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YELLING FROM THE BLEACHERS

Healthcare reform took a body blow last week. Today, we ask Nashville's healthcare players "what now?" in nine quick questions. Click here to take the confidential survey:

<https://app.e2ma.net/app2/survey/10096/17667/ef4ef75d0a/>

DRAFTS and TRADES

Word has it that **Ken Perry** – yep, there's a name you haven't heard in a while – is getting back into the hospital biz via a new company named **Foundation Health**. Perry is an alum of **HCA** and **Symbion** who once served as interim CFO at **IASIS Healthcare**. He went on to establish hospital chain **Symphony Healthcare** and **Bull Dog IT**, a healthcare technology company. Aside from healthcare, Perry also dipped his toe in the restaurant biz when he purchased **The Trace**, a former upscale watering hole in Hillsboro Village that - after multiple owners -- now stands empty.

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No doubt you've read the growing number of newspaper articles popping up around the country showcasing Nashville hospital companies as bidders for community hospitals. Ranging from **Charlie Martin's Vanguard** in Chicago to **Marty Rash's RegionalCare Health Partners** in Northern Alabama to **HCA**

hiring a chief development officer (**Joe Sowell**) for the first time since anybody can remember, the acquisition market is back in business.

Safe to say, all the big dogs are back in the hunt. As the acquisition market heats back up, however, one lesser known local hospital company is adding to its ranks and gearing up for growth. Two hospitals in the Middle Tennessee region – **Stones River Hospital** in Woodbury and **DeKalb Community Hospital** in Smithville – are owned by a physician majority syndicated holding company known as **Cannon County Hospitals, LLC**. With a name change in the works to reflect a growing geographic footprint, the company has tapped two senior execs to serve as CEO and CFO, both of which have impressive resumes. Former **Cookeville Regional** COO **Bill Little** was hired as CEO of the company, while **HCA** alum **Sara Clark** has joined as CFO. Little previously worked for **Charlie Martin's** Vanguard Health in Phoenix where he was VP of Financial Ops for the company's western region. Clark, on the other hand, is a CPA by training and has served in a number of capacities at HCA, including a CFO post.

The company, which is funded by a group of **well-heeled individual investors** – many of whom you'd recognize – wants to broaden its scope across the southeast and take the successes generated by its physician-centric model to new, rural communities. In addition to lining up acquisitions, the company is looking to leverage its relationships and expertise in the start-up arena. Stay tuned ...

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Word is **Tom Singleton** has left **FTI Consulting**. You'll recall that Singleton was founder, president and CEO of FTI's predecessor company, **Cambio**. FTI bought Cambio for \$43 million in 2003. The origins of Cambio go back to 1989, when it was part of **Quorum**. After **Triad** bought Quorum, it spun off Cambio into a private company owned by the employees.

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After generating what we hear was more than a 65% return for his investors through a sale of his company **Data Advantage**, healthcare exec **Hal Andrews** has joined **The Martin Companies**, which is the venture arm for **Charlie Martin's** non-Vanguard related endeavors that we've been writing about in the last couple issues. (Well that *and* the book store *and* the restaurant *and* the healthcare reform seminars.) Between **Vanguard** and The Martin Companies, Martin has quietly assembled a steel trap of a brain trust over the last year.

Think about the team Martin has under his wing: At Vanguard, there's Vice Chair **Keith Pitts**, President **Kent Wallace**, newly tapped EVP of Strategy and Innovation and Chief Transformation Officer **Brad Perkins** (who, by the way, is the former Chief of Strategy and Innovation for the Centers of Disease Control and Prevention), Chief Development Officer **Trip Pilgrim**, who recently returned to Music City from San Antonio, and CMO **Mark Montenev**, formerly CMO at non-profit giant **Ohio Health**. At the Martin Companies, meanwhile, word has it that the group is incubating ventures in the healthcare, digital media and energy sectors.

DEALS IN PLAY

Now on to what makes all the acquisitions possible – money.

After two years in the running, **Cressey & Co.** – the buyout firm that struck out on its own under the leadership of **Brian Cressey** from **Thoma Cressey Bravo** in order to focus solely on healthcare services companies – has commitments for just over **\$300 million**, which is shy of the firm's initial target of a **\$500 million** fund. Word has it the firm lowered the target to **\$400 million** and is planning to close on the fund in the first half of 2010. Recall Cressey's Nashville presence has some big names behind it, including Nashville's favorite son and former **U.S. Senate Majority Leader Bill Frist** and former **Waller Lansden** partner **Ralph Davis**. Meanwhile, **Thoma Bravo** closed on its first solo fund in March, which was worth \$822.5 million. Focus areas include software, education, distribution, financial services and consumer goods and services.

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Emotions, rumors and strange bed fellows continue to run high around the \$120 million **TNInvestco** project. The latest scuttlebutt among healthcare types is how exactly **Eric Satz's** (the founder of Plum Good Foods) Tennessee Community Ventures Fund beat out so many experienced healthcare investors. Must be the organics ...

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Also, be on the lookout for developments and money coming in around Former **VUMC** Vice Chancellor **Harry Jacobson's** mega fund. As of Jan. 1, Jacobson's non-compete is no longer.

YELLING FROM THE BLEACHERS

After a year of, well, "hard work" in Washington D.C., it appears the loss of a Democrat U.S. Senate seat in Massachusetts has

blown a giant hole in the fed's battleship-sized healthcare reform package. Local healthcare stocks took a hit last week as the bill sunk beneath the waves. The long-term impact remains to be seen.

So, what now? How does the mess in D.C. impact Nashville's healthcare industry?

Take our confidential, nine-question survey and help us answer these critical questions (among others):

- Why did the reform bill tank?
- If healthcare reform had passed, who would have gotten the sweetest deal?
- How will your healthcare company respond to reform limbo?
- What national trends keep you up at night?
- When considering healthcare reform, **who do you think will win Superbowl XLIV?**

Click here:

<https://app.e2ma.net/app2/survey/10096/17667/ef4ef75d0a/>

Tell your fellow Players what you think. We'll report the results later this week.

Inside INSIDE BASEBALL

Inside Baseball is our well-read, quasi-regular, good-natured and mostly-accurate observation on the ins and outs of Nashville's vibrant healthcare industry. Expect to read insider news, speculations and questions shared between healthcare leaders (and would-be leaders) at The Pantry, Noshville and other ports of call. Get the latest issue here or <http://www.jarrardinc.com/inside-baseball-signup.php> subscribe for free to have it delivered directly to your email address.

TEAM EXPANSION

Marissa Murphy, a former director of communications at multiple hospitals for HCA's TriStar Health System, has joined our growing team of public affairs professionals at Jarrard Phillips Cate & Hancock Inc. Marissa has also been Director of Business Development for Alaris Home Health Care in New York City.

COMMERCIAL BREAK

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public affairs firm exclusively focused on helping leaders of hospitals and healthcare organizations navigate the toughest communications challenges during times of significant change or extraordinary opportunity.

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INSIDE BASEBALL: READ BY THE PLAYERS OF NASHVILLE'S BIGGEST GAME

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