

Petaluma Health Care District Moves Forward with Paladin Healthcare as Recommended Operator of Petaluma Valley Hospital

PETALUMA, Calif., Feb. 17, 2017 – The [Petaluma Health Care District](#) (PHCD) has selected Paladin Healthcare (Paladin) as the recommended long-term lease operator of Petaluma Valley Hospital (PVH), effective Sept. 1, 2017. Paladin was selected after PHCD's Board of Directors carefully considered [bids from three parties](#).

"In evaluating the bids, Paladin provided a thoughtful and thorough proposal that addressed the criteria we identified as important for an operator, demonstrated its strengths as an organization, and articulated a strong vision for PVH. Further, the company presented a well-researched and solid understanding of Southern Sonoma County's acute care needs, coupled with a proven track record for sustaining or improving community hospital operations and the patient care experience," said Ramona Faith, PHCD CEO. "Paladin's proposal includes keeping and restoring core services; ongoing financial investment in operations, service lines and physician services, and our facility; maintaining quality levels; a long-term agreement; and offering our community fair-market-value rent for the hospital facility."

Paladin, through its subsidiaries, operates community hospitals in the Greater Los Angeles area and Washington, D.C. Understanding the dynamic and challenging health care delivery landscape today, Paladin has successfully developed strategies that combine to improve performance in both clinical and financial operations at its hospitals. Paladin has guaranteed employment for current PVH staff in good standing for at least six months, with no plans to make material changes to the composition of the staff, and has stated that it will honor all current union agreements.

Added Faith, "Our invaluable hospital team, including the doctors and nurses, have been supportive as we've sought out a new operator to fulfill PVH's short- and long-term needs. Throughout the process, employees from every department have expressed – often in writing – that they understand our intentions and have backed our efforts to ensure the ongoing success of their high quality, community-based hospital. We are thrilled that Paladin has agreed to continue with PVH's incumbent team as it directly correlates with our hospital's continued quality of care; that was a high-priority for us."

Petaluma offers Los Angeles Area-based, Paladin its first Northern California location. The company is committed to making capital investments for ongoing facility improvements, medical equipment and technology upgrades at PVH. Its commitment of resources extends to engaging in community partnerships, education efforts and local initiatives for a well-rounded investment in Southern Sonoma County's health.

"PVH is a high-quality hospital and coveted community asset, which we wholeheartedly celebrate. The community will, without a doubt, see that tradition continue with us," said Barry Wolfman, president of Paladin Healthcare. "As an independent operator, we fully intend to build needed service offerings at PVH, restoring its role as a community provider with broad capabilities inside the hospital walls. We will foster close partnerships with PHCD, other acute and non-acute providers, and community organizations to improve Southern Sonoma County's health outcomes."

"Paladin proposes to provide a long-term strategic vision for PVH as a system-supported, yet independent, community hospital, with a broad range of services and coordinated relationships to meet the health care needs of the local community. PHCD's Board of Directors foresee a

great new partner for Southern Sonoma County,” said Elece Hempel, PHCD board president. “We made the decision to recommend Paladin to the community after rigorous assessment of all the bidders. This included a review of the potential operators’ quality scores, community engagement and financial stability, as well as a review of their alignment with the extensive criteria we set forth based on our engagement with this community.”

Added Faith, “We are grateful for St. Joseph Health’s sound operation of PVH and our decades-long relationship that will continue. Now, we will focus on educating the community on our recommended operator, finalizing various terms with Paladin, and facilitating a swift and smooth transition. We have been assured by St. Joseph Health and Paladin that they are prepared and committed to ensuring a smooth transition. That is the primary objective for all three parties at this time.”

Next Steps and Community Meetings

PHCD will hold employee forums and public meetings over the next few weeks to discuss its recommendation. It is currently negotiating definitive agreements with Paladin and will begin facilitating the transition plans and terms between Paladin and St. Joseph Health. If all necessary agreements and processes can be timely resolved, the public will have the opportunity to vote on Paladin as PVH’s new operator on June 6.

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.

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