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For immediate release

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**RMH Healthcare and Sentara Healthcare Agree to Affiliate
*Affiliation Will Assure Organizational Strength and Quality Healthcare
for a Second Century of Service to the Region***

Harrisonburg, VA – July 29, 2010 – RMH Healthcare of Harrisonburg and Sentara Healthcare, based in Norfolk, announced today that the two organizations have agreed to affiliate.

The boards of directors of both organizations have signed a letter of intent that paves the way to move negotiations forward, according to RMH officials.

An affiliation between the two not-for-profit institutions will provide resources essential to continue offering access to high-quality, affordable healthcare services to the Harrisonburg-Rockingham County community and surrounding region, explained RMH President and CEO Jim Krauss.

“RMH and Sentara share a common vision of providing high-quality, community-based healthcare,” Krauss said. “We believe Sentara will provide significant benefits to RMH, including economies of scale, clinical innovations, quality improvement, and mitigation of future financial risk.”

Added David Bernd, CEO of Sentara Healthcare, “Our two systems share a not-for-profit mission and a commitment to clinical excellence. We should fit together very well, and we look forward to working with RMH’s physicians, hospital staff, volunteers and community.”

According to RMH Board Chair Barbara B. Stoltzfus, the RMH board began seeking affiliation with another system in early 2010, based on a set of established criteria.

“The current economics of healthcare make it difficult for independent community hospitals like RMH to survive and thrive in the long term,” she noted. “The RMH Board recognized that to ensure the future of high-quality healthcare for our community, we would need to seek a larger health system with whom to affiliate. We also realized that the time to seek affiliation was when we were fortunate to be in a strong position.”

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Stoltzfus noted that, in Virginia, about 95 percent of hospitals are part of healthcare systems.

She said that out of 10 potential candidates the board considered, Sentara Healthcare emerged as the preferred choice and achieved the top tier ranking in almost all the criteria.

She explained that health systems and hospitals in the Valley and the region were also considered.

“We chose to affiliate with Sentara because it is, like RMH, a not-for-profit organization committed to delivering high-quality, community-based healthcare,” she continued. “In addition, a large, integrated system like Sentara offers services, technology and financial strength that we simply cannot achieve as an independent hospital in such a turbulent healthcare environment.”

Added Krauss, “Sentara respects the history and close community bond of RMH. This affiliation will ensure that quality healthcare will be a part of the Harrisonburg/Rockingham community for generations to come---as our original benefactor, William Leake, envisioned a century ago.”

Officials noted that it will take six months or more to undergo a due diligence phase and complete regulatory review. The affiliation will most likely be in the first months of 2011.

More details will be released as work progresses, Stoltzfus said. She emphasized that RMH will remain a community-based, community-focused hospital, with community members continuing to sit on the RMH board.

“Harrisonburg and Rockingham County are not losing RMH; we are gaining the resources and award-winning programs of Sentara Healthcare that will ensure high quality healthcare for our region for generations to come,” she said.

Attached is a summary of facts related to the RMH-Sentara affiliation.

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Facts about RMH Healthcare

RMH Healthcare, a not-for-profit healthcare provider, is headquartered at the newly opened, state-of-the-art, 238-bed Rockingham Memorial Hospital, located on Port Republic Road just east of Harrisonburg. RMH has provided healthcare services to the community since 1912.

Serving a seven-county area with a population of close to 200,000, RMH admits more than 15,500 inpatients annually and delivers close to 1,750 babies per year. RMH averages more than 18,000 surgical procedures annually, and the RMH Hahn Cancer Center provides more than 16,000 cancer treatments per year. The RMH Emergency Department treats more than 70,000 patients per year.

Signature services include a comprehensive Heart and Vascular Center, Family Birthplace, Center for Sleep Medicine, Imaging Services, Behavioral Health Services, Women's Center, and Wellness Center. The RMH Medical Group employs 77 physicians in 13 specialties. The RMH Medical Staff has 289 physicians in 40 specialties.

Facts about Sentara Healthcare

Sentara Healthcare is acknowledged as a leader in patient safety and quality care innovation, which continues with the multi-year implementation of Sentara eCare®, a comprehensive electronic medical record. Founded in 1888 as the Retreat for the Sick in Norfolk, Virginia, Sentara has been ranked for more than a decade among the nation's top 10 most integrated healthcare systems by *Modern Healthcare* magazine.

Sentara, a not-for-profit health system, operates more than 100 sites of care in Virginia and North Carolina, including eight hospitals, rehabilitation and advanced imaging centers, and ambulatory campuses. The Sentara system includes a 380-member medical group, home care and hospice services, medical transport ambulances and the Nightingale Regional Air Ambulance.

Optima Health, Sentara's award-winning health plan, serves 425,000 members. Learn more at www.sentara.com.

Preserving Community Healthcare for the Future: Facts About the RMH Healthcare and Sentara Healthcare Affiliation

1. RMH must focus on delivering quality healthcare in a complex and rapidly changing environment. Affiliation will help to ensure that appropriate healthcare services are available here in our community to meet the needs of our residents for generations to come.
2. The operation of today's hospital is extremely complex, requiring us to adhere to many changing rules, regulations and standards. A larger integrated system, rather than a single independent hospital, has more expertise and resources to manage these complex issues successfully.
3. A healthcare system has a better opportunity to protect the economic strength and viability of the hospital and its medical staff through lower costs for supplies and the ability to secure capital to continue to purchase modern equipment and start up new services.
4. As a large integrated organization, Sentara has nationally recognized quality improvement technology and professionals on staff, which stand-alone hospitals like RMH cannot always afford. These additional resources enable physicians and other clinical leadership to obtain quality of care data more quickly and accurately, and be able to adapt to best practices.
5. Neither RMH Healthcare nor Sentara Healthcare has ever had a layoff and there are no plans to do so with this affiliation. The affiliation will also provide staff with greater opportunities for personal and professional growth.
6. As with other Sentara affiliations, medical staff credentialing will still be handled at RMH, and all health professionals will be given the opportunity to share "best practices" with others throughout the Sentara organization.
7. It is expected that the services currently provided at RMH will be continued and new services added to maintain a full-service hospital in the community.
8. We will retain the Rockingham Memorial Hospital name and ensure ongoing community input through a local governance structure to serve as a liaison between the local community and Sentara.
9. The RMH Foundation will remain a department of RMH focused on the healthcare needs of the community. All current and future gifts and donations will stay at RMH.
10. The financial terms of the affiliation are being finalized; however, the community can be assured there will be a substantial commitment to ongoing investments to enhance services and technology and meet community needs.

In summary, this affiliation best positions RMH to provide a second century of high-quality healthcare to our community and our region.