



BOARD OF DIRECTORS

July 17, 2020

Attorney General Xavier Becerra
California Department of Justice
1300 I Street
Sacramento, CA 95814

Re: Proposed Sale of Seton Medical Center/Seton Coastside from Verity Health to AHMC Healthcare, Inc.

Dear Attorney General Becerra,

Health Access California, the statewide health care consumer advocacy coalition working for quality, affordable, healthcare for all Californians, respectfully requests a careful examination of the proposed sale between Verity Health and AHMC Healthcare, Inc. which would impact Seton Medical Center and Seton Coastside in San Mateo County.

We respectfully submit the following comments as a follow up to our public testimony on July 6, and urge you to impose enforceable conditions to:

- 1. prevent negative consumer impacts on access to essential hospital services, including emergency and acute care, labor and delivery and other vital services documented in the health impact analysis, including specific services for women's reproductive health and LGBTQ communities,
2. ensure compliance with consumer protections and existing law, and
3. maintain and expand charity care obligations.

Continue Emergency Departments, Acute Care, and Other Critical Hospital Services as Well as Participation in Medi-Cal and Medicare programs for San Mateo County Residents

Health Access respectfully requests the Attorney General carefully examine the proposed sale from Verity Health to AHMC Healthcare, Inc. (AHMC) which would impact Seton Medical Center and Seton Coastside in San Mateo County. Health Access advocated for a set of undertakings when these hospitals were sold before, and believe that the Attorney General should impose those same requirements again. We believe that AHMC Healthcare, Inc. as a proposed buyer, should continue to be subject to all of the previous conditions imposed by Attorney General Kamala Harris on December 3, 2015, as a result of the previous transaction between Daughters of Charity and BlueMountain Capital Management, and subsequently transferred to Verity, with a 10-year extension that includes, but is not limited to:

- Maintaining Medical, Emergency, General Acute Care and Essential Services including OB and Reproductive, Women's, Senior, and LGBT Health Services

- Brian Allison AFSCME
Mayra Alvarez The Children's Partnership
Nancy "Nan" Brasmer California Alliance for Retired Americans
Cynthia Buiza California Immigrant Policy Center
Alma Hernandez Service Employees International Union State Council
Kiran Savage-Sangwan California Pan-Ethnic Health Network
Lori Easterling California Teachers Association
Stewart Ferry National Multiple Sclerosis Society, MS California Action Network
Aaron Fox Los Angeles LGBT Center
Roma Guy California Women's Agenda
Kelly Hardy Children Now
Andrea San Miguel Planned Parenthood Affiliates of California
Kathy Ko Chin Asian and Pacific Islander American Health Forum
Christina Livingston Alliance of Californians for Community Empowerment
Joseph Tomás Mckellar PICO California
Maribel Nunez California Partnership
Gary Passmore Congress of California Seniors
Jeff Frietas California Federation of Teachers
Art Pulaski California Labor Federation
Emily Rusch California Public Interest Research Group
Joan Pirkle Smith Americans for Democratic Action
Horace Williams California Black Health Network
Sonya Young California Black Women's Health Project

Anthony Wright
Executive Director

Organizations listed for identification purposes

- Continuity of Charity Care and Community Benefits
- Continuity of San Mateo county contract for Safety Net Care
- Participation in Medicare and Medi-Cal
- Seismic compliance

Health Access believes all previous conditions imposed originally on December 3, 2015 should continue to be enforced by Attorney General Becerra, and not any modified conditions from proposed failed transactions. Further, we believe conditions should be extended for ten years under the new leadership, to ensure the continuation of key services and other protections for patients and consumers in the San Mateo County region.

Seton Medical Center is the largest provider of Medi-Cal and Medicare services in San Mateo County, and although we are pleased that AHMC agrees to continue participation in Medicare and Medi-Cal agreements, while also continuing to contract with San Mateo county, Health Access is dismayed to see that AHMC Healthcare only wants to honor recently modified conditions resulting from a failed transaction with Strategic Growth Management, Inc. (SGM) in September 2019. This would impact healthcare services available for consumers and we encourage the extension of previous conditions.

Continuity of Charity Care, Community Benefits, Protections for LGBTQ and Reproductive Health Services, and Other Protections for Consumers

Health Access thinks the existing level of charity care should continue to be paid; and deficiency payments should also continue when the appropriate level of charity care is not met. Charity care continues to play a critical role in the health care safety net, both for the uninsured, and those who may find coverage unaffordable. Appropriate levels must be sustained to ease the burden for individuals that may face gaps in coverage.

As it relates to patient services, Seton Medical Center and Seton Coastside provide critical medical services to community members in their regions. We are glad to see that AHMC has proposed to maintain the same level of several services including medical, 24-hour “standby” emergency, acute, and most essential medical services including OB, Reproductive, Women’s Health, and LGBT healthcare services, where applicable. **We think it is imperative to preserve Seton Coastside’s 24 hour “standby” emergency department, which is the only 24 hour emergency room on the entire 55-mile stretch of Pacific Coast from Santa Cruz to Daly City.** We urge the Attorney General to ensure all services continue for 10 years.

Finally, Health Access does not believe there should be any modification of conditions imposed related to 2030 standards for seismic compliance, which should naturally parallel other potential 10 year conditions. We appreciate that AHMC is committed to meeting obligations for the required investment to comply with the law in 2030. Meeting state laws and regulations imposed related to seismic compliance are correlated to financial health of the facilities, and should be considered to be an indicator of whether or not the facilities will be fiscally stable enough to appropriately meet other responsibilities and continue needed care for its surrounding community.

While we acknowledge AHMC’s willingness to agree to continue practices that benefit patients and health care consumers in their service area, Health Access believes we must maintain imposed enforceable conditions to be sure that community needs for patients and consumers will continue to be served. We urge the Attorney General to maintain all conditions related to patient care services,

charity care, community benefits and other requirements the Attorney General has previously imposed on similar transactions if the sale to AHMC is approved.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Anthony Wright', with a horizontal line underneath it.

Anthony Wright
Executive Director