

Effect of the Ministry Alignment Agreement
between Dignity Health and Catholic Health
Initiatives on the Availability and Accessibility of
Healthcare Services to the Communities Served by
Dignity Health’s Hospitals Located in Ventura
County

Prepared for the Office of the California Attorney General

September 6, 2018

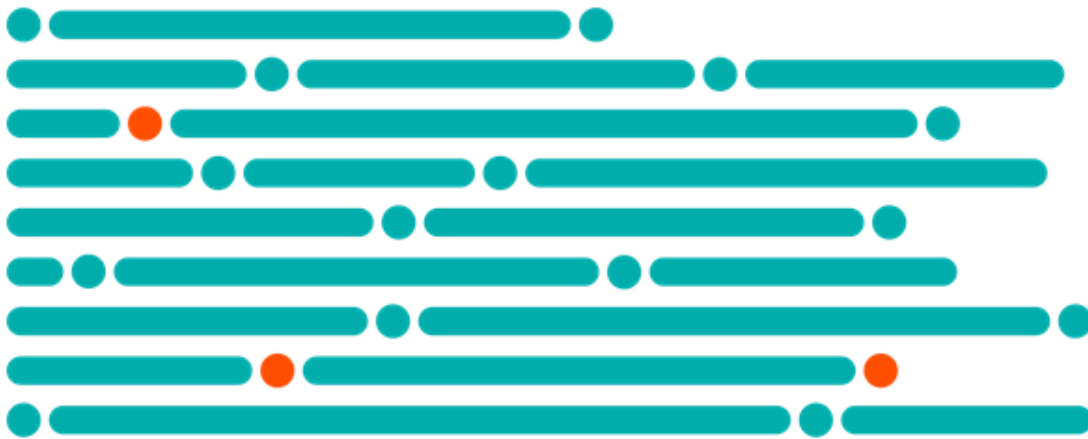


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Introduction & Purpose

JD Healthcare, Inc. and Vizient, Inc. were retained by the Office of the California Attorney General to prepare this healthcare impact statement to assess the potential impact of the proposed Ministry Alignment Agreement by and between Dignity Health, a California nonprofit public benefit corporation, and Catholic Health Initiatives, a Colorado nonprofit corporation (CHI), on the availability and accessibility of healthcare services to the communities served by Dignity Health's hospitals located in Ventura County. Dignity Health owns and operates 31 general acute care hospitals in California, including two in Ventura County: St. John's Regional Medical Center, located in Oxnard and St. John's Pleasant Valley Hospital, located in Camarillo.

CHI is the parent organization of several nonprofit corporations that own and/or operate over 100 hospitals in 18 states. CHI neither owns, nor controls any general acute care hospitals or other facilities in California. CHI is a Catholic organization.

Introduction

Catholic Health Care Federation (CHCF) is a public juridic person¹ within the meaning of Canon Law and the canonical sponsor² of CHI.

While Dignity Health is not a Catholic organization, its Catholic hospitals are sponsored by six congregations of Women Religious³. Dignity Health owns and operates 31 general acute care hospitals in California⁴. Nineteen of the 31 California hospitals are Catholic and 12 are non-Catholic hospitals (also referred to as community hospitals). Four of the 12 non-Catholic general acute care hospitals are owned by separately incorporated California nonprofit public benefit corporations that have Dignity Health as their sole corporate member⁵. Dignity Health also owns and operates five hospitals in Arizona and three hospitals in Nevada.

The following summary chart is a list of Dignity Health owned and operated hospitals⁶.

¹A public juridic person is a group or persons approved by the Roman Catholic Church to oversee and ensure that the mission of its healthcare organization is carried out according to Catholic principles.

²The Catholic Health Association has defined canonical sponsorship of a healthcare ministry as a formal relationship between an authorized Catholic organization and a legally formed system, hospital, clinic, nursing home (or other institution) entered into for the sake of promoting and sustaining Christ's healing ministry to people in need.

³A group of Roman Catholic women who dedicate their lives to the Gospel of Jesus Christ and take vows of poverty, chastity, obedience and service. The six congregations are: Sisters of Mercy of the Americas, Sister of Charity of the Incarnate Word, Dominican Sisters of San Rafael, Sisters of St. Francis of Penance and Christian Charity, Adrian Dominican Sisters and the Congregation of Sisters of St. Dominic of St. Catherine of Siena. Dignity Health's sponsorship council is comprised of one sister from each congregation.

⁴The California Department of Public Health has issued twenty-eight general acute care hospital licenses with respect to these 31 facilities.

Marian Regional Medical Center, Arroyo Grande and Marian Regional Medical Center West operate under a consolidated license issued to Marian Regional Medical Center, and Mercy Southwest Hospital operates under a consolidated license issued to Mercy Hospital (in Bakersfield).

⁵The four facilities are Bakersfield Memorial Hospital, Community Hospital of San Bernardino, Saint Francis Memorial Hospital, and Sierra Nevada Memorial Hospital.

⁶St. Joseph's Medical Center of Stockton and St. Joseph's Behavioral Health Center are owned by Port City Operating Company, LLC, a joint venture between Kaiser Foundation Hospitals and Dignity Health. Dignity Health owns 80% of Port City Operating Company, LLC, and Kaiser Foundation Hospitals owns the remaining 20%.

Dignity Health

Arizona Hospitals

- Arizona General Hospital^{1*}
- Chandler Regional Medical Center*
- Mercy Gilbert Medical Center
- St. Joseph's Hospital and Medical Center
- St. Joseph's Westgate Medical Center

California Hospitals

Dignity Health Owned Hospitals

- Dominican Hospital
- Marian Regional Medical Center
- Marian Regional Medical Center, Arroyo Grande*
- Marian Regional Medical Center West
- Mercy General Hospital
- Mercy Hospital of Folsom
- Mercy Medical Center Merced
- Mercy Medical Center Mt. Shasta
- Mercy Medical Center Redding
- Mercy San Juan Medical Center
- Mercy Hospital
- Mercy Southwest Hospital
- St. Bernardine Medical Center
- St. Elizabeth Community Hospital
- St. John's Pleasant Valley Medical Center
- St. John's Regional Medical Center
- St. Joseph's Medical Center of Stockton
- St. Joseph's Behavioral Health Center
- St. Mary Medical Center
- St. Mary's Medical Center
- California Hospital Medical Center*
- French Hospital Medical Center*
- Glendale Memorial Hospital*
- Methodist Hospital of Sacramento*
- Northridge Hospital Medical Center*
- Sequoia Hospital*
- Woodland Memorial Hospital*

Subsidiary Hospitals

- Bakersfield Memorial Hospital*
- Community Hospital of San Bernardino*
- Saint Francis Memorial Hospital*
- Sierra Nevada Memorial Hospital*

Nevada Hospitals

- St. Rose Dominican, Rose de Lima Campus
- St. Rose Dominican, San Martin Campus
- St. Rose Dominican, Siena Campus

*Denotes non-Catholic hospitals. All other hospitals are ministries of the Catholic Church

¹Arizona General Hospital is owned by a separate limited liability company of which Dignity Health is the sole corporate member

In addition to the hospitals listed above, Dignity Health has a management agreement with Mark Twain Medical Center Corporation, a California nonprofit public benefit corporation, to operate Mark Twain Medical Center, a 25-bed critical access hospital⁷ located at 768 Mountain Ranch Road, San Andreas, California. Mark Twain Medical Center is leased by Mark Twain Medical Center Corporation from the Mark Twain Healthcare District. The current lease agreement with Mark Twain Healthcare District expires on December 31, 2019. On June 6, 2018, the voters in the Healthcare District approved Ballot Measure A to enter into a new 30-year lease for Mark Twain Medical Center.

⁷A critical access hospital is a designation given to eligible rural hospitals, or those grandfathered as rural, by the Centers for Medicare and Medicaid Services. Conditions to obtain a Critical Access Hospital designation include having less than or equal to 25 acute care beds, being located more than 35 miles from another hospital, maintaining an annual average length of stay of 96 hours or less for acute care patients and providing 24-hour emergency care services.

Purpose

This healthcare impact statement describes the potential effects that the proposed transaction may have on the availability and accessibility of healthcare services to the residents served by St. John's Regional Medical Center and St. John's Pleasant Valley Hospital.

In preparation of this report, JD Healthcare, Inc. and Vizient, Inc. performed the following:

- A review of the written notice delivered to the California Attorney General on March 29, 2018 and supplemental information subsequently provided by Dignity Health;
- A review of press releases and articles related to this and other hospital transactions;
- Interviews with representatives of Dignity Health;
- An analysis of financial, utilization, and service information provided by Dignity Health and the California Office of Statewide Health Planning and Development (OSHPD); and
- An analysis of publicly available data related to service areas for St. John's Regional Medical Center and St. John's Pleasant Valley Hospital including hospital utilization rates and trends and hospital inpatient market share.

Background & Description of the Transaction

Background

Dignity Health was formerly known as Catholic Healthcare West. Catholic Healthcare West was founded in 1986 when the Sisters of Mercy Burlingame Regional Community and the Sisters of Mercy Auburn Regional Community merged their healthcare ministries. In 2009, the United States Conference of Catholic Bishops changed the Ethical and Religious Directives⁸ (ERDs) regarding partnerships between community and Catholic organizations. As a result of the changes to the ERDs, Catholic Healthcare West went through a process, between 2009 and 2011, to review its governance structure and its relationship to its owned and controlled non-Catholic community hospitals. In 2012, as a result of this review and based on discussions with its canonical sponsors, Catholic Healthcare West reorganized its governance structure and changed its name to Dignity Health. Dignity Health was no longer recognized as a Catholic organization, although many of its hospitals are Catholic. The restructure was designed to satisfy the requirements of the United States Conference of Catholic Bishops regarding partnerships with non-Catholic community hospitals while allowing Dignity Health to maintain its Catholic and non-Catholic hospitals under a single organization.

Following the 2012 reorganization, the six congregations of Women Religious began the exploration of alternative models for sponsorship of Dignity Health's Catholic hospitals, including the possibility for Dignity Health being recognized as a Catholic ministry. To facilitate this process, the Sponsors engaged a canon lawyer⁹ to help explore all of the options, such as the creation of a new public juridic person or a merger with a Catholic healthcare system sponsored by an existing public juridic person. As further described below, the alignment discussions between Dignity Health and CHI revealed many significant potential strategic benefits for both organizations, including CHI's current sponsorship by a public juridic person known as Catholic Health Care Federation.

Strategic Rationale, Transaction Process & Timing

The leadership of Dignity Health and CHI had numerous partnership discussions over the previous ten years. In 2013, they explored potential affiliations between the two health systems. Dignity Health and CHI identified several opportunities to collaborate on programs and services, including telehealth, micro-hospitals, and precision medicine¹⁰. In September 2016, they formed a joint-venture named the Precision Medicine Alliance, LLC to create a large precision medicine program.

⁸The Ethical and Religious Directives for Catholic Healthcare Services is a national code that guides Catholic healthcare providers on conformance with Christian theology.

⁹A canon lawyer is a lawyer who is knowledgeable of the ordinances and regulations made by ecclesiastical authority.

¹⁰Precision medicine is an emerging approach for disease treatment and prevention that uses extensive databases and takes into account individual variability in genes, environment, and lifestyle for each person.

In the spring of 2016, the executive leadership of Dignity Health and CHI began jointly exploring the potential for an alignment of their ministries. In March 2016, an outside advisor prepared a white paper¹¹ that analyzed the potential for an affiliation between Dignity Health and CHI that was shared with the boards of directors of Dignity Health and CHI in June 2016. The boards of directors of Dignity Health and CHI concluded that they:

- Share a vision of transformation for themselves and for the industry;
- Have highly complementary organizational missions, visions, and values;
- Serve complementary communities;
- Share strategic objectives in areas such as population health, quality, consumer focus, growth, and others; and
- Have multiple key complementary strengths – for example, CHI’s clinical excellence and Dignity Health’s operating model.

As a result, the boards of directors of Dignity Health and CHI requested that a business analysis for the aligned ministry be developed. That analysis identified the following potential synergies of aligned ministries:

- Enhancing clinical excellence;
- Improving patient experience;
- Ensuring care for the vulnerable and underserved;
- Developing talent and creating a learning organization;
- Improving access to care;
- Accelerating innovation and research; and
- Expanding the capabilities that support the health system of the future.

In addition, the white paper identified high level economic implications and synergies of an alignment that have the potential to:

- Provide the financial resources and complementary strengths to support the capabilities needed for a changing health system;

¹¹The white paper is entitled “Creating a Transformative Ministry in Response to the Signs of the Times, Cultural, Strategic, Business and Financial Planning for an Aligned Ministry.”

- Extend the mission of social justice through a national platform for care that is accessible and equitable to all people, with particular attention to the vulnerable and underserved; and
- Develop new models for integrated, community focused care that combine clinical excellence, health improvement and innovation.

On October 24, 2016, the boards of directors of Dignity Health and CHI announced the signing of a non-binding letter of intent to explore aligning the organizations. After the signing of the letter of intent, independent advisors from Kaufman Hall Associates, PricewaterhouseCoopers, McKinsey & Company, and Dentons US LLP provided analyses regarding the strategic, cultural, financial, legal, operational, and structural aspects of the alignment of the organizations. A steering committee, comprised of executives from both organizations, was formed to negotiate the terms of the Ministry Alignment Agreement. In March 2017, Dignity Health and CHI sought a moral analysis¹² from several Catholic theologians for the purposes of obtaining a *nihil obstat*¹³ from Archbishop Aquila of the Denver Archdiocese and Archbishop Cordileone of the San Francisco Archdiocese. On April 20, 2017, the boards of directors of Dignity Health passed a resolution authorizing and approving the execution of the Ministry Alignment Agreement subject to the moral analysis. The resolution cited the intention to combine Dignity Health and CHI into a new nationwide health system that would:

- Serve as an unprecedented platform to further Catholic identity and the Catholic health ministry;
- Provide an opportunity for Dignity Health and CHI’s employees, physicians, partners and people in the communities served by Dignity Health and CHI to experience and participate in the enhanced Catholic health ministry;
- Enhance and expand access to care and the healthcare services performed for the poor and underserved;
- Possess a strong voice for social justice and promote advocacy at local, state and national levels;
- Be a leader in healthcare’s transformation;
- Promote clinical efficiency and effectiveness in the delivery of healthcare and medical services; and
- Provide a platform to accomplish other goals, objectives, and benefits for the communities served by the CHI and Dignity Health.

¹²A formal report by a Catholic theologian on the appropriate application of Catholic moral teachings.

¹³A Roman Catholic Church certification by an official censor that something is not objectionable on doctrinal or moral grounds.

The *nihil obstats* were received in October 2017. The Ministry Alignment Agreement was signed by Dignity Health and CHI on December 6, 2017. On March 29, 2018, Dignity Health submitted the written notice to the California Attorney General's Office and requested the California Attorney General's consent to the Ministry Alignment Agreement.

Summary of the Ministry Alignment Agreement

The Ministry Alignment Agreement will be implemented primarily through the reorganization and renaming of CHI's current corporation. This reorganized entity will become the parent organization (henceforth referred to as "System Corporation") over the new health system and will be renamed before the Closing Date¹⁴ of the transaction. The governing board of the System Corporation will initially be comprised of six directors each from the legacy boards of directors of Dignity Health and CHI, and the Chief Executive Officers from each organization (i.e., a total of 14 directors).

As part of the transaction, Dignity Health formed a separate Colorado nonprofit corporation named Integrated Healthcare Operations (IHO). As of the Effective Date¹⁵ of the transaction, Dignity Health will transfer the assets of its eight non-Catholic owned hospitals (seven of which are in California and one in Arizona) to IHO. IHO will also become the sole corporate member of Dignity Health's four subsidiary hospitals in California for a total of 12 hospitals. The System Corporation is not a member of IHO. However, the System Corporation approves the majority of the IHO board from nominees selected by the IHO board and holds reserve powers over certain actions to be taken by IHO. IHO will not be Catholic, and the eleven California non-Catholic hospitals¹⁶ transferred to IHO from Dignity Health and one Arizona non-Catholic hospital will remain non-Catholic and not subject to the ERDs. The 12 non-Catholic Dignity Health hospitals are not obligated to alter, restrict, or terminate any clinical medical service or program that was permitted on the effective date of the transaction by reason of Catholic doctrine or theology or any amendments to the Statement of Common Values¹⁷ or Designated Procedures¹⁸ that increases or expands prohibited services. The 12 non-Catholic Dignity Health hospitals will be provided with the same benefits, systems, services, and programs, and on the same terms as all other hospitals in System Corporation. The 12 non-Catholic Dignity Health hospitals will retain or adopt Dignity Health's Statement of Common Values.

¹⁴The Closing Date is the date the parties exchange all signed documents pursuant to the conditions precedent set forth in the Ministry Alignment Agreement. One of those conditions precedent requires the Attorney General's consent.

¹⁵As of 12:00:01am on the day immediately after the "Closing Date".

¹⁶Marian Regional Medical Center, Arroyo Grande is and will remain a non-Catholic general acute care hospital. It operates under a consolidated license issued to a Catholic general acute care hospital, Marian Regional Medical Center. Marian Regional Medical Center, Arroyo Grande will not be transferred to IHO.

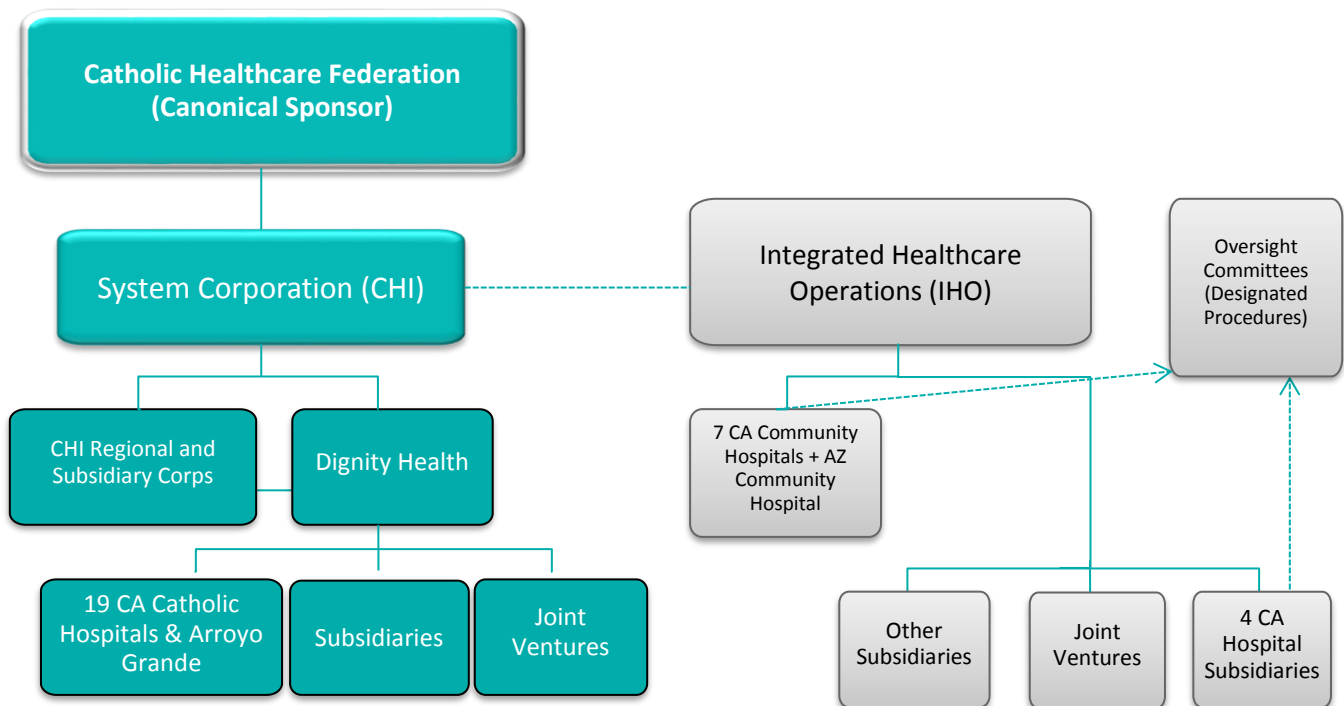
¹⁷Dignity Health's Statement of Common Values prohibits direct abortions, in-vitro fertilizations, and provider or physician-assisted suicide or aid in dying. The most common medical procedure performed in hospitals that is prohibited by the ERDs is tubal ligation (a surgical procedure for female sterilization that involves severing and tying the fallopian tubes). Tubal ligations are not prohibited by Dignity Health's Statement of Common Values.

¹⁸Designated Procedures means "direct sterilizations" that consist of an elective procedure, the primary purpose of which is to render the patient permanently incapable of reproducing; provided, however, that procedures that induce sterility do not constitute a "Designated Procedure" when their effect is the cure or alleviation of a present and serious pathology, and a simpler treatment is not available.

On the Effective Date, the System Corporation will become the sole corporate member of Dignity Health and the board of directors of Dignity Health will be comprised of the same persons who comprise the board of directors of the System Corporation. On the Closing Date, Catholic Healthcare Federation becomes the sponsor of all Catholic activities, including Dignity Health’s Catholic hospitals. The board members of System Corporation and Dignity Health will be identical. A single executive management team will manage the System Corporation, Dignity Health, and CHI Regional and Subsidiary Corporations¹⁹.

System Corporation Post the Effective Date of the Ministry Alignment Agreement

The following chart shows the organization of System Corporation after the Closing Date of the Ministry Alignment Agreement. System Corporation would be the sole member of Dignity Health and the CHI Regional and Subsidiary Corporations²⁰. System Corporation would not be a member of IHO, however, a majority of the nominees to IHO’s board of directors will be subject to approval by System Corporation and IHO’s hospitals will retain or adopt Dignity Health’s Statement of Common Values.

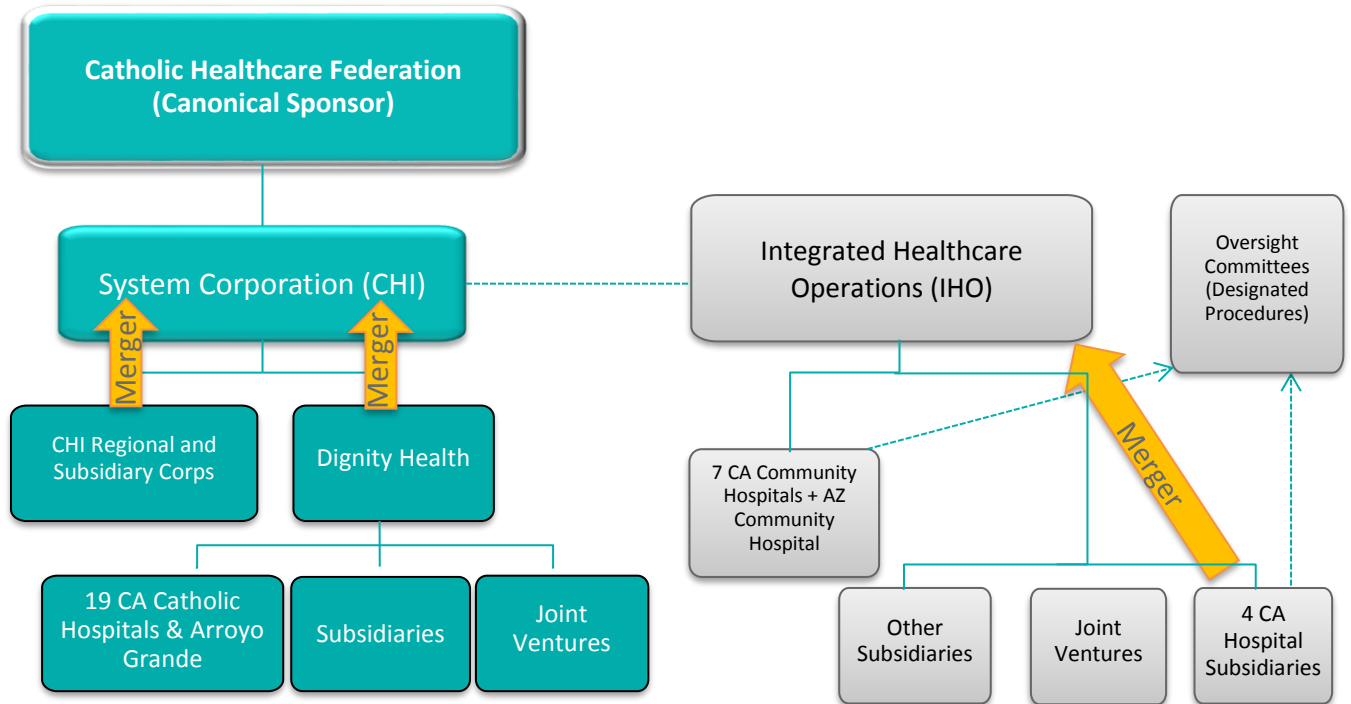


¹⁹Both Dignity Health’s and IHO’s local hospital community boards associated with each owned hospital, as well as the boards associated with the four subsidiary hospitals, will continue to exist.

²⁰The majority of CHI hospitals are organized into eight regional corporations.

System Corporation Post Debt Consolidation (Within 36 Months)

After the Closing Date and after the restructuring and consolidation of the existing tax-exempt bonds and other debt of CHI and Dignity Health, Dignity Health and the CHI Regional and Subsidiary Corporations will merge into System Corporation, and the four non-Catholic separately-incorporated hospitals will merge into IHO.



Major Provisions of the Ministry Alignment Agreement

The major provisions of the Ministry Alignment Agreement, dated December 6, 2017, include the following:

Structures and Responsibilities

- Catholic Health Care Federation (CHCF)
 - CHCF, as a public juridic person, shall be the Catholic canonical sponsor of System Corporation, and shall serve as the canonical sponsor of all of the Catholic ministries that are a part of the Ministry Alignment Agreement;
 - CHCF's governance composition will be reconstituted after the Effective Date of the Ministry Alignment Agreement:
 - Dignity Health and CHI shall each select six individuals from their existing governing bodies to serve as the initial CHCF members. In addition, the members of CHCF shall also include the current president and CEO of Dignity Health, and the current CEO of CHI, for a total of fourteen members. No later than twelve months after the Effective Date, CHCF shall approve and appoint one individual who was previously neither a member of CHCF, nor the board of directors of Dignity Health or CHI to serve as the fifteenth CHCF member;
 - CHCF shall continue to provide for the participation of its congregations, and shall admit the six congregations of Women's Religious as additional participating congregations; and
 - CHCF reserves the rights to approve or remove any member of the Board of Stewardship Trustees and veto any amendments or changes to Dignity Health's Statement of Common Values.
- System Corporation
 - System Corporation, formerly known as Catholic Health Initiatives, shall become the parent entity and the surviving corporation;
 - System Corporation shall be a ministry of the Catholic Church and shall be subject to the ERDs;
 - System Corporation shall be governed by a board called the Board of Stewardship Trustee that shall consist of the same persons who serve as the CHCF members; and

- Under the supervision of the CHCF, the Board of Stewardship Trustee reserves the rights to control or manage the property, affairs and activities of System Corporation. Responsibilities include approving the policies of System Corporation, developing System Corporation’s strategic plan, and approving the System Corporation’s articles of incorporation and bylaws.
- Dignity Health
 - Dignity Health shall continue to be a California nonprofit corporation with federal tax-exempt 501 (c)(3) status until after debt consolidation between Dignity Health and CHI, at which point Dignity Health will merge into System Corporation;
 - As of the Effective Date:
 - Dignity Health shall transfer all of the assets and liabilities associated with the Dignity Health businesses and operations of the following California non-Catholic hospitals to IHO:
 - California Hospital Medical Center;
 - French Hospital Medical Center;
 - Glendale Memorial Hospital and Health Center;
 - Methodist Hospital of Sacramento;
 - Northridge Hospital Medical Center;
 - Sequoia Hospital; and
 - Woodland Memorial Hospital.
 - Dignity Health shall cause the four subsidiary hospitals that are separately incorporated, Bakersfield Memorial Hospital, Community Hospital of San Bernardino, Saint Francis Memorial Hospital, and Sierra Nevada Memorial Hospital, to first substitute its membership from Dignity Health to IHO, until after debt consolidation between Dignity Health and CHI, at which point these four subsidiary hospitals will merge into IHO; and
 - Marian Regional Medical Center, Arroyo Grande, a non-Catholic hospital, will remain with Dignity Health under a consolidated license with Marian

Regional Medical Center, a Catholic hospital. Marian Regional Medical Center, Arroyo Grande will not adhere to the ERDs. It will adopt or retain Dignity Health’s Statement of Common Values. It does not offer obstetrics or women’s healthcare services.

- Dignity Health’s nineteen Catholic hospitals shall remain a ministry of the Catholic Church and subject to the ERDs;
 - System Corporation (after the transfers of the community hospitals to IHO) shall become the sole corporate member of Dignity Health; and
 - Dignity Health shall be governed by a board consisting of the same individuals who are serving as the board for System Corporation and are also the members of CHCF.
- Integrated Healthcare Operations
 - IHO was formed by Dignity Health prior to the signing date without involvement, input, or direction from CHI. IHO shall continue to be a Colorado nonprofit corporation;
 - IHO and its subsidiaries shall not become ministries of the Catholic Church, shall not use the name “Catholic” for their respective public businesses, shall not be subject to the ERDs, and shall operate consistent with Dignity Health’s Statement of Common Values;
 - IHO shall be governed by a board of directors consisting of individuals who shall:
 - Be initially appointed by Dignity Health and then nominated by the board of directors of IHO or a committee thereof;
 - Serve in their individual capacities and not in any manner as a representative of System Corporation; and
 - Not contemporaneously serve; as a CHCF Member, or on the board of System Corporation, Dignity Health, nor any other subsidiary of System Corporation.
 - After the Effective Date, a majority of the members of the IHO Board who are subject to nomination or re-appointment shall be nominated by the IHO Board then in effect, subject to the acceptance (or rejection) of a majority of such nominees by the board of System Corporation;

- IHO is anticipated to operate on a collaborative basis with System Corporation. Neither CHCF, System Corporation, Dignity Health, or any other subsidiary of System Corporation shall be the corporate member of IHO; and
 - Prior to the Effective Date of the contemplated merger, Dignity Health shall require IHO and each of its subsidiary operating hospitals to create a Community Hospital Oversight Committee for each hospital. These committees will act as a separate governance body to oversee the operations, management, and financial results related to the Designated Procedures performed in each community hospital.
 - With respect to the Designated Procedures performed at each community hospital:
 - Such community hospital shall separately account for and regularly report to the Community Hospital Oversight Committee on the net revenues and expenses reasonably allocated to such Designated Procedures together with the net financial results (i.e. either a net profit or net loss); and
 - The Community Hospital Oversight Committee shall donate any net profits to one or more healthcare related tax-exempt charities that provide or advocate for activities, services, or procedures benefitting the communities served by the hospital and that are not inconsistent with the ERDs.
 - On an annual basis, and not more than four months following the end of each fiscal year of IHO, each Community Hospital Oversight Committee shall prepare and deliver a written certification to the IHO Board and to the Local Hospital Community Board or the applicable board of one of the four subsidiaries:
 - The Community Hospital Oversight Committee has not amended its charter in any manner that violates or otherwise modifies the structure or authorities contained in the IHO bylaws;
 - The composition of the Community Hospital Oversight Committee complies with the requirements; and
 - All donations or grants (if any) of the net profits from the performance of the Designated Procedures were contributed to one or more healthcare related tax-exempt charities.

- IHO reserves the right to approve changes of non-Catholic hospitals, its subsidiaries and its joint ventures. Changes include changing the mission or philosophical direction of entities, and approval or removal of entities under IHO. Modifications to Dignity Health's Statement of Common Values must be approved by the board of System Corporation and can be vetoed by CHCF.
- Port City Operating Company, LLC
 - St. Joseph's Medical Center of Stockton and St. Joseph's Behavioral Health Center are owned by Port City Operating Company, LLC, a joint venture between Kaiser Foundation Hospitals and Dignity Health. Dignity Health owns 80% of Port City Operating Company, LLC and Kaiser Foundation Hospitals owns the remaining 20%. Dignity Health's continued ownership in Port City Operating Company, LLC after a change of control of Dignity Health will be subject to Kaiser Foundation Hospitals' consent; and
 - Dignity Health's ownership interest of Port City Operating Company, LLC will transfer to System Corporation.
- CHI Regional Corporations
 - Each of the CHI Regional Corporations shall continue to be nonprofit corporations organized in their respective states of incorporation until Dignity Health and CHI consolidate debt. Afterwards, the CHI Regional Corporations will merge into System Corporation.
- Mark Twain Medical Center
 - Dignity Health and CHI acknowledge that the continued management of Mark Twain Medical Center by Dignity Health after a change of control of Dignity Health may be subject to consent from outside parties.

Dignity Health Commitments

- Licensed Acute Care Hospital Commitments
 - For a period of five years from the Effective Date of the transaction:
 - The System Corporation and Dignity Health shall continue to operate and maintain each Dignity Health owned hospital as a licensed general acute care hospital;
 - IHO shall continue to operate and maintain each IHO owned hospital as a licensed general acute care hospital; and
 - IHO and each IHO subsidiary shall continue to operate and maintain the IHO subsidiary hospital as a licensed general acute care hospital.

- Licensed Specialty Service Commitments and Additional Specialty Services Commitments
 - For a period of five years from the Effective Date of the transaction:
 - System Corporation and Dignity Health, with respect to the Dignity Health owned hospitals, IHO owned hospitals, and the IHO subsidiary hospitals shall continue to operate, provide and maintain the following services at each California hospital:
 - Twenty-four-hour emergency medical services at current licensure, with the current number of emergency treatment stations, the current types and levels of emergency medical services, and the current designations or certifications associated with such emergency medical services;
 - Core specialty and additional specialty healthcare services at current licensure and designation with current minimum types and/or levels of services²¹; and
 - Additional specialty healthcare services at current licensure and designation with current types and/or levels of services.

²¹See the “Assessment of Potential Issues Associated with the Availability or Accessibility of Healthcare Services” for a complete listing of commitments made by Dignity Health for St. John’s Regional Medical Center and St. John’s Pleasant Valley Hospital.

- Women's Healthcare Services Commitments
 - For a period of five years from the Effective Date:
 - System Corporation and Dignity Health, with respect to the Dignity Health owned hospitals, IHO owned hospitals, and the IHO subsidiary hospitals, shall continue to provide women's healthcare services; and
 - Those Dignity Health California hospitals that are non-Catholic shall retain their identity as community hospitals and shall not become ministries of the Catholic Church, nor be subject to the ERDs. In addition, they will retain or adopt Dignity Health's Statement of Common Values.

- Medicare & Medi-Cal Commitment
 - For a period of five years from the Effective Date of the transaction:
 - System Corporation and Dignity Health, with respect to the Dignity Health owned hospitals, IHO owned hospitals, and the IHO subsidiary hospitals, shall:
 - Continue to be certified to participate in the Medicare program;
 - Continue to be certified to participate in the Medi-Cal program; and
 - Continue to have and maintain their respective Medi-Cal Managed Care contracts in effect as of the signing date.

- City/County Contract Commitment:
 - For a period of five years from the Effective Date of the transaction:
 - System Corporation and Dignity Health, with respect to the Dignity Health owned hospitals, IHO owned hospitals, and the IHO subsidiary hospitals, shall maintain healthcare-related services contracts, with any city or county in the State of California as of the signing date.

- Charity Care Commitment
 - For the six fiscal years from the Effective Date, System Corporation and Dignity Health, with respect to the Dignity Health owned hospitals, IHO owned hospitals, and the IHO subsidiary hospitals, in California shall:

- Provide an annual amount of charity care at each hospital equal to or greater than the average annual amount of charity care provided by such hospital during the three fiscal years prior to the signing date and adjusted for cost-of-living-adjustments.
- Community Benefit Program Commitment
 - For a period of six fiscal years from the Effective Date, System Corporation and Dignity Health, with respect to the Dignity Health owned hospitals, IHO owned hospitals, and the IHO subsidiary hospitals in California, shall provide an annual amount of community benefit services at each such Dignity Health California Hospital equal to or greater than the average annual amount of community benefit services provided by hospital during the three fiscal years prior to the signing date and adjusted for cost-of-living adjustments.
- Medical Staff and Related Commitments
 - System Corporation and Dignity Health, with respect to the Dignity Health owned hospitals, IHO owned hospitals, and the IHO subsidiary hospitals in California, shall maintain privileges for the current medical staff members of each such hospital who are in good standing as of the Effective Date.
- LGBT Non-Discrimination Commitments
 - There shall be no discrimination against any lesbian, gay, bisexual, or transgender individuals at any Dignity Health California hospitals. System Corporation and Dignity Health, with respect to the Dignity Health owned hospitals, and IHO with respect to the IHO owned hospitals and the IHO subsidiary hospitals, shall cause this prohibition to be explicitly set forth in the written policies applicable to such hospitals, adhered to and strictly enforced.
- Seismic Compliance Commitments
 - System Corporation, Dignity Health and IHO shall commit the necessary investments required to meet and maintain OSHPD seismic compliance requirements at each Dignity Health California hospital until January 1, 2030.
- Union Commitments
 - Dignity Health and CHI agree that the collective bargaining agreements in effect as of the Effective Date shall remain in full force and effect following the Effective Date in accordance with their respective terms.

- Hospital Quality Assurance Fee Program Participation
 - System Corporation, Dignity Health and IHO commit to continue participation in the California Department of Health Care Services' Hospital Quality Assurance Fee Program for five years for all California hospitals.

Use of Net Sale Proceeds

There will be no net proceeds as a result of the proposed transaction.

Profile of Catholic Health Initiatives

Overview

CHI is a nonprofit, faith-based health system that formed in 1996 through the consolidation of three Catholic health systems: Catholic Health Corporation, Franciscan Health System, and Sisters of Charity Health System.

CHI, headquartered in Englewood, Colorado, has a service area that covers approximately 54 million people and operates acute care facilities in 13 states. CHI’s network consists of 97 acute care facilities, academic health centers and major teaching hospitals, critical-access facilities, community health-service organizations, nursing colleges, and senior living communities. The health system has more than 95,000 employees, including approximately 4,700 employed physicians and advanced practice clinicians.

CHI Acute Care Facilities	
REGION	ACUTE CARE FACILITIES
Arkansas	4
Colorado and Kansas	12
Iowa and Nebraska	21
Kentucky	13
Minnesota	4
North Dakota	10
Ohio	5
Tennessee	2
Texas	16
Oregon and Washington	10

Source: 2017 CHI Annual Report

CHI OPERATIONS	
Acute Care Facilities	97
Home Services Location	52
Critical- Access Hospitals	30
Long-Term Facilities	16
Clinical Integrated Networks	11
Academic Medical Centers a Major Teaching Hospital	3
Community Health Services Organizations	2

Source: 2017 CHI Annual Report

Key Statistics

In Fiscal Year (FY) 2017, CHI reported growth in the number of admissions, outpatient emergency visits, outpatient non-emergency visits, physician office visits, the number of full-time equivalent employees, and total employees overall compared to FY 2016. CHI reported a decrease in acute patient days, average daily census, residential days, and long-term care days.

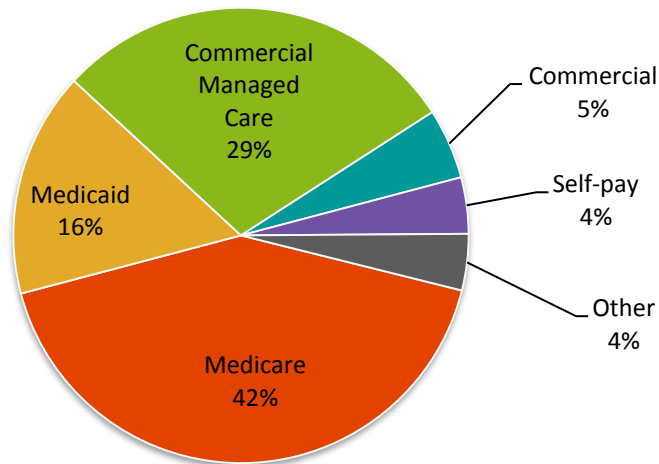
CHI STATISTICAL HIGHLIGHTS FY 2016 – FY 2017			
<i>Fiscal Year ended June 30, 2017</i>	FY 2016	FY 2017	Change
Acute Patient Days	2,382,402	2,366,980	-0.6%
Acute Average Daily Census	6,527	6,485	-0.6%
Acute Admissions	498,464	504,593	1.2%
Acute Average Length of Stay, in days	4.8	4.7	-2.1%
Outpatient emergency visits	1,951,714	1,966,342	0.7%
Outpatient non-emergency visits	5,557,647	5,804,586	4.4%
Physician office visits	9,635,875	10,540,482	9.4%
Residential days	751,072	665,885	-11.3%
Long-term care days	503,450	483,151	-4.0%
Full-time equivalent employees	79,194	84,463	6.7%
Employees	93,697	95,968	2.4%
Acute inpatient revenues as a percentage of total	44.70%	44.70%	-

Source: CHI 2017 Annual Report

Payer Mix

The following chart represents the gross revenue by payer for CHI's consolidated operations for the FY 2017.

Gross Revenue By Payer



Source: CHI Annual Report

Financial Profile

CHI’s audited consolidated financial statements show the following system-wide performance of CHI and its affiliates:

CHI COMBINED STATEMENT OF OPERATIONS		
FY 2016 – FY 2017 (In Thousands)		
Unrestricted Revenues and Support	FY 2016	FY 2017
Net Patient Service Revenue Less Bad Debt Provision	\$13,847,027	\$14,450,868
Donations	\$36,983	\$30,954
Changes in Equity of Unconsolidated Organizations	\$133,375	\$48,404
Gains on Business Combinations	\$223,036	-
Hospital Ancillary Revenues	\$351,509	\$339,072
Other	\$597,657	\$678,166
Total Operating Revenues	\$15,189,587	\$15,547,464
Expenses		
Salaries and Wages	\$6,117,712	\$6,294,834
Employee Benefits	\$1,182,203	\$1,201,044
Purchased Services, Medical Professional Fees, Medical Claims and Consulting	\$2,232,689	\$2,402,478
Supplies	\$2,490,524	\$2,550,328
Utilities	\$212,732	\$210,285
Rentals, Leases, Maintenance and Insurance	\$898,020	\$901,272
Depreciation and Amortization	\$833,394	\$846,291
Interest	\$281,581	\$295,476
Other	\$1,019,385	\$1,056,536
Restructuring, Impairment and Other Losses	\$292,758	\$374,167
Total Expenses	\$15,560,998	\$16,132,711
Income From Operations	(\$371,411)	(\$585,247)
Non-operating Income (Loss)		
Investment Income (Loss), net	(\$3,384)	\$638,519
Loss on early extinguishment of debt	(\$29,469)	(\$19,586)
Realized and Unrealized Gains (Losses) on Interest Rate Swaps	(\$154,816)	\$92,698
Other Non-operating Gains (Losses)	(\$16,491)	\$2,006
Total Non-operating Income (Loss)	(\$204,160)	\$713,637
Excess of revenues over Expenses	(\$575,571)	\$128,390

Source: CHI Audited Financial Statements

- Net Patient Service Revenue (less provision for bad debts) of \$14.5 billion in FY 2017 represents a net increase of approximately \$600 million, or 4.4%, as compared to FY 2016. Total operating revenues increased by \$358 million, or 2.4%, from \$15.2 billion in FY 2016 to \$15.5 billion in FY 2017;

Total expenses increased by 3.7% from \$15.6 billion in FY 2016 to \$16.1 billion in FY 2017. CHI’s salaries, wages and employee benefits expense accounted for 46% of total expenses;

- In FY 2017, CHI realized a non-operating gain of approximately \$714 million, a substantial increase from the non-operating loss of \$204 million loss in FY 2016; and
- Excess revenue over expenses increased from a loss of approximately \$576 million in FY 2016 to a gain of approximately \$128 million in FY 2017. This is mainly due to an increase in non-operating revenue.

Profile of Dignity Health

Dignity Health is a California nonprofit public benefit corporation that traces its history to the Sisters of Mercy, founded by Catherine McAuley in Dublin, Ireland in 1831. On December 8, 1854, eight Sisters of Mercy left Ireland and arrived in San Francisco, California to begin caring for residents struck by influenza, cholera and typhoid. The Sisters of Mercy opened St. Mary's Hospital, the oldest operating hospital in San Francisco, on July 27, 1857.

Today, Dignity Health has grown to be one of the largest health systems in the United States. Dignity Health provides healthcare services in California, Arizona and Nevada. In California, Dignity Health owns and operates 31 hospitals across 17 counties with an estimated 11,500 physicians on its hospitals' medical staff. Dignity Health also operates five general acute care hospitals in Arizona and three in Nevada.



Payer Mix

The following chart shows inpatient discharges by payer for Dignity Health’s consolidated California operations for FY 2016.

DIGNITY HEALTH TOTAL PAYER MIX COMPARISON FY 2016²²				
	Dignity Health FY 2016		California FY 2016 ¹	
	Discharges	% of Total	Discharges	% of Total
Medi-Cal Traditional	42,492	15.20%	441,300	14.70%
Medi-Cal Managed Care	65,590	23.40%	590,581	19.70%
Medi-Cal Total	108,082	38.60%	1,031,881	34.40%
Medicare Traditional	88,052	31.40%	829,621	27.60%
Medicare Managed Care	27,196	9.70%	315,579	10.50%
Medicare Total	115,248	41.10%	1,145,200	38.10%
Third-Party Managed Care	47,682	17.00%	648,533	21.60%
Third-Party Managed Care Total	47,682	17.00%	648,533	21.60%
Third-Party Traditional	5,245	1.90%	100,382	3.30%
Other Payers	2,495	0.90%	44,809	1.50%
Other Indigent	1,344	0.50%	17,246	0.60%
County Indigent	76	0.00%	15,160	0.50%
Other Total	9,160	3.30%	177,597	5.90%
Total	280,172	100%	3,003,211	100%

Source: OSHPD Disclosure Reports, FY 2016

¹ FY 2017 California data was not available when the data was collected to prepare this report.

- Dignity Health’s largest payer in California by percentage of inpatient discharges is Medicare (41.1%), followed by Medi-Cal (38.6%), and Third-Party Managed Care (17.0%);
- Dignity Health’s California hospitals care for 10.5% of all California Medi-Cal inpatient discharges;
- Dignity Health’s California hospitals had 10.1% of all California Medicare inpatient discharges; and
- In FY 2016, Dignity Health’s California hospitals cared for 9.3% of all inpatient discharges in California.

²²Fiscal Year from July 1 through June 30.

Financial Profile

Dignity Health’s audited consolidated financial statements show the following system-wide performance of Dignity Health and its affiliates.

DIGNITY HEALTH COMBINED STATEMENT OF OPERATIONS FY 2016 - FY 2017 (In Thousands)		
Unrestricted Revenues and Support	FY 2016	FY 2017
Net Patient Service Revenue Less Bad Debt Provision	\$11,542,262	\$11,572,387
Premium Revenue	\$633,395	\$755,427
Revenue from health-related activities, net	\$66,586	\$139,013
Other Revenue	\$376,580	\$364,631
Contributions	\$17,452	\$18,649
Total Unrestricted Revenues And Support	\$12,636,275	\$12,850,107
Expenses		
Salaries and Benefits	\$6,581,323	\$6,883,671
Supplies	\$1,769,212	\$1,850,519
Purchased Services and Other	\$3,497,502	\$3,454,313
Depreciation and Amortization	\$581,624	\$606,370
Interest Expense, net	\$270,034	\$122,018
Total Expenses	\$12,699,695	\$12,916,891
Income From Operations	(\$63,420)	(\$66,784)
Non-operating Income (Loss)		
Investment Income (Loss), net	(\$123,869)	\$555,538
Loss on early extinguishment of debt	-	(\$48,012)
Income Tax Expense	(\$14,189)	(\$15,024)
Total Non-operating Income (Loss)	(\$138,058)	\$492,502
Excess of Revenues over Expenses	(\$201,478)	\$425,718

Source: Dignity Health Audited Financial Statements

- Net patient service revenue, less bad debt provision, increased slightly to \$11.6 billion in FY 2017. Total unrestricted revenues and support increased by \$214 million from \$12.6 billion in FY 2016 to \$12.9 billion in FY 2017;
- Total expenses increased by 1.7% from \$12.7 billion in FY 2016 to \$12.9 billion in FY 2017. Dignity Health’s salaries, wages and benefits expense accounted for approximately 53% of total expenses;
- In FY 2017, Dignity Health realized a net non-operating gain of \$493 million, representing a substantial increase from the net non-operating loss of \$138 million in FY 2016; and
- Excess revenue over expenses increased from a loss of \$201 million in FY 2016 to a gain of \$426 million in FY 2017, mainly due to an increase in investment income in FY 2017.

Dignity Health's California Hospitals Overview

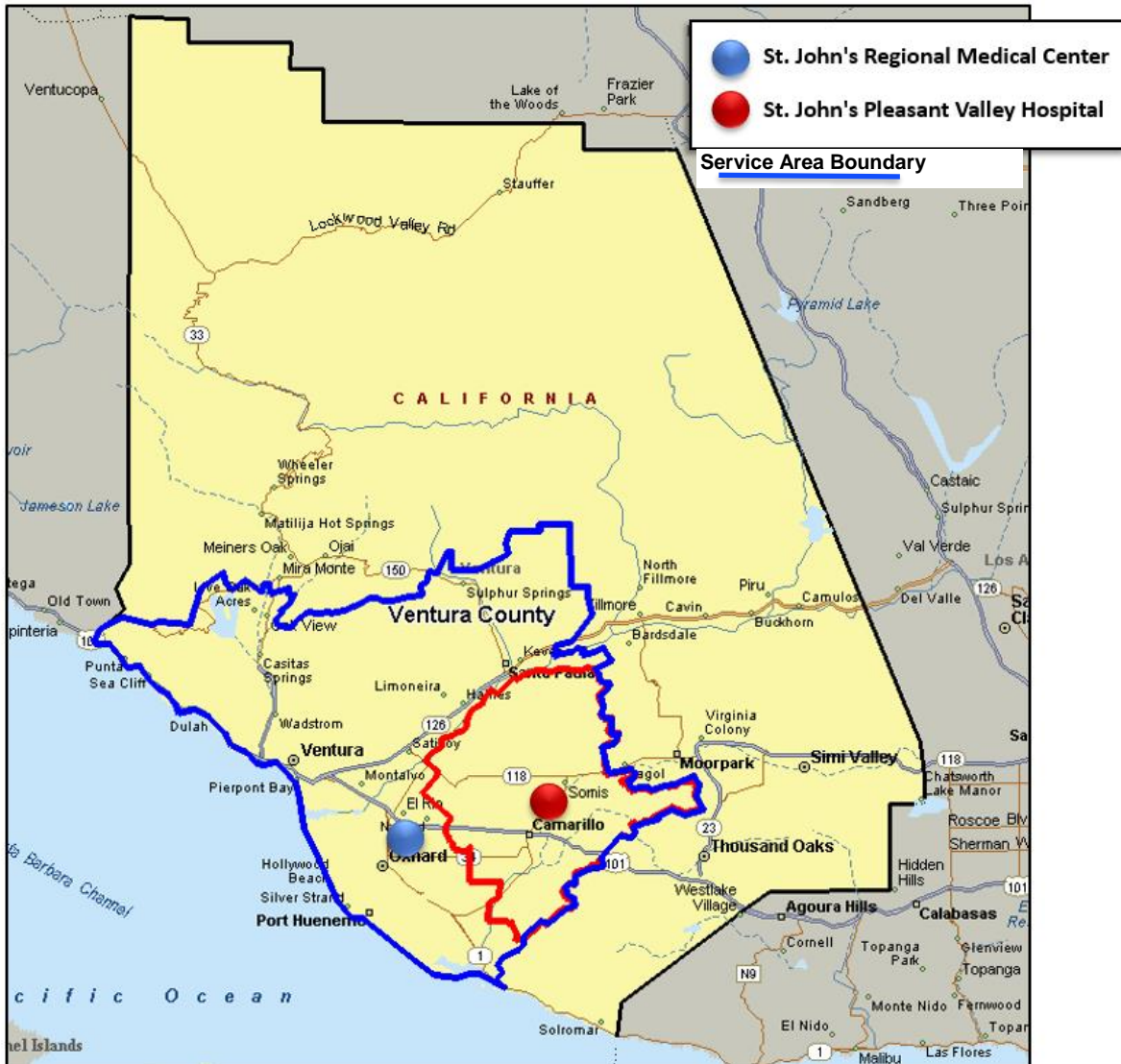
The following table lists the location of each Dignity Health owned and managed hospital in California.

DIGNITY HEALTH'S OWNED & OPERATED CALIFORNIA HOSPITALS		
Hospital	County	City
Bakersfield Memorial Hospital	Kern County	Bakersfield
Mercy Hospital	Kern County	Bakersfield
Mercy Southwest Hospital	Kern County	Bakersfield
California Hospital Medical Center	Los Angeles	Los Angeles
Glendale Memorial Hospital	Los Angeles	Glendale
Northridge Hospital Medical Center	Los Angeles	Northridge
St. Mary Medical Center	Los Angeles	Long Beach
Mercy Medical Center Merced	Merced County	Merced
Sierra Nevada Memorial Hospital	Nevada County	Grass Valley
Marian Regional Medical Center, Arroyo Grande	San Luis Obispo County	Arroyo Grande
French Hospital Medical Center	San Luis Obispo County	San Luis Obispo
Mercy General Hospital	Sacramento County	Sacramento
Mercy Hospital of Folsom	Sacramento County	Folsom
Mercy San Juan Medical Center	Sacramento County	Carmichael
Methodist Hospital of Sacramento	Sacramento County	Sacramento
Community Hospital of San Bernardino	San Bernardino	San Bernardino
St. Bernardine Medical Center	San Bernardino	San Bernardino
Saint Francis Memorial Hospital	San Francisco County	San Francisco
St. Mary's Medical Center	San Francisco County	San Francisco
St. Joseph's Behavioral Health Center	San Joaquin County	Stockton
Sequoia Hospital	San Mateo County	Redwood City
St. Joseph's Medical Center of Stockton	San Joaquin County	Stockton
Marian Regional Medical Center	Santa Barbara County	Santa Maria
Marian Regional Medical Center West	Santa Barbara County	Santa Maria
Dominican Hospital	Santa Cruz County	Santa Cruz
Mercy Medical Center Redding	Shasta County	Redding
Mercy Medical Center Mt Shasta	Siskiyou County	Mt. Shasta
St. Elizabeth Community Hospital	Tehama County	Red Bluff
St. John's Pleasant Valley Hospital	Ventura County	Camarillo
St. John's Regional Medical Center	Ventura County	Oxnard
Woodland Memorial Hospital	Yolo County	Woodland

Source: Dignity Health

Analysis of Dignity Health’s Hospital Market Share in Ventura County

Ventura County has more than 823,000 residents and encompasses over 2,200 square miles. The map below shows the location and the service areas of Dignity Health’s St. John’s Regional Medical Center and St. John’s Pleasant Valley Hospital.



The following table lists hospitals where Ventura County residents received inpatient care in calendar year (CY) 2016, the most recent data available from OSHPD, and their respective market share. The two Hospitals have a combined 18.9% market share of inpatient discharges in Ventura County. A profile for St. John’s Regional Medical Center and St. John’s Pleasant Valley Hospital is described in the following sections.

VENTURA COUNTY MARKET SHARE BY HOSPITAL CY 2016		
Hospital	CY 2016 Discharges	Market Share
Los Robles Hospital & Medical Center	13,448	18.6%
Community Memorial Hospital-San Buenaventura	12,289	17.0%
St. John's Regional Medical Center¹	10,449	14.4%
Ventura County Medical Center	9,508	13.1%
Adventist Health Simi Valley	6,614	9.1%
St. John's Pleasant Valley Hospital¹	3,227	4.5%
Kaiser Foundation Hospital - Woodland Hills	2,805	3.9%
All Other Discharges	57,851	80.0%
Total Dignity Health of California Discharges	14,472	20.0%
Total Discharges	72,323	100.0%

Source: OSHPD Patient Discharge Database

Note: Excludes normal newborns

¹ Dignity Health hospital

- Los Robles Hospital and Medical Center has the most market share (18.6%) of Ventura County’s inpatient discharges.

Profile of St. John’s Regional Medical Center

Overview

St. John’s Regional Medical Center is a general acute care hospital located at 1600 North Rose Avenue in Oxnard, California.

The Hospital offers a range of services including: a Certified Primary Stroke Center, a STEMI Receiving Center, and obstetrics. The Hospital has nine surgical operating rooms and a “basic” emergency department²³ with 28 emergency treatment stations²⁴. According to St. John’s Regional Medical Center’s current hospital license, it is licensed for 265 beds as shown below.

ST. JOHNS REGIONAL MEDICAL CENTER LICENSED BED DISTRIBUTION 2018	
Licensed Bed Type	Number of Beds ¹
General Acute Care Beds	
Rehabilitation	23
Neonatal Intensive Care	16
Perinatal	27
Intensive Care	10
Coronary Care	10
Unspecified General Acute Care	179
Total General Acute Care Beds	265
Total Licensed Beds	265

¹ 2018 Hospital License

²³A “basic” emergency department provides emergency medical care in a specifically designated part of a hospital that is staffed and equipped at all times to provide prompt care for any patient presenting urgent medical problems.

²⁴The Hospital has 28 treatment stations in total, with three rapid care stations and five hallway beds.

Key Statistics

St. John’s Regional Medical Center reported 10,246 inpatient discharges, 53,196 patient days, and an average daily census of 146 patients (55% occupancy) for FY 2017.

ST. JOHN'S REGIONAL MEDICAL CENTER KEY STATISTICS FY 2015 - FY 2017 ¹			
	FY 2015	FY 2016	FY 2017
Inpatient Discharges	9,938	9,681	10,246
Licensed Beds	265	265	265
Patient Days	53,148	52,753	53,196
Average Daily Census	146	145	146
Occupancy	54.9%	54.5%	55.0%
Average Length of Stay	5.3	5.4	5.2
Cardiac Catheterization Procedures	2,436	2,636	5,449
Emergency Service Visits	54,455	58,015	56,988
Total Live Births	2,024	1,839	1,615

Sources: OSHPD Disclosure Reports, FY 2015 - FY 2017

¹ FY 2015 and FY 2016 data is from audited OSHPD Disclosure Reports whereas FY 2017 data is from unaudited.

- Since FY 2015, inpatient discharges have increased by 3%, while patient days remained relatively stable;
- In FY 2017, 56,988 emergency service visits were reported, a 5% increase from FY 2015; and
- In FY 2017, total live births decreased by 21% to 1,615.

Patient Utilization Trends

The following table shows FY 2013 - FY 2017 patient volume trends at St. John’s Regional Medical Center.

ST. JOHN'S REGIONAL MEDICAL CENTER SERVICE VOLUMES FY 2013 - FY 2017 ¹					
PATIENT DAYS	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
Medical/Surgical ²	35,772	28,244	33,131	32,651	33,766
Neonatal Intensive Care ³	4,477	3,977	3,172	3,368	3,442
Intensive Care ⁴	3,739	3,914	4,873	4,837	4,943
Obstetrics ⁵	5,363	5,384	5,827	5,577	4,588
Physical Rehabilitation Care	5,363	5,315	6,145	6,320	6,457
Total	54,714	46,834	53,148	52,753	53,196
DISCHARGES					
Medical/Surgical ²	7,589	8,380	5,061	4,907	6,367
Neonatal Intensive Care ³	247	321	881	953	1,219
Intensive Care ⁴	257	254	1,542	1,483	1,559
Obstetrics ⁵	2,450	2,406	2,038	1,894	1,615
Physical Rehabilitation Care	359	371	416	444	462
Total	10,902	11,732	9,938	9,681	10,246
AVERAGE LENGTH OF STAY					
Medical/Surgical ²	4.7	3.4	6.5	6.7	5.3
Neonatal Intensive Care ³	18.1	12.4	3.6	3.5	2.8
Intensive Care ⁴	14.5	15.4	3.2	3.3	3.2
Obstetrics ⁵	2.2	2.2	2.9	2.9	2.8
Physical Rehabilitation Care	14.9	14.3	14.8	14.2	14.0
Total	5.0	4.0	5.3	5.4	5.2
AVERAGE DAILY CENSUS					
Medical/Surgical ²	98.0	77.4	90.8	89.5	92.5
Neonatal Intensive Care ³	12.3	10.9	8.7	9.2	9.4
Intensive Care ⁴	10.2	10.7	13.4	13.3	13.5
Obstetrics ⁵	14.7	14.8	16.0	15.3	12.6
Physical Rehabilitation Care	14.7	14.6	16.8	17.3	17.7
Total	150	128	146	145	146
OTHER SERVICES					
Inpatient Surgeries	2,316	2,054	2,041	2,040	1,942
Outpatient Surgeries	1,561	2,257	2,410	3,567	4,319
Emergency Services Visits	50,032	52,831	54,455	58,015	56,988
Total Live Births	2,481	2,313	2,024	1,839	1,615

Sources: OSHPD Disclosure Reports, FY 2013 - FY 2017

¹ FY 2013 to FY 2016 data is from audited OSHPD Disclosure Reports whereas FY 2017 is from unaudited.

² Includes Definitive Observation Beds

³ Hospital management noted that Neonatal Intensive Care discharges were misreported to OSHPD.

⁴ Hospital management noted that Intensive Care discharges between FY 2013 to FY 2014 were misreported to OSHPD.

⁵ Hospital management noted that Obstetrics discharges in FY 2017 were not correctly reported to OSHPD.

A review of St. John’s Regional Medical Center’s historical utilization trends between FY 2013 and FY 2017 supports the following conclusions:

- Outpatient surgeries increased 177%; and
- The average daily census decreased by 3%.

Financial Profile

Over the last five fiscal years, St. John’s Regional Medical Center’s net income declined from a loss of \$7.1 million in FY 2013 to a loss of \$26.8 million in FY 2017. Between FY 2013 and FY 2017, net patient revenue and total operating revenue increased by 10% and 9% respectively. Over the same period, the Hospital’s operating expenses increased by 16% from \$256.8 million in FY 2013 to \$298.1 million in FY 2017. Other operating revenue²⁵ decreased significantly over the five-year period by 62% from \$5.2 million in FY 2013 to \$2.0 million in FY 2017.

The Hospital’s current ratio²⁶ has decreased over the last five years from 1.68 in FY 2013 to 1.22 in FY 2017. The California average in FY 2016 was 1.56. For FY 2016, The Hospital’s FY 2017 percentage of bad debt is 1% and higher than the state average (0.8%).

ST. JOHN'S REGIONAL MEDICAL CENTER FINANCIAL AND RATIO ANALYSIS FY 2013 - FY 2017 ¹						
	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	
Patient Days	54,714	46,834	53,148	52,753	53,196	-
Discharges	10,902	11,732	9,938	9,681	10,246	-
ALOS	5.0	4.0	5.3	5.4	5.2	-
Net Patient Revenue	\$242,183,962	\$224,481,854	\$273,763,925	\$269,252,400	\$267,053,405	-
Other Operating Revenue	\$5,245,796	\$1,627,750	\$2,846,988	\$2,946,555	\$1,969,950	-
Total Operating Revenue	\$247,429,758	\$226,109,604	\$276,610,913	\$272,198,955	\$269,023,355	-
Operating Expenses	\$256,756,441	\$262,488,859	\$304,922,346	\$304,848,585	\$298,092,880	-
Net from Operations	(\$9,326,683)	(\$36,379,255)	(\$28,311,433)	(\$32,649,630)	(\$29,069,525)	-
Net Non-Operating Revenues and Expenses	\$2,274,193	\$740,041	\$465,362	\$1,801,279	\$2,246,338	-
Net Income	(\$7,052,490)	(\$35,639,214)	(\$27,846,071)	(\$30,848,351)	(\$26,823,187)	-
						2016 California Average ²
Current Ratio	1.68	1.13	1.85	1.30	1.22	1.56
Days in A/R	54.8	64.6	55.7	57.6	66.2	57.1
Bad Debt Rate	2.6%	2.1%	2.0%	1.6%	1.0%	0.8%
Operating Margin	-3.77%	-16.09%	-10.24%	-11.99%	-10.81%	2.74%

Source: OSHPD Disclosure Reports, FY 2013 - FY 2017

¹ FY 2013 to FY 2016 data is from audited OSHPD Disclosure Reports whereas FY 2017 is from unaudited.

² FY 2017 California data was not available when the data was collected to prepare this report.

²⁵Other operating revenue represents amounts received for services that are central to the provision of healthcare services but are not directly related to patient care.

²⁶The current ratio compares a company’s current assets to its current liabilities to measure its ability to pay short-term and long-term debt obligations. A low current ratio of less than 1.0 could indicate that a company may have difficulty meeting its current obligations. The higher the current ratio, the more capable the company is of paying its obligations as it has a larger proportion of assets relative to its liabilities.

Cost of Hospital Services

St. John’s Regional Medical Center’s operating cost of services includes both inpatient and outpatient care. In FY 2017, 48% of total costs were associated with Medicare, followed by 26% with Medi-Cal, and 24% with Third-Party.

ST. JOHN'S REGIONAL MEDICAL CENTER OPERATING EXPENSES BY PAYER CATEGORY FY 2013 - FY 2017 ¹					
	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
Operating Expenses	\$256,756,441	\$262,488,859	\$304,922,346	\$304,848,585	\$298,092,880
Cost of Services By Payer:					
Medicare	\$128,075,927	\$132,727,762	\$154,768,280	\$148,174,959	\$144,302,242
Medi-Cal	\$43,225,675	\$50,971,723	\$68,176,776	\$76,232,704	\$77,688,250
County Indigent	-	-	-	-	-
Third-Party	\$70,663,665	\$67,057,137	\$75,149,065	\$75,148,254	\$71,482,697
Other Indigent	\$4,093,258	\$4,699,359	\$1,169,686	\$1,566,834	\$1,935,119
All Other Payers	\$10,697,915	\$7,032,877	\$5,658,540	\$3,725,834	\$2,684,572

Source: OSHPD Disclosure Reports, FY 2013 - FY 2017

¹ FY 2013 to FY 2016 data is from audited OSHPD Disclosure Reports whereas FY 2017 is from unaudited.

Charity Care

The following table shows a comparison of charity care and bad debt for St. John’s Regional Medical Center to all general acute care hospitals in the State of California. The five-year (FY 2013 – FY 2017) average of charity care and bad debt, as a percentage of gross patient revenue, was 2.9% for St. John’s Regional Medical Center, greater than the four-year statewide average of 2.5%. According to OSHPD, “...the determination of what is classified as charity care can be made by establishing whether or not the patient has the ability to pay. The patient’s accounts receivable must be written off as bad debt if the patient has the ability but is unwilling to pay off the account.”

ST. JOHN'S REGIONAL MEDICAL CENTER CHARITY CARE COMPARISON FY 2013 - FY 2017 ¹ (In Thousands)										
	FY 2013		FY 2014		FY 2015		FY 2016		FY 2017	
	Hospital	CA	Hospital	CA	Hospital	CA	Hospital	CA	Hospital	CA ²
Gross Patient Revenue	\$997,648	\$320,382,471	\$1,048,134	\$338,322,364	\$1,107,843	\$365,501,463	\$1,190,637	\$396,427,743	\$1,273,560	-
Charity	\$15,905	\$6,563,487	\$18,765	\$5,113,965	\$5,728	\$3,441,227	\$7,402	\$3,457,868	\$10,061	-
Bad Debt	\$26,288	\$5,891,632	\$21,730	\$4,365,936	\$21,976	\$3,262,642	\$19,054	\$3,108,971	\$12,587	-
Total Charity & Bad Debt	\$42,192	\$12,455,119	\$40,495	\$9,479,902	\$27,704	\$6,703,869	\$26,456	\$6,566,839	\$22,649	-
Charity Care as a % of Gross Patient Revenue	1.6%	2.0%	1.8%	1.5%	0.5%	0.9%	0.6%	0.9%	0.8%	-
Bad Debt as a % of Gross Patient Revenue	2.6%	1.8%	2.1%	1.3%	2.0%	0.9%	1.6%	0.8%	1.0%	-
Total as a % of Gross Patient Revenue	4.2%	3.9%	3.9%	2.8%	2.5%	1.8%	2.2%	1.7%	1.8%	-
Uncompensated Care										
Cost to Charge Ratio	25.2%	24.5%	24.9%	23.6%	27.3%	24.1%	25.4%	23.8%	23.3%	-
Charity	\$4,010	\$1,608,711	\$4,670	\$1,207,919	\$1,562	\$828,647	\$1,877	\$822,627	\$2,339	-
Bad Debt	\$6,627	\$1,444,039	\$5,408	\$1,031,234	\$5,992	\$785,644	\$4,831	\$739,624	\$2,927	-
Total	\$10,637	\$3,052,750	\$10,078	\$2,239,153	\$7,554	\$1,614,292	\$6,708	\$1,562,251	\$5,266	-

Source: OSHPD Disclosure Reports FY 2013 - FY 2017

¹ FY 2013 to FY 2016 data is from audited OSHPD Disclosure Reports whereas FY 2017 is from unaudited.

² FY 2017 California data was not available when the data was collected to prepare this report.

The table below shows the Hospital’s historical costs for charity care as reported to OSHPD. Charity care costs have decreased from \$4.0 million in FY 2013 to \$2.3 million in FY 2017. The average cost of charity care for the last five-year period was \$2.9 million, while the three-year average cost of charity care was \$2.0 million.

ST. JOHN'S REGIONAL MEDICAL CENTER COST OF CHARITY CARE FY 2013 - FY 2017 ¹			
Year	Charity Care Charges	Cost to Charge Ratio	Cost of Charity Care to the Hospital
FY 2017	\$10,061,425	23.3%	\$2,339,441
FY 2016	\$7,402,073	25.4%	\$1,876,895
FY 2015	\$5,728,284	27.3%	\$1,561,930
FY 2014	\$18,764,825	24.9%	\$4,670,218
FY 2013	\$15,904,679	25.2%	\$4,009,628
FY 2015 - FY 2017 Average			\$1,926,088
FY 2013 - FY 2017 Average			\$2,891,622

Source: OSHPD Disclosure Reports FY 2013 - FY 2017

¹ FY 2013 to FY 2016 data is from audited OSHPD Disclosure Reports whereas FY 2017 is from unaudited.

In the application to the California Attorney General, Dignity Health reported the following combined distribution of charity care costs by inpatient, outpatient, and emergency room costs.

ST. JOHN'S REGIONAL MEDICAL CENTER COST OF CHARITY CARE BY SERVICE FY 2013 - FY 2017				
	Inpatient	Outpatient	Emergency Room	Total Costs
FY 2017:				
Cost of Charity	\$822,253	\$930,948	\$596,467	\$2,349,668
Visits/Discharges	46	283	816	
FY 2016:				
Cost of Charity	\$474,313	\$777,862	\$504,643	\$1,756,818
Visits/Discharges	26	241	716	
FY 2015:				
Cost of Charity	\$1,300,119	\$484,435	\$325,763	\$2,110,317
Visits/Discharges	80	171	582	
FY 2014:				
Cost of Charity	\$2,332,953	\$769,094	\$503,530	\$3,605,577
Visits/Discharges	154	305	811	
FY 2013:				
Cost of Charity	\$2,492,182	\$818,860	\$544,741	\$3,855,783
Visits/Discharges	195	326	836	

Source: Dignity Health

Note that these totals are different than what Dignity Health reported to OSHPD. However, after discussions with JD Healthcare, Inc. and Vizient, Inc., Dignity Health has acknowledged that an error was made in its calculation of charity care costs. Dignity Health has stated that it accepts the calculations provided by JD Healthcare, Inc. and Vizient, Inc. for the purposes of determining their charity care commitment.

Community Benefit Services

In the last five years, St. John’s Regional Medical Center has provided significant contributions for community benefit services. As shown in the table below, the adjusted average annual cost of the community benefit services over the last three fiscal years and five fiscal years have been approximately \$1.1 million.

ST. JOHN'S REGIONAL MEDICAL CENTER COMMUNITY BENEFIT SERVICES FY 2013 - FY 2017							
Community Benefit Programs	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2015- FY 2017 Average	FY 2013- FY 2017 Average
Benefits for Living in Poverty	\$855,267	\$676,732	\$868,303	\$734,556	\$738,187	\$780,349	\$774,609
Benefits for Broader Community	\$301,420	\$382,944	\$441,995	\$373,165	\$376,436	\$397,199	\$375,192
Totals	\$1,156,687	\$1,059,676	\$1,310,298	\$1,107,721	\$1,114,623	\$1,177,547	\$1,149,801
Medi-Cal Provider Fee CHFT Grant Expense	-	(\$3,978)	(\$151,604)	(\$51,378)	(\$35,700)		
Adjusted Totals	\$1,156,687	\$1,055,698	\$1,158,694	\$1,056,343	\$1,078,923	\$1,097,987	\$1,101,269

Source: Dignity Health, St. John's Regional Medical Center Community Benefit Reports and Plans

- The Hospital’s five-year average cost of community benefit services for persons living in poverty is \$774,609 per year;
- The Hospital’s five-year average cost of community benefit services for the broader community is \$375,192 per year; and
- Over the five-year period, the Hospital’s combined adjusted total cost of the community benefit services remained relatively stable from FY 2013 to FY 2017.

The following table lists the Hospital’s community benefit services over the past five fiscal years that cost over \$10,000 in FY 2017, followed by descriptions of these community benefit services.

ST. JOHN'S REGIONAL MEDICAL CENTER COST OF COMMUNITY BENEFIT SERVICES FY 2013 - FY 2017					
Services over \$10,000 in cost in FY 2017:	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
Cancer Center - Classes, Navigation, Support Groups, Nutritional Counseling	\$155,127	\$190,267	\$254,869	\$199,557	\$164,366
CHAMP -Congestive Heart Failure Active Management Program	\$42,458	\$81,206	\$75,286	\$84,782	\$91,043
Diabetes Health Education and Support Groups	\$22,088	\$19,409	\$27,724	\$17,950	\$42,758
Dignity Health Community Grants	\$133,041	\$128,000	\$163,000	\$75,000	\$62,500
Community Benefit Operations (Staff, Needs Assessment, Program Planning, Community Engagement)	\$132,312	\$146,617	\$152,627	\$161,506	\$174,730
In-Kind Donation - Equipment or Medical Supplies	-	\$5,331	\$13,600	\$81,954	\$83,156
In-Kind Donation - Facility Use by Outside Agencies	\$7,129	\$11,174	\$14,895	\$13,532	\$26,337
Health Fairs - Underserved/uninsured ¹	\$10,825	\$2,740	\$2,427	\$1,458	-
Health Ministries - Adopt a Family	\$8,601	\$6,253	\$11,553	\$10,024	\$13,256
Health Ministries - In-Kind Donations, Financial Assistance, Food Distribution, Community Service Referrals	\$158,981	\$164,249	\$134,476	\$154,927	\$164,664
Healthy Beginnings - Assessments	\$11,988	\$8,581	\$14,776	\$17,203	\$13,026
Immunizations - for Children and Adults in the Community	\$57,379	\$41,715	\$56,620	\$35,707	\$32,920
Screenings - Underserved and Broader Community	\$74,947	\$54,828	\$59,303	\$56,412	\$54,091
Screenings - Mobile Unit	-	-	\$10,713	\$7,542	\$13,185
Transportation - Taxi Vouchers	\$24,152	\$21,778	\$26,503	\$25,926	\$33,999
Walking Program	\$12,351	\$12,618	\$9,482	\$16,786	\$25,327

Source: Dignity Health

- Cancer Center - Classes, Navigation, Support Groups, Nutritional Counseling: Includes classes on topics for those who suffer from cancer, their families and survivors. Also includes community screenings;
- CHAMP -Congestive Heart Failure Active Management Program: A telephonic medical home for those who suffer from congestive heart failure, staffed by nurses. Costs reported as community benefits are for uninsured patients or those with financial need;
- Diabetes Health Education and Support Groups: A diabetes support group providing nutritional lectures, healthy cooking classes, and group sharing opportunities facilitated by professional staff. Classes offered in Spanish and English;
- Dignity Health Community Grants: The Hospital actively partners with nonprofit organizations working to improve health status and quality of life in the communities served. Grant funds are used to deliver services and strengthen service systems, to improve the health and well-being of vulnerable and underserved populations, and to reduce disparities;
- Community Benefit Operations (Staff, Needs Assessment, Program Planning, Community Engagement): Provides trained professional staff to serve as members on particular programs and to attend community health events;
- In-Kind Donation - Equipment or Medical Supplies: Donations of medical supplies for use in high-need areas, including overseas and in response to natural disasters;

- In-Kind Donation - Facility Use by Outside Agencies: Nonprofit agencies and groups use the Hospital's facility free of charge to offer classes, seminars, and support groups throughout the year;
- Health Fairs - Underserved/uninsured: Promotes good health and education in the community, specifically targeting uninsured, underinsured, and marginalized members of the communities served;
- Health Ministries - Adopt a Family: Provides basic needs and basic goods services for poor and vulnerable families in the community;
- Health Ministries - In-Kind Donations, Financial Assistance, Food Distribution, Community Service Referrals: Maintains a community clothes closet, a food pantry, emergency financial assistance (e.g., for rent, utilities), financial counseling, and referral to community services resources;
- Healthy Beginnings – Assessment: A California Comprehensive Perinatal Services Program;
- Immunizations: For children and adults in the community;
- Screenings - Underserved and Broader Community: Screenings for community members to increase awareness of key health data, to become better at managing their health and seeking care when necessary;
- Screenings - Mobile Unit: Mobile health unit that delivers health screenings;
- Transportation - Taxi Vouchers: Transportation assistance from home to care for patients with financial need; and
- Walking Program: A senior health maintenance program that includes exercise and health/vitals monitoring weekly.

Reproductive Health

For CY 2016, St. John’s Regional Medical Center reported 41 inpatient discharges related to reproductive health services. The following table lists inpatient reproductive health services²⁷ by diagnostic related group (DRG) for CY 2016.

ST. JOHN'S REGIONAL MEDICAL CENTER CY 2016 REPRODUCTIVE SERVICE BY DIAGNOSTIC RELATED GROUP	
	Discharges
778-Threatened Abortion	18
770-Abortion W D&C ¹ , Aspiration Curettage Or Hysterotomy	7
779-Abortion W/O D&C ¹	7
777-Ectopic Pregnancy	5
767-Vaginal Delivery W Sterilization &/Or D&C ¹	4
Total Discharges:	41

Source: CY 2016 OSHPD Patient Discharge Database

¹D&C is an abbreviation for Dilation and Curettage

- Out of the five diagnostic related groups, DRG 778-Threatened Abortion has the highest number of reproductive service inpatient discharges.

According to Dignity Health representatives, the following table indicates whether the Hospital performs the following women’s reproductive health services.

ST. JOHN'S REGIONAL MEDICAL CENTER REPRODUCTIVE SERVICES	
Procedure	Currently Performed? (Y/N)
Caesarean delivery with sterilization	No
Terminate pregnancy when:	
A. Placenta previa	No
B. Premature rupture of membranes	No
C. Second trimester bleeding with previable fetus	No
Placement of an IUD at time of other gynecological surgery	Yes
Postpartum placement of IUD	Yes
Gender affirming surgery	No
Emergency contraception as emergency room or inpatient service	No
Ectopic pregnancy treatment with methotrexate (medication in lieu of surgery)	Yes

Source: Dignity Health

²⁷St. John’s Regional Medical Center is a Catholic hospital and is subject to the Catholic ERDs that prohibit direct abortions. Although the Catholic ERDs prohibit direct abortions, these procedures are performed at the Hospital when the pathology is determined to present a medical need and/or a clear and present danger to the patient.

Analysis of St. John’s Regional Medical Center’s Service Area

Service Area Definition

St. John’s Regional Medical Center’s service area is comprised of 24 ZIP Codes from which 92% of its discharges originated in CY 2016. Approximately 50% of the Hospital’s discharges originated from the top two ZIP Codes, in the City of Oxnard. Approximately 68% of the Hospital’s discharges originated from the top four ZIP Codes, in the City of Oxnard. In CY 2016, the Hospital’s market share in the service area was 24.4%.

ST. JOHN'S REGIONAL MEDICAL CENTER PATIENT ORIGIN CY 2016						
ZIP Code	Community	Total Discharges	% of Discharges	Cumulative % of Discharges	Total Area Discharges	Market Share
93033	Oxnard	2,757	25.6%	25.6%	6,462	42.7%
93030	Oxnard	2,528	23.5%	49.0%	5,324	47.5%
93036	Oxnard	1,211	11.2%	60.3%	3,324	36.4%
93035	Oxnard	824	7.6%	67.9%	2,279	36.2%
93041	Port Hueneme	819	7.6%	75.5%	2,157	38.0%
93010	Camarillo	531	4.9%	80.4%	4,262	12.5%
93003	Ventura	290	2.7%	83.1%	4,540	6.4%
93012	Camarillo	287	2.7%	85.8%	3,219	8.9%
93004	Ventura	203	1.9%	87.7%	2,500	8.1%
93060	Santa Paula	158	1.5%	89.1%	2,552	6.2%
93001	Ventura	138	1.3%	90.4%	2,810	4.9%
93031	Oxnard	53	0.5%	90.9%	135	39.3%
93066	Somis	38	0.4%	91.3%	290	13.1%
93022	Oak View	28	0.3%	91.5%	437	6.4%
93011	Camarillo	24	0.2%	91.8%	134	17.9%
93034	Oxnard	13	0.1%	91.9%	34	38.2%
93002	Ventura	11	0.1%	92.0%	131	8.4%
93044	Port Hueneme	11	0.1%	92.1%	48	22.9%
93006	Ventura	9	0.1%	92.2%	80	11.3%
93032	Oxnard	7	0.1%	92.2%	19	36.8%
93042	Point Mugu NAS	4	0.0%	92.3%	17	23.5%
93007	Ventura	3	0.0%	92.3%	28	10.7%
93005	Ventura	2	0.0%	92.3%	39	5.1%
93043	Port Hueneme	2	0.0%	92.3%	9	22.2%
Total Percentage		9,951	92.3%	92.3%	40,830	24.4%
Other ZIPs		827	7.7%	100%		
Total Discharges		10,778	100.0%			

Note: Excludes normal newborns
Source: CY 2016 OSHPD Patient Discharge Database

Service Area Map

St. John’s Regional Medical Center’s service area has approximately 492,500 residents. There are four other hospitals located within St. John’s Regional Medical Center’s service area. Community Memorial Hospital-San Buenaventura is the inpatient market share leader in the service area.



Hospital Market Share

The table below provides the inpatient market share for St. John’s Regional Medical Center’s service area.

ST. JOHN'S REGIONAL MEDICAL CENTER SERVICE AREA MARKET SHARE BY HOSPITAL, CY 2013 - CY 2016					
Hospital	CY 2013	CY 2014	CY 2015	CY 2016	Trend
Community Memorial Hospital-San Buenaventura	26.6%	27.7%	26.7%	27.0%	→
St. John's Regional Medical Center	24.7%	23.3%	24.6%	24.4%	→
Ventura County Medical Center	22.4%	21.7%	19.4%	19.2%	↘
St. John's Pleasant Valley Hospital	6.6%	6.1%	7.4%	7.6%	↗
Los Robles Hospital & Medical Center	4.0%	4.4%	4.6%	4.8%	↗
Aurora Vista Del Mar Hospital	2.9%	2.8%	2.4%	2.5%	↘
Santa Barbara Cottage Hospital	1.6%	1.7%	1.9%	1.7%	→
Ronald Reagan UCLA Medical Center	1.5%	1.5%	1.6%	1.6%	→
Cedars Sinai Medical Center	1.1%	1.1%	1.3%	1.4%	↗
Children's Hospital of Los Angeles	0.7%	0.8%	1.0%	1.0%	↗
Keck Hospital of USC	0.7%	0.7%	0.9%	0.9%	→
Kaiser Foundation Hospital - Woodland Hills	0.9%	0.9%	1.0%	0.9%	→
Kaiser Foundation Hospital - Los Angeles	0.5%	0.6%	0.5%	0.5%	→
Ojai Valley Community Hospital	0.6%	0.5%	0.5%	0.4%	↘
Santa Monica - UCLA Med. Ctr. and Ortho. Hosp.	0.5%	0.5%	0.5%	0.4%	→
Northridge Hospital Medical Center	0.2%	0.3%	0.3%	0.4%	↗
All Other	4.5%	5.4%	5.4%	5.4%	↗
Total Percentage	100%	100%	100%	100%	
Total Discharges	40,690	39,192	40,735	40,830	↗

Source: OSHPD Discharge Database, CY 2013 - CY 2016

Note: Excludes normal newborns

- The number of discharges in St. John’s Regional Medical Center’s service area remained relatively stable between CY 2013 and CY 2016; and
- St. John's Regional Medical Center had the second-largest market share (24.4%), followed by Ventura County Medical Center (19.2%).

Market Share by Payer Type

The following table shows hospital inpatient market share by hospital and payer type for St. John’s Regional Medical Center’s service area for CY 2016.

ST. JOHN'S REGIONAL MEDICAL CENTER HOSPITAL MARKET SHARE BY PAYER TYPE CY 2016											
Payer Type	Total Discharges	Community Memorial Hospital- San Buenaventura	St. John's Regional Medical Center	Ventura County Medical Center	St. John's Pleasant Valley Hospital	Los Robles Hospital & Medical Center	Aurora Vista Del Mar Hospital	Santa Barbara Cottage Hospital	Ronald Reagan UCLA Medical Center	All Others	Total
Medicare	16,207	28.4%	29.3%	9.5%	14.1%	4.6%	1.5%	1.2%	1.4%	10.0%	100.0%
Medi-Cal	11,967	19.5%	25.4%	39.8%	2.3%	1.4%	1.8%	1.2%	0.9%	7.6%	100.0%
Private Coverage	10,866	36.7%	16.5%	11.6%	4.5%	7.3%	3.9%	2.2%	2.7%	14.7%	100.0%
All Other	1,380	3.0%	23.0%	10.6%	2.7%	16.1%	8.6%	5.7%	2.0%	28.3%	100.0%
Self-Pay	410	13.4%	12.7%	32.4%	3.9%	5.9%	1.7%	8.5%	5.9%	15.6%	100.0%
Total Percentage		27.0%	24.4%	19.2%	7.6%	4.8%	2.5%	1.7%	1.6%	11.2%	100.0%
Total Discharges	40,830	11,021	9,951	7,838	3,107	1,947	1,012	697	673	4,584	

Note: Excludes normal newborns

Source: CY 2016 OSHPD Patient Discharge Database

- The largest payer categories of service area inpatient discharges are Medicare with 16,207 inpatient discharges (40%), followed by Medi-Cal with 11,967 inpatient discharges (29%), and Private Coverage with 10,866 inpatient discharges (27%);
- St. John's Regional Medical Center is the inpatient market share leader for Medicare (29%);
- Ventura County Medical Center is the inpatient market share leader for Medi-Cal (40%) and Self-Pay (32%); and
- Community Memorial Hospital-San Buenaventura is an inpatient market share leader for Private Coverage (37%).

Market Share by Service Line

The following table shows inpatient market share by hospital and service line for St. John’s Regional Medical Center’s service area for CY 2016.

ST. JOHN'S REGIONAL MEDICAL CENTER HOSPITAL MARKET SHARE BY SERVICE LINE CY 2016											
Service Line	Total Discharges	Community Memorial Hospital- San Buenaventura	St. John's Regional Medical Center	Ventura County Medical Center	St. John's Pleasant Valley Hospital	Los Robles Hospital & Medical Center	Aurora Vista Del Mar Hospital	Santa Barbara Cottage Hospital	Ronald Reagan UCLA Medical Center	All Others	Total
General Medicine	11,606	27.2%	28.6%	16.5%	13.4%	3.5%	0.0%	1.2%	1.4%	8.3%	100.0%
Obstetrics	6,479	39.4%	26.1%	23.9%	0.1%	6.4%	0.0%	1.3%	0.3%	2.6%	100.0%
General Surgery	3,753	21.1%	22.6%	25.2%	7.9%	3.6%	0.0%	2.1%	4.2%	13.3%	100.0%
Cardiac Services	3,650	27.4%	34.9%	11.5%	11.8%	3.8%	0.0%	0.7%	1.8%	8.2%	100.0%
Behavioral Health	3,104	1.9%	2.4%	30.0%	1.2%	0.1%	32.6%	2.3%	0.1%	29.5%	100.0%
Orthopedics	3,012	32.5%	18.7%	12.7%	8.6%	7.9%	0.0%	2.0%	0.5%	17.1%	100.0%
Neonatology	2,288	37.6%	24.5%	25.7%	0.0%	6.8%	0.0%	1.0%	0.7%	3.7%	100.0%
Neurology	1,864	18.7%	35.6%	12.4%	11.9%	4.5%	0.0%	2.8%	2.4%	11.7%	100.0%
Oncology/Hematology (Medical)	1,121	22.4%	19.1%	18.5%	8.7%	4.6%	0.0%	1.9%	3.0%	21.9%	100.0%
Spine	845	28.9%	14.1%	11.7%	7.3%	14.4%	0.0%	2.4%	0.2%	20.9%	100.0%
Gynecology	584	46.4%	17.3%	18.0%	5.1%	5.8%	0.0%	2.1%	1.9%	3.4%	100.0%
Other	564	17.9%	21.8%	20.7%	6.6%	8.5%	0.0%	0.9%	3.5%	20.0%	100.0%
Urology	535	32.0%	15.5%	19.1%	3.4%	3.9%	0.0%	1.7%	2.6%	21.9%	100.0%
Vascular Services	468	28.2%	37.6%	9.6%	6.8%	3.6%	0.0%	3.6%	1.7%	8.8%	100.0%
Neurosurgery	410	10.2%	12.7%	11.0%	0.5%	10.7%	0.0%	15.9%	11.7%	27.3%	100.0%
ENT	373	13.1%	13.7%	35.4%	3.5%	5.1%	0.0%	1.1%	11.5%	16.6%	100.0%
No-match-found	71	9.9%	12.7%	16.9%	5.6%	5.6%	0.0%	0.0%	11.3%	38.0%	100.0%
Rehabilitation	57	0.0%	59.6%	0.0%	7.0%	24.6%	0.0%	0.0%	0.0%	8.8%	100.0%
Total Percentage		27.0%	24.4%	19.2%	7.6%	4.8%	2.5%	1.7%	1.6%	11.2%	100.0%
Total Discharges	40,830	11,021	9,951	7,838	3,107	1,947	1,012	697	673	4,584	

Note: Excludes normal newborns

Source: CY 2016 OSHPD Patient Discharge Database

- Community Memorial Hospital- San Buenaventura is the service line leader in seven service lines: obstetrics (39.4%), orthopedics (32.5%), neonatology (37.6%), oncology/hematology (medical) (22.4%), spine (28.9%), gynecology (46.4%), and urology (32.0%); and
- St. John's Regional Medical Center is the service area market share leader in five service lines: general medicine (28.6%), cardiac services (34.9%), neurology (35.6%), vascular services (21.8%), and rehabilitation (59.6%).

Market Share by ZIP Code

The following table shows hospital market share by ZIP Code in St. John’s Regional Medical Center’s service area for CY 2016.

ST. JOHN'S REGIONAL MEDICAL CENTER HOSPITAL MARKET SHARE BY ZIP CODE CY 2016												
ZIP Code	Community	Total Discharges	Community Memorial Hospital-San Buenaventura	St. John's Regional Medical Center	Ventura County Medical Center	St. John's Pleasant Valley Hospital	Los Robles Hospital & Medical Center	Aurora Vista Del Mar Hospital	Santa Barbara Cottage Hospital	Ronald Reagan UCLA Medical Center	All Others	Total
93033	Oxnard	6,462	18.0%	42.7%	24.6%	1.5%	1.6%	1.7%	1.1%	1.4%	7.5%	100.0%
93030	Oxnard	5,324	16.9%	47.5%	20.2%	1.8%	1.7%	2.0%	0.9%	1.0%	8.0%	100.0%
93003	Ventura	4,540	52.9%	6.4%	19.5%	0.7%	1.7%	2.8%	2.8%	2.1%	11.1%	100.0%
93010	Camarillo	4,262	13.6%	12.5%	4.8%	36.6%	13.1%	2.2%	1.0%	2.1%	14.1%	100.0%
93036	Oxnard	3,324	23.1%	36.4%	20.3%	1.7%	2.9%	2.3%	1.6%	1.6%	10.2%	100.0%
93012	Camarillo	3,219	11.8%	8.9%	3.7%	32.0%	20.4%	2.5%	0.8%	1.5%	18.3%	100.0%
93001	Ventura	2,810	43.5%	4.9%	27.9%	0.5%	1.2%	4.2%	4.0%	1.1%	12.8%	100.0%
93060	Santa Paula	2,552	28.0%	6.2%	50.6%	0.3%	1.2%	1.8%	1.5%	2.0%	8.5%	100.0%
93004	Ventura	2,500	53.4%	8.1%	16.9%	1.0%	2.2%	3.6%	3.2%	1.8%	9.8%	100.0%
93035	Oxnard	2,279	27.3%	36.2%	12.2%	1.5%	3.4%	2.7%	1.9%	2.3%	12.4%	100.0%
93041	Port Hueneme	2,157	26.2%	38.0%	12.1%	1.9%	4.5%	2.8%	1.0%	1.6%	12.0%	100.0%
93022	Oak View	437	42.1%	6.4%	10.5%	0.2%	0.7%	2.3%	4.6%	2.3%	30.9%	100.0%
93066	Somis	290	13.4%	13.1%	17.2%	23.8%	12.4%	1.0%	0.7%	2.4%	15.9%	100.0%
93031	Oxnard	135	20.7%	39.3%	21.5%	3.0%	0.7%	2.2%	3.7%	0.7%	8.1%	100.0%
93011	Camarillo	134	12.7%	17.9%	7.5%	23.1%	14.2%	1.5%	1.5%	0.7%	20.9%	100.0%
93002	Ventura	131	29.8%	8.4%	34.4%	5.3%	0.8%	6.1%	3.8%	3.8%	7.6%	100.0%
93006	Ventura	80	20.0%	11.3%	35.0%	0.0%	2.5%	3.8%	3.8%	2.5%	21.3%	100.0%
93044	Port Hueneme	48	12.5%	22.9%	16.7%	6.3%	16.7%	2.1%	0.0%	2.1%	20.8%	100.0%
93005	Ventura	39	33.3%	5.1%	20.5%	0.0%	2.6%	7.7%	0.0%	5.1%	25.6%	100.0%
93034	Oxnard	34	23.5%	38.2%	29.4%	0.0%	2.9%	0.0%	0.0%	0.0%	5.9%	100.0%
93007	Ventura	28	32.1%	10.7%	35.7%	0.0%	0.0%	0.0%	0.0%	0.0%	21.4%	100.0%
93032	Oxnard	19	5.3%	36.8%	42.1%	10.5%	0.0%	0.0%	0.0%	0.0%	5.3%	100.0%
93042	Point Mugu Nawc	17	23.5%	23.5%	5.9%	0.0%	17.6%	29.4%	0.0%	0.0%	0.0%	100.0%
93043	Port Hueneme Cbc Base	9	11.1%	22.2%	0.0%	0.0%	0.0%	44.4%	0.0%	0.0%	22.2%	100.0%
Total Percentage			27.0%	24.4%	19.2%	7.6%	4.8%	2.5%	1.7%	1.6%	11.2%	100.0%
Total Discharges			40,830	11,020	9,951	7,838	3,107	1,947	1,012	697	673	4,585

Note: Excludes normal newborns

Source: CY 2016 OSHPD Patient Discharge Database

- St. John's Regional Medical Center is the inpatient market share leader in eight of the 24 ZIP Codes within Ventura County with six of them in the City of Oxnard;
- Ventura County Medical Center is the inpatient market share leader in six of the 24 ZIP Codes with three of them in the City of Ventura; and
- Community Memorial Hospital-San Buenaventura is the inpatient market share leader in five of the 24 ZIP Codes with four of them in the City of Ventura.

Profile of St. John’s Pleasant Valley Hospital

Overview

St. John’s Pleasant Valley Hospital is a general acute care hospital located at 2309 Antonio Avenue in Camarillo, California. The Hospital was founded by a group of community leaders in 1974.

Today, St. John’s Pleasant Valley Hospital offers a range of healthcare services including a designation as a Primary Stroke Center, orthopedics and cardiology. The Hospital has two surgical operating rooms and a basic emergency department with 14 treatment stations. According to St. John’s Pleasant Valley Hospital’s hospital license, it is licensed for 155²⁸ beds as shown below.

ST. JOHNS PLEASANT VALLEY HOSPITAL LICENSED BED DISTRIBUTION 2018	
Licensed Bed Type	Number of Beds ¹
General Acute Care Beds	
Perinatal	7
Intensive Care*	8
Unspecified General Acute Care	66
Total General Acute Care Beds	81
Skilled Nursing (D/P)	74
Total Licensed Beds	155

¹2018 Hospital License

Intensive Care Beds are interchangeable with Coronary Care Beds.

²⁸While St. John’s Pleasant Valley Hospital is licensed for seven perinatal beds, these bed types have not been in operation since FY 2013 and will be discontinued entirely when the new patient tower opens. The Hospital is working with CDPH to correct its acute care hospital license to remove the listing of seven perinatal beds. As a result, the perinatal beds were not included in the Hospital’s specialty beds’ commitment.

Key Statistics

For FY 2017 St. John’s Pleasant Valley Hospital reported 3,551 inpatient discharges, 39,244 patient days, and an average daily census of 108 patients (approximately 69% occupancy).

ST. JOHN'S PLEASANT VALLEY HOSPITAL KEY STATISTICS FY 2015 - FY 2017 ¹			
	FY 2015	FY 2016	FY 2017
Inpatient Discharges	2,911	3,108	3,551
Licensed Beds	180	155	155
Patient Days	30,252	37,510	39,244
Average Daily Census	83	103	108
Occupancy	46.0%	66.3%	69.4%
Average Length of Stay	10.4	12.1	11.1
Emergency Service Visits	23,286	24,619	24,570

Sources: OSHPD Disclosure Reports, FY 2015 - FY 2017

¹ FY 2015 and FY 2016 data is from audited OSHPD Disclosure Reports whereas FY 2017 data is from unaudited.

- Since FY 2015, inpatient discharges and patient days increased by 22% and 30% respectively; and
- In FY 2017, 24,570 emergency service visits were reported, a 6% increase from FY 2015.

Patient Utilization Trends

The following table shows FY 2013 – FY 2017 volume trends at St. John’s Pleasant Valley Hospital.

ST. JOHN'S PLEASANT VALLEY HOSPITAL SERVICE VOLUMES FY 2013 - FY 2017 ¹					
PATIENT DAYS	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
Medical/Surgical ²	11,053	8,481	12,092	12,814	12,350
Intensive Care ⁵	1,888	1,640	1,471	1,538	1,573
Obstetrics ³	277	-	-	-	-
Sub-Acute Care ⁴	12,430	17,225	16,689	23,158	25,321
Total	25,648	27,346	30,252	37,510	39,244
DISCHARGES					
Medical/Surgical ²	2,830	2,104	2,732	2,506	2,961
Intensive Care ⁵	164	180	142	470	377
Obstetrics ³	71	-	-	-	-
Sub-Acute Care ⁴	48	344	37	132	213
Total	3,113	2,628	2,911	3,108	3,551
AVERAGE LENGTH OF STAY					
Medical/Surgical ²	3.9	4.0	4.4	5.1	4.2
Intensive Care ⁵	11.5	9.1	10.4	3.3	4.2
Obstetrics ³	3.9	-	-	-	-
Sub-Acute Care ⁴	259.0	50.1	451.1	175.4	118.9
Total	8.2	10.4	10.4	12.1	11.1
AVERAGE DAILY CENSUS					
Medical/Surgical ²	30.3	23.2	33.1	35.1	33.8
Intensive Care ⁵	5.2	4.5	4.0	4.2	4.3
Obstetrics ³	.8	-	-	-	-
Sub-Acute Care ⁴	34.1	47.2	45.7	63.4	69.4
Total	70	75	83	103	108
OTHER SERVICES					
Inpatient Surgeries	796	667	596	671	672
Outpatient Surgeries	1,290	1,223	1,093	1,098	966
Emergency Service Visits	19,715	21,746	23,286	24,619	24,570
Total Live Births	59	-	-	-	-

Sources: OSHPD Disclosure Reports, FY 2013 - FY 2017

¹ FY 2013 to FY 2016 data is from audited OSHPD Disclosure Reports whereas FY 2017 is from unaudited.

² Includes Definitive Observation Beds

³The Hospital discontinued labor and delivery services after FY 2013.

⁴Hospital management noted that the increase in Sub-Acute Care discharges were attributable to the addition of 26 beds in FY 2014 and the designation of 9 beds as short-stay Skilled Nursing Facility beds.

⁵Hospital management noted that Intensive Care discharges were not correctly reported to OSHPD.

A review of St. John’s Pleasant Valley Hospital’s historical utilization trends between FY 2013 and FY 2017 supports the following conclusions:

- The average daily census increased by 53% from 70 patients in FY 2013 to 108 patients in FY 2017; and
- Sub-Acute Care average daily census increased by 102% between FY 2013 and FY 2017.

Financial Profile

Over the last five fiscal years, St. John’s Pleasant Valley Hospital’s net income has fluctuated; however, it increased from \$3.0 million in FY 2013 to \$6.5 million in FY 2017. Between FY 2013 and FY 2017, net patient revenue and total operating revenue increased by 33% and 32% respectively. The Hospital’s operating expenses increased by 30% from \$86.2 million in FY 2013 to \$111.5 million in FY 2017. Other operating revenue increased over the five-year period by 6% from \$3.4 million to \$3.6 million.

The Hospital’s current ratio has decreased over the last five years from 2.46 in FY 2013 to 0.96 in FY 2017. The California current ratio in FY 2016 was 1.56. In FY 2016, the Hospital’s percentage of bad debt was 0.7%, lower than the state average of 0.8%.

ST. JOHN'S PLEASANT VALLEY HOSPITAL FINANCIAL AND RATIO ANALYSIS FY 2013 - FY 2017 ¹						
	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	
Patient Days	25,648	27,346	30,252	37,510	39,244	-
Discharges	3,113	2,628	2,911	3,108	3,551	-
ALOS	8.2	10.4	10.4	12.1	11.1	-
Net Patient Revenue	\$85,293,861	\$84,993,106	\$97,500,537	\$112,213,882	\$113,146,140	-
Other Operating Revenue	\$3,430,446	\$2,102,411	\$1,547,312	\$2,441,268	\$3,638,858	-
Total Operating Revenue	\$88,724,307	\$87,095,517	\$99,047,849	\$114,655,150	\$116,784,998	-
Operating Expenses	\$86,167,899	\$90,250,843	\$103,038,172	\$111,872,461	\$111,495,766	-
Net from Operations	\$2,556,408	(\$3,155,326)	(\$3,990,323)	\$2,782,689	\$5,289,232	-
Net Non-Operating Revenues and Expenses	\$403,976	(\$4,694,017)	\$1,952,397	\$29,329	\$1,187,940	-
Net Income	\$2,960,384	(\$7,849,343)	(\$2,037,926)	\$2,812,018	\$6,477,172	-
Current Ratio	2.46	1.59	1.04	1.38	0.96	2016 California ² 1.56
Days in A/R	55.9	81.2	79.2	63.4	57.4	57.1
Bad Debt Rate	1.3%	1.3%	1.7%	0.3%	0.7%	0.8%
Operating Margin	2.88%	-3.62%	-4.03%	2.43%	4.53%	2.74%

Source: OSHPD Disclosure Reports, FY 2013 - FY 2017

¹ FY 2013 to FY 2016 data is from audited OSHPD Disclosure Reports whereas FY 2017 is from unaudited.

² FY 2017 California data was not available when the data was collected to prepare this report.

Cost of Hospital Services

St. John’s Pleasant Valley Hospital’s operating cost of services includes both inpatient and outpatient care. In FY 2017, 62% of total costs were associated with Medicare, followed by 19% with Medi-Cal, and 19% with Third-Party.

ST. JOHN'S PLEASANT VALLEY HOSPITAL OPERATING EXPENSES BY PAYER CATEGORY FY 2013 - FY 2017 ¹					
	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
Operating Expenses	\$86,167,899	\$90,250,843	\$103,038,172	\$111,872,461	\$111,495,766
Cost of Services By Payer:					
Medicare	\$55,059,643	\$58,817,047	\$62,647,805	\$68,476,086	\$68,670,894
Medi-Cal	\$8,046,988	\$10,068,895	\$17,846,328	\$21,782,878	\$20,644,064
County Indigent	-	-	-	-	-
Third-Party	\$20,853,529	\$19,769,084	\$21,436,485	\$20,843,946	\$21,419,584
Other Indigent	\$789,693	\$542,380	\$70,337	\$59,292	\$150,698
All Other Payers	\$1,418,047	\$1,053,435	\$1,037,218	\$710,259	\$610,527

Source: OSHPD Disclosure Reports, FY 2013 - FY 2017

¹ FY 2013 to FY 2016 data is from audited OSHPD Disclosure Reports whereas FY 2017 is from unaudited.

Charity Care

The following table shows a comparison of charity care and bad debt for St. John’s Pleasant Valley Hospital to all general acute care hospitals in the State of California. The five-year (FY 2013 – FY 2017) average of charity care and bad debt, as a percentage of gross patient revenue, was 1.5% and lower than the four-year statewide average of 2.5%. According to OSHPD, “...the determination of what is classified as charity care can be made by establishing whether or not the patient has the ability to pay. The patient’s accounts receivable must be written off as bad debt if the patient has the ability but is unwilling to pay off the account.”

ST. JOHN'S PLEASANT VALLEY MC											
CHARITY CARE COMPARISON FY 2013 - FY 2017 ¹ (In Thousands)											
	FY 2013		FY 2014		FY 2015		FY 2016		FY 2017		
	Hospital	CA	Hospital	CA	Hospital	CA	Hospital	CA	Hospital	CA ²	
Gross Patient Revenue	\$389,483	\$320,382,471	\$407,615	\$338,322,364	\$416,742	\$365,501,463	\$493,477	\$396,427,743	\$521,413	-	
Charity	\$3,560	\$6,563,487	\$2,450	\$5,113,965	\$526	\$3,441,227	\$420	\$3,457,868	\$1,046	-	
Bad Debt	\$4,911	\$5,891,632	\$5,450	\$4,365,936	\$7,141	\$3,262,642	\$1,585	\$3,108,971	\$3,870	-	
Total Charity & Bad Debt	\$8,472	\$12,455,119	\$7,900	\$9,479,902	\$7,667	\$6,703,869	\$2,005	\$6,566,839	\$4,916	-	
Charity Care as a % of Gross Patient Revenue	0.9%	2.0%	0.6%	1.5%	0.1%	0.9%	0.1%	0.9%	0.2%	-	
Bad Debt as a % of Gross Patient Revenue	1.3%	1.8%	1.3%	1.3%	1.7%	0.9%	0.3%	0.8%	0.7%	-	
Total as a % of Gross Patient Revenue	2.2%	3.9%	1.9%	2.8%	1.8%	1.8%	0.4%	1.7%	0.9%	-	
Uncompensated Care											
Cost to Charge Ratio	21.2%	24.5%	21.6%	23.6%	24.4%	24.1%	22.2%	23.8%	20.7%	-	
Charity	\$756	\$1,608,711	\$530	\$1,207,919	\$128	\$828,647	\$93	\$822,627	\$216	-	
Bad Debt	\$1,043	\$1,444,039	\$1,179	\$1,031,234	\$1,739	\$785,644	\$352	\$739,624	\$801	-	
Total	\$1,800	\$3,052,750	\$1,708	\$2,239,153	\$1,867	\$1,614,292	\$445	\$1,562,251	\$1,017	-	

Source: OSHPD Disclosure Reports FY 2013 - FY 2017

¹ FY 2013 to FY 2016 data is from audited OSHPD Disclosure Reports whereas FY 2017 is from unaudited.

² FY 2017 California data was not available when the data was collected to prepare this report.

The table below shows the Hospital’s historical costs for charity care as reported to OSHPD. Charity care costs have decreased from \$756,299 in FY 2013 to \$216,332 in FY 2017. The average cost of charity care for the last five-year period was \$344,722, while for the three-year average cost of charity care was \$145,855.

ST. JOHN'S PLEASANT VALLEY HOSPITAL COST OF CHARITY CARE FY 2013 - FY 2017 ¹			
Year	Charity Care Charges	Cost to Charge Ratio	Cost of Charity Care to the Hospital
FY 2017	\$1,045,814	20.7%	\$216,332
FY 2016	\$419,695	22.2%	\$93,070
FY 2015	\$526,263	24.4%	\$128,163
FY 2014	\$2,449,644	21.6%	\$529,745
FY 2013	\$3,560,243	21.2%	\$756,299
FY 2015 - FY 2017 Average			\$145,855
FY 2013 - FY 2017 Average			\$344,722

Source: OSHPD Disclosure Reports FY 2013 - FY 2017

¹ FY 2013 to FY 2016 data is from audited OSHPD Disclosure Reports whereas FY 2017 is from unaudited.

In the application to the California Attorney General, Dignity Health reported the following combined distribution of charity care costs by inpatient, outpatient, and emergency room costs.

ST. JOHN'S PLEASANT VALLEY HOSPITAL COST OF CHARITY CARE BY SERVICE FY 2013 - FY 2017				
	Inpatient	Outpatient	Emergency Room	Total Costs
FY 2017:				
Cost of Charity	\$96,818	\$76,230	\$74,301	\$247,349
Visits/Discharges	6	79	107	
FY 2016:				
Cost of Charity	\$16,888	\$58,049	\$51,238	\$126,175
Visits/Discharges	1	59	73	
FY 2015:				
Cost of Charity	\$89,180	\$73,068	\$54,335	\$216,583
Visits/Discharges	6	77	96	
FY 2014:				
Cost of Charity	\$200,541	\$97,363	\$68,681	\$366,585
Visits/Discharges	13	101	114	
FY 2013:				
Cost of Charity	\$452,944	\$205,100	\$123,532	\$781,576
Visits/Discharges	34	196	191	

Source: Dignity Health

Note that these totals are different than what Dignity Health reported to OSHPD. However, after discussions with JD Healthcare, Inc. and Vizient, Inc., Dignity Health has acknowledged that an error was made in its calculation of charity care costs. Dignity Health has stated that it accepts the calculations provided by JD Healthcare, Inc. and Vizient, Inc. for the purposes of determining their charity care commitment.

Community Benefit Services

In the last five years, St. John’s Pleasant Valley Hospital has consistently provided community benefit services. As shown in the table below, the adjusted average annual cost of the community benefit services over the last three fiscal years has been \$100,470. The adjusted average annual cost of community benefit services over the last five fiscal years has been \$315,752.

St. John's Pleasant Valley Hospital Community Benefit Services FY 2013 - FY 2017							
Community Benefit Programs	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2015 - FY 2017 Average	FY 2013 - FY 2017 Average
Benefits for Living in Poverty	\$855,267	\$110,145	\$59,043	\$43,866	\$184,762	\$95,890	\$250,617
Benefits for Broader Community	\$301,420	\$10,520	\$31,210	\$11,332	\$16,505	\$19,682	\$74,197
Totals	\$1,156,687	\$120,665	\$90,253	\$55,198	\$201,267	\$115,573	\$324,814
Medi-Cal Provider Fee Program-Grant Expense	-	-	(\$10,628)	(\$34,680)	-	-	-
Adjusted Totals	\$1,156,687	\$120,665	\$79,625	\$20,518	\$201,267	\$100,470	\$315,752

Source: Dignity Health, St. John's Pleasant Valley Hospital Community Benefit Reports and Plans

- The Hospital’s five-year average cost of community benefit services for persons living in poverty is \$250,617 per year;
- The Hospital’s five-year average cost of community benefit services for the broader community is \$74,197 per year; and
- Over the five-year period, the Hospital’s adjusted total cost of community benefit services decreased from \$1.2 million in FY 2013 to \$201,267 in FY 2017.

The following table lists the Hospital’s community benefit services over the past five fiscal years that cost over \$10,000 in FY 2017, followed by descriptions of these community benefit services.

ST. JOHN'S PLEASANT VALLEY HOSPITAL COST OF COMMUNITY BENEFIT SERVICES FY 2013 - FY 2017					
Services over \$10,000 in cost in FY 2017:	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
Dignity Health Community Grants Program	\$40,000	\$45,000	-	-	\$100,000
Community Benefit Operations and Needs Assessment	\$33,097	\$44,232	\$42,561	\$49,201	\$45,703
Taxi Vouchers for Patients in Need	\$11,482	\$11,451	\$8,760	\$5,679	\$14,080

Source: Dignity Health

¹ Program commitment with no cost reported in FY 2017

- Dignity Health Community Grants Program: The Hospital actively partners with nonprofit organizations working to improve health status and quality of life in the communities served. Grant funds are used to deliver services and strengthen service systems, to improve the health and well-being of vulnerable and underserved populations, and to reduce disparities;

- Community Benefit Operations and Needs Assessment: The Hospital provides trained professional staff to address community health needs by staffing community health programs and events; and
- Taxi Vouchers for Patients in Need: Transportation assistance from home to care for patients with financial need.

Reproductive Health

For CY 2016, St. John’s Pleasant Valley Hospital reported two inpatient discharges related to reproductive health services. According to St. John’s Pleasant Valley Hospital’s management, it stopped providing labor and delivery services in FY 2014. The following table lists inpatient reproductive health services²⁹ by diagnostic related group (DRG) for CY 2016.

ST. JOHN’S PLEASANT VALLEY HOSPITAL CY 2016 REPRODUCTIVE SERVICE BY DIAGNOSTIC RELATED GROUP	
	Discharges
777-Ectopic Pregnancy	1
779-Abortion W/O D&C ¹	1
778-Threatened Abortion	-
777-Ectopic Pregnancy	-
767-Vaginal Delivery W Sterilization &/Or D&C ¹	-
770-Abortion W D&C ¹ , Aspiration Curettage Or Hysterotomy	-
Total Discharges:	2

Source: CY 2016 OSHPD Patient Discharge Database
¹D&C is an abbreviation for Dilation and Curettage

²⁹St. John’s Pleasant Valley Hospital is a Catholic hospital and is subject to the Catholic ERDs that prohibit direct abortions. Although the Catholic ERDs prohibit direct abortions, these procedures are performed at the Hospital when the pathology is determined to present a medical need and/or a clear and present danger to the patient.

According to Dignity Health representatives, the following table indicates whether the Hospital performs the listed women’s reproductive health services.

ST. JOHN'S PLEASANT VALLEY HOSPITAL REPRODUCTIVE SERVICES	
Procedure	Currently Performed? (Y/N) Comments
Caesarean delivery with sterilization	No
Terminate pregnancy when:	No
A. Placenta previa	No
B. Premature rupture of membranes	No
C. Second trimester bleeding with previable fetus	No
Placement of an IUD at time of other gynecological surgery	No
Postpartum placement of IUD	No
Gender affirming surgery	No
Emergency contraception as emergency room or inpatient service	No
Ectopic pregnancy treatment with methotrexate (medication in lieu of surgery)	Yes, rarely

Source: Dignity Health

Analysis of St. John’s Pleasant Valley Hospital

Service Area Definition

St. John’s Pleasant Valley Hospital’s service area is comprised of four ZIP Codes from which 80% of its inpatient discharges originated in CY 2016. Approximately 50% of the Hospital’s discharges originated from one ZIP Code in the City of Camarillo and 78% originated from two ZIP Codes in the City of Camarillo, . In CY 2016, the Hospital’s market share in the service area was 34%.

ST. JOHN'S PLEASANT VALLEY HOSPITAL PATIENT ORIGIN CY 2016						
ZIP Code	Community	Total Discharges	% of Discharges	Cumulative % of Discharges	Total Area Discharges	Market Share
93010	Camarillo	1,561	46.4%	46.4%	4,262	36.6%
93012	Camarillo	1,029	30.6%	77.0%	3,219	32.0%
93066	Somis	69	2.1%	79.1%	290	23.8%
93011	Camarillo	31	0.9%	80.0%	134	23.1%
Total Percentage		2,690	80.0%	80.0%	7,905	34.0%
Other ZIPs		672	20.0%	100%		
Total Discharges		3,362	100%			

Note: Excludes normal newborns

Source: CY 2016 OSHPD Patient Discharge Database

Service Area Map

St. John’s Pleasant Valley Hospital’s service area has approximately 86,700 residents. There is no other hospital located within St. John’s Pleasant Valley Hospital’s service area. Two other hospitals are located within 10 miles from St. John’s Pleasant Valley Hospital, and one of them is another Dignity Health hospital, St. John’s Regional Medical Center.



Hospital Market Share

The table below provides the inpatient market share for St. John’s Pleasant Valley Hospital’s service area.

ST. JOHN’S PLEASANT VALLEY HOSPITAL SERVICE AREA MARKET SHARE BY HOSPITAL CY 2013 – CY 2016					
Hospital	CY 2013	CY 2014	CY 2015	CY 2016	Trend
St. John’s Pleasant Valley Hospital	31.10%	29.00%	33.40%	34.00%	↗
Los Robles Hospital & Medical Center	14.90%	16.40%	16.30%	16.10%	↘
Community Memorial Hospital-San Buenaventura	14.10%	12.80%	12.60%	12.90%	↘
St. John’s Regional Medical Center	12.50%	12.60%	12.00%	11.10%	↘
Ventura County Medical Center	6.70%	6.80%	4.70%	4.90%	↘
Kaiser Foundation Hospital - Woodland Hills	2.80%	2.50%	3.20%	2.40%	↘
Aurora Vista Del Mar Hospital	2.50%	2.50%	2.10%	2.30%	→
Ronald Reagan UCLA Medical Center	1.90%	1.90%	1.90%	1.90%	→
Cedars Sinai Medical Center	1.80%	1.70%	1.70%	1.80%	→
Kaiser Foundation Hospital - Los Angeles	1.30%	1.40%	1.10%	1.00%	↘
Santa Barbara Cottage Hospital	0.90%	1.00%	0.90%	0.90%	→
Keck Hospital of USC	0.80%	1.00%	0.90%	0.90%	→
Children’s Hospital of Los Angeles	0.70%	0.90%	0.80%	0.90%	→
Adventist Health Simi Valley	0.70%	0.80%	0.70%	0.70%	→
Northridge Hospital Medical Center	0.60%	0.80%	0.60%	0.70%	→
Santa Monica - UCLA Medical Center And Orthopedic Hospital	0.50%	0.70%	0.60%	0.50%	↘
All Other	4.70%	5.20%	4.50%	5.00%	↗
Total Percentage	98%	98%	98%	98%	
Total Discharges	7,362	6,950	7,615	7,746	↗

Source: OSHPD Discharge Database, CY 2013 – CY 2016

Note: Excludes normal newborns

- The number of discharges in St. John’s Pleasant Valley Hospital’s service area has remained relatively stable;
- From CY 2013 to CY 2016, St. John’s Pleasant Valley Hospital ranked first in overall market share for its service area based on inpatient discharges (34.0% in CY 2016); and
- In CY 2016, Los Robles Hospital & Medical Center was the second-largest market share leader (16.1%), followed by Community Memorial Hospital-San Buenaventura (12.9%).

Market Share by Payer Type

The following table shows inpatient market share by hospital and payer type for St. John's Pleasant Valley Hospital service area for CY 2016.

ST. JOHN'S PLEASANT VALLEY HOSPITAL HOSPITAL MARKET SHARE BY PAYER TYPE CY 2016												
Payer Type	Total Discharges	St. John's Pleasant Valley Hospital	Los Robles Hospital & Medical Center	Community Memorial Hospital-San Buenaventura	St. John's Regional Medical Center	Ventura County Medical Center	Kaiser Foundation Hospital Woodland Hills	Aurora Vista Del Mar Hospital	Ronald Reagan UCLA Medical Center	All Others	Total	
Medicare	4,203	48.8%	13.1%	11.8%	11.1%	1.2%	2.4%	0.7%	1.1%	9.7%	100.0%	
Private Coverage	2,408	16.4%	22.1%	15.9%	10.8%	4.2%	3.4%	3.4%	3.2%	20.6%	100.0%	
Medi-Cal	924	22.0%	7.1%	14.1%	11.7%	22.9%	0.3%	5.1%	1.4%	15.4%	100.0%	
All Other	293	10.2%	35.2%	2.0%	13.7%	3.1%	0.0%	5.8%	2.0%	28.0%	100.0%	
Self-Pay	77	16.9%	23.4%	3.9%	3.9%	13.0%	3.9%	3.9%	6.5%	24.7%	100.0%	
Total Percentage		34.0%	16.1%	12.9%	11.1%	4.8%	2.4%	2.3%	1.9%	14.5%	100.0%	
Total Discharges	7,905	2,690	1,270	1,016	880	383	190	180	148	1,148		

Note: Excludes normal newborns

Source: CY 2016 OSHPD Patient Discharge Database

- The largest payer categories of service area inpatient discharges are Medicare with 4,203 discharges (53%), followed by Private Coverage with 2,408 inpatient discharges (30%), and Medi-Cal with 924 inpatient discharges (12%);
- St. John's Pleasant Valley Hospital is the inpatient market share leader for Medicare (49%);
- Los Robles Hospital & Medical Center is the inpatient market share leader for Private Coverage (22%) and Self-Pay (23%); and
- Ventura County Medical Center is the inpatient market share leader for Medi-Cal (23%).

Market Share by Service Line

The following table shows inpatient market share by hospital and service line for St. John’s Pleasant Valley’s service area for CY 2016.

ST. JOHN'S PLEASANT VALLEY HOSPITAL HOSPITAL MARKET SHARE BY SERVICE LINE CY 2016											
Service Line	Total Discharges	St. John's Pleasant Valley Hospital	Los Robles Hospital & Medical Center	Community Memorial Hospital-San Buenaventura	St. John's Regional Medical Center	Ventura County Medical Center	Kaiser Foundation Hospital - Woodland Hills	Aurora Vista Del Mar Hospital	Ronald Reagan UCLA Medical Center	All Others	Total
General Medicine	2,373	57.0%	11.0%	10.5%	6.7%	2.4%	2.4%	0.0%	1.1%	9.0%	100.0%
Cardiac Services	933	43.0%	12.2%	9.6%	22.0%	1.1%	1.8%	0.0%	1.9%	8.4%	100.0%
Obstetrics	788	0.6%	33.1%	27.8%	18.7%	9.1%	4.3%	0.0%	0.6%	5.7%	100.0%
Orthopedics	758	26.9%	21.9%	16.9%	9.4%	2.6%	2.8%	0.0%	0.8%	18.7%	100.0%
General Surgery	668	37.0%	12.4%	10.8%	10.3%	6.9%	1.6%	0.0%	4.2%	16.8%	100.0%
Behavioral Health	554	6.0%	0.2%	0.2%	0.7%	17.0%	0.4%	32.5%	0.0%	43.1%	100.0%
Neurology	402	49.8%	13.9%	5.2%	14.4%	1.0%	2.0%	0.0%	2.7%	10.9%	100.0%
Neonatology	293	0.0%	34.1%	28.3%	15.0%	8.5%	5.1%	0.0%	2.4%	6.5%	100.0%
Oncology/Hematology (Medical)	257	34.6%	12.8%	9.7%	3.9%	5.4%	5.8%	0.0%	1.9%	25.7%	100.0%
Spine	242	18.6%	28.1%	16.5%	7.9%	3.7%	0.4%	0.0%	0.4%	24.4%	100.0%
Other	154	22.7%	20.8%	10.4%	22.1%	1.9%	1.3%	0.0%	4.5%	16.2%	100.0%
Urology	104	15.4%	18.3%	15.4%	7.7%	4.8%	1.9%	0.0%	4.8%	31.7%	100.0%
Gynecology	101	13.9%	24.8%	34.7%	2.0%	9.9%	0.0%	0.0%	3.0%	11.9%	100.0%
Vascular Services	91	31.9%	13.2%	14.3%	25.3%	1.1%	3.3%	0.0%	1.1%	9.9%	100.0%
Neurosurgery	76	2.6%	27.6%	2.6%	11.8%	2.6%	1.3%	0.0%	15.8%	35.5%	100.0%
ENT	62	14.5%	9.7%	8.1%	12.9%	11.3%	1.6%	0.0%	14.5%	27.4%	100.0%
Rehabilitation	24	12.5%	37.5%	0.0%	45.8%	0.0%	0.0%	0.0%	0.0%	4.2%	100.0%
No-match-found	15	13.3%	13.3%	13.3%	0.0%	6.7%	0.0%	0.0%	20.0%	33.3%	100.0%
Total Percentage		34.0%	16.1%	12.9%	11.1%	4.8%	2.4%	2.3%	1.9%	14.5%	100.0%
Total Discharges	7,905	2,690	1,270	1,016	880	383	190	180	148	1,148	

Note: Excludes normal newborns

Source: CY 2016 OSHPD Patient Discharge Database

- St. John's Pleasant Valley Hospital is the service area inpatient service line leader in eight of 18 service lines: general medicine (57.0%), cardiac services (43%), orthopedics (26.9%), general surgery (37.0%), neurology (49.8%), oncology/hematology (medical) (34.6%), vascular services (31.9%), and ENT (14.5%); and
- Los Robles Hospital & Medical Center is the service area inpatient service line leader in five of 18 service lines: obstetrics (33.1%), neonatology (34.1%), spine (28.1%) urology (18.3%) and neurosurgery (34.7%).

Market Share by ZIP Code

The following table shows hospital market share by ZIP Code in St. John’s Pleasant Valley service area for CY 2016.

ST. JOHN'S PLEASANT VALLEY HOSPITAL												
HOSPITAL MARKET SHARE BY ZIP CODE CY 2016												
ZIP Code	Community	Total Discharges	St. John's Pleasant Valley Hospital	Los Robles Hospital & Medical Center	Community Memorial Hospital-San Buenaventura	St. John's Regional Medical Center	Ventura County Medical Center	Kaiser Foundation Hospital - Woodland Hills	Aurora Vista Del Mar Hospital	Ronald Reagan UCLA Medical Center	All Others	Total
93010	Camarillo	4,262	36.6%	13.1%	13.6%	12.5%	4.8%	1.3%	2.2%	2.1%	13.9%	100.0%
93012	Camarillo	3,219	32.0%	20.4%	11.8%	8.9%	3.7%	3.9%	2.5%	1.5%	15.3%	100.0%
93066	Somis	290	23.8%	12.4%	13.4%	13.1%	17.2%	1.7%	1.0%	2.4%	14.8%	100.0%
93011	Camarillo	134	23.1%	14.2%	12.7%	17.9%	7.5%	5.2%	1.5%	0.7%	17.2%	100.0%
Total Percentage			34.0%	16.1%	12.9%	11.1%	4.8%	2.4%	2.3%	1.9%	14.5%	100.0%
Total Discharges			7,905	2,690	1,270	1,016	880	383	190	180	148	1,148

Note: Excludes normal newborns
 Source: CY 2016 OSHPD Patient Discharge Database

- St. John's Pleasant Valley Hospital is the inpatient market share leader in all four of its service area ZIP Codes.

Assessment of Potential Issues Associated with the Availability or Accessibility of Healthcare Services

In the Ministry Alignment Agreement, Dignity Health and CHI have made commitments to maintain all Dignity Health owned hospitals, IHO owned hospitals, and IHO subsidiary hospitals with their current levels of healthcare services and programs. An analysis of these commitments is provided in the following sections.

Continuation as General Acute Care Hospitals

In the Ministry Alignment Agreement, Dignity Health and CHI committed to maintaining St. John’s Regional Medical Center and St. John’s Pleasant Valley Hospital as licensed acute care hospitals for five years after the Effective Date. Each hospital provides a significant amount of healthcare services to the communities served as shown by their inpatient volume and market share.

St. John’s Regional Medical Center

In FY 2017, the hospitals located within St. John’s Regional Medical Center’s service area had a combined total of 1,021 licensed beds with an aggregate average occupancy rate of approximately 56%. In FY 2017, St. John’s Regional Medical Center operated at an occupancy rate of 55%. In CY 2016, Community Memorial Hospital of San Buenaventura was the market share leader with 27% of the service area inpatient discharges. Furthermore, of the hospitals located within its service area, St. John’s Regional Medical Center had 26% of both total inpatient discharges and patient days.

SERVICE AREA HOSPITAL DATA							
Hospital	City	Licensed Beds	Inpatient Discharges	Patient Days	Average Daily Census	Percent Occupied	Miles From Hospital
St. John’s Regional Medical Center	Oxnard	265	10,246	53,196	146	55%	-
St. John’s Pleasant Valley Medical Center	Camarillo	155	3,551	39,244	108	69%	9.4
Community Memorial Hospital of San Buenaventura ¹	Ventura	242	12,209	47,414	130	54%	7.9
Ventura County Medical Center	Ventura	272	9,802	44,253	121	45%	7.8
Aurora Vista Del Mar	Ventura	87	3,450	23,089	63	73%	13.9
Total		1,021	39,258	207,196	568	56%	

Source: OSHPD Disclosure Reports, Google Maps

¹ FY 2017 OSHPD Discharges not reported. Audited FY 2016 is shown

Since St. John’s Regional Medical Center had the highest average daily census of 146 patients and has 24% market share of inpatient discharges in its service area, it is a very important provider of healthcare services to the community.

St. John’s Pleasant Valley Hospital

In FY 2017, St. John’s Pleasant Valley Hospital’s was the only general acute care hospital within its service area, offering 155 licensed beds with an average occupancy rate of 69%.

SERVICE AREA HOSPITAL DATA						
Hospital	City	Licensed Beds	Inpatient Discharges	Patient Days	Average Daily Census	Percent Occupied
St. John’s Pleasant Valley Medical Center	Camarillo	155	3,551	39,244	108	69%

Source: OSHPD Disclosure Report, Google Maps

Since St. John’s Pleasant Valley Hospital is the only general acute care hospital within its service area, it is a very important provider of healthcare services to the community.

Emergency Services

St. John’s Regional Medical Center and St. John’s Pleasant Valley Hospital are important providers of emergency services to the residents of their respective surrounding communities. In FY 2017, St. John’s Regional Medical Center reported 56,988 emergency service visits to its 28 emergency treatment stations, operating at 102% capacity³⁰. During that same time period, St. John’s Pleasant Valley Hospital (Certified Primary Stroke Center) reported 24,570 emergency service visits to its 14 emergency treatment stations, operating at 88% capacity.

As a result of the Affordable Care Act (ACA) and California’s participation in Medicaid expansion, more individuals are now eligible for healthcare coverage. This influx of newly insured individuals, combined with the growing shortage of primary care physicians, is expected to increase emergency department utilization. Therefore, keeping St. John’s Regional Medical Center’s and St. John’s Pleasant Valley Hospital’s emergency departments open is important for providing area residents access to emergency services.

In the Ministry Alignment Agreement, Dignity Health and CHI committed to maintaining the emergency services at all Dignity Health owned hospitals, IHO owned hospitals, and IHO subsidiary hospitals at current types and levels of services and current designations for five years after the Effective Date of the Ministry Alignment Agreement as shown below:

The five-year commitments to St. John’s Regional Medical Center’s existing emergency services include:

- 28 Treatment Stations;
- STEMI Receiving Center; and
- Certified Primary Stroke Center.

³⁰Industry sources, including the American College of Emergency Physicians, use a benchmark of 2,000 visits per emergency station, per year, to estimate the capacity.

The five-year commitments to St. John's Pleasant Valley Hospital's existing emergency services include:

- 14 Treatment Stations; and
- Certified Primary Stroke Center.

As a result of healthcare reform, aging demographics, and the growing shortage of primary care physicians, emergency service utilization is expected to continue to increase within each Hospital's service area. Keeping St. John's Regional Medical Center's and St. John's Pleasant Valley Hospital's emergency departments open with their current number of emergency department stations and current designations is critical to providing emergency services within each Hospital's service area.

Reproductive Health Services

St. John's Regional Medical Center and St. John's Pleasant Valley Hospital are important providers of healthcare services to women. Between FY 2015 and FY 2017, St. John's Regional Medical Center averaged 1,826 live births per year. St. John's Pleasant Valley Hospital did not offer labor and delivery services.

St. John's Regional Medical Center and St. John's Pleasant Valley Hospital are Catholic hospitals and currently subject to the ERDs and will continue to be subject to the ERDs after the Effective Date.

Under the ERDs, some women's reproductive health services, including direct abortions and tubal ligations, are prohibited. Although the ERDs prohibit tubal ligations and direct abortions, these procedures are performed at St. John's Regional Medical Center when the pathology is determined to present a medical need and/or a clear and present danger to the patient. St. John's Regional Medical Center is an important provider of a range of women's reproductive services and provides these services to a large underserved population that has lower rates of prenatal care, resulting in an increased number of high-risk births. This can increase instances of stillborn delivery, miscarriage, and fetal abnormalities.

No future reductions in the availability and accessibility of reproductive health services are expected at St. John's Regional Medical Center and St. John's Pleasant Valley Hospital as a result of the Ministry Alignment Agreement.

The following table shows recorded inpatient reproductive service procedures in CY 2016 at St. John’s Regional Medical Center and St. John’s Pleasant Valley Hospital.

CY 2016 REPRODUCTIVE SERVICE BY DIAGNOSTIC RELATED GROUP		
Diagnostic Related Group	St. John’s Regional Medical Center	St. John’s Pleasant Valley Hospital
778-Threatened Abortion	18	-
770-Abortion W D&C ¹ , Aspiration Curettage Or Hysterotomy	7	-
779-Abortion W/O D&C ¹	7	1
777-Ectopic Pregnancy	5	1
767-Vaginal Delivery W Sterilization &/Or D&C ¹	4	-
Total Discharges:	41	2

Source: CY 2016 OSHPD Patient Discharge Database

¹D&C is an abbreviation for Dilation and Curettage

Effects on the Level & Type of Charity Care Historically Provided

Dignity Health committed to providing an annual amount of charity care based on the three most recent fiscal years as shown in the following table. As noted previously, Dignity Health has acknowledged that an error was made in its calculation of its charity care costs. Dignity Health has stated that it accepts the calculations provided by JD Healthcare, Inc. and Vizient, Inc. for the purposes of determining their charity care commitment.

CHARITY CARE COSTS				
	Dignity Health ¹		OSHPD Reported ²	
	FY 2015 – FY 2017 Average	FY 2013 – FY 2017 Average	FY 2015 – FY 2017 Average	FY 2013 – FY 2017 Average
St. John’s Regional Medical Center	\$2,072,168	\$2,735,633	\$1,926,088	\$2,891,622
St. John’s Pleasant Valley Hospital	\$196,702	\$347,654	\$145,855	\$344,722

¹ Dignity Health charity care commitment as calculated by Dignity Health FY 2015 - FY 2017

² Charity care as reported in OSHPD Disclosure Reports FY 2013 - FY 2017.

Effects on Services to Medi-Cal, Medicare & Other Classes of Patients

St. John’s Regional Medical Center and St. John’s Pleasant Valley Hospital participate in the Medicare and Medi-Cal programs, contract with Medi-Cal Managed Care plans, and provide services to other indigent and private pay patients.

As a result of the expansion of Medi-Cal and the ACA, fewer low-income individuals and families are uninsured. Additionally, in Ventura County, qualified low-income patients are able to access the County-owned clinics and hospitals. While these patients can still access the emergency departments of Dignity Health hospitals, the number of patients served has decreased.

Commercially insured patients receive care at Dignity Health hospitals under negotiated contracts and are unlikely to be affected as result of the Dignity Health and CHI transaction.

The Medi-Cal Managed Care Program contracts for healthcare services through established networks of organized systems of care. Over 12 million Medi-Cal Managed Care beneficiaries in all 58 counties in California receive their healthcare through six models of managed care, including: County Organized Health Systems, the Two-Plan Model, Geographic Managed Care, the Regional Model, the Imperial Model, and the San Benito Model.

Ventura County has a County Organized Health Systems model that offers one managed care plan. In the County Organized Health Systems model, the Department of Health Care Services contracts with a health plan created by the County Board of Supervisors. The percentage of Ventura County residents with Medi-Cal Managed Care coverage has increased significantly as a result of the ACA and California initiatives to expand managed care. In Ventura County, the County Organized Health Systems model is provided by Gold Coast Health Plan. Currently, Dignity Health is contracted with the Gold Coast Health Plan to provide healthcare services for Medi-Cal Managed Care patients.

In the Ministry Alignment Agreement Dignity Health and CHI commit to continued participation in the Medi-Cal and Medicare program for a period of five years after the Effective Date. The table shows the current Medi-Cal Managed Care contract that exists at St. John’s Regional Medical Center and St. John’s Pleasant Valley Hospital.

DIGNITY HEALTH VENTURA COUNTY MEDI-CAL CONTRACT	
Dignity Health Hospital	Health Plan
St. John’s Regional Medical Center	• Gold Coast Health Plan
St. John’s Pleasant Valley Hospital	• Gold Coast Health Plan

Source: Dignity Health

As Dignity Health committed to continued participation in the Medicare, Medi-Cal, and Medi-Cal Managed Care programs in the Ministry Alignment Agreement, no reductions in the availability or accessibility of non-emergency healthcare services are anticipated for beneficiaries of Medicare, Medi-Cal, and Medi-Cal Managed Care programs for at least five years after the Effective Date.

Effects on Community Benefit Programs

St. John’s Regional Medical Center and St. John’s Pleasant Valley Hospital support a significant number of ongoing community benefit programs that serve the residents of the surrounding communities. In the Ministry Alignment Agreement, Dignity Health and CHI have made commitments to maintain expenditures for community benefit services based on an average of the expenditures for the years FY 2015 – FY 2017. The table shows the annual average for both the three and five fiscal years at St. John’s Regional Medical Center and St. John’s Pleasant Valley Hospital.

VENTURA COUNTY COMMUNITY BENEFIT		
	FY 2015 - FY 2017*	FY 2013 – FY 2017*
St. John’s Regional Medical Center	\$1,097,987	\$1,101,269
St. John’s Pleasant Valley Hospital	\$100,470	\$315,752

*Less Medi-Cal Provider Fees and other non-community benefit costs as detailed in the profile sections.

While both St. John’s Regional Medical Center and St. John’s Pleasant Valley Hospital offer various community benefit programs, the Ministry Alignment Agreement includes commitments to maintain many of the current community benefit programs. The table below shows the service and program commitments made by Dignity Health and CHI.

COMMITTED COMMUNITY BENEFIT SERVICES AND PROGRAMS	
Hospital Name	Community Benefit Service and Program Name
St. John’s Regional Medical Center	<ul style="list-style-type: none"> • Cancer Center - Classes, Navigation, Support Groups, Nutritional Counseling • Chronic Disease Self-Management Program (CDSMP) • CHAMP -Congestive Heart Failure Active Management Program • Diabetes Health Education and Support Groups • Dignity Health Community Grants • Health Fairs - Underserved/uninsured² • Health Ministries - In-Kind Donations, Financial Assistance, Food Distribution, Community Service Referrals • Screenings - Underserved and Broader Community • Transportation - Taxi Vouchers • Tomando Control de su Salud - Spanish CDSMP -Underserved/uninsured² • Walking Program
St. John’s Pleasant Valley Hospital	<ul style="list-style-type: none"> • Cancer Center Support Groups • Dignity Health Community Grants Program • Community Benefit Operations and Needs Assessment • Taxi Vouchers for Patients in Need

Effects on Hospital Licensed Services

St. John’s Regional Medical Center and St. John’s Pleasant Valley Hospital are important providers of inpatient services to the residents of their respective communities. Dignity Health and CHI committed to maintaining all licensed services at current types and levels of services and current designations for five years after the Effective Date of the Ministry Alignment Agreement as follows:

Licensed Service Commitments for St. John’s Regional Medical Center:

- Obstetrics services, including a minimum of 27 licensed perinatal beds;
- Rehabilitation services, including a minimum of 23 licensed rehabilitation beds;
- Intensive Care Newborn Nursery services, including a minimum of 16 licensed Neonatal Intensive Care Unit beds; and
- Coronary care, inducing a minimum of 10 licensed coronary care beds; and
- Intensive care services, including a minimum of 10 intensive care beds.

Licensed Service Commitments for St. John’s Pleasant Valley Hospital³¹:

- Intensive care services, including a minimum of 8 licensed intensive care beds; and
- Sub-Acute Care³², including a minimum of 74 licensed distinct part skilled nursing beds.

Since Dignity Health and CHI make extensive five-year commitments to licensed inpatient services, no reductions in the availability or accessibility of healthcare services are expected for St. John’s Regional Medical Center and St. John’s Pleasant Valley Hospital for at least five years as a result of the Ministry Alignment Agreement.

Effects on Programs and Services

St. John’s Regional Medical Center and St. John’s Pleasant Valley Hospital are important providers of inpatient and outpatient programs and services to the residents of its surrounding communities. Dignity Health and CHI committed to maintaining additional licensed programs and services at current types and levels and current designations for five years after the Effective Date of the Ministry Alignment Agreement as follows:

Programs and Services Commitments for St. John’s Regional Medical Center:

- Cardiovascular services, including cardiovascular surgery services, interventional cardiology services, electrophysiology services, and general cardiology services;
- Neuroscience services, including neurosurgery services;
- Oncology services, including inpatient medical and surgical oncology services;
 - Outpatient Clinics – Infusion Clinics at Dignity Health Infusion Centers (Oxnard, Ventura and Camarillo, CA);
 - Outpatient Services – Clinical Research & Integrated Oncology Services;
- Orthopedic surgery services, including total joint replacements;
- General surgery services, including bariatric surgery
 - Outpatient Services – Surgery at St. John’s Outpatient Surgery Center;
- Nuclear medicine services;
- Outpatient Services – Physical and occupational services at St. John’s Outpatient Therapy Center (Port Hueneme);
- Outpatient Services – Physical, occupational and speech therapy services at St. John’s Outpatient Therapy Center (Oxnard, CA);
- Imaging and radiology services (inpatient and outpatient);
 - Mobile Unit – CT Scan³³;

³¹While St. John’s Pleasant Valley Hospital is licensed for seven perinatal beds, these bed types have not been in operation since FY 2013 and will be discontinued entirely when the new patient tower opens.

³² Sub-Acute Care includes an adult program specializing in the care of ventilator and tracheostomy dependent patients.

³³Dignity Health committed to maintain all current licensed services at St. John’s Regional Medical Center. The Hospital does not offer a Mobile Unit-CT Scan; however, in the Ministry Alignment Agreement, Exhibit L, Dignity Health erroneously listed this as a commitment. Hospital management noted that this service is not offered.

- Laboratory services;
- Occupational therapy services;
- Respiratory care services;
- Social services; and
- Speech pathology services.

Programs and Services Commitments for St. John's Pleasant Valley Hospital:

- General cardiology services;
- Neuroscience services, including neurosurgery services;
- Orthopedic surgery services, including total joint replacements;
- General surgery services;
- Nuclear medicine services;
- Imaging and radiology services (inpatient and outpatient)
 - Mobile Unit – MRI;
- Laboratory services;
- Occupational therapy services;
- Physical therapy services;
- Respiratory care services; and
- Speech pathology services.

Since Dignity Health and CHI have committed to maintaining these additional licensed services and programs for five years after the Effective Date at St. John's Regional Medical Center and St. John's Pleasant Valley Hospital, no negative impacts on the accessibility and availability of healthcare services are expected for at least five years as a result of the Ministry Alignment Agreement.

Effects on Staffing & Employee Rights

Dignity Health states that the proposed transaction will not change the status of any of Dignity Health's non-executive employees.

Dignity Health and CHI in the Ministry Alignment Agreement also agree to maintain the respective terms of the collective bargaining agreements that are in effect as of the Effective Date as shown below.

Union Contracts for St. John's Regional Medical Center:

- Service Employees International Union (SEIU 121);
- Service Employees International Union- United Healthcare Workers West (SEIU UHW); and
- International Union, Security, Police and Fire Professionals of America (SPFPA).

Union Contracts for St. John's Pleasant Valley Hospital:

- Service Employees International Union (SEIU 121)
- Service Employees International Union- United Healthcare Workers West (SEIU UHW); and
- International Union, Security, Police and Fire Professionals of America (SPFPA).

It is anticipated that no reductions in the number of non-executive employees are expected at St. John's Regional Medical Center and St. John's Pleasant Valley Hospital as a result of the Ministry Alignment Agreement.

Effects on Medical Staff

Dignity Health and CHI have committed to maintaining privileges for the current medical staff members of each Dignity Health California Hospital who are in good standing as of the Effective Date of the Ministry Alignment Agreement. Since Dignity Health committed to maintain the medical staffs' privileges, no reductions in the medical staff at St. John's Regional Medical Center and St. John's Pleasant Valley Hospital are expected.

Effects on City and County Contracts

St. John's Regional Medical Center and St. John's Pleasant Valley Hospital have a number of contracts with Ventura County to provide and support specific services. According to the Ministry Alignment Agreement, these contracts will be maintained for a period of five years after the Effective Date, unless the contract is terminated for cause or expires in accordance with its current terms.

Alternatives

If the proposed Ministry Alignment Agreement is not approved, Dignity Health is expected to continue to operate as it has in the past. It may look for future partnerships; however, none are evident at this time.

Conclusions and Recommendations

Based on Dignity Health's and CHI's commitments contained in the Ministry Alignment Agreement, the proposed transaction is likely to preserve the accessibility and availability of healthcare services to the communities served for at least five years. If the transaction is not approved, Dignity Health will not have the obligation to maintain these commitments.

Potential Conditions for California Attorney General Approval of the Ministry Alignment Agreement

If the California Attorney General approves the proposed transaction, JD Healthcare, Inc. and Vizient, Inc. recommend the following conditions be required to minimize any potential negative healthcare impact that might result from the transaction:

St. John's Regional Medical Center

1. For at least ten years from the Closing Date of the Ministry Alignment Agreement, St. John's Regional Medical Center shall continue to operate as a general acute care hospital;
2. For at least five years from the Closing Date of the Ministry Alignment Agreement, St. John's Regional Medical Center shall maintain 24-hour emergency services at no less than current licensure and designation with the same types and/or levels of services, including the following:
 - a. 28 Treatment Stations;
 - b. STEMI Receiving Center; and
 - c. Certified Primary Stroke Center.
3. For at least five years from the Closing Date of the Ministry Alignment Agreement, St. John's Regional Medical Center shall maintain the following services at current licensure, types, and/or levels of services:
 - a. Obstetrics services, including a minimum of 27 licensed perinatal beds;
 - b. Rehabilitation services, including a minimum of 23 licensed rehabilitation beds;
 - c. Intensive Care Newborn Nursery services, including a minimum of 16 licensed Neonatal Intensive Care Unit beds; and
 - d. Critical care services, including a minimum of 10 intensive care beds and a minimum of 10 licensed coronary care beds.
4. For at least five years from the Closing Date of the Ministry Alignment Agreement, St. John's Regional Medical Center shall maintain the following services as committed to Attachment D in Exhibit L of the Ministry Alignment Agreement:

- a. Cardiovascular services, including cardiovascular surgery services, interventional cardiology services, electrophysiology services, and general cardiology services;
 - b. Neuroscience services, including neurosurgery services;
 - c. Oncology services, including inpatient medical and surgical oncology services;
 - i. Outpatient Clinics – Infusion Clinics at Dignity Health Infusion Centers (Oxnard, Ventura and Camarillo, CA);
 - ii. Outpatient Services – Clinical Research & Integrated Oncology Services;
 - d. Orthopedic surgery services, including total joint replacements;
 - e. General surgery services, including bariatric surgery
 - i. Outpatient Services – Surgery at St. John’s Outpatient Surgery Center;
 - f. Nuclear medicine services;
 - g. Outpatient Services – Physical and occupational services at St. John’s Outpatient Therapy Center (Port Hueneme);
 - h. Outpatient Services – Physical, occupational and speech therapy services at St. John’s Outpatient Therapy Center (Oxnard, CA);
 - i. Imaging and radiology services (inpatient and outpatient);
 - j. Laboratory services;
 - k. Occupational therapy services;
 - l. Respiratory care services;
 - m. Social services; and
 - n. Speech pathology services.
5. For at least five years from the Closing Date of the Ministry Alignment Agreement, St. John’s Regional Medical Center shall maintain currently provided women’s healthcare services as well as the St. John’s Regional Imaging Center-Oxnard currently located at 1700 North Rose Avenue in Oxnard, California.
6. For at least five years from the Closing Date of the Ministry Alignment Agreement, St. John’s Regional Medical Center shall maintain a charity care policy that is no less favorable than its current charity care policy and in compliance with California and Federal law, and St. John’s Regional Medical Center shall provide an annual amount of charity care equal to or greater than \$2,891,622 (the “Minimum Charity Care Amount”). Alternatively, because of the impact of Medi-Cal expansion and the ACA, the California Attorney General could consider adjusting the required commitment to charity care based on available data from time periods after implementation of the ACA. An example would be to require a commitment based on a three-year rolling average of the most recent available data. For FY 2018, St. John’s Regional Medical Center’s required Minimum Charity Care amount using the three-year rolling average from FY 2015 to FY 2017 would be \$1,926,088. For purposes herein, the term “Charity Care” shall mean the amount of charity care costs (not charges) incurred by St. John’s Regional Medical Center in connection with the operations and provision of services at St. John’s Regional Medical Center. The definition and methodology for calculating “Charity Care” and the methodology for calculating “cost” shall be the same as that used by OSHPD for annual

hospital reporting purposes. The Minimum Charity Care Amount will be increased on an annual basis by the rate of inflation as measured by the Consumer Price Index from the U.S. Bureau of Labor Statistics;

7. For at least five years from the Closing Date of the Ministry Alignment Agreement, St. John's Regional Medical Center shall continue to expend no less than \$1,101,269 annually in community benefit services. This amount should be increased annually based on the Consumer Price Index from the U.S. Bureau of Labor Statistics. In addition, the following community benefit programs shall continue to be offered for at least five years from the Closing Date:
 - a. Cancer Center - Classes, Navigation, Support Groups, Nutritional Counseling;
 - b. Chronic Disease Self-Management Program (CDSMP);
 - c. CHAMP -Congestive Heart Failure Active Management Program;
 - d. Diabetes Health Education and Support Groups;
 - e. Dignity Health Community Grants;
 - f. Health Fairs - Underserved/uninsured;
 - g. Health Ministries - In-Kind Donations, Financial Assistance, Food Distribution, Community Service Referrals;
 - h. Screenings - Underserved and Broader Community;
 - i. Transportation - Taxi Vouchers;
 - j. Tomando Control de su Salud - Spanish CDSMP - Underserved/uninsured; and
 - k. Walking Program.

8. For at least five years from the Closing Date of the Ministry Alignment Agreement, St. John's Regional Medical Center shall maintain its participation in the Medicare program, providing the same types and/or levels of emergency and non-emergency services to Medicare beneficiaries, on the same terms and conditions as other similarly situated hospitals, by maintaining a Medicare Provider Number;

9. For at least five years from the Closing Date of the Ministry Alignment Agreement, St. John's Regional Medical Center shall be certified to participate in the Medi-Cal program, providing the same type, and/or levels of emergency and non-emergency services to Medi-Cal beneficiaries;

10. For at least five years from the Closing Date of the Ministry Alignment Agreement, St. John's Regional Medical Center shall maintain its participation in the Medi-Cal Managed Care program, providing the same types and/or levels of emergency and non-emergency services to Medi-Cal beneficiaries, on the same terms and conditions as other similarly situated hospitals offering substantially the same services, without any loss, interruption of service, or decrease of quality, or gap in contracted hospital coverage, including continuation of the following contract:
 - a. County Organized Health Systems Plan: Gold Coast Health Plan or its successor.

11. For at least five years from the Closing Date of the Ministry Alignment Agreement, St. John's Regional Medical Center shall maintain its current city/county contracts for the programs listed below:
 - a. Hospital Services Agreement- Ventura County Medi-Cal Managed Care Commission; and
 - b. Hospital Services Agreement- Ventura County as owner and operator of the Ventura County Health Care Plan.
12. Dignity Health and CHI shall commit the necessary investments required to meet and maintain OSHPD seismic compliance requirements at St. John's Regional Medical Center until January 1, 2030 under the Alfred E. Alquist Hospital Facilities Seismic Safety Act of 1983, as amended by the California Hospital Facilities Seismic Safety Act (Health & Safety Code, § 129675-130070); and
13. St. John's Regional Medical Center shall maintain written policies that prohibit discrimination against lesbian, gay, bisexual, or transgender individuals.

St. John's Pleasant Valley Hospital:

1. For at least ten years from the Closing Date of the Ministry Alignment Agreement, St. John's Pleasant Valley Hospital shall continue to operate as a general acute care hospital;
2. For at least five years from the Closing Date of the Ministry Alignment Agreement, St. John's Pleasant Valley Hospital shall maintain 24-hour emergency services at no less than current licensure and designation with the same types and/or levels of services, including the following:
 - a. 14 Treatment Stations; and
 - b. Certified Primary Stroke Center.
3. For at least five years from closing, St. John's Pleasant Valley Hospital shall maintain the following services at current licensure, types, and/or levels of services:
 - a. Critical care services, including a minimum of 8 licensed intensive care or coronary care beds; and
 - b. Sub-Acute Care including a minimum of 74 licensed distinct part skilled nursing beds.

4. For at least five years from the Closing Date of the Ministry Alignment Agreement, St. John's Pleasant Valley Hospital shall maintain the following services as committed to in Exhibit L of the Ministry Alignment Agreement:
 - a. General cardiology services;
 - b. Neuroscience services, including neurosurgery services;
 - c. Orthopedic surgery services, including total joint replacements;
 - d. General surgery services;
 - e. Nuclear medicine services;
 - f. Imaging and radiology services (inpatient and outpatient)
 - g. Mobile Unit – MRI;
 - o Laboratory services;
 - h. Occupational therapy services;
 - i. Physical therapy services;
 - j. Respiratory care services; and
 - k. Speech pathology services.

5. For at least five years from the Closing Date of the Ministry Alignment Agreement, St. John's Pleasant Valley Hospital shall maintain currently provided women's healthcare services;

6. For at least five years from the Closing Date of the Ministry Alignment Agreement, St. John's Pleasant Valley Hospital shall maintain a charity care policy that is no less favorable than its current charity care policy and in compliance with California and Federal law, and St. John's Pleasant Valley Hospital shall provide an annual amount of charity care equal to or greater than \$344,722 (the "Minimum Charity Care Amount"). Alternatively, because of the impact of Medi-Cal expansion and the ACA, the California Attorney General could consider adjusting the required commitment to charity care based on available data from time periods after implementation of the ACA. An example would be to require a commitment based on a three-year rolling average of the most recent available data. For FY 2018, St. John's Pleasant Valley Hospital's required Minimum Charity Care amount using the three-year rolling average from FY 2015 to FY 2017 would be \$145,855. For purposes herein, the term "Charity Care" shall mean the amount of charity care costs (not charges) incurred by St. John's Pleasant Valley Hospital in connection with the operations and provision of services at St. John's Pleasant Valley Hospital. The definition and methodology for calculating "Charity Care" and the methodology for calculating "cost" shall be the same as that used by OSHPD for annual hospital reporting purposes. The Minimum Charity Care Amount will be increased on an annual basis by the rate of inflation as measured by the Consumer Price Index from the U.S. Bureau of Labor Statistics;

7. For at least five years from the Closing Date of the Ministry Alignment Agreement, St. John's Pleasant Valley Hospital shall continue to expend no less than \$315,752 annually in community benefit services. This amount should be increased annually based on the

Consumer Price Index from the U.S. Bureau of Labor Statistics. In addition, the following community benefit programs shall continue to be offered for at least five years from the Closing Date;

- a. Cancer Center Support Groups;
 - b. Dignity Health Community Grants Program;
 - c. Community Benefit Operations and Needs Assessment; and
 - d. Taxi Vouchers for Patients in Need.
8. For at least five years from the Closing Date of the Ministry Alignment Agreement, St. John's Pleasant Valley Hospital shall maintain its participation in the Medicare program, providing the same types and/or levels of emergency and non-emergency services to Medicare beneficiaries, on the same terms and conditions as other similarly situated hospitals, by maintaining a Medicare Provider Number;
9. For at least five years from the Closing Date of the Ministry Alignment Agreement, St. John's Pleasant Valley Hospital shall be certified to participate in the Medi-Cal program, providing the same type, and/or levels of emergency and non-emergency services to Medi-Cal beneficiaries;
10. For at least five years from the Closing Date of the Ministry Alignment Agreement, St. John's Pleasant Valley Hospital shall maintain its participation in the Medi-Cal Managed Care program, providing the same types and/or levels of emergency and non-emergency services to Medi-Cal beneficiaries, on the same terms and conditions as other similarly situated hospitals offering substantially the same services, without any loss, interruption of service, or decrease of quality, or gap in contracted hospital coverage, including continuation of the following contract:
 - a. County Organized Health Systems Plan: Gold Coast Health Plan or its successor.
11. For at least five years from the Closing Date of the Ministry Alignment Agreement, St. John's Pleasant Valley Hospital shall maintain its current city/county contract for the program listed below:
 - a. Hospital Services Agreement- Ventura County Medi-Cal Managed Care Commission; and
 - b. Hospital Services Agreement- Ventura County as owner and operator of the Ventura County Health Care Plan.
12. Dignity Health and CHI shall commit the necessary investments required to meet and maintain OSHPD seismic compliance requirements at St. John's Pleasant Valley Hospital until January 1, 2030 under the Alfred E. Alquist Hospital Facilities Seismic Safety Act of 1983, as amended by the California Hospital Facilities Seismic Safety Act (Health & Safety Code, § 129675-130070); and

13. St. John's Pleasant Valley Hospital shall maintain written policies that prohibit discrimination against lesbian, gay, bisexual or transgender individuals.

St. John's Regional Medical Center License

License: 050000064
 Effective: 11/28/2017
 Expires: 11/27/2018
 Licensed Capacity: 265

State of California

Department of Public Health

In accordance with applicable provisions of the Health and Safety Code of California and its rules and regulations, the Department of Public Health hereby issues

this License to

Dignity Health

to operate and maintain the following **General Acute Care Hospital**

ST JOHNS REGIONAL MEDICAL CENTER

1600 N Rose Ave
 Oxnard, CA 93030-3722

Bed Classifications/Services

- 265 General Acute Care
- 27 Perinatal
- 23 Rehabilitation
- 16 Intensive Care Newborn Nursery
- 10 Coronary Care
- 10 Intensive Care
- 179 Unspecified General Acute Care

Other Approved Services

- Basic Emergency Medical - ER services
- Cardiovascular Surgery
- Mobile Unit - CAT Scan
- Nuclear Medicine
- Occupational Therapy
- Outpatient Clinics - Infusion Clinic at Dignity Health Infusion Centers, 1700 N. Rose Avenue, Suite 300, Oxnard
- Outpatient Clinics - Infusion Clinic at Dignity Health Infusion Centers, 2900 Loma Vista Road, Suite 201, Ventura
- Outpatient Clinics - Infusion Clinic at Dignity Health Infusion Centers, 500 Paseo Camarillo, Suite 107, Camarillo
- Outpatient Services
- Outpatient Services at Clinical Research & Integrated Oncology Services, 1700 N. Rose Avenue, Suite 380, Oxnard
- Outpatient Services - Physical, Occupational Therapy at St. John's Outpatient Therapy Center, 295 Hueneme Road, Port Huenem
- Outpatient Services - Physical, Occupational, Speech at St. John's Outpatient Therapy Center, 961 Rice Avenue, Suite 3, Oxnard
- Outpatient Services - Surgery at St. John's Outpatient Surgery Center, 1700 N. Rose Avenue, Suite 100, Oxnard
- Physical Therapy
- Respiratory Care Services

(Additional Information Listed on License Addendum)

Refer Complaints regarding these facilities to: The California Department of Public Health, Licensing and Certification, Ventura District Office, 1889 N. Rice Ave., Suite 200, Oxnard, CA 93036, (805)604-2926

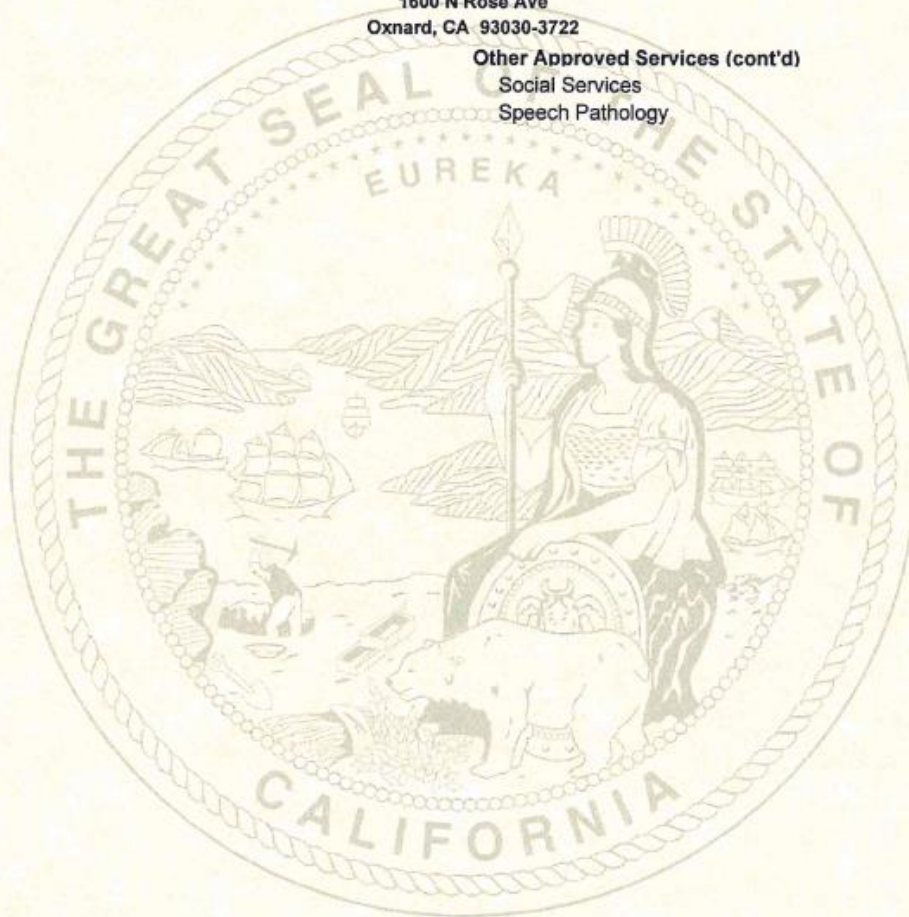
POST IN A PROMINENT PLACE

State of California
Department of Public Health
License Addendum

License: 05000064
Effective: 11/28/2017
Expires: 11/27/2018
Licensed Capacity: 265

ST JOHNS REGIONAL MEDICAL CENTER (Continued)
1600 N Rose Ave
Oxnard, CA 93030-3722

Other Approved Services (cont'd)
Social Services
Speech Pathology



This LICENSE is not transferable and is granted solely upon the following conditions, limitations and comments:

- MRI Unit located on-site.
- Outpatient Cardiac Rehab Services located on-site.
- Outpatient Physical Therapy Services located at 961 Rice Avenue, Suite# 3, Oxnard CA 93030; Outpatient PT/OT Therapy located at 295 Hueneme Road, Port Hueneme, CA 93041.

Karen L. Smith, MD, MPH

Director and State Public Health Officer

Stephanie Devlin, Manager

Refer Complaints regarding these facilities to: The California Department of Public Health, Licensing and Certification,
Ventura District Office, 1889 N. Rice Ave., Suite 200, Oxnard, CA 93036, (805)604-2926

POST IN A PROMINENT PLACE

St. John's Pleasant Valley Hospital License

License: 050000048
Effective: 11/28/2017
Expires: 11/27/2018
Licensed Capacity: 155

State of California
Department of Public Health

In accordance with applicable provisions of the Health and Safety Code of California and its rules and regulations, the Department of Public Health hereby issues

this License to

Dignity Health

to operate and maintain the following **General Acute Care Hospital**

ST JOHNS PLEASANT VALLEY HOSPITAL

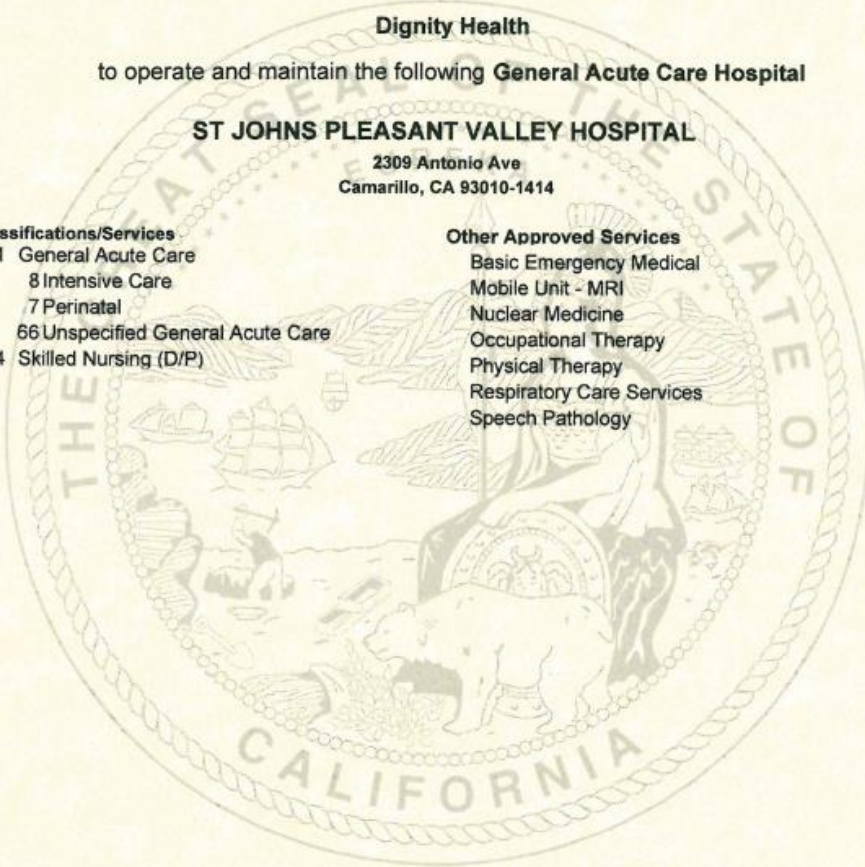
2309 Antonio Ave
Camarillo, CA 93010-1414

Bed Classifications/Services

- 81 General Acute Care
- 8 Intensive Care
- 7 Perinatal
- 66 Unspecified General Acute Care
- 74 Skilled Nursing (D/P)

Other Approved Services

- Basic Emergency Medical
- Mobile Unit - MRI
- Nuclear Medicine
- Occupational Therapy
- Physical Therapy
- Respiratory Care Services
- Speech Pathology



This **LICENSE** is not transferable and is granted solely upon the following conditions, limitations and comments:
8 Intensive Care Beds Interchangeable as Coronary Care Beds.

Karen L. Smith, MD, MPH

Director and State Public Health Officer

Stephanie Devlin, Manager

Refer Complaints regarding these facilities to: **The California Department of Public Health, Licensing and Certification,**
Ventura District Office, 1889 N. Rice Ave., Suite 200, Oxnard, CA 93036, (805)604-2926

POST IN A PROMINENT PLACE