us
<http://www.davidcatania.com>

CATANIA PRAISES AGREEMENT WITH SPECIALTY HOSPITALS OF AMERICA

SAYS THAT AGREEMENT WILL LEAD TO A NEW DAY IN THE HISTORY OF GREATER SOUTHEAST COMMUNITY HOSPITAL

Washington, D.C. – Earlier today, Councilmember David Catania (At-Large) praised the agreement between the District and Specialty Hospitals of America (“Specialty”), which he said would lay the foundation for an “historic investment” in the healthcare of Wards 7 and 8. The terms of the agreement were negotiated by the Mayor and were made public at an early morning announcement at Greater Southeast Community Hospital.

“The Mayor has done a remarkable job putting this agreement together,” said Catania. “We could easily be discussing how we are going to cope with the closure of this hospital. Instead, I believe that with a new owner and the proper investment, we will witness the complete revitalization of this once great institution.”

The agreement consists of District grants and loans of up to \$79 million. This includes a \$20 million loan in working capital, which will be paid back over 10 years and secured by a lien on the hospital building. The agreement calls for a \$30 million investment in equipment that includes performance measures and penalties for the failure to meet these goals. It also provides that the District receive 50 percent of the proceeds from any future sale of the hospital by Specialty. Finally, the agreement funds \$29 million in acquisition costs, the majority of which would be paid to local healthcare vendors, including doctors and nurses, who have not been paid for their services by the current owner.

“We have a long history in this government of giving away money with no expectation of getting a return for it,” said Catania. “With this agreement, we are doing the right thing by investing in the healthcare of our citizens. However, we are also securing our investment and holding the new owner accountable for any city assistance it receives.”

Catania said that he hopes that the Council will undertake consideration of the agreement at the legislative meeting scheduled for October 2, 2007.

###