



### Provider Profile

Kadlec Medical Center  
Richland, Washington

A 153-bed, not-for-profit, acute-care facility, Kadlec Medical Center has served southeastern Washington and northeastern Oregon since 1944. With over 200 physicians representing more than 40 specialties, Kadlec provides a comprehensive array of primary-, secondary- and tertiary-care services, including complete medical, surgical, pediatric, critical care and neonatal intensive care capabilities. The hospital is a leader in the development of a community-focused, quality-driven regional health system.

# Kadlec Medical Center Streamlines Tax-Exempt Financing with GE Healthcare Financial Services

With its diagnostic imaging volumes growing at a steady pace, Kadlec Medical Center was reaching capacity in many imaging modalities.

“Our physicians were unhappy with our appointment backlog,” explains Julie Meek, Kadlec’s Chief Financial Officer. “We weren’t getting people in on a timely basis, so we essentially had waiting lines of patients trying to get procedures done.”

“We had been looking at our operations to determine whether or not we should expand our service,” Meek says. “We finally decided that opening an outpatient imaging center was the way to go.”

That meant Kadlec needed to duplicate most of its imaging equipment. “We didn’t want to move any equipment out of the hospital, because we needed it for inpatient imaging,” Meek says. “Duplicating everything meant a huge investment in imaging equipment.”

### Structuring a Solution

In fact, the tab for the new outpatient center’s state-of-the-art digital imaging equipment totaled approximately \$9.9 million. “We did not want to use our cash to purchase the equipment,” Meek says. “We didn’t want to add that kind of debt to our balance sheet, either, because we had just done a bond issue, and we felt we were getting close to debt capacity.”

As a not-for-profit hospital, Kadlec qualified for GE Healthcare Financial Services’

TEC<sup>®</sup> – Tax-Exempt Capital to the nth Power – financing. The financing arrangement was structured as a tax-exempt operating lease, which meant that Kadlec did not have to treat it as a long-term liability on its balance sheet. “We also shopped around for financing rates and GE Healthcare Financial Services was very competitive,” Meek says.

*“I’ve been very comfortable with the integrity and truthfulness of the GE Healthcare Financial Services people I’ve worked with. I’ve always thought their customer service was very good.”*

*Julie Meek  
Chief Financial Officer  
Kadlec Medical Center*



**GE Healthcare Financial Services**

Designed to provide financial predictability and security, a TEC<sup>n</sup> agreement gives not-for-profit hospitals fast, simple, affordable access to tax-exempt dollars for major capital acquisitions. It allows them to invest in the capital equipment they need while avoiding the time, costs, headaches and hassles of conventional tax-exempt financing. Under a TEC<sup>n</sup> agreement, tax-exempt funds are placed into an escrow account, which the hospital can draw on as needed.

### **Solving a Unique Need**

Kadlec's plan was to use a digital PACS system in the new imaging center to archive and distribute all images and reports electronically. The hospital's radiologists asked to have some of the PACS equipment installed in the hospital earlier than originally scheduled, so they could become familiar with it.

*“The people at GE Healthcare Financial Services are responsive. They'll just bend over backwards for you.”*

GE Healthcare Financial Services restructured the deal so that Kadlec could get the PACS equipment ahead of schedule. “This

meant specifying different terms, lease rates and schedules for different pieces of equipment,” Meek says. “GE Healthcare Financial Services was willing to do that and was very patient with all that was going on.”

### **Building on Integrity**

“I've been very comfortable with the integrity and truthfulness of the GE Healthcare Financial Services people I've worked with,” Meek says.

“I've always thought their customer service was very good.”

*“Once you work with people like that, you feel comfortable with them and you will do business with them again.”*

*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](http://www.GEHealthcare.com).*



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