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NEWS RELEASE

Memorial Family of Services Will Affiliate With Virginia Mason

YAKIMA – (**Nov. 11, 2015**) – Memorial Family of Services, which includes Yakima Valley Memorial Hospital, is a step closer to joining Virginia Mason Health System after leaders of both organizations today signed the legal document paving the way for the affiliation to take effect in early 2016.

Virginia Mason Chairman and CEO Gary S. Kaplan, MD, and Memorial CEO Russ Myers signed the definitive agreement at Memorial hospital in Yakima this morning. Jim Berg, chairman of the Memorial Board of Trustees, and James Young, chairman of the Virginia Mason Board of Directors, also signed the document.

"This affiliation will advance Memorial's commitment to meeting the needs of our community," Myers said. "We are joining a nationally acclaimed organization that shares our view that all individuals should have access to high quality, safe and affordable health care."

"I am very pleased that Memorial Family of Services and Virginia Mason are coming together to better serve patients on both sides of the Cascades," said Dr. Kaplan. "We are partnering with a community-focused organization that embraces our vision for the future of health care and our determination to deliver high quality care at the lowest possible cost."

The affiliation is a non-cash transaction in which Memorial will become part of Virginia Mason Health System. The affiliation is expected to take effect in early 2016 following Federal Trade Commission regulatory clearance.

"Perhaps the most important aspect of the affiliation is the cultural fit between our non-profit organizations, which is essential for successful collaboration," Myers said. "This is an exciting day for Memorial and it's a historic day for our community."

Today's signing of the definitive agreement capped months of evaluation and study by the organizations' boards and leadership teams.

"Memorial's affiliation with Virginia Mason allows two innovative, patient-centered organizations to work as one in establishing a comprehensive network of care," Dr. Kaplan said.

The affiliation will also expand Virginia Mason's presence in Central Washington, where it already has partnerships with Kittitas Valley Healthcare in Ellensburg and Confluence Health in Wenatchee for providing or supporting specific services.

Founded in 1920, Virginia Mason Health System includes a 336-bed acute-care hospital that is consistently ranked among the best and safest hospitals in the United States; eight regional medical centers in the Puget Sound area; Bailey-Boushay House, the first skilled-nursing and outpatient chronic care management program in the U.S. designed and built specifically to meet the needs of people with HIV/AIDS; and Benaroya Research Institute, which is internationally recognized for its breakthrough autoimmune disease research. Using the Virginia Mason Production System management methodology, Virginia Mason is an international leader in applying lean manufacturing principles to health care delivery to eliminate waste, lower cost, and improve quality and patient safety. Virginia Mason has about 6,000 employees. Learn more at <u>Virginia Mason online</u>.

Yakima Valley Memorial Hospital, established in 1950, is a 226-bed, acute-care, not-for-profit, community hospital serving the Yakima Valley in Central Washington. Memorial Family of Services includes primary care practices and specialty care services, including high quality cardiac care, a continuum of cancer care, hospice care, and advanced services for children with special health care needs. Memorial has about 2,600 employees. Learn more at <u>Memorial Family of Services online</u>.

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