

**Greater Southeast Community Hospital Initiates Turn-Around Plan
In First Month With New Owner, Already Showing Signs of Improvement**

Washington, D.C. (December 6, 2007) – Greater Southeast Community Hospital (GSCH) in Washington, D.C., has embarked on an ambitious turn-around initiative to redevelop the hospital into a complete, high-quality, community healthcare campus.

In the month leading up to the acquisition of GSCH by Specialty Hospitals of America, LLC (SHA), the new owner learned that due to well-documented and widely-known mismanagement and poor performance under the facility's previous owner, the hospital was virtually certain to lose its accreditation by The Joint Commission (TJC) in the next 60 days.

TJC, an independent non-profit organization previously known as the Joint Commission on Accreditation of Healthcare Organizations, provides widely used measures of hospital quality derived from unannounced multi-day surveys. Over the course of two four-day inspections at GSCH during October 2007, prior to the change of GSCH ownership, TJC found an across the board lack of compliance with quality standards leading to a 100-page report that included many deficiencies.

GSCH was acquired by SHA on Nov. 7, 2007. SHA was fully aware of the hospital's state of physical disrepair, management chaos and financial instability at the time of purchase; and of the pending loss of accreditation. Although immediate actions were taken to remediate the reported deficiencies, the TJC report is a "snapshot" of the previous owner's operations, and additional information such as the change of ownership and remedial actions were not allowed to be a part of the TJC considerations.

SHA has taken immediate steps to improve the conditions that led to this loss of TJC accreditation, starting with the installation of new CEO, Gary L. Rowe. Under Rowe, GSCH is generating immediate solutions to urgent patient care problems and creating new management systems to achieve long-term sustainable progress.

In terms of immediate actions, already the hospital has made numerous repairs and upgrades to bring Life Safety (fire and electrical) systems into compliance. The hospital has retained contractors and consultants with expertise in all areas of physical plant, patient care

services and operations, and is evaluating bids for a great deal of new patient care equipment in the areas of highest need.

GSCH is also developing a sustainable long-term improvement program to reverse its poor reputation, add needed physicians, and rekindle excellence in patient care and services. The hospital has suffered from years of neglect and mismanagement. Areas in need of improvement have been identified, and employee teams, working in conjunction with consultants, are creating solutions in areas of human, physical and technological resources.

“SHA inherited a hospital with patient care and business management systems that were either working poorly or not at all,” explains Gary Rowe. “We – a team that includes management, physicians and hospital staff - are working quickly to improve the quality and service to patients and the community.”

Safety is a cornerstone to the hospital’s new “360° view” plan for long-term success, which also features improving patient outcomes, improving patient satisfaction as well as that of stakeholders (employees, physicians, and the public); and continuously improving hospital operations and financial performance.

SHA is committed to following through on the GSCH process of resubmitting to TJC for reaccreditation. According to SHA president Eric F. Rieseberg, “We will be making major investments in GSCH on an almost daily basis and anticipate being ready for TJC accreditation inspections by mid to late 2008.”

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About Specialty Hospitals of America:

SHA which is headquartered in Portsmouth, N.H., acquired The Specialty Hospital of Washington-Capitol Hill (700 Constitution Avenue, NE) in November 2005 and The Specialty Hospital of Washington –Hadley (4601 M.L. King Avenue, SE) in November 2006. Collectively referred to as The Specialty Hospital of Washington, it is largest provider of long term critical care services in Washington, D.C., and each hospital location also houses a skilled nursing facility (SNF). Additional information is available at www.specialtyhospitalofwashington.com. On November 7, 2007, SHA acquired Greater Southeast Community Hospital in a transaction that included financial consideration from the city government in recognition of SHA’s commitment to achieve an aggressive series of operational mileposts.

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