

FOR IMMEDIATE RELEASE

Vote for New Petaluma Valley Hospital Lease Deferred

More time needed to finalize lease and operations transition agreement

PETALUMA, Calif., Mar. 10, 2017 – The Petaluma Health Care District (PHCD) Board of Directors at its meeting today decided to postpone submitting a ballot measure for the new Petaluma Valley Hospital (PVH) lease for public vote on June 6, 2017. Today, March 10, is the deadline to submit measures for the June 6 ballot.

PHCD Board President Elece Hempel stated during today's public board meeting: "This process is very complex. Unlike 20 years ago, three parties are now involved in this transaction, the District, the new operator, Paladin Healthcare ("Paladin"), and the existing operator, St. Joseph Health ("St. Joseph"), not two. The District and Paladin need additional time to finalize the terms of the lease agreement, and Paladin and St. Joseph need time to discuss and agree upon the terms of an operations transfer agreement that will ensure a smooth transition of hospital operations. Our expectation is that all parties – the District, Paladin and St. Joseph – will work expeditiously to reach the necessary agreements, and we will submit the new lease for a public vote at such time. It is our expectation that St. Joseph will continue to operate the hospital until a smooth transition with Paladin Healthcare occurs."

Since announcing Paladin as the recommended long-term tenant and operator of PVH on Feb. 17, PHCD has entered into a non-binding letter of intent with Paladin that sets forth the key terms of a lease agreement. Paladin and St. Joseph have begun their discussions concerning the transfer and transition of hospital operations.

PHCD will continue to update PVH employees, medical staff and volunteers about the status of the transition. The community will continue to receive updates via our email blasts, if a community member is interested in getting this update they can visit our website to subscribe.