



Medical rehab provider bought from U.S. parent

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Canada's largest rehabilitation services provider, **CBI Health**, has arranged a management buyout from U.S. parent **Select Medical Corp.**

Formerly known as the Canadian Back Institute, CBI operates 120 clinics coast to coast that specialize in physiotherapy, occupational and exercise therapies as well as massage therapy and physician and chiropractic services. It treated 100,000 new patients last year, generating nearly one million patient visits.

"We've been operating under the radar for the past seven years and, as we continue to grow, having American ownership could become a barrier," Christopher Szybbo, president of Toronto-based CBI, said in an interview.

Financial details of the buyout weren't disclosed but industry sources suggest CBI has annual revenue of about \$90-million, making the buyout one of the largest private health care deals in Canada. Financing was led by Callisto Capital LP, a \$150-million private equity firm, sponsored by six pension funds.

"This was a very attractive opportunity for us," said Joe Shlesinger, managing director of Toronto-based Callisto. "CBI has a very successful management team that has tripled the size of the business in the past seven years."

Mr. Szybbo said CBI, which has about 1,000 employees, plans to continue to expand its existing core of services and diversify into new services "to the

extent that the Canadian health care system continues to delist publicly funded services."

CBI plans to add about 20 clinics this year for a total of 140 by the end of the year, he added.

CBI already has partnerships with 10 Ontario hospitals to manage rehab departments. "We will increasingly contribute to the evolution of public-private partnerships as we all contend with the complex issues that face health care today," he added.

Mr. Szybbo joined CBI as a physiotherapist in 1990 and became president after the original owners sold the business to Mechanicsburg, Pa.-based Select Medical in 1998. He began working on the repatriation of CBI at the end of 2004 when Select became a privately owned company following a merger.

"They've been good partners. They were collaborative, never directive. There was always a Canadian majority on the board. And yet I still think CBI could have been vulnerable going forward as people perceive that American ownership as problematic," Mr. Szybbo said.

Select Medical operates 101 specialty hospitals, 608 outpatient rehabilitation clinics and provides medical rehabilitation services on a contract basis at nursing homes, hospitals, assisted living and senior care centres, and work sites in the United States.

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