

GE
Healthcare Financial Services

Case Study

“GE is a valuable partner to us.”

Rob Schmitt
Chief Financial Officer
Gibson Area Hospital and Health Services



Critical-Access Hospital in Gibson City stays competitive with GE financing

With financing from GE Healthcare Financial Services, rural Gibson Area Hospital and Health Services in Illinois is leveraging cutting-edge technology to treat local patients instead of handing them off to larger hospitals in nearby cities such as Bloomington and Champaign.

The Critical-Access Hospital in Gibson City obtained one of the first 16-slice CT scanners in central Illinois using a five-year operating lease from GE. The new machine allowed Gibson Area Hospital to provide additional interventional radiology, vascular and carotid artery imaging. "We wanted to stay up to date with technology in our market," explains Rob Schmitt, Gibson Area Hospital's chief financial officer.

"GE's responsiveness and ability to turn around deals is excellent."

Critical-Access Hospitals

Despite being a small facility, Gibson Area Hospital is playing big by utilizing their designation as a Critical-Access Hospital (CAH) and maximizing its relationship with GE Healthcare Financial Services. To ensure appropriate health services in rural America, in 1997 Congress created the category of CAHs. To be designated a CAH, hospitals must be licensed acute-care hospitals with a maximum of 25 beds and be located in a rural-designated county. They also must be certified by the state as a necessary provider of health services and provide 24-hour emergency services.

Gibson Area Hospital and other CAHs receive cost-based reimbursement rather than prospective payment reimbursement from Medicare. About half of rural hospital admissions and one-third of rural hospital revenues come from Medicare patients. CAHs also are reimbursed cost for capital improvements, including equipment, based on their percentage of Medicare patients.

Capitalizing on CAH designation

GE Healthcare Financial Services began its relationship with Gibson Area Hospital after it won the request for proposal for the CT scanner. It since has financed ultrasounds and other equipment. "I find most leasing people do not understand the differences between Critical-Access Hospitals and other hospitals," says Schmitt.

For the scanner, Gibson Area Hospital wanted to structure its financing as an operating lease. An operating lease allows the hospital to allocate equipment costs directly to the department where services are provided. In addition, "We didn't want our debt ratio to get out of line, and that would have happened with a capital lease," Schmitt adds. "GE gave us a great deal."

"GE's responsiveness and ability to turn around deals is excellent," says Schmitt. "GE is a valuable partner to us."

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



Gibson Area Hospital
& Health Services

Care you trust, people you know.

Client profile

Gibson Area Hospital and Health Services is a Critical-Access Hospital located in central Illinois. It operates an acute-care hospital and four rural medical clinics.

Lender summary

GE provided:

- \$1 million in equipment financing in the past two years



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