

For Immediate Release

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## **VALLEY BAPTIST HEALTH SYSTEM ANNOUNCES CHANGES IN LEADERSHIP**

*Manny Vela to head Valley Baptist Health System & James  
Eastham Joins Vanguard as Vice President*

**HARLINGEN, TX and NASHVILLE, TN** -- Valley Baptist Health System is pleased to announce the promotion of two experienced leaders in the organization. Effective March 1, 2012, Manny Vela, Senior Vice President and Chief Legal Officer for Valley Baptist Health System, will transition to the role of President and Chief Executive Officer of the Health System. James E. Eastham, who has filled that role for the last three years, will be transitioning to Vice President with Vanguard Health Systems (NYSE: VHS). Mr. Eastham's principle responsibilities will be focused on public policy and advocacy.

Mr. Vela has served with distinction at Valley Baptist for the past eight years. He was born and raised in Harlingen and obtained both his undergraduate and law degrees from the University of Texas at Austin. Prior to working at Valley Baptist he was a partner with his father Moises V. Vela in the Vela and Vela law firm. He is active in local civic, state and national organizations. During his tenure with Valley Baptist, he has been involved with a variety of major corporate transactions, including the purchase of Brownsville Medical Center and the joint venture with Vanguard Health Systems.

"Manny is a Valley native who has lived and worked here most of his life, and comes from a well-known family of generations of South Texas leaders. His experience in health care and his extensive civic and professional leadership, coupled with his involvement with healthcare issues with the State legislature, create a skill set that is ideal to lead Valley Baptist moving forward," stated Kent Wallace, President and Chief Operating Officer of Vanguard Health Systems.

Mr. Eastham, also well known throughout Texas, has many years of healthcare leadership experience covering all aspects of hospital management. Prior to joining Valley Baptist in 2002, he served as Chief Executive Officer at Memorial Hermann Hospital-Texas Medical Center and Memorial Hermann Hospital Southwest in Houston. Mr. Eastham led the Valley Baptist capital restructuring effort culminating in the joint venture with Vanguard Health Systems in September 2011. “James Eastham has a depth and breadth of experience in healthcare administration, and he is uniquely suited to work in the public policy arena,” stated Mr. Wallace.

“We are excited for these two strong leaders,” stated Alan Johnson, Chairman of the Valley Baptist Joint Venture Board of Directors. “We are even more excited about the future of our hospitals as we move forward with our Vanguard partnership.”

### **About Valley Baptist Health System [www.ValleyBaptist.net](http://www.ValleyBaptist.net)**

Valley Baptist Health System is an 866-bed faith-based regional health system located in the Rio Grande Valley of Texas. It is focused on improving the lives of the people it serves by providing high quality health care and medical education throughout South Texas guided by the healing and teaching ministry of Jesus Christ.

Valley Baptist extends many of its services beyond its facilities and into local communities, offering free screenings for the community, support groups and numerous educational opportunities.

### **About Vanguard Health Systems [www.vanguardhealth.com](http://www.vanguardhealth.com)**

Vanguard owns and operates 28 acute care and specialty hospitals and complementary facilities and services in Chicago, Illinois; Phoenix, Arizona; San Antonio and the Rio Grande Valley, Texas; Detroit, Michigan and Massachusetts. Vanguard’s strategy is to develop locally branded, comprehensive healthcare delivery networks in urban markets. Vanguard will pursue acquisitions where there are opportunities to partner with leading delivery systems in new urban markets or to increase its presence in existing markets. Upon acquiring a facility or network of facilities, Vanguard implements strategic and operational improvement initiatives including expanding services, strengthening relationships with physicians and managed care organizations, recruiting new physicians and upgrading information systems and other capital.

### ***Cautionary Statement about Forward-Looking Information***

This press release contains “forward-looking statements” within the meaning of the federal securities laws that are intended to be covered by the safe harbors created thereby. Forward-looking statements are those statements that are based upon

management's current plans and expectations as opposed to historical and current facts and are often identified in this release by use of words including but not limited to "may," "believe," "will," "project," "expect," "estimate," "anticipate," and "plan." These statements are based upon estimates and assumptions made by Vanguard's management that, although believed to be reasonable, are subject to numerous factors, risks and uncertainties that could cause actual outcomes and results to be materially different from those expressed in any forward-looking statements.

These factors, risks and uncertainties include, but are not limited to, Vanguard's high degree of leverage and interest rate risk; Vanguard's ability to incur substantially more debt; operating and financial restrictions in Vanguard's debt agreements; Vanguard's ability to generate cash necessary to service its debt; weakened economic conditions and volatile capital markets; potential liability related to disclosures of relationships between physicians and Vanguard's hospitals; post-payment claims reviews by governmental agencies that could result in additional costs to Vanguard; Vanguard's ability to grow its business and successfully implement its business strategies; Vanguard's ability to successfully integrate the acquisition of substantially all of the assets of The Detroit Medical Center, Westlake Hospital and West Suburban Medical Center and future acquisitions or to recognize expected synergies from such acquisitions; potential acquisitions could be costly, unsuccessful or subject Vanguard to unexpected liabilities; conflicts of interest that may arise as a result of Vanguard's control by a small number of stockholders; the highly competitive nature of the healthcare industry; governmental regulation of the healthcare industry, including potential reductions to Medicare and Medicaid reimbursement levels in general and with respect to the impact of the Budget Control Act of 2011 and other future deficit reduction plans; pressures to contain costs by managed care organizations and other insurers and Vanguard's ability to negotiate acceptable terms with these third party payers; Vanguard's ability to attract and retain qualified management and healthcare professionals, including physicians and nurses; the currently unknown effect on Vanguard of the major federal healthcare reforms enacted by Congress in March 2010 or other potential additional federal or state healthcare reforms; future governmental investigations; Vanguard's inability to adequately enhance its facilities with technologically advanced equipment could adversely affect Vanguard's revenues and market position; the availability of capital to fund Vanguard's corporate growth strategy and improvements to Vanguard's existing facilities; potential lawsuits or other claims asserted against Vanguard; Vanguard's ability to maintain or increase patient membership and control costs of its managed healthcare plans; changes in general economic conditions nationally and regionally in the markets served by Vanguard; Vanguard's exposure to the increased amounts of and collection risks associated with uninsured accounts and the co-pay and deductible portions of insured accounts; dependence on Vanguard's senior management team and local management personnel; volatility of professional and general liability insurance for Vanguard and the physicians who practice at its hospitals and increases in the quantity and severity of professional liability claims; Vanguard's ability to achieve operating and financial targets and to maintain and increase patient volumes and control the costs of providing services, including salaries and benefits, supplies and bad debts; increased compliance costs from further government regulation of healthcare and Vanguard's failure to

comply, or allegations of Vanguard's failure to comply, with applicable laws and regulations; the geographic concentration of Vanguard's operations; technological and pharmaceutical improvements that increase the cost of providing, or reduce the demand for, healthcare services and shift demand for inpatient services to outpatient settings; a failure of Vanguard's information systems would adversely impact its ability to manage its operations; costs and compliance risks associated with Section 404 of the Sarbanes-Oxley Act of 2002; material non-cash charges to earnings from impairment of goodwill associated with declines in the fair market values of Vanguard's reporting units; volatility of materials and labor costs for, or state efforts to regulate, potential construction projects that may be necessary for future growth; changes in accounting practices; Vanguard's ability to demonstrate meaningful use of certified electronic health record technology and to recognize revenues for the related Medicare or Medicaid incentive payments; and those factors, risks and uncertainties detailed in Vanguard's filings from time to time with the Securities and Exchange Commission, including, among others, Vanguard's Annual Reports on Form 10-K and its Quarterly Reports on Form 10-Q.

Although Vanguard believes that the assumptions underlying the forward-looking statements contained in this press release are reasonable, any of these assumptions could prove to be inaccurate, and, therefore, there can be no assurance that the forward-looking statements included in this press release will prove to be accurate. In light of the significant uncertainties inherent in the forward-looking statements included herein, you should not regard the inclusion of such information as a representation by Vanguard that its objectives and plans anticipated by the forward-looking statements will occur or be achieved, or if any of them do, what impact they will have on Vanguard's results of operations and financial condition. Vanguard undertakes no obligation to publicly release any revisions to any forward-looking statements contained herein to reflect events and circumstances occurring after the date hereof or to reflect the occurrence of unanticipated events.