



October 6, 2016

Petaluma Health Care District and St. Joseph Health End Lease Negotiations for Petaluma Valley Hospital

PHCD Committed to Identifying Long-Term Partner; Ensures Community Continuity of Care via SJH Agreement to Operate Until September 2017

Petaluma, Calif. – October 5, 2016 – The Petaluma Health Care District (PHCD) and St. Joseph Health (SJH) have officially ended negotiations regarding the future lease and operations of Petaluma Valley Hospital. Multiple factors influenced this decision, including the inability to reach a workable agreement.

PHCD and SJH will now concentrate efforts on working collaboratively on a transition plan. Leadership from both entities anticipates the transition of hospital operations from SJH to take several months, with SJH agreeing to remain in full-service operation until Sept. 1, 2017 or a mutually agreed-upon transition date to another operator.

No changes to services or care delivery are expected during the transition period and Petaluma Valley Hospital is fully prepared to continue meeting the needs of patients and their families.

“We have actively engaged with one another for the past year in attempt to reach a mutually acceptable new lease contract. Unfortunately, discussions became more complicated, and it became evident just last week that an agreement between SJH and the PHCD would not be possible,” said Ramona Faith, CEO, Petaluma Health Care District, and Todd Salnas, president, St. Joseph Health-Sonoma County, in a joint statement.

Going forward, PHCD will engage interested parties that had been previously short-listed during earlier stages of the due diligence process and others that have expressed interest.

PHCD has every intention to reach an agreement with a future operator during this transition period.

“The Petaluma Health Care District is a steadfast, dedicated organization focused on providing a multi-faceted approach to health care for this community, including serving as the community’s advocate and working in its best interests,” said Faith. “Our goal has always been, and remains, to get to an agreement that provides and protects services at Petaluma Valley Hospital. While we are disappointed that terms in our negotiations could not be reached with our current operator, SJH, we are committed to engaging a new, high quality operator for the hospital and all members of this community.”

The PHCD and SJH are actively meeting with hospital employees, physicians, community partners and the public to share information and outline next steps.

PHCD will be conducting community outreach as it reengages in the process of determining a new hospital operator.

“First and foremost, we remain committed to working on behalf of our caregivers and the community we serve in Petaluma,” said Salnas. “The Petaluma community is an important part of the St. Joseph Health family, and our priority is to support and advocate for our patients, employees and physicians.”

Background:

Petaluma Valley Hospital is an 80-bed acute care community hospital. Services include 24-hour emergency care, general surgery and labor and delivery. The Petaluma Health Care District owns the hospital and operated it from its opening in 1980 until it entered into a 20-year lease with St. Joseph Health, beginning in 1997.

About Petaluma Health Care District

The Petaluma Health Care District (PHCD) is dedicated to improving the health and well-being of the Southern Sonoma County community through leadership, advocacy, support, partnerships and education. Its vision is to foster a healthier community, a thriving hospital and local access to comprehensive health and wellness services. PHCD has served the health and wellness needs of the community for 70 years and is a public agency managed by the community for the community. For more information, please visit www.phcd.org.