

GE
Healthcare Financial Services

Case Study

“GE is helping us use our existing assets to support our growth strategies.”

Steven Bonner
Chief Executive Officer
Cancer Treatment Centers of America



GE helps Cancer Treatment Centers of America refinance new hospital in Tulsa

After building a new hospital in Tulsa using an existing corporate credit line and term loans, Cancer Treatment Centers of America decided to transfer the debt to the facility itself. CTCA considered financing options ranging from insurance companies and commercial banks to pension funds and real estate investment trusts, and selected GE Healthcare Financial Services to refinance its Oklahoma hospital.

"GE took the time to understand our unique model of care and operating system," says Steven Bonner, chief executive officer of CTCA. "GE had very creative people at the table, people who were very motivated to understand CTCA."



Customer Profile

Cancer Treatment Centers of America

Founded in 1988, Cancer Treatment Centers of America (CTCA) provides a comprehensive, patient-centered treatment model that fully integrates traditional, state-of-the-art medical treatments with scientifically-supported complementary and alternative therapies such as nutrition, naturopathy, psychological counseling, physical therapy and spiritual support to meet the special, whole-person needs of advanced-stage cancer patients. With a network of cancer treatment hospitals and community oncology programs in Illinois, Oklahoma, Pennsylvania and Washington, CTCA encourages patients and their families to participate in treatment decisions with its Patient Empowerment MedicineSM model.

Lender Summary

GE has been a long-time supplier of equipment financing to CTCA. It also recently provided:

- \$64 million, seven-year loan to refinance its Tulsa hospital and buy land adjacent to the new facility.
- \$9.8MM in financing for three corporate aircraft. In one such transaction, the \$7.5MM in financing was underwritten, funded and closed in 14 days.
- \$5.4MM in financing for new medical, diagnostic imaging and information technology equipment.

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As a result, GE was willing and able to lend CTCA 100 percent of the value of the hospital, unlike other lenders. GE provided a \$64 million, seven-year loan to CTCA, including \$4 million to buy land adjacent to the new medical center. "Why have 20 percent tied up when we can use it to build new medical centers?" says Bonner.

Both GE and CTCA also wanted to establish a long-term relationship rather than simply complete a transaction. "We were not looking for syndication. We wanted a durable relationship, and GE is big enough that it could retain all of the debt," says Bonner. "We structured the relationship so that it would endure over time."

In the process, "we've created a platform to work on additional financing," explains Bonner. Instead of continuing to use corporate financing for each facility, CTCA is interested in matching each of its hospitals to its own debt, thus freeing up corporate resources. And as it did in Tulsa with GE's help, the hospital chain also wants to match its other long-term assets – its hospitals in suburban Chicago and Philadelphia – with long-term debt.

"GE is helping us use our existing assets to support our growth strategies," notes Bonner.

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



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