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**University General Hospital Systems Bets Big on Doc Ownership:
Modern Healthcare Magazine's December 11 Cover Story Explains
How University General Plans to Change the Face of Healthcare in America**

HOUSTON, TX--(BUSINESS WIRE)--December 11, 2006 -- **University General Hospital Systems' CEO and visionary, Kamran Nezami, is featured in the December 11, 2006 online and print versions of *Modern Healthcare* magazine in an article titled, "Betting Big on Doc Ownership."**

The cover story goes into detail about the hottest issues facing healthcare today, including patient care, payer mix, physician financial interest, managed-care network contracts, and the ongoing struggle between small, "boutique" facilities and their large community hospital counterparts. Of major importance currently to University General Hospital Systems is the ability to land in-network managed care contracts.

"The larger healthcare providers within our community would prefer that we not receive contracts to go in-network because their fear is that we will glean the 'better cases'," said Laura Comer, director of managed care for University General Hospital. "Of course, the irony of being excluded as an in-network provider is that despite our best intentions and business model to provide healthcare services to everyone in the communities we serve, we will be limited to only being able to provide healthcare for the 'better cases,' meaning those individuals with greater financial means, who decide that they wish to go out-of-network in order to receive healthcare services from a state-of-the-art facility. In that regard, it becomes a self-fulfilling prophecy of the larger systems because – by default – we begin to glean the 'better cases.' This is exactly what the larger healthcare systems do not want. By working to exclude us, they actually create an environment to make it happen."

The cover story article is informative on a broader base as well, giving perspective to the national landscape and issues facing physician-owned facilities in the marketplace today. The article states:

In Arizona, where University General Hospital Systems plans to build [another physician-owned facility], the Arizona Hospital and Healthcare Association agreed that the core of the issue is physician self-referral and that Congress should address the issue. But John Rivers, the association's president and CEO, also noted that 225,000 people have moved to the region in the past 12 months and that nearly all hospitals are operating at capacity.

"They are generally welcome as long as they are playing by the same rules as everyone else, and it sounds like UGHS is not a model that would be troublesome to us at all," Rivers said.

University General Hospital Systems plans to break ground on a second Houston facility in Houston's Chinatown area located on the west side of town in the first quarter of 2007, with additional facilities going online across the country approximately every three months thereafter. Current identified markets include Denver, Dallas, Phoenix, and Hawaii, with additional markets to be announced over time.

About University General Hospital Systems

Headquartered in Houston, Texas, University General Hospital Systems is a national for-profit healthcare system that provides the highest quality and cost effective medical services available within a five-star environment. By partnering with leading vendors, world-renowned physicians, and top professionals in the

healthcare industry, University General Hospital Systems will be placing additional five-star, physician-owned acute-care facilities in key markets across the United States. Further information about University General Hospital Systems may be found online at www.universitygeneralhospitalssystems.com.

About *Modern Healthcare* Magazine

Modern Healthcare is the industry's leading source of healthcare business news. As a weekly news-driven publication, they report on important healthcare events and trends as they happen. Readership uses the timely information to make the most informed business decisions and to lead their organizations to success. *Modern Healthcare* is ranked number one in readership among healthcare executives and deemed a "must-read publication" by the who's who in healthcare. For more information about *Modern Healthcare*, visit their website at www.modernhealthcare.com.