



# Citizens for Healthy Community Hospitals

## Proposed Purchase of Audrain Hospital

Earlier this year, SSM Health announced that it was offering for sale three hospitals in the State of Missouri. Those hospitals are located in Audrain County, Jefferson City, MO and Maryville, MO, all of which are located outside of the metro St. Louis area that forms the core of the current SSM network of health care facilities.

MU Health Care indicated its interest in the two properties located in central Missouri and entered into exclusive negotiations with SSM Health to establish terms regarding the purchase of the Audrain and Jefferson City properties. The third property in Maryville is being considered by a different buyer.

Although exact details of those negotiations are proprietary and are not completely public at this point, it is known that MU Healthcare signed a letter of intent in August to purchase the hospital located in Mexico, MO (currently known as SSM Health St. Mary's – Audrain) as well as the clinics associated with that hospital located in communities including Wellsville, Montgomery City, Paris, Farber, Vandalia, Fulton, Perry and Mexico, MO.



To complete the sale, both parties will need to perform typical due diligence regarding the sale, transfer and operation of the facilities and obtain any regulatory approvals that may be required to complete such a sale.

One such approval could be action by the Missouri legislature that would provide MU Health Care the regulatory certainty they would need to proceed. Although the facility in Mexico would not need such an approval itself, the operations in Jefferson City, where multiple hospitals exist, could require legislative action.

**Because MU Health Care has proposed purchasing BOTH operations, any delay in receiving such legislative approval could delay or negatively affect the ultimate sale of the Audrain Hospital to MU Health Care.**

The exact timeframe for the completion of such a sale and purchase is unknown at this point, and details of any such transition will be established during contract negotiations. Employees of the existing hospital have been notified of the current negotiations.

## Why Is This Sale Being Considered Now?

In the era of modern medicine and healthcare policy, many community hospital operations have been the subject of consolidation, merger or sale to healthcare operations that have greater financial strength and access to more robust technologies, facilities and management expertise than may be available in smaller markets.

That's the case with the Audrain hospital, St. Mary's hospital in Jefferson City, and even Boone County Hospital in Columbia. Other smaller hospitals in the state have been faced with similar circumstances, and in some cases, have had to close their doors.



Finding a compatible health care system that can provide long-term financial strength and that can continue to invest in our local hospital is a logical, forward looking move that will provide better healthcare access, delivery and outcomes to all of the people currently served from the Mexico location and its satellite clinics.

At this point in time, St. Mary's has decided to focus its resources on facilities that are closer to their metro St. Louis headquarters. MU Health Care has made a similar decision to expand its base from the Columbia campus to community hospitals in surrounding counties. It's a win-win for Audrain County residents and MU Health Care.

It's certainly a change. But it's a change that can help insure quality healthcare close to home for years to come.