NEWS RELEASE

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For Immediate Release

Dove Healthcare & Affiliates to operate nursing homes, assisted living facilities in Barron, Bloomer, Osseo

Plans include new buildings; Mayo Clinic Health System to transfer operations in October

EAU CLAIRE, Wis. — Pending state approval, Dove Healthcare & Affiliates will become the licensed operator of Mayo Clinic Health System nursing homes and assisted living facilities in northwest Wisconsin with plans to construct new buildings in the area in the future.

The transfer of operations, planned for Oct. 1, 2015, will affect Mayo Clinic Health System nursing homes in Barron, Bloomer and Osseo, as well as its assisted living facilities in Barron and Osseo.

"We are proud community partners in Eau Claire and Chippewa Falls, so we're looking forward to caring for residents and families in these new communities as well," says Tommy Davidson, owner of Dove Healthcare & Affiliates.

Dove Healthcare & Affiliates will work closely with the 135 affected employees and Mayo Clinic Health System to assist with continuing employment, either with Dove Healthcare & Affiliates or within another Mayo Clinic Health System entity.

"We appreciate the compassion and service Mayo Clinic Health System staff members have provided these residents every day," Davidson says. "We are counting on this same workforce to continue providing high-quality care to residents."

The transition will not impact the care provided to nursing home and assisted living residents. Continuing to meet their needs and those of their families remains a top priority for Mayo Clinic Health System, as well as Dove Healthcare & Affiliates.

Dove Healthcare & Affiliates' future plans include:

Barron/Rice Lake

- Nursing home: A new 50-bed state-of-the-art skilled nursing facility, providing short-term rehabilitation and long-term care, will be built in Rice Lake with opening planned in summer 2016. After the Rice Lake building is licensed and operating, the 23-bed Barron nursing home will relocate to the new Rice Lake facility.
- Assisted living: The 36-unit assisted living facility in Barron will continue operations in its current location.

Osseo

Nursing home and assisted living: Construction of a state-of-the-art, 40-bed skilled nursing facility—
 providing short-term rehabilitation and long-term care — and attached 24-unit assisted living facility will

begin in Osseo in fall 2015, with an expected completion date of fall 2016. After the new facilities are licensed and operating, the current 21-bed Osseo nursing home and 14-unit assisted living facility will relocate to the new facilities.

Bloomer

- Nursing home: A new 40-bed, state-of-the-art skilled nursing facility providing short-term rehabilitation and long-term care will be built in Bloomer, opening in spring 2017. It will replace the current 35-bed facility.
- Assisted living: Mayo Clinic Health System has not operated an assisted living facility in Bloomer, but Dove Healthcare & Affiliates is considering building one.

These plans will increase skilled nursing beds by 51 and assisted living units by 10 in northwest Wisconsin. Residents will be invited to move with the transitions.

Today, Dove Healthcare & Affiliates is comprised of three skilled nursing facilities, (Dove Healthcare – South and West and Wissota Health and Regional Vent Center); two assisted living facilities (Orchard Hills Assisted Living and Rutledge Home Assisted Living and Memory Care); and one rehabilitation company (Transitions Rehabilitation).

With rising costs of providing nursing home care and low government reimbursement for Medicare and Medicaid, nursing homes and assisted living facilities nationwide have been facing financial challenges.

Because the Mayo Clinic Health System facilities are physically connected to its hospitals, regulations required some hospital costs to be transferred to the nursing homes and assisted living services, further decreasing Medicare and Medicaid reimbursement. Because of the small number of beds in each facility, the ability to spread fixed costs also was limited.

"Making this change wasn't an easy decision," says Randall Linton, M.D., president and CEO of Mayo Clinic Health System in northwest Wisconsin. "Nursing homes and assisted living facilities are important to so many families. We want to make sure these facilities remain open in our communities and continue to offer residents care with dignity and respect. This is why we have made the decision to have Dove Healthcare & Affiliates assume operations of the facilities."

"With Dove Healthcare & Affiliates' expertise, experience and resources in long-term care, we are confident they will continue and expand our commitment to meeting the needs of our nursing home and assisted living residents. We also are grateful they have pledged to provide employment opportunities to our employees who have dedicated themselves to caring for our residents."

After residents move into the new Dove Healthcare & Affiliates facilities, Mayo Clinic Health System will continue use of its current buildings in Barron, Bloomer and Osseo. Plans for the space are not yet set.

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Dove Healthcare & Affiliates is a quality health care provider of rehabilitation, post-acute care, ventilator care, skilled nursing, long-term care, assisted living, and memory care. While construction is currently in progress on Dove Healthcare – Rice Lake, current properties include Dove Healthcare – South and West and Orchard Hills in Eau Claire; Wissota Health and Regional Vent Center and Rutledge Home in Chippewa Falls; and therapy provider Transitions Rehabilitation.

Mayo Clinic Health System consists of clinics, hospitals and other facilities that serve the health care needs of people in more than 60 communities in Georgia, Iowa, Minnesota and Wisconsin. The community-based providers, paired with the resources and expertise of Mayo Clinic, enable patients in the region to receive the highest-quality health care close to home.