



BOARD OF DIRECTORS

June 26, 2020

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

Re: Proposed Sale of St. Francis
Medical Center to Prime Healthcare
Services, 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 that the CA Department of Justice oppose, or at a minimum impose key conditions on, the proposed sale between Verity Health and Prime Healthcare, Inc., which would impact St. Francis Medical Center in Lynwood, CA

We respectfully submit the following comments and urge you to impose enforceable conditions to:

1. prevent negative consumer impacts on access to essential hospital services, including emergency and trauma 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 existing law and consumer protections
3. maintain and expand charity care obligations

Continue Emergency Departments, Level II Trauma Care, and Other Critical Hospital Services as Well as Participation in Medi-Cal and Medicare programs

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 Prime Healthcare Services, 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, Level II Trauma, General Acute Care and Essential Services including OB and Reproductive, Women’s, Senior, and Pediatric Health, and LGBT Health Services
- Continuity of Charity Care and Community Benefits

- 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 Los Angeles 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.

Although we are pleased that Prime Healthcare agrees to continue participation in Medicare and Medi-Cal agreements, while also continuing to contract with LA county, Health Access is dismayed to see that Prime 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, St. Francis provides critical medical services to community members in their regions. We are glad to see that Prime Healthcare has proposed to maintain the same level of several services including medical, emergency, acute, trauma, and most essential medical services including OB, Reproductive, Women's Health, and LGBT healthcare services, where applicable. However, we are concerned about Prime eliminating these services if they are seen as non-profitable in the future.

Additionally, Health Access does not believe there should be any modification of conditions imposed related to seismic compliance. Meeting previous conditions imposed related to seismic compliance in 2030 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.

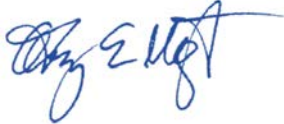
Finally, the Attorney General should review and consider Prime Healthcare's corporate history. The conditions we seek are even more important given that troubling history, which includes problematic practices with regard to post-stabilization care, Medicare coding, balance billing, and relations with other health providers, their workforce, and with the communities they serve. When deciding on whether to approve this transaction, and crafting potential conditions and undertakings, we urge you to consider Prime's practices and track record.

Health Access believes we must maintain many of the imposed enforceable conditions, as we want 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 Prime Healthcare is approved.

We thank the Attorney General's office for holding public meetings and considering these comments. If needed, we are happy to provide more information to bolster the need for these conditions.

Sincerely,

A handwritten signature in blue ink, appearing to read "Anthony Wright". The signature is stylized and cursive.

Anthony Wright
Executive Director