January 18, 2008 - ALTOONA REGIONAL HEALTH SYSTEM PRESIDENT/CEO ANNOUNCES RETIREMENT

James W. Barner will retire October 31; board begins CEO search

ALTOONA, Pa. — James W. Barner, President/CEO of Altoona Regional Health System (ARHS), will retire October 31, 2008 after more than 16 years as President/CEO, and more than 30 years as an administrator with the healthcare system.

The Altoona Regional Health System Board of Directors accepted Barner's resignation "with regret," at its regular board meeting Thursday, January 17, said board member Robert W. Montler, chairman of Lee Industries. The board's executive search committee, led by Montler, immediately engaged the respected Witt/Kieffer executive search firm to begin a comprehensive national search for Barner's successor.

"When Jim became CEO in 1992, Altoona Hospital was a community hospital," said Dr. Robert E. Wertz, board chairperson. "During his years leading the organization, we've become a regional health system with world-class services in many medical and surgical subspecialties, including cardiothoracic surgery, neurosurgery and vascular surgery, and we became a Level II trauma center in 2001."

"Jim's greatest achievement as CEO was being the architect of the merger between Central Pennsylvania Health Services Corporation/Altoona Hospital and Bon Secours Holy Family Hospital (formerly Mercy Hospital), combining the staff, services and traditions of both organizations in 2004. As a result, we are today building a healthcare system for our community's future, eliminating the duplication of services and resulting in savings of healthcare dollars," said Don Devorris, board member of ARHS and prior Board member of both the Altoona and Mercy Hospitals.

"It's hard to consider the accomplishments of our healthcare system over the last few decades without considering Jim's role in all these milestones," Montler said. "His leadership has created a strong, innovative healthcare system that provides a remarkable range of services to people in the region. Jim will be missed."

"I'm grateful to the board, the medical staff, our employees, our organization, and to the entire community for giving me the opportunity to work and serve our community healthcare institution as a leader," Barner said.

"I have worked in healthcare administration my entire career of 38 years with 30+ years at Altoona. Over the years, the Board, Medical Staff, entire management team and our employees have worked hard in laying the foundation for ARHS to provide and sustain high quality healthcare to our region, and it is now time for me to move on to the next phase of my life. Approaching age 62 at retirement, I'll look forward to spending more time with my wife, my children and my new grandson," Barner added.

Barner's retirement announcement is in keeping with a plan approved by the board committee over two years ago in November 2005, Montler said. At that time, following the completion of the first year of the Altoona Hospital-Bon Secours Hospital merger, Barner expressed a desire to retire, but the board committee asked him to stay on for another three
years, to assure the transition to a fully integrated regional healthcare system. Barner agreed.

On October 31, 2007, Barner told the board's executive search committee that he would follow through on his plan to retire on October 31, 2008. Thursday's board action begins the process of identifying a new CEO for the healthcare system.

Witt/Kieffer is familiar with Altoona Regional Health System; the board retained the firm when the health system's chief operating officer position opened in 2006.

Witt/Kieffer's role will be to support the executive search committee in coordinating a national recruitment process by identifying and assessing prospective candidates. The committee will begin by having Witt/Kieffer gain input from a variety of stakeholders concerning the skills and characteristics they believe the new CEO should possess. The selection process will involve external candidates nationwide, and will also include any interested internal or regional candidates that may emerge.

"This is one of the most important leadership roles within the health system, at the largest employer and one of the most prominent community institutions in the region," Montler said. "We owe it to the community to make this search as thorough and as comprehensive as possible. The board, our employees and the community expect nothing less."