



Provider Profile

Saint Vincent Health System

Erie, Pennsylvania

The region's #1 tertiary care provider, Saint Vincent Health System delivers leading-edge healthcare to more than 1 million residents across 15 counties in northwestern Pennsylvania and southwestern New York. Founded in 1875, the system today is comprised of 16 separate healthcare organizations, including two hospitals and one large outpatient facility. Saint Vincent is ranked #1 in Pennsylvania and in the top 5% nationwide for its cardiovascular services for 2002-2003.

Saint Vincent Health System Finances with GE's Unique TEC[®] Tax-Exempt Financing Product

When Saint Vincent Health System needed guidance on how to do private-placement tax-exempt financing, GE Healthcare Financial Services was just the answer.

"At a time when we really needed a partner, GE Healthcare Financial Services stepped up to the plate and helped us out," says Doug Myers, senior vice president and chief financial officer of Saint Vincent Health System. "And I've had two fantastic experiences with them."

Although Saint Vincent had worked with GE Healthcare Financial Services before to fund smaller equipment deals, an \$8-1/2 million equipment purchase was the first transaction Myers financed with the lender. Half of that amount was for the purchase of new equipment to upgrade cath labs and other cardiovascular imaging and image archiving technology – essential for Saint Vincent to maintain its position as Pennsylvania's #1 provider of cardiovascular services. The balance of the funding was for a variety of diagnostic imaging equipment.

To finance the transaction, the GE team introduced Myers to its TEC[®] tax-exempt financing – an exclusive GE product designed to help not-for-profit institutions avoid the time, costs, headaches and hassles of conventional tax-exempt financing.

The Financing Flexibility of TEC[®]

"TEC[®] was a product I was not aware of," Myers says. "I had done tax-exempt deals for other healthcare systems before, and I didn't know this type of financing was even available."

"As the GE people walked me through it, I kept thinking, 'This is too good to be true,'" he notes.

Myers found many features of TEC[®] to be attractive. "Beyond the benefits of the tax-exempt financing itself, the interest rates were low," he notes. "In addition, a TEC[®] agreement is extended over time, very similar to an operating lease."

"In fact, TEC[®] meets all the criteria for an operating lease, so it does not attach to your balance sheet, which helps keep your liquidity ratios in order," Myers adds.

"It's a unique blend, low-cost and flexible," he says. "It was everything we were looking for."

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*Doug Myers
Senior Vice President &
Chief Financial Officer
Saint Vincent Health System*



The Extra Mile

GE Healthcare Financial Services added further value to the deal by facilitating contact between Myers and The Erie County Economic Development Authority, the body that needed to confirm Saint Vincent's

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tax-exempt status and approve the deal. The GE team had worked with the Authority on TECn deals before, so, with their help, the closing was put on a fast track and the transaction was able to fund within 30 days of credit approval.

A few months later, Saint Vincent needed to fund the acquisition of a stereotactic radiological surgical system – more commonly known as a Gamma Knife. Myers again tapped GE

Healthcare Financial Services to finance the \$3 million purchase. “We put the deal out to bid, and it was really a slam-dunk,” Myers says. “TECn tax-exempt financing gave GE such a competitive edge, there really wasn't a choice.” Once again, GE worked with The Erie County Economic Development Authority to expedite the transaction.

“Can-Do” Creativity

“What has really impressed me about GE Healthcare Financial Services has been their creativity and their ‘can-do’ attitude,” Myers says. “They say, ‘Let’s look at this, let’s try this, let’s see how we can do it.’ It’s a ‘never-say-no’ approach. They just keep working to come up with creative solutions and determine what’s best for us.”

“I like working with the people at GE because they make things very easy,” Myers concludes. “They know how to get the deal done.”



*Doug Myers
Senior Vice President &
Chief Financial Officer
Saint Vincent Health System*

For more information on how we can help you successfully meet your business objectives, contact us at 1-800-598-6201 or visit us at www.GEHealthcare.com.



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