

Effect of AHMC Healthcare Inc.'s Acquisition of San Gabriel
Valley Medical Center on the Accessibility and Availability of
Healthcare Services

**Prepared for the Office of the
California Attorney General**

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INTRODUCTION AND PURPOSE

Catholic Healthcare West (“CHW”), a nonprofit healthcare system of 42 hospitals in California, Arizona, and Nevada, owns and operates San Gabriel Valley Medical Center (“SGVMC” or “the Hospital”), a 273-licensed bed acute care hospital located in San Gabriel, California (Los Angeles County). CHW, as the sole member of SGVMC, a California nonprofit public benefit corporation, has requested the California Attorney General’s consent for the sale of specific assets including the Hospital, the Community Health Education Center (“CHEC”), two parking lots and land rights on and adjacent to the campus. The buyer is AHMC Healthcare Inc. (“Purchaser” or “AHMC”), a California for-profit corporation.

This report, prepared for the Office of the Attorney General, describes the possible effects that the proposed transaction may have on the delivery, accessibility, and availability of healthcare services in the service area and the community.

Medical Development Specialists, Inc. (“MDS”), a healthcare planning and policy consulting firm, was retained by the Attorney General to analyze the “healthcare impacts” of this proposed transaction. MDS has prepared this report based on the following:

- A review of documents filed with the Attorney General by SGVMC, dated July 13, 2007, in its request for consent to the transaction. In addition, MDS reviewed supplemental correspondence between the Attorney General’s Office and CHW regarding specific elements of the transaction.
- A review of CHW’s Offering Memorandum, dated July 7, 2006.
- Interviews with community members and representatives, SGVMC management, SGVMC medical staff, SGVMC Board members, CHW executives, representatives of other area hospitals, AHMC executives, a representative from the California Nurses Association (CNA), and others.
- An analysis of financial, utilization, and service information provided by SGVMC management.
- Publicly available information provided by the California Office of Statewide Health Planning & Development (“OSHPD”).
- An analysis of data and information specific to SGVMC’s service area from various sources, including OSHPD.

BACKGROUND AND DESCRIPTION OF THE TRANSACTION

San Gabriel Valley Medical Center opened in 1960 as a 146-licensed bed general acute care hospital. In 1987, a new \$30 million, 5-story patient tower and emergency department was completed which expanded and modernized the facility. In 1990, SGVMC affiliated with UniHealth America. In 1998, CHW acquired UniHealth, which owned and operated 8 hospitals, including SGVMC. The Hospital is currently licensed for 273 beds and offers services which include emergency, obstetrics, neonatal intensive care, and skilled nursing, as well as other inpatient and outpatient services.

Catholic Healthcare West, headquartered in San Francisco, California, is a system of 42 hospitals in California, Arizona, and Nevada. CHW is the largest nonprofit hospital system in California and the eighth largest in the United States. Within Los Angeles County, CHW operates four other acute care hospitals – California Hospital Medical Center in Los Angeles, Glendale Memorial Hospital & Health Center in Glendale, Northridge Hospital Medical Center in Northridge, and St. Mary Medical Center in Long Beach.

Reasons for the Sale

CHW cites the following reasons for divesting the facility:

- Ongoing financial losses of over \$22 million over the past 5 years with an inability to break-even;
- Seismic retrofit costs of approximately \$10 million (estimated) to comply with SB1953 (Alquist Act) requirements and other capital needs; and
- Lack of ability to obtain adequate reimbursement from private payers and Medi-Cal.

Criteria and Evaluation of Offers

The Board of Directors of CHW established several criteria for evaluating the offers of prospective buyers, including:

- The continued provision of acute care services at current levels;
- The maintenance of emergency services at current levels;
- The commitment to continue to provide charity care-related services at historical levels;
- The commitment to offer employment to substantially all SGVMC employees; and
- The ability to invest sufficient capital to upgrade equipment and the physical facility and to meet SB1953 requirements.

Summary of the Asset Purchase Agreement

The major provisions of the Acquisition Agreement, dated June 8, 2007, include the following:

- AHMC will purchase certain assets of SGVMC, including the Hospital (with approximately 9.4 acres of land in 5 parcels), tangible personal property used in conjunction with the operation of the business, equipment, inventory, and supplies, etc., for \$60,100,000. AHMC has deposited \$6,000,000 into an escrow account as a condition of the sale.
- AHMC will assume all of SGVMC's third party contracts, including provider, payer, medical group and vendor contracts.
- AHMC will offer employment to substantially all current employees of SGVMC at their current salaries, wages and terms, and with benefits consistent with those at other AHMC facilities. AHMC has agreed to maintain current levels of seniority, current schedules, and retain current management team members.
- AHMC will comply with the seismic retrofit requirements under SB 1953.
- AHMC will provide a minimum of \$745,577 in charity care costs per year and increase charity care annually by the rate of inflation as measured by the Consumer Price Index for Los Angeles County.
- AHMC agrees to operate the Hospital as a general acute care hospital and maintain an emergency department for five years at comparable levels as of the closing date.

Summary of the Asset Purchase Agreement (continued)

- Excluded assets include:
 - Cash, investments, and accounts receivable;
 - CHW assets and agreements;
 - All claims of seller against third parties;
 - Seller's membership in San Gabriel Valley Medical Center Foundation and all of its assets;
 - Computer software that is a CHW asset;
 - The Surgery Center located in the medical office building (207 South Santa Anita in San Gabriel);
 - CHW's interest in the real property located at 330 West Las Tunas Avenue in San Gabriel; and
 - Any amounts due in inter-company debt.

Use of Net Sale Proceeds

According to CHW leadership, there will be no net proceeds.

SAN GABRIEL VALLEY MEDICAL CENTER’S PROFILE

General Information

SGVMC is a general acute care facility is located at 438 West Las Tunas Drive, San Gabriel, CA 91776. The Hospital is located on approximately 9.4 acres, of which 2.4 acres are used for surface parking. Individual facilities and land parcels on the campus are as follows:

San Gabriel Valley Medical Center – Real Property Inventory and Campus Acreage				
Name	Address	Use	Sq. Footage	Acreage
SGVMC	438 W. Las Tunas	Main hospital	281,833	6.47
None	440 W. Las Tunas	Parking lot	43,260	0.99
None	245 S. Santa Anita	Parking lot	59,241	1.36
CHEC	261 Junipero Serra	Community Education	23,417	0.54
San Gabriel Med. Plaza ⁽¹⁾	207 S. Santa Anita	MOB	63,823	1.47

⁽¹⁾ San Gabriel Medical Plaza is not included in the approximate 9.4 acres defined as “the Hospital campus”, as SGVMC owns the land, but not the building.

Source: CHW

CHW owns 50% of San Gabriel Medical Plaza, a medical office building (“MOB”), located across the street from the main hospital campus. The remaining 50% is owned by Pacific Medical Buildings. The MOB is a 4-story, 63,823 square foot building which was built in 2004. SGVMC owns the land currently used by the MOB and parking lot under a 70-year ground lease. CHW’s interest in the MOB is not included in the proposed sale to AHMC, but CHW’s remainder interest in the real property lease is included.

CHW also owns 40.75% of an ambulatory surgery center (“ASC”) located on the first floor of the MOB. CHW’s ownership in this center is not part of the proposed transaction.

Hospital Beds/Capacity

SGVMC has a total of 273 licensed beds, of which 231 are currently in operation. The 42 psychiatric beds are currently in suspense.

<u>Unit</u>	<u>Licensed Beds</u>	<u>Beds in Operation</u>
Medical/Surgical ⁽¹⁾	130	130
Perinatal (Obstetric)	29	29
Intensive Care	19	19
<u>Neonatal Intensive Care</u>	<u>12</u>	<u>12</u>
Total Acute Care	190	190
Skilled Nursing (TCU/Sub-acute) ⁽²⁾	41	41
<u>Psychiatric</u>	<u>42</u>	<u>0</u>
Total Hospital	273	231

(1) Includes definitive observation beds. Some of these beds are currently used for same day surgery.

(2) Operating as 2 units – a 23 bed TCU and an 18 bed sub-acute unit.

Source: OSHPD ALIRTS Annual Utilization Report, 2006; CHW Offering Memorandum (July 7, 2006)

SGVMC's emergency department is a basic level with 12 licensed emergency treatment stations.

SGVMC also has one cardiac catheterization lab, 5 operating rooms, 2 endoscopy suites, and 2 additional operating rooms in the obstetrical department used to perform C-sections.

Key Statistics

- For calendar year (CY) 2006, SGVMC had a total of 8,538 discharges, 50,626 patient days, and an average daily census of 138.7 (50.8% occupancy of licensed beds, 57.6% of available beds). According to SGVMC management, the average census in August of 2007 was approximately 150 patients.
- The Hospital has approximately 598 medical staff members with approximately 23% being active users of the facility.
- SGVMC employs approximately 826 employees.
- The Hospital had approximately 24,600 emergency department visits and 2,100 babies delivered during CY 2006.

SAN GABRIEL VALLEY MEDICAL CENTER 2006 KEY STATISTICS	
Total Licensed Beds	273
Total Available Beds (In Use)	231
Inpatient Discharges	8,538
Average Daily Census	138.7
Outpatient Visits	43,284
Emergency Services Visits	24,635
Cardiac Catheterization Procedures	29
Obstetrical Deliveries	2,133
Physicians on Medical Staff (Total/Active)	598/136
Number of Employees (Total/FTEs)	826/620

Source: OSHPD ALIRTS Annual Utilization Report, 2006; SGVMC

Programs and Services

SGVMC is a community hospital that offers primary and secondary medical and surgical healthcare services that are common to most general acute care hospitals. It also offers specialized programs and services that include cardiac catheterization, neonatal intensive care, and a Sexual Assault Response Team (“SART”). Services at SGVMC include the following:

- Emergency Services: 24-hour basic emergency services
- Sexual Assault Response Team: provides medical care and support to victims of sexual assault
- Cardiovascular services: heart disease, cath lab, rhythm disorders, vascular disease and cardiac rehabilitation
- General services: blood conservation, pharmacy, laboratory, pathology
- Imaging services: X-ray, CT (computed tomography), nuclear medicine, MRI (magnetic resonance imaging) and ultrasound
- Perinatal services: 8 labor and delivery rooms for childbirth and a 12 bed, Level II neonatal intensive care unit (“NICU”)
- Intensive care unit (“ICU”)
- Surgical services (outpatient and inpatient): gynecological, vascular, orthopedic, thoracic, urologic and endoscopy
- Transitional Care Unit (TCU): specialized 23-bed unit for patients that no longer require acute care hospital services but need additional short-term care before discharge
- Gastroenterology (“GI”): two GI suites
- Wellness programs: fitness programs, weight loss, and health education
- Sub-acute Unit: 18-bed unit for patients who require complex medical technology and support to sustain life. Average length of stay is 114 days.

As a community hospital offering primary and secondary health care services, SGVMC does not provide complex or tertiary-level services such as cardiac surgery, pediatric intensive care, transplant services, and trauma services.

SGVMC formerly offered psychiatric (discontinued in 2004) and inpatient rehabilitation services (discontinued in 2001). Both of these programs were eliminated based on dwindling volumes, strong regional competition, and poor financial performance.

Accreditations and Recognitions

SGVMC is fully accredited by the Joint Commission for Accreditation of Healthcare Organizations (JCAHO) and licensed by the Department of Health Services (DHS). The Hospital is scheduled for JCAHO re-accreditation in 2008. SGVMC participates in the Medicare and Medi-Cal (Medicaid) programs.

Seismic Issues

In 2001, SGVMC evaluated the requirements to meet California's seismic requirements under Senate Bill (SB) 1953. CHW estimates that it would cost \$10 million to retrofit the Hospital (excluding financing costs).

Patient Volume

The following table shows patient volume trends at SGVMC for calendar years 2002 through 2006.

SAN GABRIEL VALLEY MEDICAL CENTER - SERVICE VOLUMES					
	CY 2002	CY 2003	CY 2004	CY 2005	CY 2006
PATIENT DAYS					
ICU/CCU	4,705	5,297	5,229	4,569	4,933
NICU	1,776	1,632	1,606	1,490	1,764
Med/Surg	30,940	32,013	28,303	27,465	26,450
Perinatal	5,629	6,430	6,669	5,920	6,618
Acute Psychiatric	10,793	10,226	3,886	0	0
Skilled Nursing	10,390	10,432	11,673	11,462	10,861
Total	64,233	66,030	57,366	50,906	50,626
DISCHARGES					
ICU/CCU	287	318	312	295	347
NICU	178	141	158	157	155
Med/Surg	6,205	5,904	5,378	5,444	5,190
Obstetrics	2,187	2,375	2,351	2,189	2,427
Acute Psychiatric	805	795	337	-	-
Skilled Nursing	993	969	655	598	419
Total	10,655	10,502	9,191	8,683	8,538
AVERAGE LENGTH OF STAY					
ICU/CCU	16.4	16.7	16.8	15.5	14.2
NICU	10.0	11.6	10.2	9.5	11.4
Med/Surg	5.0	5.4	5.3	5.0	5.1
Perinatal	2.6	2.7	2.8	2.7	2.7
Acute Psychiatric	13.4	12.9	11.5	0.0	0.0
Skilled Nursing	10.5	10.8	17.8	19.2	25.9
Total	6.0	6.3	6.2	5.9	5.9
AVERAGE DAILY CENSUS					
ICU/CCU	12.9	14.5	14.3	12.5	13.5
NICU	4.9	4.5	4.4	4.1	4.8
Med/Surg	84.8	87.7	77.5	75.2	72.5
Perinatal	15.4	17.6	18.3	16.2	18.1
Acute Psychiatric	29.6	28.0	10.6	-	-
Skilled Nursing	28.5	28.6	32.0	31.4	29.8
Total	176.0	180.9	157.2	139.5	138.7
OTHER SERVICES					
Inpatient Surgeries	2,820	2,119	2,354	1,499	1,326
Outpatient Surgeries	5,380	5,426	7,976	2,706	2,522
Emergency Visits ⁽¹⁾	23,750	22,962	23,272	24,092	24,635
Cardiac Cath Procedures	49	35	62	43	29
Obstetric Deliveries	1,904	1,995	2,021	1,873	2,133

⁽¹⁾ Volumes for FY 2002-2006 from OSHPD Financial Disclosure Reports. (Data from ALIRTS database is inaccurate.)

Source: OSHPD ALIRTS Annual Utilization Reports (2002-2006); SGVMC

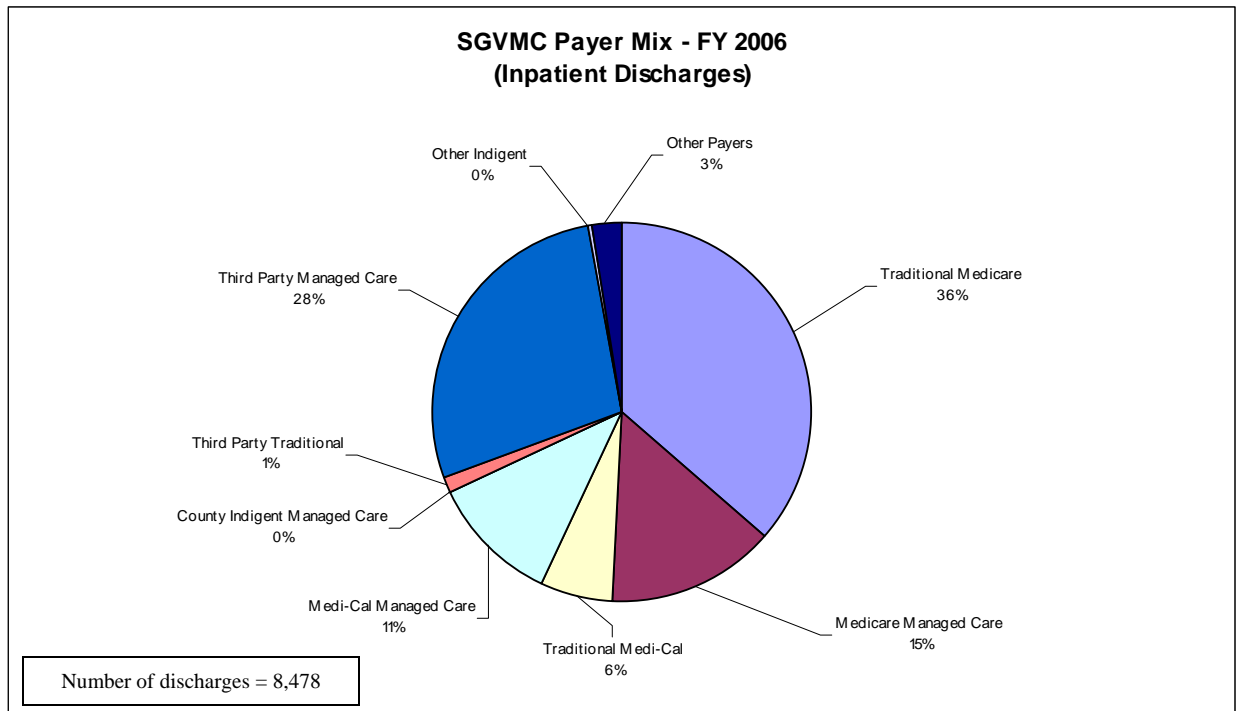
Patient Volume (continued)

A review of historical utilization trends supports the following conclusions:

- Between CY 2002 and CY 2006, SGVMC's total discharges and patient days decreased 25% and 27%, respectively. A substantial portion of the volume loss (40% of the decrease in discharges, and 80% of the decline in patient days) specifically relates to the drop in psychiatric patient volume. Psychiatric services at SGVMC were discontinued in 2004.
- Average daily census (total) at the facility decreased from 176 to 139 from 2002 to 2006, representing a drop in occupancy (licensed beds) from 64.5% to 50.8% over that time.
- Inpatient and outpatient surgeries dropped to less than half of their CY 2002 levels by 2006. However, a major reason for the decline in outpatient surgery volume was the opening of an ambulatory surgery center in the medical office building across the street from the Hospital in 2004.
- Obstetric and NICU volumes have held relatively steady at SGVMC. The obstetric program is a key service with approximately 2,100 deliveries per year.
- Cardiac catheterization volume is very low – well below minimum recommended volume levels.
- Emergency visits increased 3.6% from 2002 to 2006.

Payer Mix

Medicare (fee-for-service and managed care) is the largest payer for SGVMC, representing approximately 51% of annual discharges (FY 2006). Third party commercial managed care patients also accounted for a large proportion of discharges (28% of all patients). Medi-Cal accounted for 17% of all discharges with over two-thirds of these being Medi-Cal managed care enrollees.



Source: OSHPD Financial Disclosure Report, FY 2006 (12 months ended June 30, 2006)

Medical Staff

SGVMC has approximately 598 physicians on the medical staff with most physician specialties represented. There are 136 physicians that are active users of the Hospital (representing 23% of the medical staff). 85% of active physicians are Board Certified, which is similar to most other community hospitals.

San Gabriel Valley Medical Center Total and Active Medical Staff FY 2006		
Specialty	Active Staff Physicians	Total Physicians
Anesthesiology	6	19
Cardiovascular Diseases	11	32
Dermatology	1	4
Gastroenterology	4	15
General/Family Practice	15	53
General Surgery	4	13
Internal Medicine	19	71
Neurological Surgery	1	6
Neurology	6	11
OB/Gyn	10	42
Ophthalmology	5	21
Orthopedic Surgery	5	12
Otolaryngology	2	5
Pathology	4	13
Pediatrics	6	32
Physical Medicine/Rehabilitation	1	6
Plastic Surgery	1	4
Podiatry	1	9
Psychiatry	3	8
Pulmonary Disease	8	20
Radiology	1	15
Thoracic Surgery	1	6
Urology	1	11
Vascular Surgery	1	4
Other Specialties	19	166
Total	136	598

Source: SGVMC

Financial Profile

SGVMC's net operating revenue has increased 17.5% in five years, from \$87.9 million in 2002 to \$103.4 million in 2006. Operating expenses rose 21% over the same time period. SGVMC reported a loss in net income from FY 2002 to FY 2006, in aggregate, of approximately \$22.6 million. The Hospital's operating margin in 2006 was -3.7%, compared to the median for all California hospitals of 0.4%. SGVMC's management indicated that the Hospital had a net income loss of approximately \$1,097,000 for the recently completed fiscal year ended June 30, 2007.

SGVMC's current asset/debt ratio of 1.34 (current assets divided by current debts) is slightly weaker than the statewide median of 1.45. SGVMC's bad debt percentage of 2.2% is slightly higher than the statewide median of 1.8% for all hospitals.

SAN GABRIEL VALLEY MEDICAL CENTER FINANCIAL AND RATIO ANALYSIS					
	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006
Patient Days	66,335	63,641	63,997	52,736	49,588
Discharges	10,863	10,521	10,020	8,830	8,478
ALOS	6.1	6.0	6.4	6.0	5.8
Net Operating Revenue	\$87,949,694	\$95,962,756	\$103,476,941	\$96,912,980	\$103,407,650
Operating Expense	\$88,501,069	\$97,510,671	\$111,031,559	\$104,194,515	\$107,224,042
Net from Operations	(\$551,375)	(\$1,547,915)	(\$7,554,618)	(\$7,281,535)	(\$3,816,392)
Net Non-Operating Rev.	-\$395,252	-\$49,692	(\$255,654)	\$79,863	(\$1,203,430)
Net Income	(\$946,627)	(\$1,597,607)	(\$7,810,272)	(\$7,201,672)	(\$5,019,822)
California Median					
Current Ratio	1.5	0.5	0.5	0.4	0.3
Days in A/R	61.3	50.4	57.6	54.2	50.2
Bad Debt Rate	1.8%	2.0%	2.4%	1.7%	1.3%
Operating Margin	0.4%	-0.6%	-1.6%	-7.3%	-7.5%

Sources: OSHPD Financial Disclosure Reports

Cost of Services

The operating cost of services by payer category, which includes both inpatient and outpatient care, was calculated for the past five years. In 2006, 54% of SGVMC’s total costs were associated with Medicare patients, 17% from Medi-Cal patients, and 26% related to commercial third-party payers (HMO/PPO, indemnity).

SGVMC has reported no costs for County indigent or “other” indigent patients. County hospitals in Los Angeles County treat the vast majority of indigent patients requiring hospitalization.

SAN GABRIEL VALLEY MEDICAL CENTER COST OF SERVICES BY PAYER CATEGORY					
	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006
Operating Expenses	\$88,501,069	\$97,510,671	\$111,031,559	\$104,194,515	\$107,224,042
Cost of Services By Payer:					
Medicare	\$45,835,583	\$51,955,916	\$61,452,356	\$56,969,932	\$57,776,332
Medi-Cal	\$15,714,361	\$20,486,284	\$22,280,530	\$16,840,461	\$18,369,582
County Indigent	\$0	\$0	\$0	\$0	\$0
Third Party	\$24,921,974	\$22,518,984	\$24,862,238	\$27,857,817	\$28,118,403
Other	\$2,029,151	\$2,549,488	\$2,436,435	\$2,511,780	\$2,959,725
Total	\$88,501,069	\$97,510,672	\$111,031,559	\$104,179,990	\$107,224,042

Source: OSHPD Financial Disclosure Reports

Charity Care

Charity care charges often vary depending on different sources of hospital reports. MDS examined data from both OSHPD financial disclosure reports and SGVMC's internal community benefit reports. In addition, MDS has reviewed supplemental information provided by CHW to the Attorney General's Office.

SGVMC CHARITY CARE - TOTAL CHARGES FISCAL YEARS 2002-2006		
Year	OSHPD Disclosure	
	Reports	SGVMC Data
2006	\$7,468,255	\$6,910,002
2005	\$3,241,506	\$3,241,506
2004	\$1,462,819	\$1,462,819
2003	\$1,996,719	\$1,996,719
2002	\$3,856,577	\$3,856,577
Average 2002 - 2006	\$3,605,175	\$3,493,525

Source: OSHPD Financial Disclosure Reports; OSHPD Website; SGVMC

The Hospital's data submissions to the State for charity care were consistent through the various reports to OSHPD from 2002-2005. The 2006 numbers have been revised based on some reconciliation/adjustment related to Medi-Cal denials. We have used the figure provided by the Hospital (approximately \$6.9 million).

SGVMC's reported charity care total charges have risen from roughly \$3.86 million in 2002 to \$6.91 million in 2006 (based on adjusted 2006 data).

The following table shows a comparison of charity care and bad debt for SGVMC and all hospitals in the State of California. The five-year average of charity care and bad debt for SGVMC as a percentage of gross patient revenue was 2.7%. This is lower than the statewide average of 3.1%.

CHARITY CARE COMPARISON SAN GABRIEL VALLEY MEDICAL CENTER - FY 2002 to 2006										
	2002		2003		2004		2005		2006	
	SGVMC	State of Calif.	SGVMC	State of Calif.	SGVMC	State of Calif.	SGVMC	State of Calif.	SGVMC	State of Calif.*
Gross Pt Revenue	\$350,813,019	\$127,114,241,723	\$407,401,451	\$150,495,549,739	\$512,548,929	\$163,424,851,895	\$501,396,940	\$179,239,418,762	\$486,511,248	n/a
Charity	\$3,856,577	\$1,563,404,777	\$1,996,719	\$1,919,126,612	\$1,462,819	\$2,136,025,312	\$3,241,506	\$2,258,882,884	\$6,910,002	n/a
Bad Debt	\$6,845,781	\$2,176,888,212	\$9,564,946	\$2,575,027,378	\$8,696,460	\$3,094,367,040	\$6,468,942	\$3,277,108,723	\$10,782,501	n/a
Total	\$10,702,358	\$3,740,292,989	\$11,561,665	\$4,494,153,990	\$10,159,279	\$5,230,392,352	\$9,710,448	\$5,535,991,607	\$17,692,503	n/a
Charity as a % of Gross Rev.	1.1%	1.2%	0.5%	1.3%	0.3%	1.3%	0.6%	1.3%	1.4%	n/a
Bad Debt as a % of Gross Rev.	2.0%	1.7%	2.3%	1.7%	1.7%	1.9%	1.3%	1.8%	2.2%	n/a
Total as a % of Gross Rev.	3.1%	2.9%	2.8%	3.0%	2.0%	3.2%	1.9%	3.1%	3.6%	n/a
Uncompensated Care										
Cost to Charge Ratio	25.1%	30.2%	23.8%	28.1%	21.6%	27.9%	20.7%	27.0%	18.8%	n/a
Charity	\$966,177	\$471,835,562	\$475,856	\$540,042,229	\$315,468	\$595,310,254	\$670,787	\$610,801,932	\$1,299,080	n/a
Bad Debt	\$1,715,053	\$656,984,862	\$2,279,508	\$724,612,704	\$1,875,459	\$862,400,094	\$1,338,661	\$886,130,199	\$2,027,110	n/a
Total	\$2,681,230	\$1,128,820,424	\$2,755,364	\$1,264,654,933	\$2,190,928	\$1,457,710,349	\$2,009,448	\$1,496,932,131	\$3,326,191	n/a

* 2006 California data has not yet been reported.

Source: OSHPD Financial Disclosure Reports

Charity Care (continued)

The table below shows the charges for charity care adjusted to cost based upon applying the Hospital’s ratio of cost to charges for each year. SGVMC’s costs of charity care have been highly variable, increasing from \$966,177 in FY 2002 to \$1,299,080 in FY 2006. The average cost of charity care for the last three-year period was \$761,778.

The cost of charity care compared to total costs was 1.1% in 2002 and 1.2% in 2006, after lower levels from 2003 through 2005.

SAN GABRIEL VALLEY MEDICAL CENTER COST OF CHARITY CARE				
Year	SGVMC Charity Care Charges	Cost to Charge Ratio	Cost of Charity Care to SGVMC	Percent of Total Costs Represented by Charity Care
FY 2006	\$6,910,002	18.8%	\$1,299,080	1.2%
FY 2005	\$3,241,506	20.7%	\$670,787	0.6%
FY 2004	\$1,462,819	21.6%	\$315,468	0.3%
FY 2003	\$1,996,719	23.8%	\$475,856	0.5%
FY 2002	\$3,856,577	25.1%	\$966,177	1.1%

Source: OSHPD Financial Disclosure Reports

Community Benefit Services

SGVMC has historically offered a variety of community benefit programs, including community health services, public programs, donations, and others. SGVMC management reports that the Hospital provided community benefit services in FY 2006 which included the following:

- Health education newsletters and brochures – compiling and providing health information that is valuable to the communities they serve
- Car seat and stroller donation program – collecting and providing car seats and strollers for those in need
- Pre-natal education classes – free pre-natal education classes to community residents in need
- Sexual Assault Response Team (“SART”) – provides treatment and support to individuals who have been sexually assaulted
- Sweet Success Program – providing diabetes education to pregnant women with diabetes
- Transportation services – providing free transportation to patients in need

SGVMC reports that its total community benefit expenditure for each of the previous five fiscal years was \$792,184 in 2002, \$668,772 in 2003, \$983,645 in 2004, and \$410,399 in 2005, and \$239,003 in 2006, averaging \$618,800 for the five year period. These figures do not include charity care, unpaid costs of Medi-Cal, or health professional education.

PROFILE OF PROSPECTIVE BUYER: AHMC HEALTHCARE INC.

Overview

AHMC is the general partner for four hospitals – Garfield Medical Center, Greater El Monte Community Hospital, Monterey Park Hospital, and Whittier Hospital Medical Center, all located in Los Angeles County. Each of the four hospitals has its own limited partnership ownership structure in place. Three of the four hospitals (all except Whittier Hospital Medical Center) are located within 8 miles of SGVMC. AHMC acquired the four hospitals from Tenet Healthcare Corporation in 2004. The hospitals are licensed by the State of California Department of Health Services and accredited by the Joint Commission on Accreditation of Healthcare Organizations (JCAHO).

Alhambra Hospital Medical Center, located within 3 miles of SGVMC, has overlapping ownership with the AHMC hospitals.

A profile of the five hospitals is provided in the table below:

	Alhambra Hospital Medical Center	Garfield Medical Center	Greater El Monte Community Hospital	Monterey Park Hospital	Whittier Hospital Medical Center
Type of Care	General Acute	General Acute	General Acute	General Acute	General Acute
City	Alhambra	Monterey Park	South El Monte	Monterey Park	Whittier
Licensed Beds ¹	144	208	117	101	181
Patient Days	38,476	65,201	20,417	20,504	36,895
Discharges ²	4,322	12,612	3,610	5,254	8,721
Inpatient Surgeries ³	636	2,090	760	1,460	2,160
Outpatient Surgeries ³	1,758	3,408	600	1,296	2,558
Births	0	4,081	987	1,752	2,355
Payer Mix⁴:					
Traditional Medicare	57.9%	29.9%	21.7%	29.1%	16.7%
Managed Medicare	6.8%	2.7%	3.6%	4.4%	25.0%
Traditional Medi-Cal	22.9%	30.5%	42.1%	40.2%	19.7%
Managed Medi-Cal	2.3%	9.0%	19.4%	13.0%	10.8%
County Indigent	-	-	0.1%	-	-
Traditional Third Party	4.8%	0.4%	0.5%	2.4%	0.5%
Managed Third Party	1.9%	22.8%	5.2%	9.3%	22.1%
Other Indigent	1.1%	-	0.7%	0.5%	0.5%
Other	2.4%	4.7%	6.6%	1.1%	4.7%
Total	100.0%	100.0%	100.0%	100.0%	100.0%
Income Statement:					
Net Pt Revenue	55,526,691	133,516,962	31,619,168	42,495,517	75,318,782
Other Operating Rev.	1,241,427	726,005	206,759	198,998	207,858
Total Operating Rev.	56,768,118	134,242,967	31,825,927	42,694,515	75,526,640
Total Operating Exp.	56,826,900	132,611,189	38,175,148	44,947,195	78,219,821
Net From Operations	(58,782)	1,631,778	(6,349,221)	(2,252,680)	(2,693,181)
Net Income	(\$546,345)	\$1,817,557	(\$6,315,423)	(\$2,217,805)	(\$2,681,717)
Other Financial:					
Charity Care Charges	\$64,724	\$2,821,119	\$2,456,715	\$1,493,296	\$3,964,459
Bad Debt Charges	\$4,649,055	\$9,685,193	\$8,254,126	\$4,709,662	\$10,881,339
Total Uncompensated Care	\$4,713,779	\$12,506,312	\$10,710,841	\$6,202,958	\$14,845,798
Cost to Charge Ratio	35.5%	13.8%	19.5%	14.4%	15.9%
Cost of Charity	\$23,001	\$389,191	\$480,074	\$214,504	\$630,806
Uncompensated Care as % of Chgs.	3.0%	1.3%	5.5%	2.0%	3.0%
State of Calif. Uncompensated Care	3.1%	3.1%	3.1%	3.1%	3.1%
Fiscal Year Ending	6/30/2006	6/30/2006	6/30/2006	6/30/2006	6/30/2006
¹ Excludes beds in suspense					
² Excluding nursery					
³ CY 2006 data					
⁴ Based on discharges					

Source: OSHPD Financial Disclosure Reports, ALIRTS

AHMC Healthcare Inc.: Overview (continued)

Some important observations about the AHMC facilities and Alhambra Hospital Medical Center include:

- The five hospitals have a combined total of 751 licensed beds with an aggregate occupancy rate of 66.2% (FY 2006).
- Based on the most recent publicly available financial data (FY 2006), Garfield Medical Center had a positive net income, while Whittier Hospital Medical Center, Greater El Monte Community Hospital, and Monterey Park Hospital had negative net incomes. Alhambra Hospital Medical Center was close to break-even on its net operating income for FY 2006. Senior management of AHMC has indicated that profitability at all of its hospitals has improved in 2007 from 2006.
- All four of the AHMC facilities have a high percentage of Medi-Cal patient volume, ranging from 32% to 62%, qualify as DSH (disproportionate share hospital) facilities, and receive funding based on a State-determined formula for hospitals that exceed certain thresholds of annual Medi-Cal business as a percentage of total. Hence, Medi-Cal is an important revenue source for AHMC.
- The proportion of uncompensated care charges (bad debt and charity care) provided by the four AHMC hospitals is variable. While the statewide average for uncompensated care is 3.1%, AHMC's facilities were as follows for FY 2006.
 - Garfield Medical Center: 1.3%
 - Greater El Monte Community Hospital: 5.5%
 - Monterey Park Hospital: 2.0%
 - Whittier Hospital Medical Center: 3.0%
- Garfield Medical Center and Whittier Hospital Medical Center both treat a sizeable number of managed care patients (35% and 58% respectively).
- Some of the hospitals have received awards, including Health Grades Specialty Excellence Awards and other recognitions of performance.

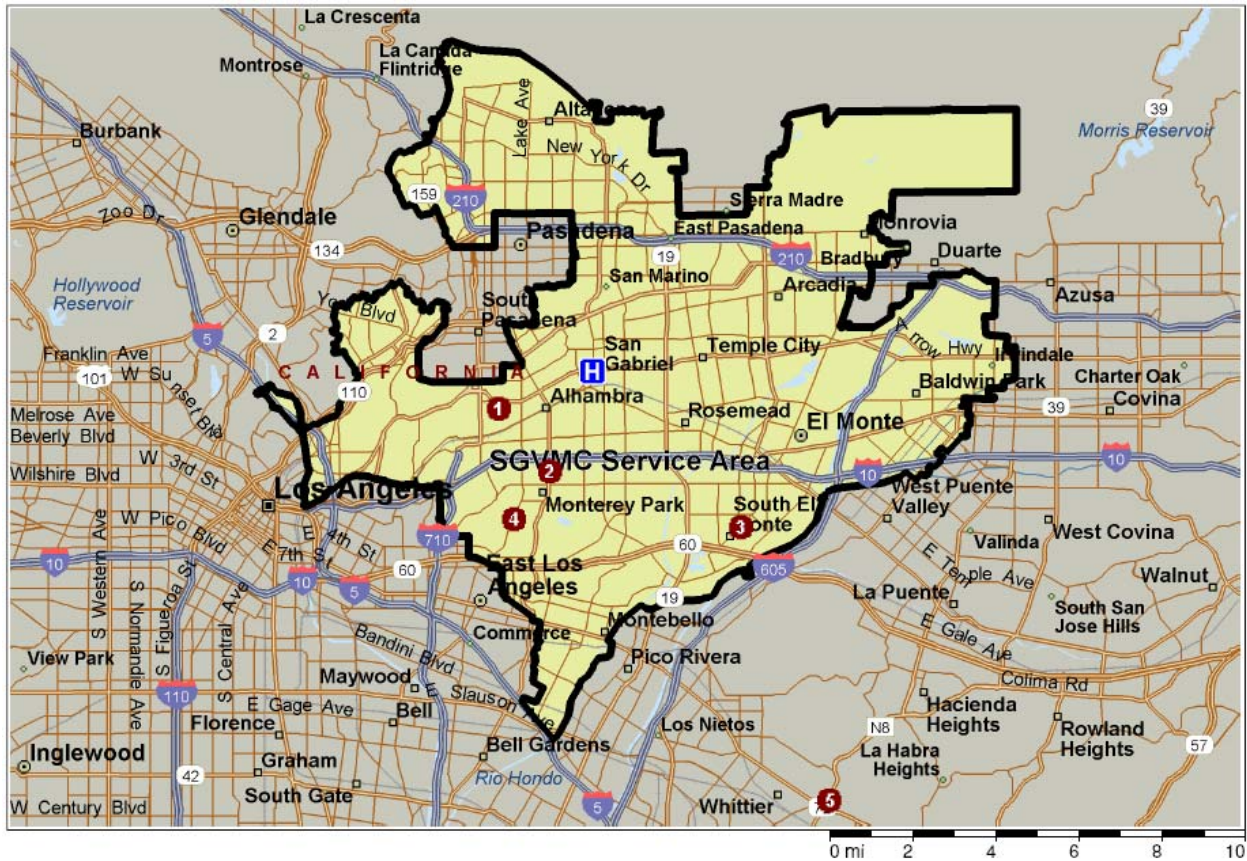
AHMC Healthcare Inc.: Overview (continued)

AHMC's senior management team provided the following information and statements related to AHMC and its strategic vision and approach:

- Jonathan Wu, M.D., PHD, is the Chairman of AHMC.
- AHMC is a locally-owned and regionally-focused health care system.
- AMHC places a strong focus on gaining economies of scale, optimizing resources, and providing competitively priced, high-quality healthcare services.
- AMHC uses a service line approach which focuses on community needs and volume/quality goals. AMHC's philosophy includes maintaining strong core services (e.g. cardiac, orthopedics, cancer, women's and children's services), providing programs and services needed by service area residents, and offering selected "Eastern Medicine" services such as integrative medicine and pain management.
- AMHC's approach includes close monitoring and control of costs.
- AHMC possesses strong relationships with area medical groups and IPAs such as Facey Medical Group and HealthCare Partners.
- AHMC places emphasis on policies or facilities expansion to increase patient volume in the emergency department while reducing patient waiting times.
- AHMC strives to become the employer of choice in the communities served with competitive benefits packages.

Locations of AHMC Healthcare Inc. Hospitals and Alhambra Hospital Medical Center

The locations of the five hospitals are shown in the map below. Of the five hospitals, four are within the current San Gabriel Valley Medical Center Service Area.



- SGVMC Service Area
- H San Gabriel Valley Medical Center
- 1 Alhambra Hospital Medical Center
- 2 Garfield Medical Center
- 3 Greater El Monte Community Hospital
- 4 Monterey Park Hospital
- 5 Whittier Hospital

SAN GABRIEL VALLEY MEDICAL CENTER SERVICE AREA ANALYSIS

San Gabriel Valley Medical Center's Service Area Definition

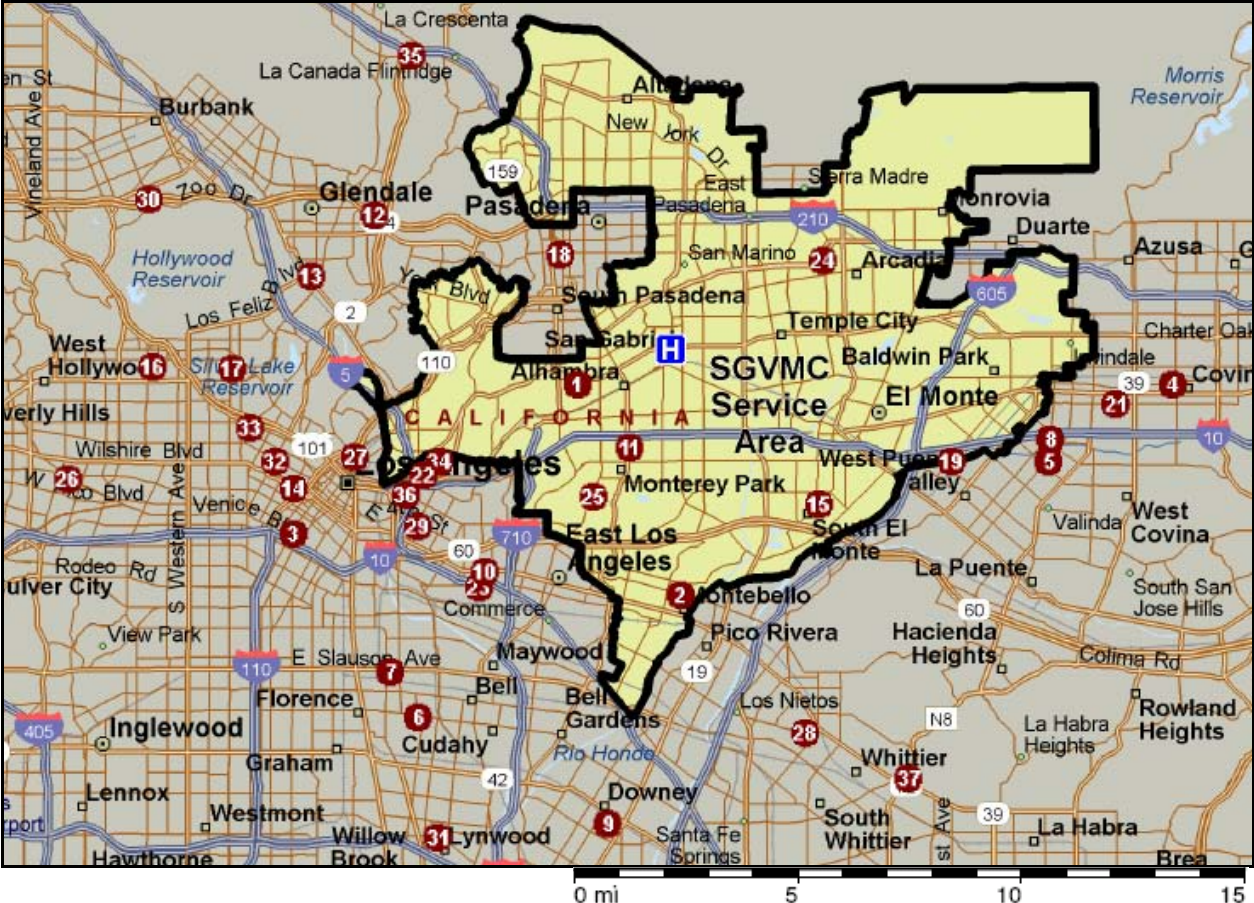
SGVMC's service area is composed of 24 ZIP Codes, from which approximately 81% of the Hospital's discharges emanated in 2006. Approximately half of SGVMC's discharges were from the top seven ZIP Codes.

SAN GABRIEL VALLEY MEDICAL CENTER PATIENT ORIGIN AND MARKET SHARE						
ZIPs	City	SGVMC Discharges	% of Discharges	Cum % of Discharges	Total Market Discharges	SGVMC Market Share
91776	San Gabriel	1,181	13%	13%	3,484	34%
91770	Rosemead	969	11%	25%	5,812	17%
91801	Alhambra	918	10%	35%	4,775	19%
91780	Temple City	420	5%	40%	3,259	13%
91803	Alhambra	393	4%	44%	2,900	14%
91775	San Gabriel	364	4%	49%	2,138	17%
91732	El Monte	343	4%	52%	6,588	5%
90032	Los Angeles	307	4%	56%	4,925	6%
91754	Monterey Park	266	3%	59%	3,662	7%
91731	El Monte	244	3%	62%	3,108	8%
91733	South El Monte	218	2%	64%	4,412	5%
91706	Baldwin Park	177	2%	66%	7,577	2%
91755	Monterey Park	152	2%	68%	2,041	7%
91007	Arcadia	139	2%	70%	2,870	5%
91104	Pasadena	125	1%	71%	4,027	3%
90031	Los Angeles	125	1%	72%	3,856	3%
91103	Pasadena	122	1%	74%	4,239	3%
91006	Arcadia	115	1%	75%	2,745	4%
91108	San Marino	98	1%	76%	1,082	9%
91107	Pasadena	92	1%	77%	3,497	3%
91016	Monrovia	86	1%	78%	4,275	2%
90042	Los Angeles	77	1%	79%	6,207	1%
91001	Altadena	75	1%	80%	4,084	2%
90640	Montebello	70	1%	81%	6,871	1%
Other		1,674	19%	100%		
Total		8,750				

Source: OSHPD Discharge Abstracts, 2006

San Gabriel Valley Medical Center's Service Area Map

SGVMC's service area and the closest regional hospitals are shown on the map below.



- | | | |
|--|---|--|
| H San Gabriel Valley Medical Center | 16 Hollywood Community Hospital | 32 St. Vincent Medical Center |
| 1 Alhambra Hospital Medical Center | 17 Hollywood Presbyterian Medical Center | 33 Temple Community Hospital |
| 2 Beverly Hospital | 18 Huntington Hospital | 34 USC University Hospital |
| 3 California Hospital Medical Center of Los Angeles | 19 Kaiser - Baldwin Park | 35 Verdugo Hills Hospital |
| 4 Citrus Valley Medical Center - Inter-Community Cam... | 20 Kaiser - Bellflower | 36 White Memorial Medical Center |
| 5 Citrus Valley Medical Center - Queen of the Valley C... | 21 Kindred Hospital - San Gabriel Valley | 37 Whittier Hospital Medical Center |
| 6 Community and Mission Hospital of Huntington Park ... | 22 LAC+USC Medical Center | |
| 7 Community and Mission Hospital of Huntington Park ... | 23 Los Angeles Community Hospital | |
| 8 Doctors Hospital of West Covina | 24 Methodist Hospital | |
| 9 Downey Regional Medical Center | 25 Monterey Park Hospital | |
| 10 East Los Angeles Doctors Hospital | 26 Olympia Medical Center (formerly Midway Medical Ce... | |
| 11 Garfield Medical Center | 27 Pacific Alliance Medical Center | |
| 12 Glendale Adventist Medical Center | 28 Presbyterian Intercommunity Hospital | |
| 13 Glendale Memorial Hospital | 29 Promise Hospital of East Los Angeles | |
| 14 Good Samaritan Hospital | 30 Providence St. Joseph Medical Center | |
| 15 Greater El Monte Community Hospital | 31 St. Francis Medical Center | |

Demographic Profile

SGVMC’s service area has a total population of 1,038,848 (2007 estimate). It is projected to grow by approximately 5.4% over the next five years, which is higher than the expected California growth rate of 4.1%.

SAN GABRIEL VALLEY MEDICAL CENTER SERVICE AREA POPULATION STATISTICS 2007 & 2012			
	2007	2012	% Change
Total Population	1,038,848	1,095,137	5.4%
Households	308,071	322,901	4.8%
% Female	51.2%	51.1%	

Source: Claritas Inc., 2007

The average age of the population in the service area is 35.8 years, which is higher than that for the State of California (33.7). The percentage of adults between the ages 45-64 is expected to grow at a faster rate than any other age group. Meanwhile, the percentage of youth between the ages 0-14 and younger adults between the ages 15-44 in the service area is expected to decrease as a percentage of the total population. Consistent with national trends, the 45+ population is growing at the fastest rate.

SAN GABRIEL VALLEY MEDICAL CENTER SERVICE AREA POPULATION AGE DISTRIBUTION 2007 & 2012					
	2007		2012		Population % Change
	Population	% of Total	Population	% of Total	
Age 0-14	235,593	22.7%	239,487	21.9%	1.7%
Age 15 - 44	445,928	42.9%	452,509	41.3%	1.5%
Age 45 - 64	238,896	23.0%	270,484	24.7%	13.2%
Age 65+	118,431	11.4%	132,657	12.1%	12.0%
Female 15 - 44	228,092	22.0%	231,096	21.1%	1.3%
Average Age	35.8		36.6		

Source: Claritas Inc., 2007

Demographic Profile (continued)

The Hispanic population is the largest ethnic group in the service area, making up 49.9%, and is projected to grow to 50.4% of the total population by 2012. The Asian population within the service area is expected to grow most rapidly over the next five years. The Black and White populations are both expected to decrease as a percentage of the total population.

SAN GABRIEL VALLEY MEDICAL CENTER SERVICE AREA POPULATION ETHNICITY 2007 & 2012		
	2007	2012
White	15.6%	13.4%
Black	3.5%	3.0%
Hispanic	49.9%	50.4%
Asian	28.9%	31.1%
Other	2.1%	2.1%

Source: Claritas Inc., 2007

The service area's average household income (aggregate household income divided by total households) is \$66,970, which is projected to grow by 10% to \$73,662 in the next five years. The service area's average household income is higher than the statewide average of \$63,000. Approximately 13.2% of households in the service area are currently below the federal poverty level (\$15,260 for a family of three in 2006).

SAN GABRIEL VALLEY MEDICAL CENTER SERVICE AREA POPULATION HOUSEHOLD INCOME DISTRIBUTION 2007 & 2012		
	2007	2012
\$0 - \$14,999	13.1%	11.9%
\$15,000 - 24,999	11.7%	10.6%
\$25,000 - 34,999	11.6%	10.8%
\$35,000 - 49,999	15.7%	15.0%
\$50,000 - 74,999	18.2%	18.2%
\$75,000 - 99,999	11.2%	11.6%
\$100,000 - 149,999	11.4%	13.0%
\$150,000 +	7.1%	9.1%
Average HH Income	\$66,970	\$73,662

Source: Claritas Inc., 2007

Area Payer/Insurance Mix

Los Angeles County has an uninsured rate of approximately 28-30% based on estimates from various sources. Among individuals with health insurance, approximately 12% of the service area population is Medicare eligible and approximately 23% of the service area population is Medi-Cal eligible. This is higher than the State average of 18%. Percentages of Medi-Cal eligibles for ZIP Codes within the service area range from 3% to 38%. In 12 of the 24 ZIP Codes, over 20% of area residents are eligible for Medi-Cal.

MEDI-CAL ELIGIBLES BY ZIP				
ZIP	City	Eligibles	Population	%
91776	San Gabriel	9,026	39,935	22.6%
91770	Rosemead	18,969	64,464	29.4%
91801	Alhambra	9,824	57,326	17.1%
91780	Temple City	4,617	38,286	12.1%
91803	Alhambra	6,230	30,801	20.2%
91775	San Gabriel	2,635	26,750	9.9%
91732	El Monte	22,671	69,583	32.6%
90032	Los Angeles	14,141	50,098	28.2%
91754	Monterey Park	6,288	33,012	19.0%
91731	El Monte	11,924	31,961	37.3%
91733	South El Monte	17,417	47,984	36.3%
91706	Baldwin Park	23,614	81,478	29.0%
91755	Monterey Park	5,834	31,158	18.7%
91007	Arcadia	2,691	33,357	8.1%
91104	Pasadena	7,750	40,554	19.1%
90031	Los Angeles	15,178	40,272	37.7%
91103	Pasadena	8,648	32,259	26.8%
91006	Arcadia	2,674	31,884	8.4%
91108	San Marino	378	13,621	2.8%
91107	Pasadena	3,294	34,037	9.7%
91016	Monrovia	5,658	42,830	13.2%
90042	Los Angeles	17,049	67,024	25.4%
91001	Altadena	5,703	37,150	15.4%
90640	Montebello	15,064	63,024	23.9%
TOTAL		237,277	1,038,848	22.8%

Sources: DHS Website (as of 01/07), US Census Bureau, Claritas 2007

Selected Health Indicators

With approximately 2.13 million uninsured children and adults, Los Angeles County’s access to healthcare and health insurance is important to consider. 35% of the 6.5 million uninsured Californians statewide reside in Los Angeles County. Of the 2.13 million uninsured, 1.82 million are non-elderly adults residing in Los Angeles County. Approximately 24% of the non-elderly population is uninsured in Los Angeles County compared to 20.2% statewide. Approximately 11.8% of the non-elderly adult population in Los Angeles County is covered by Medi-Cal.¹

A review of health status indicators² for Los Angeles County (deaths, diseases and births) supports the following conclusions:

- The area faces some challenges related to obstetrics and prenatal care (Refer to Table A).
 - The infant mortality rate (5.4 per 1,000 births) is above the national goal (4.5), and slightly higher than the California rate (5.3). In addition, the percentage of low birth weight infants (7.0%) is higher than the State rate (6.6%) and the national goal (5.0%).
- The overall mortality rate is much lower than the California mortality rate (Refer to Table B). Chronic disease is the main cause of death, with heart disease and cancer accounting for almost half the mortality rate.
- Chlamydia is the most frequently reported disease in the county, but at a lower rate than the statewide incidence rate. The rates of incidence of AIDS and TB are both higher than the statewide rate (Refer to Table C).

The following tables are based on California Department of Health Services reports regarding Los Angeles County:

Table A: Natality Statistics 2006			
Health Status Indicator	LA County	California	National Goal
Low Birth Weight Infants	7.0%	6.6%	5.0%
Late or No Prenatal Care	9.5%	13.0%	10.0%
Birth Rate to Adolescents (per 1,000 births)	42.2	39.2	N/A
Infant Mortality Rate (per 1,000 births)	5.4	5.3	4.5

¹ Source: 2005 California Health Interview Survey, UCLA Center for Health Policy Research

² Source: California Department of Health Services County Health Status Profiles 2006

Selected Health Indicators (continued)

Table B: Mortality Statistics, 2006 Rate per 100,000 Population			
Selected Cause	LA County	California	National Goal
Cancer	134.5	164.1	158.5
Heart Disease	140.7	164.7	162.0
Cerebrovascular Disease	41.6	52.4	50.0
Unintentional Injuries	22.6	29.3	17.1
Diabetes	21.6	21.3	N/A
Suicide	7.1	9.4	4.8
Drug-Related Deaths	8.3	10.0	1.2
All Causes	596.6	704.6	N/A

Table C: Morbidity Statistics, 2006 Incidence Rate per 100,000 Population			
Health Status Indicator	LA County	California	National Goal
Hepatitis C	0.1	0.13	1.0
AIDS	19.0	13.72	1.0
Tuberculosis	10.3	8.71	1.0
Chlamydia	393.9	324.31	N/A

Hospital Supply, Demand, and Market Share

There are 37 other general acute care hospitals (10,632 total licensed beds in the area with an aggregate occupancy of 57.4%) within 20 miles of SGVMC. There are 28 hospitals within 15 miles, and 13 facilities are within 10 miles of SGVMC. As previously indicated, all four AHMC hospitals are within 18 miles of SGVMC and 3 of the hospitals are within 8 miles. From a hospital supply standpoint, the area is well supported with numerous choices/options. SGVMC's licensed bed capacity (273) represents 2.6% of beds within 20 miles.

An analysis of the services offered by SGVMC in comparison to services offered by other providers is shown on the following pages. The hospitals shown below were the primary facilities analyzed to determine area hospital capacity by service. In general, the service area currently has sufficient capacity overall with substantial excess capacity at many hospitals.

AREA HOSPITALS								Drive Dist from SGVMC (miles)
Facility	Ownership/Affiliation	City	Licensed Beds	Days	Occupied Beds	Percent Occupied		
San Gabriel Valley Medical Center	Catholic Healthcare West	San Gabriel	273	50,626	138.7	50.8%	-	
Alhambra Hospital Medical Center	AHMC Healthcare Inc.	Alhambra	144	36,803	100.8	70.0%	2.6	
Garfield Medical Center	AHMC Healthcare Inc.	Monterey Park	210	64,530	176.8	84.2%	3.0	
Monterey Park Hospital	AHMC Healthcare Inc.	Monterey Park	101	20,270	55.5	55.0%	4.6	
Huntington Hospital		Pasadena	522	135,947	372.5	71.4%	4.9	
Methodist Hospital		Arcadia	460	86,232	236.3	51.4%	5.3	
Beverly Hospital		Montebello	223	41,809	114.5	51.4%	7.4	
Greater El Monte Community Hospital	AHMC Healthcare Inc.	South El Monte	117	19,956	54.7	46.7%	7.4	
USC University Hospital	Tenet Health Corporation	Los Angeles	269	59,750	163.7	60.9%	8.1	
LAC+USC Medical Center	Los Angeles County DHS	Los Angeles	1,395	227,560	623.5	44.7%	8.3	
White Memorial Medical Center	Adventist Health	Los Angeles	430	87,586	240.0	55.8%	8.7	
East Los Angeles Doctors Hospital	Health Plus+	Los Angeles	127	25,626	70.2	55.3%	9.1	
Los Angeles Community Hospital	Alta Healthcare System, Inc.	Los Angeles	130	30,802	84.4	64.9%	9.3	
Promise Hospital of East Los Angeles		Los Angeles	36	8,519	23.3	64.8%	9.8	
Kaiser - Baldwin Park	Kaiser Foundation Hospitals, Inc.	Baldwin Park	269	47,588	130.4	48.5%	10.1	
Pacific Alliance Medical Center		Los Angeles	138	27,962	76.6	55.5%	10.8	
Glendale Adventist Medical Center	Adventist Health	Glendale	448	109,330	299.5	66.9%	11.8	
Good Samaritan Hospital		Los Angeles	408	87,672	240.2	58.9%	11.9	
California Hospital Medical Center of Los Angeles	Catholic Healthcare West	Los Angeles	316	70,968	194.4	61.5%	12.3	
Doctors Hospital of West Covina	Doctors Hospital of West Covina, Inc.	West Covina	51	9,904	27.1	53.2%	12.4	
Presbyterian Intercommunity Hospital	Interhealth Corp.	Whittier	444	83,564	228.9	51.6%	12.5	
St. Vincent Medical Center*	Daughters of Charity Healthcare Systems	Los Angeles	347	63,649	174.4	50.3%	12.5	
Citrus Valley Medical Center - Queen of the Valley Campus	Citrus Valley Health Partners	West Covina	325	66,473	182.1	56.0%	12.8	
Verdugo Hills Hospital		Glendale	158	34,402	94.3	59.7%	13.1	
Community and Mission Hospital of Huntington Park - Slauson	Karykeion, Inc.	Huntington Park	81	12,066	33.1	40.8%	13.3	
Temple Community Hospital	Temple Hospital Corporation	Los Angeles	170	17,776	48.7	28.6%	13.4	
Hollywood Presbyterian Medical Center		Los Angeles	434	101,955	279.3	64.4%	14.4	
Kindred Hospital - San Gabriel Valley	Kindred Healthcare	West Covina	76	17,062	46.7	61.5%	14.5	
Community and Mission Hospital of Huntington Park - Florence	Karykeion, Inc.	Huntington Park	109	14,534	39.8	36.5%	14.8	
Glendale Memorial Hospital	Catholic Healthcare West	Glendale	334	79,628	218.2	65.3%	15.1	
Citrus Valley Medical Center - Inter-Community Campus	Citrus Valley Health Partners	Covina	222	66,473	182.1	82.0%	15.9	
Hollywood Community Hospital	Alta Healthcare System, Inc.	Hollywood	100	11,790	32.3	32.3%	16.1	
Downey Regional Medical Center		Downey	199	52,777	144.6	72.7%	16.4	
St. Francis Medical Center	Daughters of Charity Healthcare Systems	Lynwood	384	109,306	299.5	78.0%	16.4	
Whittier Hospital Medical Center	AHMC Healthcare Inc.	Whittier	178	42,889	117.5	66.0%	17.3	
Providence St. Joseph Medical Center	Providence Health System	Burbank	448	103,990	284.9	63.6%	17.6	
Olympia Medical Center (formerly Midway Medical Center)	Olympia Healthcare, LLC	Los Angeles	204	32,746	89.7	44.0%	18.9	
Kaiser - Bellflower	Kaiser Foundation Hospitals, Inc.	Bellflower	352	67,095	183.8	52.2%	19.9	
TOTAL			10,632	2,227,614	6,103.1	57.4%		

* 2005 data (most recent available)

Source: OSHPD ALIRTS Annual Utilization Reports, 2006; MapQuest

Hospital Supply, Demand, and Market Share (continued)

- SGVMC ranks fourth in terms of overall market share in the service area, based on discharges, with approximately 7.2% (CY 2006). Huntington Memorial Hospital in Pasadena is the market share leader with 14.8%, followed by Methodist Hospital (11.9%) and Garfield Medical Center (8.4%).
- SGVMC's market share has been steadily eroding over the past several years. Most recently, SGVMC's share decreased from 7.5% for CY 2004 to 7.2% in CY 2006.
- AHMC's total market share (CY 2006, all four hospitals) is 12.9%.
- The table below illustrates market share by hospital within SGVMC's service area for the past 3 years (most recent available data).

SERVICE AREA HOSPITAL MARKET SHARE 2004-2006						
Hospitals	Year 2004		Year 2005		Year 2006	
	Discharges	Mkt Share	Discharges	Mkt Share	Discharges	Mkt Share
Huntington Memorial Hospital	14,202	14.3%	14,107	14.3%	14,590	14.8%
Methodist Hospital of Southern California	11,255	11.3%	11,548	11.7%	11,715	11.9%
Garfield Medical Center	8,244	8.3%	8,495	8.6%	8,299	8.4%
San Gabriel Valley Medical Center	7,459	7.5%	7,178	7.3%	7,076	7.2%
Los Angeles County USC Medical Center	5,720	5.8%	5,482	5.6%	5,518	5.6%
Citrus Valley Medical Center - QV Campus	4,574	4.6%	4,856	4.9%	4,658	4.7%
Kaiser - Baldwin Park	4,318	4.3%	4,523	4.6%	4,375	4.4%
Beverly Hospital	4,229	4.3%	4,150	4.2%	3,936	4.0%
Alhambra Hospital	3,470	3.5%	3,453	3.5%	3,383	3.4%
Greater El Monte Community Hospital	3,331	3.4%	3,072	3.1%	2,883	2.9%
Kaiser - Sunset	2,976	3.0%	2,886	2.9%	3,148	3.2%
White Memorial Medical Center	2,401	2.4%	2,333	2.4%	2,513	2.6%
Glendale Adventist Medical Center - Wilson Terrace	2,217	2.2%	2,422	2.5%	2,492	2.5%
Monterey Park Hospital	1,794	1.8%	1,415	1.4%	1,282	1.3%
Whittier Hospital Medical Center	223	0.2%	213	0.2%	249	0.3%
All Other	22,922	23.1%	22,471	22.8%	22,317	22.7%
Total	99,335	100%	98,604	100%	98,434	100%

Source: OSHPD Discharge Abstract Database

Hospital Supply, Demand, and Market Share (continued)

SERVICE AREA MARKET SHARE BY PAYER - 2006												
Hospitals	Total Discharges	Total	Medicare		Private Coverage			Medi Cal		Other		
			FFS	Managed Care	HMO	PPO	FFS (1)	FFS	Managed	County Indigent	Workers Comp.	Other
Huntington Memorial Hospital	14,590	14.8%	16.3%	15.1%	13.1%	32.5%	2.3%	11.6%	7.0%	5.8%	14.6%	10.6%
Methodist Hospital of Southern California	11,715	11.9%	17.6%	17.7%	11.1%	16.7%	4.1%	6.0%	0.0%	0.1%	10.0%	8.8%
Garfield Medical Center	8,299	8.4%	9.2%	2.8%	5.3%	9.1%	4.6%	11.1%	15.2%	0.0%	1.9%	7.8%
San Gabriel Valley Medical Center	7,076	7.2%	9.5%	9.7%	7.5%	5.2%	4.1%	3.4%	11.3%	0.0%	0.6%	4.8%
Los Angeles County USC Medical Center	5,518	5.6%	1.0%	0.4%	0.0%	0.1%	9.1%	13.3%	6.1%	71.5%	2.3%	20.1%
Citrus Valley Medical Center - QV Campus	4,658	4.7%	2.1%	2.5%	3.3%	2.1%	0.4%	8.7%	14.7%	0.0%	2.5%	5.6%
Kaiser - Baldwin Park	4,375	4.4%	0.4%	15.0%	15.2%	0.0%	2.7%	0.2%	1.0%	0.0%	3.1%	2.0%
Beverly Hospital	3,936	4.0%	4.2%	7.2%	3.8%	0.3%	0.5%	4.0%	6.3%	2.5%	1.5%	1.5%
Alhambra Hospital	3,383	3.4%	6.9%	2.2%	1.9%	0.3%	1.2%	3.4%	0.9%	0.0%	0.4%	2.0%
Kaiser - Sunset	3,148	3.2%	0.1%	10.6%	11.6%	0.0%	0.0%	0.2%	1.1%	0.0%	1.3%	0.6%
Greater El Monte Community Hospital	2,883	2.9%	2.7%	0.3%	1.0%	1.0%	1.0%	4.8%	9.5%	0.0%	1.3%	3.7%
White Memorial Medical Center	2,513	2.6%	2.0%	2.5%	1.4%	1.2%	0.5%	3.4%	6.6%	0.0%	2.9%	3.8%
Glendale Adventist Medical Center - Wilson Terrace	2,492	2.5%	2.5%	0.0%	1.9%	3.0%	2.7%	3.9%	3.8%	0.0%	3.1%	2.2%
Monterey Park Hospital	1,282	1.3%	1.8%	0.6%	0.5%	1.2%	0.4%	1.8%	1.9%	0.0%	0.6%	0.8%
All others	22,566	22.9%	23.7%	13.4%	22.3%	27.3%	66.5%	24.1%	14.5%	20.0%	54.0%	25.9%
Total	98,434	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Discharges			28,110	9,741	16,790	8,456	1,132	20,935	6,630	1,265	480	4,895
% of Total Discharges			28.6%	9.9%	17.1%	8.6%	1.2%	21.3%	6.7%	1.3%	0.5%	5.0%

(1) Verdugo Hills Hospital leads the market with 36.5% share.

Source: OSHPD Discharge Abstract Database, 2006

- The largest category of inpatient discharges by payer is Medicare (fee-for-service and managed care) with approximately 38,000 discharges (39%). Medi-Cal is the second largest payer group in the service area with 28% of total discharges.
- 42% of all service area hospital discharges in 2006 were insured through managed care plans (Medicare, Medi-Cal, or commercial HMO or PPO plans).
- SGVMC is not the market leader in any single payer category.
- 1,265 (1.3%) of service area discharges are indigent patients. The vast majority of indigent patients are treated in County hospitals, with LA County USC Medical Center treating 72% of indigent inpatients from the service area in 2006.

Hospital Supply, Demand, and Market Share (continued)

- The following table illustrates hospital market share by service line for CY 2006.

San Gabriel Valley Medical Center Service Area Market Share by Service Line (2006)										
Service Line	No. of Discharges	San Gabriel Valley Medical Center	Huntington Memorial Hospital	Methodist Hospital of Southern California	Garfield Medical Center	Los Angeles Co USC Medical Center	Citrus Valley Medical Center - CV Campus	Kaiser Fnd Hosp - Baldwin Park	Beverly Hospital	All others
TOTAL DISCHARGES	98,433	7,076	14,590	11,715	8,299	5,518	4,658	4,375	3,936	38,266
TOTAL MARKET SHARE		7.2%	14.8%	11.9%	8.4%	5.6%	4.7%	4.4%	4.0%	38.9%
COMPLICATED DELIVERIES	6,113	10.6%	13.7%	8.9%	14.6%	2.0%	13.1%	5.2%	3.5%	28.4%
NORMAL DELIVERIES	8,502	10.4%	12.3%	9.8%	13.9%	1.4%	11.1%	7.5%	3.3%	30.3%
HIGH-RISK NEWBORNS	3,567	8.7%	15.8%	8.4%	11.4%	5.9%	12.5%	4.3%	3.2%	29.8%
ONCOLOGY	3,387	6.2%	14.6%	10.4%	8.1%	11.6%	2.9%	4.1%	3.9%	38.3%
OTHER OB	1,372	8.8%	17.6%	8.2%	8.7%	8.8%	9.1%	5.0%	2.8%	31.0%
PEDIATRICS	2,700	0.2%	15.4%	6.7%	0.4%	7.1%	10.9%	0.2%	8.8%	50.3%
PSYCHIATRY	4,917	0.2%	11.6%	0.4%	0.4%	2.8%	0.0%	0.4%	0.2%	84.0%
REHABILITATION	1,582	11.4%	13.8%	22.4%	4.5%	0.0%	2.0%	0.0%	0.0%	45.9%
SUBSTANCE ABUSE	797	2.3%	3.9%	5.0%	0.8%	4.0%	0.6%	1.3%	1.5%	80.7%
BURN	52	3.8%	5.8%	7.7%	1.9%	30.8%	1.9%	1.9%	1.9%	44.2%
CHEMOTHERAPY	854	13.1%	5.0%	14.9%	6.6%	12.3%	2.9%	1.1%	2.7%	41.5%
MEDICAL - CARDIOVASCULAR	14,241	7.3%	15.5%	15.9%	10.1%	4.8%	2.9%	5.3%	5.4%	32.8%
MEDICAL - ENT	454	5.7%	14.3%	13.7%	13.2%	7.3%	3.3%	4.4%	5.7%	32.4%
MEDICAL - GENITOURINARY	2,202	6.8%	13.5%	14.9%	5.8%	6.9%	3.7%	4.5%	6.0%	37.9%
MEDICAL - GI	9,964	8.3%	13.8%	12.2%	8.7%	6.3%	3.3%	5.1%	5.3%	37.1%
MEDICAL - GYNECOLOGY	246	8.5%	17.9%	9.3%	7.3%	15.4%	4.9%	3.7%	7.7%	25.2%
MEDICAL - OPHTHALMOLOGY	85	3.5%	15.3%	8.2%	8.2%	14.1%	3.5%	4.7%	8.2%	34.1%
MEDICAL - OTHER	6,642	8.9%	13.0%	13.8%	6.5%	7.3%	2.4%	3.9%	3.9%	40.2%
MEDICAL - RESPIRATORY	7,280	9.3%	13.9%	16.7%	9.0%	2.7%	2.9%	4.3%	4.2%	37.0%
MEDICAL - NEUROLOGY	2,696	6.4%	18.5%	15.4%	8.2%	5.9%	3.4%	3.5%	4.5%	34.1%
ORTHOPEDIC	6,709	5.0%	18.7%	14.6%	4.5%	8.9%	2.0%	4.4%	3.5%	38.5%
PLASTIC SURGERY	434	5.1%	15.7%	13.4%	3.5%	9.7%	2.1%	3.9%	2.5%	44.2%
SURGICAL - CARDIOVASCULAR	2,097	2.8%	17.3%	10.2%	9.0%	3.1%	1.7%	2.6%	3.4%	50.0%
SURGICAL - ENT	670	6.7%	13.0%	9.4%	5.7%	11.5%	2.2%	2.4%	2.2%	46.9%
SURGICAL - GENITOURINARY	1,900	8.0%	14.4%	10.7%	9.6%	5.6%	3.5%	5.2%	3.0%	39.9%
SURGICAL - GI	3,845	5.1%	19.6%	10.6%	7.2%	7.3%	4.5%	4.7%	4.0%	36.9%
SURGICAL - GYNECOLOGY	1,989	6.5%	19.1%	8.6%	11.4%	10.0%	3.7%	7.7%	3.8%	29.3%
SURGICAL - NEURO	780	2.8%	22.3%	10.6%	7.4%	7.2%	2.1%	3.7%	3.8%	40.0%
SURGICAL - OPHTHALMOLOGY	61	1.6%	4.9%	0.0%	1.6%	37.7%	0.0%	0.0%	0.0%	54.1%
SURGICAL - OTHER	1,680	5.1%	18.5%	10.4%	6.0%	6.9%	2.4%	5.6%	2.8%	42.3%

Source: OSHPD Discharge Abstract Database, 2006

- SGVMC ranks 4th overall in market share (all services) within its service area.
- SGVMC is not the market share leader for any of the 29 service lines profiled. SGVMC's highest shares (based on large volume service lines) are for obstetrics and rehabilitation.
- The largest volume service lines, based on discharges, are obstetrics (14,615 or 14.8%) and medical-cardiovascular medicine, with 14,241 discharges (14.5% of total). GI and respiratory are also high volume service lines in the area.

Comparative Service Matrix

The following grid shows a comparison of local hospitals and the services they provide as compared to the services offered at SGVMC. AMMC has an array of services that is typical for a community hospital. All of the major services offered at SGVMC are also provided by other hospitals in or near the service area.

SERVICE COMPARISON										
Program/Service	San Gabriel Valley Medical Center	Alhambra Hospital Medical Center	Garfield Medical Center	Greater El Monte Community Hospital	Monterey Park Hospital	Whittier Hospital Medical Center	Beverly Hospital	Huntington Memorial Hospital	Los Angeles County USC Medical Center	Methodist Hospital of Southern California
Acute Long-term Care (SNF)	✓	✓		✓		✓				✓
Airborne Infection Isolation Room	✓	✓	✓	✓	✓	?	✓	✓	✓	✓
Birthing Room-LDR Room-LDRP Room	✓		✓	✓	✓	✓	✓	✓	✓	✓
Breast Cancer Screening-Mammograms	✓		✓		✓	✓	✓	✓	✓	✓
Cardiac Intensive Care Services			✓				✓	✓	✓	✓
Adult Diagnostic/Invasive Cathertization	✓		✓				✓	✓	✓	✓
Adult Interventional Cardiac Cathertization			✓				✓	✓	✓	✓
Adult Cardiac Surgery			✓				✓	✓	✓	
Cardiac Rehabilitation			✓				✓	✓	✓	✓
Chemotherapy	✓		✓			✓		✓	✓	✓
Community Health Status Assessment	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Emergency Department	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Trauma Center (certified)								✓	✓	
Health Screenings	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Hemodialysis	✓	✓	✓					✓	✓	✓
HIV-AIDS Services								✓	✓	
Medical Surgical Intensive Care Services	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Neonatal Intensive Care Services	✓		✓				✓	✓	✓	✓
Obstetrics Services	✓		✓	✓	✓	✓	✓	✓	✓	✓
Occupational Health Services	✓		✓			✓	✓	✓	✓	✓
Oncology Services	✓	✓	✓	✓	✓		✓	✓	✓	✓
Orthopedic Services	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Outpatient Surgery	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Patient Controlled Analgesia (PCA)	✓	✓	✓	✓	✓	✓	✓		✓	✓
Patient Representative Services	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Pediatric Intensive Care Services								✓	✓	
Physical Rehabilitation Inpatient Services		✓	✓					✓		✓
Physical Rehabilitation Outpatient Services	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Psychiatric Care								✓	✓	
CT Scanner	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Magnetic Resonance Imaging (MRI)			✓	✓	✓	✓	✓	✓	✓	✓
Ultrasound	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Social Work Services	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Volunteer Services Department	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Women's Health Center/Services						✓	✓		✓	✓
Wound Management Services	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

Source: American Hospital Association Guide (2007), OSHPD Financial Disclosure Reports

Service Availability by Bed Type

The following tables illustrate existing hospital bed capacity, occupancy, and bed availability for medical/surgical, critical care, obstetrics, NICU, skilled nursing, and emergency services (CY 2006 data).

Medical/Surgical Beds

Including SGVMC and the 13 area hospitals within a 10 miles radius, there is a total of 2,715 licensed medical/surgical beds, of which 56% were occupied in 2006. Therefore, there are approximately 1,200 unoccupied licensed medical/surgical beds within 10 miles of SGVMC. Only 3 of 13 acute care hospitals within 10 miles of SGVMC have medical/surgical occupancy rates above 70%, based on CY 2006 data. These data metrics indicate that there are substantial available medical/surgical beds within the area.

SERVICE AREA MEDICAL/SURGICAL SERVICES						
Facility	Drive Dist from SGVMC (miles)	Licensed Beds	Discharges	Pt. Days	Average Daily Census	Occupancy
San Gabriel Valley Medical Center	-	130	5,190	26,450	72.5	55.7%
Alhambra Hospital Medical Center	2.6	88	3,775	20,635	56.5	64.2%
Garfield Medical Center	3.0	106	7,218	37,284	102.1	96.4%
Monterey Park Hospital	4.6	83	3,050	14,465	39.6	47.7%
Huntington Hospital	4.9	259	19,690	83,841	229.7	88.7%
Methodist Hospital	5.3	329	12,422	58,430	160.1	48.7%
Beverly Hospital	7.4	155	6,839	28,179	77.2	49.8%
Greater El Monte Community Hospital	7.4	59	1,922	9,861	27.0	45.8%
USC University Hospital	8.1	215	7,449	45,349	124.2	57.8%
LAC+USC Medical Center	8.3	951	28,816	157,029	430.2	45.2%
White Memorial Medical Center	8.7	176	6,603	37,742	103.4	58.8%
East Los Angeles Doctors Hospital	9.1	71	2,014	11,312	31.0	43.7%
Los Angeles Community Hospital	9.3	66	3,390	14,131	38.7	58.7%
Promise Hospital of East Los Angeles	9.8	27	265	7,678	21.0	77.9%
TOTAL		2,715	108,643	552,386	1,513.4	55.7%

Source: OSHPD ALIRTS Annual Utilization Report, 2006; MapQuest

Critical Care Beds (ICU/CCU)

Including SGVMC and the 13 hospitals within 10 miles of SGVMC that provide medical/surgical ICU (intensive care) services, the occupancy rate was 63%. There is an average of 136 available medical/surgical ICU beds within 10 miles of SGVMC. SGVMC has 19 licensed med/surg ICU beds that are 71% occupied on average.

SERVICE AREA CRITICAL CARE SERVICES						
Facility	Drive Dist from SGVMC (miles)	Licensed Beds	Discharges	Pt. Days	Average Daily Census	Occupancy
San Gabriel Valley Medical Center	-	19	347	4,933	13.5	71.1%
Alhambra Hospital Medical Center	2.6	13	207	3,217	8.8	67.8%
Garfield Medical Center	3.0	22	430	5,269	14.4	65.6%
Monterey Park Hospital	4.6	4	91	763	2.1	52.3%
Huntington Hospital	4.9	50	1,229	6,788	18.6	37.2%
Methodist Hospital	5.3	19	364	5,968	16.4	86.1%
Beverly Hospital	7.4	25	497	5,890	16.1	64.5%
Greater El Monte Community Hospital	7.4	10	269	1,534	4.2	42.0%
USC University Hospital	8.1	44	313	12,591	34.5	78.4%
LAC+USC Medical Center	8.3	96	1,487	23,548	64.5	67.2%
White Memorial Medical Center	8.7	47	925	9,631	26.4	56.1%
East Los Angeles Doctors Hospital	9.1	10	235	2,663	7.3	73.0%
Los Angeles Community Hospital	9.3	6	118	1,746	4.8	79.7%
Promise Hospital of East Los Angeles	9.8	4	57	841	2.3	57.6%
TOTAL		369	6,569	85,382	233.9	63.4%

Source: OSHPD ALIRTS Annual Utilization Report, 2006; MapQuest

Obstetrical Beds

There are 339 obstetrical beds between SGVMC and the other hospitals within 10 miles of SGVMC, with a 57% occupancy rate. On average, approximately 146 licensed beds are unoccupied in the area. SGVMC has 29 obstetrical beds that had a 63% occupancy rate for 2006.

SERVICE AREA OBSTETRICS SERVICES							
Facility	Drive Dist from SGVMC (miles)	Licensed Beds	Discharges	Pt. Days	Average Daily Census	Occupancy	
San Gabriel Valley Medical Center	-	29	2,427	6,618	18.1	62.5%	
Garfield Medical Center	3.0	34	4,087	10,968	30.0	88.4%	
Monterey Park Hospital	4.6	8	1,921	5,031	13.8	172.3%	
Huntington Hospital	4.9	56	3,646	11,235	30.8	55.0%	
Methodist Hospital	5.3	24	2,400	6,391	17.5	73.0%	
Beverly Hospital	7.4	18	2,020	4,714	12.9	71.8%	
Greater El Monte Community Hospital	7.4	19	778	1,924	5.3	27.7%	
LAC+USC Medical Center	8.3	67	2,146	7,991	21.9	32.7%	
White Memorial Medical Center	8.7	54	3,289	12,744	34.9	64.7%	
East Los Angeles Doctors Hospital	9.1	14	928	1,663	4.6	32.5%	
Los Angeles Community Hospital	9.3	16	446	1,126	3.1	19.3%	
TOTAL		339	24,088	70,405	192.9	56.9%	

Source: OSHPD ALIRTS Annual Utilization Report, 2006; MapQuest

Obstetrical Market Share

Market share by service line is shown on page 34 of this report. Garfield Medical Center is the market share leader for obstetrics within the service area, followed by Huntington Memorial Hospital, Citrus Valley – Queen of the Valley Campus, and SGVMC. Obstetrics is a high volume, important service for SGVMC and the Hospital is a key provider in the service area.

Neonatal Intensive Care Services

There are currently 13 other NICUs within 15 miles of SGVMC. SGVMC's NICU has an average census of approximately 4.8 patients per day and a total of 12 licensed beds (40% occupancy).

The combined 14 area NICU programs have 362 beds and an aggregate occupancy rate of 65% for CY 2006. Excluding SGVMC's 12 beds, on average there are approximately 127 empty NICU beds available in the area. Huntington Memorial Hospital (51 beds, 49% occupancy), Methodist Hospital of Southern California (17 beds, 34% occupancy), and Garfield Medical Center (20 beds, 68% occupancy) are all local programs within approximately 5 miles of SGVMC that have capacity to absorb additional volume. It should also be noted that neonatal intensive care tends to be a regional service and babies are often transferred to large, level III units as required. Within the region, there are several other large Level III units that SGVMC utilizes to transfer infants as needed. These include Children's Hospital of Los Angeles, UCLA Medical Center, Cedars-Sinai Medical Center, and Children's Hospital of Orange County. In general, there is substantial available capacity both locally and regionally.

SERVICE AREA NICU SERVICES						
Facility	Drive Dist from SGVMC (miles)	Licensed Beds	Discharges	Pt. Days	Average Daily Census	Occupancy
San Gabriel Valley Medical Center	-	12	155	1,764	4.8	40.3%
Garfield Medical Center	3.0	20	331	4,996	13.7	68.4%
Huntington Hospital	4.9	51	343	9,087	24.9	48.8%
Methodist Hospital	5.3	17	129	2,097	5.7	33.8%
Beverly Hospital	7.4	10	137	1,626	4.5	44.5%
LAC+USC Medical Center	8.3	52	467	7,900	21.6	41.6%
White Memorial Medical Center	8.7	28	386	8,723	23.9	85.4%
Kaiser - Baldwin Park	10.1	20	251	3,013	8.3	41.3%
Glendale Adventist Medical Center	11.8	14	185	3,936	10.8	77.0%
Good Samaritan Hospital	11.9	23	578	7,828	21.4	93.2%
California Hospital Medical Center of Los Angeles	12.3	26	4,040	7,764	21.3	81.8%
Presbyterian Intercommunity Hospital	12.5	34	518	8,213	22.5	66.2%
Citrus Valley Medical Center - Queen of the Valley Campus	12.8	40	648	13,780	37.8	94.4%
Hollywood Presbyterian Medical Center	14.4	15	327	5,177	14.2	94.6%
TOTAL		362	8,495	85,904	235.4	65.0%

Source: OSHPD ALIRTS Annual Utilization Report, 2006; MapQuest

Service Area Market Share for Neonatal Intensive Care Services

In 2006, there were 3,567 NICU discharges from SGVMC's service area. Huntington Memorial Hospital is the market share leader (15.8%), followed by Citrus Valley – Queen of the Valley campus (12.5%), Garfield Medical Center (11.4%), and San Gabriel Valley Medical Center (8.7%). Refer to the table on page 34.

Emergency Services

The service area for SGVMC's emergency services is the same as that for all of the Hospital's services. The top 15 ZIP Codes from which SGVMC draws emergency patients are indicated below.

SAN GABRIEL VALLEY MEDICAL CENTER EMERGENCY VISITS - FY 2006					
ZIP	City	SGVMC			Cumulative %
		Visits	%		
91778	San Gabriel	3,898	15.8%		15.8%
91770	Rosemead	3,144	12.8%		28.6%
91801	Alhambra	2,754	11.2%		39.8%
91775	San Gabriel	1,432	5.8%		45.6%
91780	Temple City	1,387	5.6%		51.2%
91803	Alhambra	907	3.7%		54.9%
90032	Los Angeles	790	3.2%		58.1%
91732	El Monte	766	3.1%		61.2%
91731	El Monte	629	2.6%		63.8%
91733	South El Monte	514	2.1%		65.8%
91754	Monterey Park	371	1.5%		67.4%
91108	San Marino	348	1.4%		68.8%
91007	Arcadia	278	1.1%		69.9%
91706	Baldwin Park	276	1.1%		71.0%
91107	Pasadena	267	1.1%		72.1%
All Other ZIPs		6,874	27.9%		
Total		24,635	100%		100%

Source: SGVMC

SGVMC has 12 licensed ED stations and in 2006 had 24,635 visits, with a ratio of 2,053 visits per station per year.

There are 11 other Emergency Departments (EDs) within a 10 mile distance of SGVMC (as indicated in the table below). Ten of the EDs are basic, while LA County USC Medical Center is a comprehensive ED. There is a total of 218 emergency stations/beds in the area that had approximately 457,000 visits (based on the most current data available).

EMERGENCY SERVICES VISITS BY CATEGORY - 2006											
Facility	Drive Dist from SGVMC (miles)	ER Level	Stations	Visits							Hours on Diversion
				Total	Minor	Low/Moderate	Moderate	Severe without Threat	Severe with Threat	Admitted	
San Gabriel Valley Medical Center ⁽¹⁾	-	Basic	12	24,635	1,478	5,912	13,401	3,326	518	725	960
Alhambra Hospital Medical Center	2.6	Basic	3	10,319	2,478	7,041	546	230	24	2,929	1,627
Garfield Medical Center	3.0	Basic	21	21,151	2,519	6,523	3,097	4,242	4,770	5,624	1,739
Monterey Park Hospital	4.6	Basic	6	11,408	1,381	4,294	2,355	1,939	1,439	2,092	1,736
Huntington Hospital	4.9	Basic	33	59,411	4,637	7,228	20,713	18,308	8,525	14,551	2,721
Methodist Hospital	5.3	Basic	17	36,061	3,943	12,304	7,477	4,213	8,124	9,244	1,934
Beverly Hospital	7.4	Basic	17	29,187	4,863	2,396	9,674	8,510	3,744	1,078	901
Greater El Monte Community Hospital	7.4	Basic	9	15,229	5,155	1,006	8,280	752	36	2,180	717
LAC+USC Medical Center	8.3	Comprehensive	60	194,069	37,416	17,040	68,098	31,323	40,192	32,436	5,506
White Memorial Medical Center	8.7	Basic	29	33,553	3,759	7,438	10,044	6,983	5,329	3,848	137
East Los Angeles Doctors Hospital	9.1	Basic	8	15,945	2,217	6,814	2,624	2,283	2,007	1,780	980
Los Angeles Community Hospital	9.3	Standby	3	5,900	119	1,727	3,929	111	14	1,730	0
TOTAL			218	456,868	69,965	79,723	150,238	82,220	74,722	78,217	18,958

⁽¹⁾ SGVMC data from FY 2006
Source: OSHPD ALIRTS Annual Utilization Report, 2006; MapQuest

Emergency Services (continued)

Industry sources, including the American College of Emergency Physicians (“ACEP”), have used a benchmark of 2,000 visits per emergency station/bed to estimate the capacity of emergency departments. Based upon this benchmark, the SGVMC emergency department is operating at 103% of its capacity. Only 2 of the 11 hospitals with emergency departments within 10 miles of SGVMC – Garfield Medical Center and White Memorial Medical Center - have substantial available capacity based on reported data. All other hospitals are close to or above suggested capacity limits for emergency services.

LOCAL EMERGENCY ROOM CAPACITY - 2006						
Facility	Drive Dist from SGVMC (miles)	Level	Stations	Total Visits	Approximate Capacity Visits ⁽¹⁾	Remaining Capacity Visits
San Gabriel Valley Medical Center ⁽²⁾	-	Basic	12	24,635	24,000	(635)
Alhambra Hospital Medical Center	2.6	Basic	3	10,319	6,000	(4,319)
Garfield Medical Center	3.0	Basic	21	21,151	42,000	20,849
Monterey Park Hospital	4.6	Basic	6	11,408	12,000	592
Huntington Hospital	4.9	Basic	33	59,411	66,000	6,589
Methodist Hospital	5.3	Basic	17	36,061	34,000	(2,061)
Beverly Hospital	7.4	Basic	17	29,187	34,000	4,813
Greater El Monte Community Hospital	7.4	Basic	9	15,229	18,000	2,771
LAC+USC Medical Center	8.3	Comprehensive	60	194,069	120,000	(74,069)
White Memorial Medical Center	8.7	Basic	29	33,553	58,000	24,447
East Los Angeles Doctors Hospital	9.1	Basic	8	15,945	16,000	55
Los Angeles Community Hospital	9.3	Standby	3	5,900	6,000	100
TOTAL			218	456,868	436,000	(20,868)

⁽¹⁾ Estimated at 2,000 per station
⁽²⁾ SGVMC data from FY 2006
Source: OSHPD ALIRTS Annual Utilization Report, 2006; MapQuest

Skilled Nursing Beds

SGVMC has 41 beds licensed for skilled nursing services. These beds are divided into 2 units at SGVMC – a 23-bed transitional care unit and an 18-bed sub-acute care unit. The skilled nursing unit has an average census of approximately 12 patients (52%) with an average length of stay of 10-14 days for most patients. The 18-bed sub-acute unit is typically full with an average length of stay of 114 days. Some patient stays within this unit have been as long as 2-3 years.

Regionally, there are 16 other hospital-based skilled nursing units within 15 miles of SGVMC with a total of 537 beds (including SGVMC) and a combined occupancy rate of 76.3%. This indicates that there is available capacity in the region (127 beds on average). In addition to the hospital-based units, there are numerous freestanding skilled nursing facilities in the region to supplement hospital-based units.

SERVICE AREA SKILLED NURSING SERVICES						
Facility	Drive Dist from SGVMC (miles)	Licensed Beds	Discharges	Pt. Days	Average Daily Census	Occupancy
San Gabriel Valley Medical Center	-	41	419	10,861	29.8	72.6%
Alhambra Hospital Medical Center	2.6	26	19	9,211	25.2	97.1%
Methodist Hospital	5.3	26	918	8,128	22.3	85.6%
Greater El Monte Community Hospital	7.4	13	0	4,707	12.9	99.2%
White Memorial Medical Center	8.7	41	862	4,225	11.6	28.2%
East Los Angeles Doctors Hospital	9.1	25	12	8,990	24.6	98.5%
Los Angeles Community Hospital	9.3	30	59	9,989	27.4	91.2%
Glendale Adventist Medical Center	11.8	40	840	11,472	31.4	78.6%
Good Samaritan Hospital	11.9	28	935	7,823	21.4	76.5%
California Hospital Medical Center of Los Angeles	12.3	31	436	4,148	11.4	36.7%
Doctors Hospital of West Covina	12.4	24	10	8,473	23.2	96.7%
Presbyterian Intercommunity Hospital	12.5	35	700	8,379	23.0	65.6%
St. Vincent Medical Center*	12.5	27	887	7,679	21.0	77.9%
Citrus Valley Medical Center - Queen of the Valley Campus	12.8	23	1,451	8,679	23.8	103.4%
Verdugo Hills Hospital	13.1	18	635	4,690	12.8	71.4%
Temple Community Hospital	13.4	20	2	3,973	10.9	54.4%
Hollywood Presbyterian Medical Center	14.4	89	675	28,046	76.8	86.3%
TOTAL		537	8,860	149,473	409.5	76.3%

* 2005 data (most recent available)
Source: ALIRTS CY 2006 Reports, MapQuest

SUMMARY OF COMMUNITY INTERVIEWS

Interviews were conducted in August and September of 2007 in person and by telephone with numerous physicians, representatives, community members, representatives from the Hospital, AHMC and CHW. The purpose of the interviews was to gather information from area healthcare professionals and community members regarding potential impacts on healthcare availability or accessibility as a result of the proposed Hospital transaction. The major findings from 38 interviews are summarized on the following pages.

Reasons for the Sale of SGVMC

Those interviewed understood that CHW leadership cites the following as the major reasons for selling the facility:

- Continuing financial losses
- Inability to gain economies of scale since there are no other CHW facilities within SGVMC's service area.
- Inability to re-invest appropriately into the facility in light of financial losses
- Difficult regional competition from AHMC, Huntington Memorial Hospital, Methodist Hospital of Southern California, and others

Acquisition by AHMC

The majority of people interviewed expressed support for the transaction. The general consensus expressed was that the facility struggled under CHW's ownership and a new owner would be welcomed, assuming services remain stable and the new buyer makes capital investments to upgrade facilities and equipment.

Most interviewees were not very familiar with AHMC. Physicians and Board members who were familiar with AHMC expressed the following concerns:

- AHMC is a for-profit entity and there is a perception that current AHMC facilities are run "tightly" with comparatively low staff-to-patient ratios and that quality of care may be negatively affected;
- The potential for closure of programs and services. This concern was raised by a small minority of interviewees. The NICU was viewed at special risk of closure;
- The potential for reduction in charity care services and community involvement;
- The potential defection of physicians from SGVMC because of dissatisfaction with AHMC's approach to management and service delivery;
- A perception that AHMC's multiple area hospitals would give it market dominance;

- Concern that governance of the Hospital would be weakened by virtue of a weak or non-independent advisory board; and
- The potential focus on services to the Asian community, to the exclusion of other ethnic groups.

Additionally, representatives of the California Nurses Association and the SEIU indicated that while they were still evaluating the potential effects of the transaction, they had concerns including:

- Employee unhappiness that CHW was selling;
- Employee uncertainty about future hospital direction and the affect on jobs and benefits;
- Potential loss of workforce that may make it difficult to continue to operate the hospital;
- Uncertainty about AHMC's willingness to negotiate with the Unions; and
- Potential for AHMC to have market dominance in the combined service area of its hospitals.

Despite these concerns, many interviewed felt that AHMC would invest in SGVMC and attempt to enhance programs and services.

Importance of SGVMC to the Community

SGVMC is viewed as very important to the local community for its provision of emergency, obstetrical, general acute care, and surgical services. It is viewed as a community hospital with a significant depth of medical, surgical, and support services. Other services frequently mentioned as important for healthcare access and availability include:

- The neonatal intensive care unit;
- Surgical services (operating rooms)

The Los Angeles County Emergency Medical Services Agency emphasized the importance to the community of SGVMC's emergency department in light of continuing population growth and corresponding increase in ED visits, hospital closures and downsizings in the County, and the growing uninsured population in the region.

SGVMC is also viewed as an important employer and contributor to overall community economic development and prosperity.

Potential Closure of the Hospital

Throughout the interview process, there were no concerns expressed about the potential for closure of the Hospital. There is a belief that CHW will continue to operate the facility until a buyer takes control of the facility.

Opposition to the Sale

Interviewees almost unanimously indicated that they support CHW's sale of SGVMC although 10-15% of interviewees, including some SGVMC staff physicians, expressed concerns about the sale to AHMC. The main concern expressed was the fear that AHMC, as a for-profit, will operate the facility at unacceptably low staffing levels which might compromise care and/or will make the facility unattractive to physician users. This concern was based on perceptions of how AHMC is operating its other area hospitals.

Use of Sale Proceeds

Most interviewees acknowledged that the sale will not result in any net proceeds. Several individuals expressed that funds remaining in the Hospital Foundation should be redirected for locally-based community health care needs. Senior management and leadership of the Foundation indicated that there are less than \$100,000 in unrestricted funds remaining in the Foundation and that those funds will be managed through a trust account. Some interviewees believe that any proceeds should be retained locally for community use.

ASSESSMENT OF POTENTIAL ISSUES ASSOCIATED WITH THE ACCESSIBILITY AND AVAILABILITY OF HEALTHCARE SERVICES

Continuation of SGVMC as a General Acute Care Hospital

AHMC has committed to operate the Hospital for at least five years.

Medical/Surgical and Intensive Care Services

An analysis of the current supply and demand of area hospital beds shows that there is a sufficient number of beds in the service area and the region for medical/surgical and intensive care services.

Obstetrical Services

SGVMC provides over 2,100 deliveries per year, with the majority of patients covered by Medi-Cal and commercial managed care. This program is a core service at SGVMC and an important local service. Other area hospitals would potentially have difficulty absorbing SGVMC's delivery volume if the obstetrical services were closed, which could negatively impact consumers. AHMC has not specifically committed to continue to provide obstetrical services in the APA.

Emergency Services

With 12 emergency beds and over 24,600 visits in 2006, SGVMC has a moderately busy emergency department compared to other regional hospitals. Based on a standard of 2,000 visits per station per year, SGVMC's ED was at 103% capacity in 2006. While some other area emergency departments have capacity, they could not absorb the volume of patients from SGVMC without creating problems for accessibility and availability. As previously discussed, SGVMC's emergency department is needed for patient access and is considered very important by management of the LA County Emergency Medical Services Agency, as evidenced by the following observations made to MDS:

- SGVMC received approximately 3,500 emergency transports (911) in 2006
- The Hospital's ED is a designated EDAP (Emergency Department Approved for Pediatrics)
- LA County EMS considers the SART program at SGVMC to be very valuable and indicated that the next closest, non-County SART program is at Presbyterian Intercommunity Hospital in Whittier and Pomona Valley Hospital Medical Center in Pomona, both far from SGVMC. Furthermore, County operated SART programs are very busy.

- Huntington Memorial and Methodist Hospital both have emergency departments which County EMS considers to be vital to this region and any diminishing or curtailment of emergency services at any regional hospital would probably negatively impact these two very busy and key emergency departments.

AHMC has committed to operate the emergency department for at least five years.

Neonatal Intensive Care Services

SGVMC has a 12-bed level II NICU that averages a census of 4.8 patients (40% occupancy). Given the relatively low volume/census at SGVMC and the available regional capacity at numerous hospitals, a possible closure of the unit could be accommodated by other hospitals. However, the existence of an NICU with reputable neonatologists helps to bolster SGVMC's obstetric program and allows the Hospital to treat certain high risk mothers that otherwise would need to receive care at other hospitals.

Skilled Nursing/Transitional Care Services

SGVMC has 41 licensed skilled nursing beds, 23 of which are used for transitional care. Based on MDS' analysis of the regional supply of skilled nursing beds, there is available capacity within the area. Hence, availability and accessibility of skilled nursing services is unlikely to be impacted by the transaction.

Sub-acute Services

Within SGVMC's 41 licensed skilled nursing beds, the Hospital utilizes 18 beds as a sub-acute unit for patients who require complex medical technology to sustain life. The unit is fully occupied and has a waiting list, according to SGVMC management. This is typically a difficult service to access in the region and discontinuation or reduction in these services at SGVMC could potentially have a negative impact.

Sexual Assault Response Team

CHW operates a center staffed by forensic nurse specialists and other professionals. On average, the center treats 5-6 victims per month which is a relatively low volume for such programs. LA County USC Medical Center, which is approximately 6.7 miles from SGVMC, has a large SART program. The program at SGVMC is viewed as important for local access however.

Reproductive Health Services

The Ethical and Religious Directives do not apply at SGVMC, and the new buyer is not required to apply them. Tubal ligations and other reproductive health services are currently provided at SGVMC and AHMC's other facilities. The sale is not expected to change or reduce the availability or accessibility of these services.

Effects on Services to Medi-Cal, Medicare, County Indigent and Other Classes of Patients

Approximately 68% of SGVMC's inpatients are insured through Medicare (51%) and Medi-Cal (17%). AHMC has agreed to continue Medicare, Medi-Cal, and other third party contracts which will maintain patient access to the facility. The Hospital does not treat County indigent patients as they are predominantly treated at nearby County facilities.

Use of Sale Proceeds

CHW has indicated that there will be no net proceeds from the sale.

Effects on the Level and Type of Charity Care Historically Provided

AHMC has agreed in the Asset Purchase Agreement to provide historical levels of charity care.

Effects on Community Benefit Programs

CHW has provided an average of approximately \$618,000 over the last 5 fiscal years (2002-2006) to support community education and prevention, senior health initiatives, health professionals training, etc. In light of financial difficulties, community benefits programs have been more difficult to support for SGVMC in recent years.

Effects on Staffing and Employee Rights

SGVMC employees are represented by two unions groups – California Nurses Association (CNA) and Caregivers Healthcare Employees Union (CHEU). AHMC has offered employment to substantially all current employees at SGVMC. AHMC also has agreed to maintain current wages, current seniority, and current schedules. In addition, AHMC has indicated that no management changes are planned. Despite these assurances, Union representatives are still evaluating the effect of the transaction on SGVMC and are concerned and uncertain about AHMC's position with regard to union negotiations and impacts on the workforce.

Effects on the Medical Staff

A high percentage of SGVMC physicians are on staff at one or more AHMC hospitals. As such, this would tend to ease the transition to the new buyer. AHMC has not specifically indicated any guarantees related to maintaining medical staff privileges in the APA. AHMC has verbally indicated that this will occur.

Effects on Patient Access

AHMC will assume all of SGVMC's third party contracts, including provider, payer, medical group, and vendor contracts. Negative impact on patient access is not expected.

Alternatives

If the proposed transaction were not approved, SGVMC could be sold to other interested buyers on similar terms. There were several other interested prospective buyers that made competitive offers to purchase the Hospital.

CONCLUSIONS

Overall, the purchase by AHMC is likely to continue the availability of emergency and acute care hospital services in the community for at least five years of operation. In general, it is expected that the access for Medicare, Medi-Cal and other patients will remain unchanged.

AHMC's intended capital contributions could lead to an expansion and improvement of certain services at SGVMC.

Acquisition Agreement Mitigation Measures

In the Asset Purchase Agreement and other submitted documents, AHMC has agreed to certain measures to mitigate or eliminate any potentially significant adverse impacts on the availability or accessibility of healthcare services to the affected community, as described below:

- 1) AHMC agrees to operate the hospital as a general acute care hospital and offer an emergency room for not less than five years following the closing of the transaction.
- 2) AHMC will offer employment to substantially all current employees of SGVMC at their current salaries, wages and terms, and with benefits consistent to those at other AHMC facilities.
- 3) AHMC agrees to maintain historical levels of charity care based on fiscal years 2004-2006. The charity care will increase annually by the rate of inflation as measured by the Consumer Price Index for Los Angeles County.
- 4) AHMC will comply with the seismic retrofit requirements under SB1953.
- 5) AHMC will assume all of SGVMC's third party contracts including provider, payer, medical group, and vendor contracts.

The APA does not specifically address the continued operation of other services beyond emergency services.

Additional Potential Conditions for Transaction Approval by the Attorney General

As a result of the analysis, MDS recommends the following conditions for the approval of the sales transaction:

- 1) AHMC should continue to operate SGVMC as a general acute care hospital and maintain the emergency services with at least current licensure and types and levels of service for at least five years;
- 2) AHMC should maintain the following types and levels of services for at least five years:
 - Obstetrics at current licensure and levels of service
 - Adult intensive care unit at current licensure and levels of service
 - Sexual Abuse Response Team (SART)
 - Sub-acute unit

- 3) AHMC should commit to provide the same types and levels of services to Medicare and Medi-Cal patients at SGVMC and participate in the Medicare and Medi-Cal programs for at least five years;
- 4) AHMC should commit to retaining medical staff privileges for current staff physicians at SGVMC (that are in good standing);
- 5) AHMC should expend a minimum of \$761,778 in annual charity costs³ (not charges) for at least five years. This amount should be increased annually based on the Los Angeles County Consumer Price Index. The amount of any annual shortfall in charity care should be contributed to a nonprofit public benefit corporation that provides medical patient care to residents in the service area;
- 6) AHMC should continue to expend an average of a minimum of \$618,800 annually in community benefit services for at least five years;
- 7) AHMC should consult with and utilize the Hospital's Community Board, as set forth in Schedule 4.22 (5) in the APA, which is composed of medical, business, and other community leaders, prior to initiating any changes to Hospital services, community benefit programs, or charity care services and those purposes set forth in Schedule 4.22 (5)(b) in the APA.

Recommended Action

If the Attorney General approves the proposed transaction, Medical Development Specialists, Inc. recommends that the preceding conditions be required to minimize any potential negative health impact which might result from the transaction.

³ OSHPD defines charity care by contrasting charity care and bad debt. 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."

APPENDICES

Interviews were conducted with the following people:

First	Last		Position	Affiliation
Mary	Ammarano		Member	SGVMC Foundation Board
Kathy	Antoci		Secretary and SGVMC Foundation Member	SGVMC Hospital Community Board and Foundation Board
Dondi	Atkins		President	San Gabriel Chamber of Commerce
Greg	Bailey		Interim CFO	SGVMC Executive Team
Sally	Baldwin		Member	SGVMC Foundation Board
Sergio	Blesa	MD	Chief of Staff	SGVMC Medical Staff
Richard	Bukata	MD	Chair, MED Member, Medical Director ED	SGVMC Medical Staff. And Foundation Board
Phil	Cohen		CEO	Garfield Medical Center
Vicki	Coleman		Longtime employee	SGVMC
Linda	Deckard		Director of Development	SGVMC Foundation Board
Eileen	Diamond	MBA	Vice President, Business Development	SGVMC Executive Team
James	Femino	MD	Treasurer	SGVMC Foundation Board
Gail	Freeman	RN, BS	Interim CNE / Director, Medical Surgical Services	SGVMC Executive Team
Jill	Furillo	RN	Southern California Director	California Nurses Association
David	Guitierrez		Council Member	City of San Gabriel
William	Ko	MD	MEC Member, Secretary/Treasurer	SGVMC Medical Staff
Loma	Kong-Thein	MD	MEC Member, Co-Chair of Women's & Children's Care Dept	SGVMC Medical Staff
Avtar	Kumar	MD	MEC Member, Chair of Surgery Dept	SGVMC Medical Staff
Dennis	Lee		CEO	Methodist Hospital of Southern California
Richard	Miedell	MD	NICU Medical Director	SGVMC Medical Staff
Mak	Nakayama	Pharm.D.	President	SGVMC Executive Team
Mike	Nassman		Director of Perioperative Services	SGVMC
Joe	Nestor		Fire Chief	San Gabriel Fire Department
Michael	Paules		City Manager	City of San Gabriel
Garry	Pratt		Chair	SGVMC Hospital Community Board
Steve	Ralph		CEO	Huntington Memorial Hospital
Pratap	Saraf	MD	MEC Member, Chair of CC Comm	SGVMC Medical Staff
Kevin	Sawkins		Mayor	City of San Gabriel
Jean	Skipper		Director of TCU/Subacute	SGVMC
JoAnne	Suehs		Vice President, Human Resources	SGVMC Executive Team
Richard	Tadeo		Senior EMS Program Head	LA County EMS
Richard	Thomason		Representative	SEIU
Eric	Tuckman			AHMC
Frank	Turner	MD	MEC Member, Medical Director of Radiology	SGVMC Medical Staff
Basil	Vasantacha	MD	Chair of Edu. Com	MEC Member
Jeff	Winter		COO	Catholic Healthcare West
Jonathan	Wu		Chairman	AHMC
Gary	Yamauchi		Mayor	City of Alhambra

A copy of SGVMC's hospital license is below:

License: 93000041
Effective: 01/01/2007
Expires: 12/31/2007
Licensed Capacity: 273

State of California Department of Health Services

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

this License to

Catholic Healthcare West

to operate and maintain the following General Acute Care Hospital



SAN GABRIEL VALLEY MEDICAL CENTER

438 W. LAS TUNAS DRIVE
SAN GABRIEL, CA 91776-1507

Bed Classifications/Services:

- 190 General Acute Care
- 29 Perinatal Services
- 19 Intensive Care
- 12 Intensive Care Newborn Nursery
- 130 Unspecified General Acute Care
- 42 Acute Psychiatric D/R

Other Approved Services:

- Basic Emergency
- Cardiac Catheterization Laboratory Services
- Nuclear Medicine
- Occupational Therapy
- Outpatient Services at 438 W. LAS TUNAS, SAN GABRIEL
- Physical Therapy
- Respiratory Care Services
- Social Services
- Speech Pathology

SAN GABRIEL VALLEY MEDICAL CENTER D/R SNR

438 W. LAS TUNAS
SAN GABRIEL, CA 91776-1507

Bed Classifications/Services:

- 41 Skilled Nursing

This LICENSE is not transferable and is granted solely upon the following conditions, limitations and comments:
42 Acute Psychiatric beds suspended from 01/01/2007 to 12/31/2007.

Sandra Shewry
DIRECTOR

Eric Stone
Eric Stone, REHS

(AUTHORIZED REP.)

Refer Complaints regarding these facilities to: The California Department of Health Services, Licensing and Certification, L.A. County Acute & Ancillary Unit, 5555 Ferguson Drive, 3rd Floor, Commerce, CA 90022, (323)869-8207

POST IN A PROMINENT PLACE