



Cornerstone Healthcare Group Launches Joint Venture with Lake Charles Memorial Health System for Long-term Acute Care Hospital Operations

DALLAS – March 4, 2019 – Cornerstone Healthcare Group (“Cornerstone”), a diversified healthcare company with operations in the specialty hospital, senior living, and behavioral health fields, announced today the launch of a joint venture with Lake Charles Memorial Health System (“Lake Charles Memorial”) to operate a long-term acute care hospital (LTACH) facility. As a result of the agreement, which was finalized in December, the Cornerstone specialty hospital location in Sulphur, Louisiana relocated to Memorial Specialty Hospital’s location within CHRISTUS St. Patrick Hospital in Lake Charles. Memorial Specialty Hospital, the LTACH unit of the Lake Charles Memorial system, has been renamed Cornerstone Hospital Southwest Louisiana. Cornerstone serves as the majority stakeholder in the new venture.

“Bringing Cornerstone’s expertise in the LTACH space together with the trusted community healthcare system Lake Charles Memorial represents an opportunity for two local industry leaders to collaborate and expand healthcare options in our community,” said Cornerstone Healthcare Group President and CEO Steve Jakubcanin. “We are grateful for the opportunity to come together in the comprehensive specialty care space and look forward to a bright future for the benefit of our patients.”

“Cornerstone has a great track record with providing long-term care to patients across the country and a long history of care in Southwest Louisiana, “ says Larry Graham, President/CEO of Lake Charles Memorial Health System. “It made sense to partner with such an experienced healthcare group to better serve the patients of Memorial. This joint venture will allow timely and more efficient care to the patients who need it the most.”

The new Cornerstone Hospital Southwest Louisiana, which is accredited by The Joint Commission (TJC), is one of 18 specialty hospitals that Cornerstone operates nationwide. Cornerstone’s specialty hospitals provide high-quality care for patients in need of longer medical stays due to multiple and/or complex medical conditions.

Cornerstone’s LTACH level of care benefits include:

- daily rounds conducted by board-certified critical care physicians;
- full-time physician coverage;
- full-service gym facilities with certified physical, occupational, and speech therapists;
- 24-hour laboratory capabilities; and
- additional services including intubation, central line placement, dialysis, telemetry, wound care, surgical procedures, family training for chronic illness management, interventional medicine, onsite radiology, and dietary treatment, among other offerings.

Cornerstone is pursuing opportunities nationwide to partner with health systems that can benefit from Cornerstone’s expertise in specialty hospitals, senior living, and behavior health.

About Cornerstone Healthcare Group

Cornerstone Healthcare Group Holding, Inc. is a diversified healthcare company based in Dallas, Texas, owned by funds managed by Highland Capital Management, L.P. Cornerstone's mission is to provide the highest quality, patient-focused healthcare and customer service to every patient, family member, and physician it serves. Cornerstone is comprised of three complementary business segments: Long Term Acute Care, Behavioral Health and Senior Living. As a leading provider of complex acute and post-acute care services, Cornerstone's Long Term Acute Care division operates eighteen long term acute care hospitals in Texas, Oklahoma, Louisiana, Arkansas, Arizona, and West Virginia. Cornerstone Behavioral Health offers a continuum of services focused on older adults and is quickly establishing psychiatric facilities in select regions. The Behavioral Health division currently operates one facility in Arizona, with two additional hospitals planned in Texas. Cornerstone Senior Living is the owner and operator of seven communities in Texas, Arkansas and Tennessee, with plans to continue to grow its footprint within targeted markets. For more information, visit www.chghospitals.com.

About Lake Charles Memorial Health System

Lake Charles Memorial Health System is the region's largest not-for-profit, community healthcare system, serving the healthcare needs of Southwest Louisiana. Memorial Health System is locally-owned and operated by a Board of Trustees from the community it serves. The hospital is a shareholder of Voluntary Hospitals of America (VHA), and is fully licensed by the Joint Commission on Accreditation of Healthcare Organizations. CEO Larry Graham joined Lake Charles Memorial Hospital in 2006, bringing more than 30 years of experience in healthcare administration. The only full-service healthcare system in Lake Charles, Memorial was established in 1952. As the healthcare market leader in the Lake Charles region, Memorial's success can be attributed to a dedicated team of over 2,500 employees and 300 staff physicians representing more than 60 specialties and subspecialties, as well as the largest emergency services department in Southwest Louisiana. Memorial is also the area's only teaching facility for physicians through the Memorial/LSUHSC Family Medicine Residency Program, and serves as a clinical training site for nursing, medical technology and radiologic technology students through various universities. Visit www.lcmh.com for more information.

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