



Provider Profile

Hillcrest HealthCare System
Tulsa, Oklahoma

One of the largest not-for-profit healthcare providers in Oklahoma, Hillcrest HealthCare System offers the state's widest range of healthcare services. It serves eastern Oklahoma and communities throughout western Arkansas, southeast Kansas and southwest Missouri.

With over 1,800 affiliated physicians and a total bed complement of nearly 2,000, HHS operates 16 acute-care hospitals, 48 primary-care sites, specialized outpatient services, extended-care facilities, a mobile diagnostic van, home health services and community health education programs.

Solid Relationship with GE Healthcare Financial Services Helps Hillcrest HealthCare System Maintain Success

After three successful deals and \$65 million in total financing, Oklahoma's Hillcrest HealthCare System (HHS) is sold on the service and financing solutions offered by GE Healthcare Financial Services.

The relationship began in 1997, when GE provided HHS with \$20 million in tax-exempt financing for the purchase of a helicopter, information technology software, diagnostic imaging systems and other equipment.

The money was provided under GE's exclusive TEC[®] tax-exempt financing arrangement, explains Harry Botts, the GE Healthcare Financial Services sales representative who has worked with HHS. "With TEC[®], we're able to provide not-for-profit organizations like HHS with fast, simple, affordable access to the tax-exempt dollars they need for capital acquisitions – without the delays, headaches and expense of conventional tax-exempt financing," Botts says.

"This unique structure was especially attractive to HHS because it did not add more debt to their balance sheet," Botts adds. "They were considering going to the bond market as well, so they needed to structure this deal in a way that didn't adversely affect their debt ratios."

Consistency and Expertise Bring Satisfaction

"We had a wonderful experience with GE Healthcare Financial Services during our 1997 deal," notes Don Lorack, President and CEO of Hillcrest HealthCare System. "And our relationship with Harry Botts remained strong and consistent. We weren't seeing a different person every other month."

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When HHS required some accounts receivable financing three years later, it naturally turned to GE. “GE’s reputation and critical mass also

factored heavily into our decision,” Lorack says. “And while we certainly looked at other lenders, with respect to the accounts receivable securitization, GE had the better plan.”

“Add to that the partnership we already had with them, and it was a fairly easy choice,” Lorack adds.

Unique Tax-Exempt Product a Key

Most recently, HHS approached GE Healthcare Financial Services for \$10 million to finance a new women’s center and a myriad of capital healthcare equipment. Like the first deal, this latest agreement was structured as a TECⁿ tax-exempt arrangement, which has been a big differentiator. “TECⁿ is what started our business relationship with HHS in the first place, and so far it has provided them with \$30 million in equipment financing,” Botts points out. “It’s played a key role.”

A high level of expertise in healthcare finance has been another big factor in the success of the HHS relationship. “Because of our knowledge of the healthcare industry, we understand the challenges in the healthcare market and are able to assist clients when others may not be able to,” Botts says.

Efficient Execution Streamlines Deals

The speed, simplicity and efficiency with which GE Healthcare Financial Services executes deals has impressed Lorack. “With GE Healthcare Financial Services, we didn’t run into the usual and customary speed bumps that we often see in these types of deals. They seem to have the ability to easily get through the typical problems.”

Lorack looks forward to doing business with GE Healthcare Financial Services for future financing needs. “As a not-for-profit delivery system, our access to capital will be even more critical tomorrow than it is today,” he notes. “We will look to GE first for financing.”

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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