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St. Joe's, Prime Healthcare bid to operate Petaluma Hospital



Petaluma Valley Hospital

In the on-going process to select an operator for Petaluma Valley Hospital, St. Joseph Health and Prime Healthcare Services were chosen to submit refined proposals for lease options to operate the facility when its 20-year agreement with St. Joseph Health expires in January 2017.

Petaluma Health Care District will now review the bids over the next 60 - 90 days before making its recommendation to the community. Public forums will then be scheduled to communicate the proposal's terms and air and address community concerns. The final step is a ballot measure, planned for November 2016, whereby the community will ultimately decide the selection.

"From the start, our goal was to identify and provide the community with options that maintain the high standard of community care PVH is known for and ensure long-term financial stability for the facility. Both providers who engaged in the bidding process have committed to maintaining their focus on quality, patient care and community health programs should their bids be successful," said PHCD CEO Ramona Faith. "We look forward to working with the community as we evaluate these proposals and determine the future of our community hospital."

The due diligence process has included thorough evaluations of hospital operations and finances, study and analysis of the current and future health care needs of Southern Sonoma County, stakeholder interviews, multiple opportunities for community input and a formal request for proposals process. In October 2015, four initial bidders were invited to continue the process. From this group, St. Joseph Health and Prime Healthcare Services elected to complete their bids.

St. Joseph Health is a nonprofit integrated Catholic health care delivery system sponsored by the St. Joseph Health Ministry and based in Irvine, CA. Organized into regions encompassing Northern and Southern California and West Texas/Eastern New Mexico, St. Joseph Health currently operates 16 hospitals. In addition to PVH, it operates the North Bay's Santa Rosa Memorial Hospital and Queen of the Valley Medical Center in Napa.

Prime Healthcare Services is a hospital management company headquartered in Ontario, CA, and operates 38 acute care hospitals in 11 states. It has proposed to operate PVH through its Prime Healthcare Foundation, a 501(c)3 public charity, whose mission is to provide quality, compassionate healthcare for all, and serve communities through various charitable and educational initiatives.

“The entire process, from day one, has been community-driven – a not-unexpected facet given that PHCD is deeply ingrained in and committed to the people who depend on facilities such as PVH,” Faith said. “We are confident that we will emerge from this process with a long-term agreement in place; with an operator who upholds the district’s core values of compassion and community and that is committed to working with PHCD to broaden the region’s health care offerings.”