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Fifth Annual Conference On

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Healthcare Transactions

*Successful Strategies for Mergers,
Acquisitions, Divestitures, and Restructurings*

- ❖ Market Overview
 - ❖ Anticipating the New Medicare Act
 - ❖ The State of Healthcare Structured Finance
 - ❖ Corporate Governance Issues
- ❖ Charitable Trust Restrictions on Transactions: Banner Health
 - ❖ Specialty Hospital Transactions
 - ❖ Successfully Structuring a Joint Venture
 - ❖ Creative Procurement Strategies

And a Comprehensive Workshop:

Key Issues in Healthcare M & A Transactions

The Millennium Knickerbocker Hotel
Chicago
March 18-19, 2004

Don't miss the Cocktail Reception Sponsored by:



Thursday, March 18, 2004

Co-Chairs:

Thomas J. Allison

Chief Operating Officer - Corporate Advisory Services
HURON CONSULTING GROUP LLC

John Wm. Butler, Jr.

*Partner and Co-Practice Leader, Corporate
Restructuring Department*
SKADDEN ARPS SLATE MEAGHER & FLOM (Illinois)

Harold L. Kaplan

Partner
GARDNER CARTON & DOUGLAS LLP

Conference Coordinator:

Lawrence A. Manson

OFFICE OF LAWRENCE A. MANSON

7:30

Registration and Continental Breakfast

(Registration for the conference will continue for those not attending the Due Diligence Workshop.)

8:00

**Due Diligence Workshop:
Getting What You Bargained for -
Key Issues in Healthcare Transactions**



This intensive session will bring you up-to-date on the vital Due Diligence issues faced in any healthcare transaction.

- For public companies:
 - Ensuring that appropriate securities disclosures have been made by the target
 - Ensuring compliance with the tenets of Sarbanes-Oxley and SEC rules as benchmarks in the due diligence process
- For non-reporting companies and non-profits: Applying the tenets of Sarbanes-Oxley, SEC and Securities Exchange rules as benchmarks in the due diligence process
- Review of accounting and financial disclosures for appropriate treatment and review of audit committee records, management letters and internal control reports
- Compliance with evolving state laws covering licensing, fee-splitting, self-referral, fraud and abuse, Departments of Insurance, Medical Boards, and Pharmacy Boards
- Compliance with federal laws, including fraud and abuse, Stark, FDA, etc.
- Considerations of Medicare successor liability rules
- Specific issues for hospitals, ASC, rehab facilities, physician practices, managed care organizations, SNFs, medical device companies, home health agencies, laboratories, and pharmaceutical companies

Paul R. DeMuro, Panel Moderator

Partner
LATHAM & WATKINS

Hal Andrews

Senior Vice President of Development
ESSENT HEALTHCARE

Eric S. Tower

Associate General Counsel
ADVOCATE HEALTH CARE

9:30

Workshop Concludes

9:45

**Conference Begins
Co-Chairs' Opening Remarks**

10:00

**The Year in Review and Trends in Healthcare
M & A**

Thomas M. Barry

Principal
CAIN BROTHERS

10:30

**Reviewing the Role of the U.S. Government in
Healthcare Transactions**

Some have suggested that The Medicare Prescription Drug Improvement and Modernization Act of 2003 could more efficiently be called the Premium Pork Act. What will its effects be on healthcare transactions? Does this signal a new era in government regulations?

Patrick M. Hurst

Managing Director/National Healthcare
HOULIHAN LOKEY HOWARD & ZUKIN

Robert L. Roth

Partner
CROWELL & MORING LLP

11:00

**Charitable Trust Restrictions to Healthcare Asset
Sales - The AGs Claims and Controversy**

Relying on charitable trust doctrine, state Attorneys General have, in recent years, sought to impose restrictions on the ability of multi-state nonprofit healthcare systems to sell, transfer, or divest of corporate assets, particularly in the context of transactions that shift assets from one state market to another. The paradigmatic example of this trend is the Banner Health litigation involving the Attorneys General in New Mexico, North Dakota, and South Dakota. The panel will examine these, and other leading cases, which present significant and unresolved questions about the property rights of nonprofit institutions and their ability to deploy assets in furtherance of their charitable missions. The panel will also consider the long-term financial and business implications of the charitable trust litigation along with corporate strategies to avoid and resolve disputes with state Attorneys General.

Geoffrey Shields, Panel Moderator

Partner
GARDNER CARTON & DOUGLAS LLP

Patrick S. Coffey

Partner
GARDNER CARTON & DOUGLAS LLP
Simon Gisby

11:45

Luncheon for All Delegates and Speakers

1:00

**The State of Healthcare Structured Finance:
Continued Fallout from National Century**

When National Century filed bankruptcy, structured finance essentially dried up for sub-prime healthcare borrowers, and how many were not sub-prime? Over a dozen providers also filed bankruptcy. This session will bring you

up to date on National Century and its fallout.

- Is structured finance viable in the Healthcare arena?
- What structure and markets will be attractive?
- How rating agencies affect structured finance.
- Where do we go from here?

Scott Peltz, Panel Moderator

Managing Director

AMERICAN EXPRESS TAX & BUSINESS SERVICES, INC.

Thomas P. Carden

Vice President

HEALTHCARE BUSINESS CREDIT CORPORATION

Charles M. Oellerman, Debtor's Counsel to

National Century

Partner

JONES DAY (Illinois)

Thomas D. Whalen

Director

CITIGROUP GLOBAL MARKETS, INC.

1:30

Situation Report: DVI Business Credit

Some year this conference may not have a session on a major bankruptcy, but not this year.

- How and why the continued failure of structured finance in healthcare is occurring
- Ramifications of fraud in healthcare structured finance
- Lessons learned
- Dealing with multiple healthcare borrowers and refinancing

Michael Lane, Panel Moderator

National Director, Healthcare Corporate Recovery

AMERICAN EXPRESS TAX & BUSINESS SERVICES, INC.

Terry W. Cady

President and CEO

DVI BUSINESS CREDIT

J. Andrew Rahl, Jr., Creditors' Committee Counsel in DVI

Partner, Head of Restructuring Practice

ANDERSON KILL & OLICK, PC

2:10

Networking Break

2:25

Not-For-Profit Corporate Governance Issues

This panel will examine the increasing exposure of boards and application of corporate governance "best practices" designed to enhance and improve corporate responsibility and governance in the post Sarbanes-Oxley era to not-for-profit healthcare corporations and nonpublic companies. The panel will also discuss the controversy over the application of "zone of insolvency" concepts to not-for-profit boards.

Harold L. Kaplan, Panel Moderator

Partner

GARDNER CARTON & DOUGLAS LLP

Michael W. Peregrine

Partner

GARDNER CARTON & DOUGLAS LLP

James R. Schwartz

Partner

MANATT PHELPS & PHILLIPS LLP

David C. Gordon, Managing Director, or

David L. Atchison, President & CEO

PONDER & CO.

3:15

Case Study: Specialty Facility Transactions

This panel will examine the explosion of physician-hospital transactions in specialty services lines, including specialty hospitals, cath labs, ambulatory surgery centers, among others, and will address the strategic, financial and legal issues presented by such transactions. Topics to be covered include:

- What can and can't be joint ventured in light of the Stark Law
- Joint venturing provider entities vs. management or operating companies
- Provider-based reimbursement vs. freestanding facility reimbursement
- Per procedure leasing and management arrangements
- Impact of recent federal legislation on specialty facility transactions

Douglas A. Hastings

Shareholder

EPSTEIN BECKER & GREEN, P.C.

Richard H. Sinaiko

Chief Executive Officer

SINAIKO HEALTHCARE CONSULTING, INC.

4:00

The CLE Ethics Hour: Corporate Governance and Ethical Conundrums for Healthcare Management, Professionals, Investors and Advisors

The healthcare world post-Sarbanes-Oxley, HIPAA and Medicare Act creates new challenges and dilemmas for healthcare business organizations where laws are subject to differing interpretations, and fraud and abuse is sometimes in the eye of the beholder. Sorting out fiduciary responsibilities and confidentiality obligations for healthcare management, professionals, advisors and investors in this new statutory and regulatory scheme is complex and difficult. This panel features leading corporate governance, healthcare and restructuring professionals who will share their own experiences from the trenches with timely hypotheticals. Topics to be covered include:

- Understanding how SOX, HIPAA regulations, the new Medicare Act, and (for lawyers) the ABA Model Rules changed the healthcare landscape and reconciling those changes where healthcare organizations may be in financial distress or are seeking to acquire financially distressed healthcare businesses.
- Taking prudent measures when a lawyer's duty of disclosure under Section 307 of SOX or applicable rules of professional conduct collides with client confidentiality: Does Section 307 create an incentive for clients to keep their professionals (including lawyers) out of the loop?
- Fulfilling the obligations directors of healthcare organizations now have to provide corporate oversight
- Inside or outside counsel: Cops or counselors?

Stephanie Wickouski, Panel Moderator

Partner

GARDNER CARTON & DOUGLAS LLC

Barbara Bennett

Partner

HOGAN & HARTSON

John Wm. Butler, Jr.

Partner and Co-Practice Leader, Corporate

Restructuring Department

SKADDEN ARPS SLATE MEAGHER & FLOM (Illinois)

5:00

Cocktail Reception Sponsored by:

As has been his tradition in this conference, Harold Kaplan will be serving a delightful white Rhone for the Chardonnay-wearry, in addition to a full bar.

GARDNER,
CARTON &
DOUGLAS

7:00 PM

Honors Banquet

Gardner Carton & Douglas LLP

*Is pleased to host a banquet for all
Speakers and Delegates*

To Honor the Nightingale's Healthcare News

*Outstanding Healthcare
Transactions Lawyers*

(Invitations to registered delegates to follow.)

Friday, March 19, 2004

7:30

Continental Breakfast

8:00

Asset Sales

This session will focus on issues particular to asset transactions, including Letter of Intent issues, negotiating the Asset Purchase Agreement, due diligence, and representations and warranties matters. Other typical transaction issues are covered including: patient referrals and Fraud & Abuse concerns, covenants-not-to-compete, purchase price allocations, excluded assets and liabilities, "successor employer" liability, and Medicare/ licensure transfer.

Lawrence A. Manson

OFFICE OF LAWRENCE A. MANSON

8:30

Creative Procurement and Outsourcing Strategies

- Changing the paradigm from beauty contest to partnership
- Overcoming obstacles
- Significant outsourcing opportunities
- Case Study: A Capital Equipment Management Program

Stephen S. Boochever

Partner

AKIN GUMP STRAUSS HAUER & FELD LLP

Robert W. McCann

Partner

AKIN GUMP STRAUSS HAUER & FELD LLP

9:00

Senior Living Facility Industry Update

The cycles in this industry have been volatile for decades. Are spiraling health insurance costs, slashes in government funding and oversupply in the market leading us to another era of nursing home failures? This panel will examine trends and the outlook.

Michael J. Kennelly, Panel Moderator

Group Managing Director/Corporate Advisory Services

HURON CONSULTING GROUP

Thomas M. Barry

Principal

CAIN BROTHERS

Nellie P. Camerik

Partner

WEIL GOTSHAL & MANGES LLP

9:45

Networking Break

10:00

Case Study: Successfully Structuring the Joint Venture

In the Fall of 2003, Poudre Valley Health System, located in Fort Collins, Colorado, and Regional West Medical Center, located in Scottsbluff, Nebraska, announced a path-breaking joint venture between them to jointly own, construct, and operate, The Medical Center of the Rockies, a state-of-the-art regional tertiary hospital in the fast-growing Front Range Region between Denver and the Wyoming border. Poudre Valley will own 88% of the joint venture, and Regional West, 12%. In this session, the President and CEO of Regional West, along with counsel to the joint venture, will discuss the following:

- The market forces driving the joint venture
- The legal structure of the joint venture, including governance and decision-making powers
- The expected benefits to each organization, and their communities, of the joint venture
- How the joint venture will be financed
- Why the joint venture may serve as a useful model for other multi-hospital collaborations

Monte Dube

Partner

Chairman, Health Law Department

MCDERMOTT, WILL & EMERY (Illinois)

Todd S. Sorensen, M.D.

President & Chief Executive Officer

REGIONAL WEST MEDICAL CENTER

(Scottsbluff, Nebraska)

10:45

Creative Financing Techniques for Healthcare M & A

This session will focus on recent case studies to show how financing is possible even in the most difficult of times in this most difficult of businesses.

Patrick M. Hurst

Managing Director/National Healthcare

HOULIHAN LOKEY HOWARD & ZUKIN

11:15

Bridging the Capital Gap: Strategies for Managing in a Capital Constrained Environment

The past decade has left the healthcare sector with a severely weakened capital base, just as demographic trends, facility life cycles, and ever increasing competition for high margin services conspire to place tremendous demands on that base. What strategies can providers utilize to succeed in this difficult environment?

Thomas D. Whalen

Director

CITIGROUP GLOBAL MARKETS, INC.

Neal Peyser

Vice President

TIBER GROUP

12:00

Conference Adjourns

We Are Grateful to Our Sponsors



American Express Tax and Business Services Inc.

Recovery Group is directed by **Scott Peltz** (312-634-4728). The National Corporate Recovery Practice specializes in accounting and financial advisory services, complex litigation, corporate finance, valuation services, forensic investigation, operational assessment, debt restructuring and merger and acquisition advisory services. We have demonstrated expertise in financial advisory, bankruptcy, and reorganization services provided by nationally recognized professionals within a variety of industries, including healthcare. We have one of the premier healthcare restructuring groups in the country. Current healthcare assignments include National Century Financial Enterprises and DVI Business Credit along with the restructurings and investigations of dozens of providers in all segments throughout the country. **Michael Lane** directs the **Healthcare Restructuring Group** (312-634-4742).

American Express Tax and Business Services' National Corporate

CAIN BROTHERS

Cain Brothers has one of the largest teams dedicated to the health care industry on Wall Street. The firm provides a broad array of M & A, capital markets, and financial advisory services to providers, payors, and creditors across the nation. Cain Brothers has deep experience with distressed situations and often represents boards of trustees of non-profit health care providers, debtors, and creditors. In its most recent distressed credit engagement, Cain Brothers acted as financial advisor to the Board of Logan General Hospital and Guyan Valley Hospital in West Virginia, which was in bankruptcy. Cain Brothers negotiated the terms and conditions of their sale, which generated sufficient proceeds to pay off creditors in full.



Gardner Carton & Douglas LLP, founded in 1910, is a leading full-service law firm headquartered in Chicago, with one of the nation's premier and longest-standing healthcare, healthcare finance, and healthcare insolvency practices. **Harold L. Kaplan** is chair of GCD's Corporate Restructuring and Financial Institutions

Practice, which is a national leader in the representation of indenture trustees and bondholder interests in workouts, insolvencies, and bankruptcies, is the chair of the ABA Healthcare-Related Bankruptcy Issues Working Group, and has been named in Turnarounds and Workouts Outstanding Bankruptcy Lawyers in 2001 and 2003. **Stephanie Wickouski**, a partner in the Firm and the author of *Bankruptcy Crimes*, leads the Corporate Restructuring practice in Washington, D.C. GCD's recent healthcare insolvency and workout representations include NCS Healthcare, Magellan Health Services, HealthSouth, DVI, and NCFE. In addition, in 2002 GCD (led by **Geoffrey Shields**) ranked number one, as determined by Securities Data Corp., nationally among underwriter's counsel for healthcare financings, based on the principal amount of issues closed. *Nightingale's Healthcare News* recently recognized **Michael W. Peregrine** as one of the nation's outstanding healthcare transactional lawyers for 2003 and **Patrick S. Coffey** as one of the nation's outstanding healthcare litigators for 2003.



HOULIHAN LOKEY HOWARD & ZUKIN INVESTMENT BANKING SERVICES

www.hlh.com

Houlihan Lokey Howard & Zukin's Healthcare Group is a recognized leader in investment banking, financial restructuring and financial advisory services. As a leading transactional and financial advisor to the healthcare industry, we have executed hundreds of engagements designed to position our clients as strategic leaders within the healthcare industry and to maximize value. Our engagements have ranged from exclusive sale assignments to large, complex transactions involving multiple constituencies. Our Healthcare Group has helped the firm become number the 1 M&A advisor in the U.S. for announced transactions under \$200 million, number 5 M&A advisor in the U.S. for all announced transactions, number 1 provider of fairness opinions for four consecutive years and the number 1 restructuring firm in the U.S. Houlihan Lokey's investment bankers maximize value through mergers, acquisitions, private placements of debt & equity, financial restructuring, financial advisory and merchant banking. With 8 offices throughout North America, we also have a London office extending our capabilities throughout Europe.



Huron Consulting Group Our healthcare group serves the strategic, operational and financial needs of both providers and payors. We work

closely with hospitals, health systems, physicians, managed care organizations and pharmaceutical manufacturers in managing scarce resources and growing a profitable business. Our experienced professional provide expert guidance to help clients effectively address the business challenges, compliance requirements, and contracting relationships that face organizations in today's healthcare sector, including those organizations experiencing a business decline, capital issues, transactions and/or in need of valuation services.

SKADDEN ARPS SLATE MEAGHER & FLOM LLP

The Health Care Industry Group at Skadden Arps has an active practice representing healthcare industry clients including hospital and HMO companies, pharmaceutical companies, medical device and equipment manufacturers. Our clients have included Community Health Systems, Mt. Sinai

Medical Center, FPA Medical Management, and U.S. Healthcare, to name only a few. The firm has an extensive M & A practice in the healthcare arena. **John Wm. Butler, Jr.** brings a vast range of corporate reorganization and bankruptcy experience to the firm's general healthcare practice.

Register Online at
www.renaissanceamerican.com

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Upcoming Conferences



Distressed Investing/Europe

Meridien Piccadilly Hotel • London UK
May 13-14, 2004

Corporate Reorganizations 2004

The Millennium Knickerbocker Hotel • Chicago
June 17-18, 2004

Distressed Investing 2004

The Plaza Hotel • New York City
November 29-30, 2004

To Register

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Fifth Annual Conference on Healthcare Transactions

The Millennium Knickerbocker Hotel
Chicago
March 18-19, 2004

Payments:

Conference & Workshop\$1195
Conference only\$1095
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Group Discounts Available: If your firm sends two delegates to this conference, third and subsequent delegates will receive a \$200 discount. (Applies only to price of conference or conference and workshop.)

Cancellations: All cancellations will be subject to a \$200 administration fee. In order to receive a prompt refund, your notice of cancellation must be received in writing (by letter or fax) fifteen (15) business days prior to the conference. We regret that refunds will not be issued after this date. The registration may be transferred to another member of your firm for this or any future Renaissance American Management Conference within 13 months. If you plan to send a substitute in your place, please notify us as soon as possible so that materials and preparations can be made. In the unlikely event of a conference cancellation, Renaissance American Management, Inc. and Beard Group assume no liability for non-refundable transportation costs, hotel accommodations or additional costs incurred by registrants.

Venue:

The Millennium Knickerbocker Hotel
163 E. Walton Place • Chicago, IL 60611-1527
Phone 312-751-8100
1-800-621-8140

Hotel Reservations: In order to get the group discount, it is important that you register by February 25 and tell them that you are with the Healthcare Transactions Conference.

Suggested Dress: Business Casual

Fifth Annual Conference
Healthcare
Transactions 2004

Registration Form:

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