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North Valley Hospital Seeks Debt Refinancing Supporting Local Businesses

WHITEFISH, MT – January 23, 2012:  North Valley Hospital has announced that it is refinancing approximately twenty-five million dollars in debt incurred during the construction of the hospital through the use of tax-exempt bonds.  North Valley is moving its loan from Prudential Financial, Inc. located outside of the state of Montana, to three local banks that are participating in the refinancing thereby bringing new business benefits to the community.

The Montana Facility Finance Authority (MFFA) has approved a request by North Valley Hospital to issue tax-exempt bonds which will be purchased by Montana-based Glacier Bank, First Interstate Bank and Rocky Mountain Bank.  The result will benefit North Valley Hospital through a lower interest rate from the prior loan agreement allowing it to retire its debt five years sooner and save approximately fifteen million dollars.

North Valley Hospital is working with the MFFA as the facilitator of the refinancing via tax-exempt bonds. Normally, these financing arrangements are used to fund initial construction, however North Valley Hospital is looking to use this opportunity to lower debt costs on the current facility.

“This is a win-win situation for everyone,” stated Jason Spring, North Valley Hospital CEO. “With interest rates declining, it makes perfect sense to refinance.  The fact that we can convey a sizeable opportunity to our local banks means that we can also benefit our local community.  The savings that the hospital can enjoy over time will allow us to bring additional needed health services and maintain the wide variety of financial and in-kind support we provide to other area non-profits and community organizations.”

Local financial institutions will have an obvious benefit as the refinance has a positive financial impact for the community.  Last year, the health of the community also benefited as North Valley Hospital realized over $19MM in charity care, other uncompensated healthcare, contractual discounts and community healthcare education, support and funding. The hospital and its outreach clinics are also one of the largest employers in the
Whitefish area with 339 employees. According to the Montana Department of Labor and Industry, for every job at North Valley Hospital, another .63 jobs are supported in the county. Additionally, for every dollar in wages and benefits paid to hospital employees, another $0.54 in wages and benefits are created in other local jobs. Our employee base with a $15.6MM payroll, therefore, supports 214 other jobs in the Flathead County worth $8.5MM in local wages and benefits.

"Glacier Bank working together with First Interstate Bank, Rocky Mountain Bank and the Montana Facility Financing Authority is very pleased to have an opportunity to work with North Valley Hospital to refinance its facilities," stated Dennis S. Beams, Executive Vice President of Glacier Bank. “North Valley Hospital provides world-class service and we're proud to work with this outstanding organization for the betterment of the community."

David Dittman, President of First Interstate Bank of Whitefish, added, “We are extremely pleased to take part in the cooperative effort to assist North Valley Hospital in its mission of providing first-class healthcare in this competitive environment.

*About North Valley Hospital:*

North Valley Hospital is a private 501©(3), non-profit community Critical Access hospital governed by a Volunteer Board of Directors from the North Valley area. North Valley Hospital is the only hospital in Montana affiliated with Planetree. Planetree is a non-profit organization that provides education and information in a collaborative community of healthcare organizations, facilitating efforts to create patient centered care in healing environments. North Valley Hospital receives no tax support for its services. The hospital and its affiliate clinics serve Flathead and Lincoln counties.

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