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MERIT HEALTH SYSTEMS ANNOUNCES KEY STRATEGIC TRANSACTIONS

***Completes Sale of San Antonio-based Nix Health
Announces Transaction to Sell Mountainside Hospital in New Jersey***

Louisville, Kentucky (February 1, 2012) – Merit Health Systems, LLC (“Merit”), a private hospital management company focused on urban community hospitals, today announced two major steps forward in the successful monetization of its current hospital investments. First, Merit has completed the previously announced sale of its San Antonio-based Nix Health Care System (“Nix”) to Prospect Medical Holdings, Inc. (“Prospect”). Second, Merit announced a transaction to sell its Mountainside Hospital (“Mountainside”) in Montclair, New Jersey to a joint venture between LHP Hospital Group, Inc. (“LHP”) and HackensackUMC. The New Jersey transaction is subject to regulatory approval and other customary closing conditions.

Merit has successfully driven growth and recognition for health care excellence at both Nix and Mountainside, through significant capital investments and operational improvements made at each facility during Merit’s ownership.

“We are proud of what we’ve accomplished at Nix and Mountainside, and are gratified to have found new stewards for each of these leading institutions who can carry forward our programs of investing in physicians, employees, facilities, equipment and their respective communities,” said Merit’s Chairman and CEO, Tyree Wilburn. “Our ability to lead Nix and Mountainside in becoming premier health care centers that provide exceptional care and personalized service to patients will have a lasting effect on their communities, and provide a platform for future growth.”

About Nix Health

Nix has served South Texas since 1930, offering San Antonio and surrounding communities a vast array of medical services ranging from primary care and surgical services to behavioral and rehabilitation services. Accessible and comprehensive services are available at various locations throughout the city and include Nix Medical Center, Nix Alamo Heights, Nix Specialty Health Center, Nix Primary Care Center and Nix North Orthopaedic Center.

About Mountainside Hospital

At Mountainside Hospital, leading physicians treat a wide range of medical conditions using state-of-the-art technology. Patients have immediate access to innovative and effective treatment alternatives at specialized centers within the hospital that focus on imaging, women's health, cancer care, surgery, obesity, stroke and chronic kidney disease. The 365-bed community hospital delivers personalized care while also serving as a learning center via its nursing school and residency programs in family medicine, internal medicine and dentistry. Mountainside Hospital is designated as a Primary Stroke Center by the NJ State Department of Health and Senior Services and is one of only a few community hospitals licensed by the State to perform emergency angioplasty. To learn more about Mountainside visit www.mountainsidehosp.com.

About Merit Health Systems

Merit Health Systems is a private hospital management company focused on urban community hospitals. Based in Louisville, Kentucky, Merit was founded specifically to address the significant and growing needs of community hospitals in larger urban markets.

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