

XAVIER BECERRA
Attorney General

State of California
DEPARTMENT OF JUSTICE



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July 27, 2020

VIA EMAIL AND US MAIL

Davis Wright Tremaine LLP
Hope R. Levy-Biehl
Suite 2400
865 South Figueroa Street
Los Angeles, CA 90017-2566

HopeLevyBiehl@dwt.com

RE: Verity Sale of Seton Medical Center and Seton Coastside to AHMC Healthcare Inc.

Dear Ms. Levy-Biehl:

Under Corporations Code section 5914 et seq., and California Code of Regulations, title 11, section 999.5, the Attorney General has considered the proposed transaction submitted by Verity Health System of California, Inc. In coming to the decisions, described below, we have carefully considered the factors set forth in Corporations Code section 5917 and the applicable regulations, including whether the transaction is in the public interest and whether the transaction affects the availability or accessibility of health care services to the affected community. Our decision is based on the material contained in the notice, the information and documents subsequently submitted by the applicants, comments made by members of the public, discussions with the applicants, and the results of our investigation.

The Attorney General hereby conditionally consents to Verity Health System of California, Inc.'s proposed sale of the assets of Seton Medical Center and Seton Coastside to AHMC Healthcare Inc. and/or one or more of its affiliates. The Attorney General's conditional approval of the sale is subject to the attached conditions that are incorporated by reference herein.

Sincerely,

[Original signed]
SCOTT CHAN
Deputy Attorney General

For XAVIER BECERRA
Attorney General

Conditions to the Sale of Seton Medical Center¹ and Seton Coastsides² and Approval of the Asset Purchase Agreement by and among Verity Health System of California, Inc., Verity Holdings, LLC, Seton Medical Center, and AHMC Healthcare, Inc.

I.

These Conditions shall be legally binding on Verity Health System of California, Inc., a California nonprofit public benefit corporation, Verity Holdings, LLC, a California limited liability company, Seton Medical Center, a California nonprofit public benefit corporation, Seton Medical Center Foundation, a California nonprofit corporation, Verity Business Services, a California nonprofit public benefit corporation, Verity Medical Foundation, a California nonprofit public benefit corporation, and AHMC Healthcare, Inc., a California corporation, any other subsidiary, parent, general partner, manager, affiliate, successor, successor in interest, assignee, or person or entity serving in a similar capacity of any of the above-listed entities including, but not limited to, any entity succeeding thereto as a result of consolidation, affiliation, merger, or acquisition of all or substantially all of the real property or operating assets of Seton Medical Center and Seton Coastsides, or the real property on which Seton and Seton Coastsides are located, any and all current and future owners, lessees, licensees, or operators of Seton Medical Center and Seton Coastsides, and any and all current and future lessees and owners of the real property on which Seton Medical Center and Seton Coastsides are located.

II.

The transaction conditionally approved by the Attorney General consists of the Asset Purchase Agreement dated March 30, 2020, by and among, Verity Health System of California, Inc., a California nonprofit public benefit corporation, Verity Holdings, LLC, a California limited liability company, Seton Medical Center, a California nonprofit public benefit corporation, and AHMC Healthcare, Inc., a California corporation, or AHMC Healthcare, Inc.'s designated affiliates or assignees³, and any agreements or documents referenced in or attached to as an exhibit or schedule and any other documents referenced in the Asset Purchase Agreement,

¹ Throughout this document, the term "Seton Medical Center" shall mean the general acute care hospital located at 1900 Sullivan Ave., Daly City, CA 94015, and any other clinics, laboratories, units, services, or beds included on the license issued to Seton Medical Center by the California Department of Public Health, effective January 1, 2020, unless otherwise indicated.

² Throughout this document, the term "Seton Coastsides" shall mean the skilled nursing facility with 5 general acute care beds located at 600 Marine Boulevard, Moss Beach, CA 94038-9641, and any other clinics, laboratories, units, services, or beds included on the license issued to Seton Medical Center by the California Department of Public Health, effective January 1, 2020, unless otherwise indicated.

³ Unless otherwise noted, all references to AHMC Healthcare Inc. shall include any AHMC Healthcare Inc.'s designated affiliates and assignees, including AHMC Seton Medical Center LLC and entity forms designated in Condition I.

including, but not limited to the Sale Leaseback Agreement and Interim Management Agreement.

All the entities listed in Condition I, and any other parties referenced in the above agreements shall fulfill the terms of these agreements or documents and shall notify and obtain the Attorney General's approval in writing of any proposed modification or rescission of any of the terms of these agreements or documents. Such notifications shall be provided at least sixty days prior to their effective date in order to allow the Attorney General to consider whether they affect the factors set forth in Corporations Code section 5917 and obtain the Attorney General's approval.

III.

For approximately 5.5 years (until December 13, 2025) from the closing date of the Asset Purchase Agreement, Verity Health System of California, Inc., Verity Holdings, LLC, AHMC Healthcare Inc., and all future owners, managers, lessees, licensees, or operators of Seton Medical Center and Seton Coastside shall be required to provide written notice to the Attorney General sixty days prior to entering into any agreement or transaction to do any of the following:

- (a) Sell, transfer, lease, exchange, option, convey, manage, or otherwise dispose of Seton Medical Center or Seton Coastside;
- (b) Transfer control, responsibility, management, or governance of Seton Medical Center or Seton Coastside. The substitution, merger or addition of a new member or members of the governing body of AHMC Healthcare Inc. that transfers the control of, responsibility for or governance of Seton Medical Center or Seton Coastside, shall be deemed a transfer for purposes of this Condition. The substitution or addition of one or more members of the governing body of AHMC Healthcare Inc., or any arrangement, written or oral, that would transfer voting control of the members of the governing body of AHMC Healthcare Inc. shall also be deemed a transfer for purposes of this Condition.

IV.

For the remainder of the term⁴ (until December 13, 2025), Seton Medical Center and Seton Coastside shall be operated and maintained as a licensed general acute care hospital (as defined in California Health and Safety Code Section 1250).

⁴ The term "For the remainder of the term" refers to the Conditions to Change in Control and Governance of Seton Medical Center and Seton Coastside and Approval of the System Restructuring and Support Agreement by and among Daughters of Charity Ministry Services Corporation, Daughters of Charity Health System, Certain Funds Managed by BlueMountain Capital Management, LLC, and Integrity Healthcare, LLC., dated December 3, 2015. The System Restructuring and Support Agreement closed on December 14, 2015.

V.

For the remainder of the term (until December 13, 2025), the Seton Medical Center shall maintain 24-hour emergency medical services at a minimum of 18 treatment stations with the same types and/or levels of services, including:

- a. Designation as a STEMI Receiving Center; and
- b. Advanced certification as a Primary Stroke Center;

VI.

For the remainder of the term (until December 13, 2025), Seton Medical Center shall maintain the following services at current⁵ licensure, types, and/or levels of services, including:

- a. Cardiac services, including the 2 cardiac catheterization labs;
- b. Critical care services, including a minimum of 20 intensive care/coronary care beds;
- c. Psychiatric services, including a minimum of 24 distinct part beds with at least 20 beds available for the geriatric psychiatric unit;
- d. Women's health services, including the Seton Breast Health Center and women's imaging and mammography services; and
- e. Sub-acute services, including a minimum of 44 sub-acute beds and Medi-Cal Certification as a sub-acute unit.

For the remainder of the term (until December 13, 2025) AHMC Healthcare Inc. shall not place all or any portion of its above-listed licensed-bed capacity or services in voluntary suspension or surrender its license for any of these beds or services.

VII.

For at least five years from the closing date of the Asset Purchase Agreement, Seton Medical Center shall maintain the following services at current licensure, types, and/or levels of services:

- a. Gastroenterology services, including enteroscopy, endoscopy, and colonoscopy services;
- b. Cancer services, including inpatient oncology services, interventional radiology, radiation therapy, and for those patients that may be in need of infusion therapy treatment, a referral process to other nearby hospitals or clinics, including Stanford Cancer Center, UCSF Helen Diller Comprehensive Care Cancer Clinic, St. Mary's Cancer Center, or other health facility that provides infusion therapy services. The referral process shall be memorialized in the policies and procedures at Seton Medical Center and should include procedures on how to assist patients with accessing infusion therapy at the nearby hospitals or clinics, and the transferring of patient medical records;
- c. Orthopedics and rehabilitation services, including spine care services;
- d. Diabetes services, including Northern California Diabetes Institute;

⁵ The term "current" or "currently" throughout this document means as of January 1, 2020.

- e. Wound care services, including Seton Center for Advanced Wound Care; and
- f. Nephrology services.

For at least five years from the closing date of the Asset Purchase Agreement, AHMC Healthcare Inc. shall not place all or any portion of its above-listed licensed-bed capacity or services in voluntary suspension or surrender its license for any of these beds or services.

VIII.

For the remainder of the term (until December 13, 2025), AHMC Healthcare Inc. shall maintain the following services at current licensure, types, and/or levels of services at Seton Coastside including:

- a. 24-hour “standby” Emergency Department, with a minimum of 7 treatment stations; and
- b. Skilled nursing services, including a minimum of 116 licensed skilled nursing beds.

IX.

For at least five years from the closing date of the Asset Purchase Agreement, AHMC Healthcare Inc. shall either: (1) operate clinics (listed below) with the same number of physicians and mid-level provider full-time equivalents in the same or similar alignment structures, or (2) sell the clinics (listed below) with the same number of physician and mid-level provider full-time equivalents and require the purchaser(s) to maintain such services for 5 years from the closing date of the Asset Purchase Agreement and to participate in the Medi-Cal and Medicare programs as required in the conditions herein, or (3) ensure that a third party is operating the clinics (listed below) with the same number of physician and mid-level provider full-time equivalents and require the third party to maintain such services for 5 years from the closing date of the Asset Purchase Agreement and to participate in the Medi-Cal and Medicare programs as required in the conditions herein. For any of these options, each clinic can be moved to a different location within a three-mile radius of each clinic’s current location, and Seton Medical and Seton Coastside can utilize an alternative structure in providing such services.

The following clinics and services are subject to this condition and shall maintain the same types and/or levels of services provided, including women’s healthcare services, and mammography services:

- a. Women’s Health Services, located at 1850 Sullivan Avenue, Suite 190, Daly City California.
- b. Imaging Services located at 1850 Sullivan Avenue, Suite 100, Daly City California; and
- c. Wound Care Services, located at 1850 Sullivan Avenue, Suite 115, Daly City California.

X.

For six fiscal years from the closing date of the Asset Purchase Agreement, AHMC Healthcare Inc. shall provide an annual amount of Charity Care (as defined below) at Seton Medical Center

and Seton Coastsides equal to or greater than \$1,055,863 (the Minimum Charity Care Amount). For purposes hereof, the term “charity care” shall mean the amount of charity care costs (not charges) incurred by AHMC Healthcare Inc. in connection with the operation and provision of services at Seton Medical Center and Seton Coastsides. The definition and methodology for calculating “charity care” and the methodology for calculating “costs” shall be the same as that used by Office of Statewide Health Planning Development (OSHPD) for annual hospital reporting purposes.⁶

AHMC Healthcare Inc.’s obligation under this Condition shall be prorated on a daily basis if the closing date of the Asset Purchase Agreement is a date other than the first day of AHMC Healthcare Inc.’s fiscal year.

For the second fiscal year and each subsequent fiscal year, the Minimum Charity Care Amount shall be increased (but not decreased) by an amount equal to the Annual Percent increase, if any, in the 12 Months Percent Change: All Items Consumer Price Index for All Urban Consumers in the San Francisco-Oakland-San Jose, California Average Base Period: 1982-84=100 (as published by the U.S. Bureau of Labor Statistics). If the actual amount of charity care provided at Seton Medical Center and Seton Coastsides for any fiscal year is less than the Minimum Charity Care Amount (as adjusted pursuant to the above-referenced Consumer Price Index) required for such fiscal year, AHMC Healthcare Inc. shall pay an amount equal to the deficiency to one or more tax-exempt entities that provide direct healthcare services to residents in the Seton Medical Center service area (14 ZIP codes), as described on page 57 in the Healthcare Impact Report authored by JD Healthcare dated June 18, 2020. (Exhibit 1.) Such payment(s) shall be made within six months following the end of such fiscal year.

XI.

Charity care which entails free medical care services shall be provided by AHMC Healthcare Inc. at Seton Medical Center and Seton Coastsides to patients who are uninsured, underinsured, ineligible for governmental or other insurance coverage and who have family incomes not in excess of 250 percent of the Federal Poverty level. Partial Charity Care shall be provided to patients who have family incomes in excess of 250 percent but not to exceed 350 percent of the Federal Poverty Level. AHMC Healthcare Inc. will provide a sliding scale discount, on a discretionary and case by case basis, to financially qualified patients at Seton Medical Center who have family incomes in excess of 351 percent but not to exceed 500 percent of the Federal Poverty Level. AHMC Healthcare Inc. will memorialize these charity care and discount payment policies within 90 days from the closing of the Asset Purchase Agreement.

⁶ 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.”

AHMC Healthcare Inc. shall take the following steps to ensure that patients at Seton Medical Center and Seton Coastside are informed about the hospitals' Charity Care and Partial Charity Care Discount Policy:

- a. A copy of the Charity Care and Partial Charity Care Discount Policy and the plain language summary of the Charity Care and Partial Charity Care Discount Policy must be posted at Seton Medical Center and Seton Coastside in a prominent location in the emergency room, admissions area, and any other location in the hospital where there is a high volume of patient traffic, including waiting rooms, billing offices, and hospital outpatient service settings.
- b. A copy of the Charity Care and Partial Charity Care Discount Policy, the application for financial assistance under its Charity Care and Partial Charity Care Discount Policy, and the plain language summary of the Charity Care and Partial Charity Care Discount Policy must be posted in a prominent place on each Seton Medical Center's and Seton Coastside's website(s).
- c. If requested by a patient, a copy of the Charity Care and Partial Charity Care Discount Policy, the application for financial assistance under its Charity Care and Partial Charity Care Discount Policy, and the plain language summary must be sent by mail at no cost to the patient.
- d. As necessary, and at least on an annual basis, AHMC Healthcare Inc. will place an advertisement regarding the availability of financial assistance at Seton Medical Center and Seton Coastside in a newspaper of general circulation in the communities served by the hospitals, or issue a Press Release to widely publicize the availability of the Charity Care and Partial Charity Care Discount Policy to the communities served by the hospitals.
- e. AHMC Healthcare Inc. will work with affiliated organizations, physicians, community clinics, other health care providers, houses of worship, and other community-based organizations to notify members of the community (especially those who are most likely to require financial assistance) about the availability of financial assistance at Seton Medical Center and Seton Coastside.
- f. By December 1, 2020, all staff that interacts with patients and their families concerning payment of services shall be given training to make patients and their families aware of and informed of AHMC Inc.'s Financial Assistance Policy at Seton Medical Center and Seton Coastside.

Any planning of, and any subsequent changes to, the charity care and collection policies, and charity care services provided at Seton Medical Center and Seton Coastside shall be decided after consultation with the Local Governing Board of Directors.

XI.

For six fiscal years from the closing date of the Asset Purchase Agreement AHMC Healthcare Inc. shall provide an annual amount of Community Benefit Services at Seton Medical Center and Seton Coastside equal to or greater than \$704,864 (the "Minimum Community Benefit Services Amount") exclusive of any funds from grants. For six fiscal years, the following community benefit programs and services shall continue to be offered at its current or equivalent location:

- a. Health Benefits Resource Center; and
- b. RotaCare Clinic.

The planning of, and any subsequent changes to, the community benefit services provided at Seton Medical Center shall be decided after consultation with the Local Governing Board of Directors.

AHMC Healthcare Inc.'s obligation under this Condition shall be prorated on a daily basis if the effective date of the Asset Purchase Agreement is a date other than the first day of Verity Holding's fiscal year.

For the second fiscal year and each subsequent fiscal year, the Minimum Community Benefit Services Amount shall be increased (but not decreased) by an amount equal to the Annual Percent increase, if any, in the 12 Months Percent Change: All Items Consumer Price Index for All Urban Consumers in the San Francisco-Oakland-San Jose, California Average Base Period: 1982-84=100 (as published by the U.S. Bureau of Labor Statistics). If the actual amount of community benefit services provided at Seton Medical Center and Seton Coastside for any fiscal year is less than the Minimum Community Benefit Services Amount (as adjusted pursuant to the above-referenced Consumer Price Index) required for such fiscal year, AHMC Healthcare Inc. shall pay an amount equal to the deficiency to one or more tax-exempt entities that provide community benefit services for residents in Seton Medical Center's service area (14 ZIP codes), as defined on as described on page 57 in the Healthcare Impact Report authored by JD Healthcare dated June 18, 2020. (Exhibit 1.) Such payment(s) shall be made within six months following the end of such fiscal year.

XII.

For the remainder of the term (until December 13, 2025), AHMC Healthcare Inc. shall:

- a) Be certified to participate in the Medi-Cal program at Seton Medical Center and Seton Coastside;
- b) Maintain and have a Medi-Cal Managed Care contract with San Mateo Health Commission dba Health Plan of San Mateo or its successor to provide the same types and levels of emergency and non-emergency services at Seton Medical Center and Seton Coastside to Medi-Cal beneficiaries (both Traditional Medi-Cal and Medi-Cal Managed Care) as required in these Conditions, on the same terms and conditions as other similarly situated hospitals offering substantially the same services, without any loss, interruption of service or diminution in quality, or gap in contracted hospital coverage, unless the contract is terminated for cause or not extended or renewed by the Medi-Cal Managed Care Plan.

If AHMC Healthcare Inc. questions whether it is being reimbursed on the same terms and conditions as other similarly situated hospitals offering substantially the same services, it shall notify the Attorney General's Office with at least 120 days' notice prior to taking any action that

would effectuate any loss, interruption of service or diminution in quality, or gap in contracted hospital coverage or prior to giving any required notice of taking such action.

c) Be certified to participate in the Medicare program by maintaining a Medicare Provider Number to provide the same types and levels of emergency and non-emergency services at Seton Medical Center and Seton Coastside to Medicare beneficiaries (both Traditional Medicare and Medicare Managed Care) as required in these Conditions.

XIII.

For at least five years from the closing date of the Asset Purchase Agreement unless otherwise indicated, AHMC Healthcare Inc. shall maintain its contracts and any amendments and exhibits thereto with the County of San Mateo, unless otherwise terminated by the County of San Mateo, for services, including the following:

- a. Participation in the Hospital Preparedness Program between the Hospital (jointly with Seton Coastside) and San Mateo County;
- b. STEMI Receiving Center Designation between the Hospital and San Mateo County;
- c. Financial Support for Seismic Upgrades between the Hospital and San Mateo County;
- d. Information Sharing and Data Use Agreement between the Hospital and the County of San Mateo Health System;
- e. Fee for Service Hospital Services Agreement between the Hospital (jointly with Seton Coastside) and San Francisco Health Plan;
- f. Memorandum of Understanding between the Hospital and San Mateo County Behavioral Health and Recovery Services Division;
- g. Affiliation Agreement for the Radiology Technology Program between the Hospital and San Mateo College District;
- h. Affiliation Agreement for the Registered Nursing Program between the Hospital (jointly with Seton Coastside) and San Mateo College District;
- i. Patient Transfer Agreement between the Hospital and San Mateo County Medical Center;
- j. Rail Shuttle Bus Service Administration for Seton Shuttle Agreement between the Hospital and San Mateo County Transit District;
- k. Medical Services Agreement between the Hospital and San Mateo Health Community Health Authority- Access and Care for Everyone (ACE) Program;
- l. Hospital Medi-Cal Hospital Agreement between the Hospital and San Mateo Health Commission dba Health Plan of San Mateo;
- m. Memorandum of Understanding for Long Term Care Partnership Program between the Hospital and San Mateo Health Commission dba Health Plan of San Mateo;
- n. Care Advantage Hospital Service Agreement between the Hospital and San Mateo Health Commission dba Health Plan of San Mateo; and
- o. Designation as a Primary Stroke Center between the Hospital and San Mateo County.

XIV.

For the remainder of the term (until December 13, 2025), AHMC Healthcare Inc. shall have at Seton Medical Center and Seton Coastside Local Governing Board(s) of Directors. AHMC

Healthcare Inc. shall consult with the Local Governing Board(s) of Directors prior to making changes to medical services, community benefit programs, making capital expenditures, making changes to the charity care and collection policies, and making changes to charity care services provided at Seton Medical Center and Seton Coastside. The members of the Local Governing Board(s) shall include physicians from Seton Medical Center's and Seton Coastside's medical staff, Seton Medical Center's and Seton Coastside's Chief(s) of Staff, one member designated by the San Mateo County Board of Supervisors, and community representatives from Seton Medical Center's and Seton Coastside's service area (14 ZIP codes), as described on page 57 in the Healthcare Impact Report authored by JD Healthcare dated June 18, 2020, attached hereto as Exhibit 1, including at least one member from a local healthcare advocacy group. Such consultation shall occur at least sixty days prior to the effective date of such changes or actions unless done so on an emergency basis.

XV.

AHMC Healthcare Inc. shall maintain privileges for current medical staff who are in good standing as of the closing date of the Asset Purchase Agreement. Further, the closing of the Asset Purchase Agreement shall not change the medical staff officers, committee chairs, or independence of the medical staff, and such persons shall remain in good standing for the remainder of their tenure at Seton Medical Center and Seton Coastside.

XVI.

AHMC Healthcare Inc. shall commit the necessary investments required to meet and maintain OSHPD seismic compliance requirements at Seton Medical Center and Seton Coastside through 2030 under the Alfred E. Alquist Hospital Facilities Seismic Safety Act of 1983, as amended by the California Hospital Facilities Seismic Safety Act, (Health & Saf. Code, § 129675-130070). AHMC Healthcare Inc. shall meet construction benchmarks which include the starting of construction on the 1963 Tower, and as detailed on the attached Exhibit 2.

XVII.

There shall be no discrimination against lesbian, gay, bisexual, or transgender individuals at Seton Medical Center and Seton Coastside, and no restriction or limitation on providing or making reproductive health services available at Seton Medical Center and Seton Coastside, its medical office buildings, or at any of its facilities. Both of these prohibitions shall be set forth in AHMC Healthcare Inc.'s written policies, adhered to, and strictly enforced.

XVIII.

For six fiscal years from the closing date of the Asset Purchase Agreement AHMC Healthcare Inc. shall submit to the Attorney General, no later than four months after the conclusion of each fiscal year, a report describing in detail compliance with each Condition set forth herein. The Chairman of the Board of Directors of AHMC Healthcare Inc. shall certify that the report is true, accurate, and complete and provide documentation of the review and approval of the report by

the Local Governing Board. If the Local Governing Board is unable to approve the report, the board shall include comments to the report highlighting its concerns with the report.

AHMC Healthcare Inc. will include in its annual reports a copy of the Office of Statewide Health Planning and Development's Summary Individual Disclosure Report that OSPHD produces using data audited by OSHPD. If OSHPD's Summary Individual Disclosure Report is not available then Prime Healthcare Services, Inc. must provide the full Hospital Disclosure Report.

XIX.

At the request of the Attorney General, all parties listed in Condition I, Verity Health System of California, Inc., Verity Holdings, LLC, AHMC Healthcare Inc., and any other parties referenced in the agreements listed in Condition II shall provide such information as is reasonably necessary for the Attorney General to monitor compliance with these Conditions and the terms of the transaction as set forth herein. The Attorney General shall, at the request of a party and to the extent provided by law, keep confidential any information so produced to the extent that such information is a trade secret or is privileged under state or federal law, or if the private interest in maintaining confidentiality clearly outweighs the public interest in disclosure.

XX.

Once the Asset Purchase Agreement is closed, all parties listed in Condition I, and any other parties referenced in the agreements listed in Condition II are deemed to have explicitly and implicitly consented to the applicability and compliance with each and every Condition and to have waived any right to seek judicial relief with respect to each and every Condition.

The Attorney General reserves the right to enforce each and every Condition set forth herein to the fullest extent provided by law. In addition to any legal remedies the Attorney General may have, the Attorney General shall be entitled to specific performance, injunctive relief, and such other equitable remedies as a court may deem appropriate for breach of any of these Conditions. Pursuant to Government Code section 12598, the Attorney General's office shall also be entitled to recover its attorney fees and costs incurred in remedying each and every violation.

Analysis of the Hospital's Service Area

Service Area Definition

The Hospital's service area is comprised of 14 ZIP Codes, from which approximately 78% of its discharges originated in CY 2018. Approximately 53% of the Hospital's discharges came from the top three ZIP Codes, located in Daly City, and South San Francisco. In CY 2018, the Hospital's market share in the service area was 12.6% based on inpatient discharges.

Patient Origin, CY2018						
Pat ZIP	Community	The Hospital	Percentage of Discharges	Cumulative Percentage	Market Share	Total Discharges
94015	Daly City	1,396	26.0%	26.0%	29.0%	4,818
94014	Daly City	796	14.8%	40.8%	24.4%	3,260
94080	South San Francisco	629	11.7%	52.5%	12.9%	4,872
94044	Pacifica	493	9.2%	61.7%	17.2%	2,863
94112	San Francisco	262	4.9%	66.6%	4.1%	6,426
94066	San Bruno	220	4.1%	70.7%	6.6%	3,313
94134	San Francisco	115	2.1%	72.8%	3.2%	3,574
94132	San Francisco	98	1.8%	74.6%	5.0%	1,947
94019	Half Moon Bay	64	1.2%	75.8%	5.6%	1,140
94038	Moss Beach	29	0.5%	76.4%	13.6%	213
94005	Brisbane	24	0.4%	76.8%	7.2%	333
94037	Montara	18	0.3%	77.2%	11.6%	155
94018	El Granada	18	0.3%	77.5%	8.4%	215
94017	Daly City	6	0.1%	77.6%	20.0%	30
Sub-Total		4,168	77.6%		12.6%	33,159
All Other		1,203	22.4%	22.4%		
Grand Total		5,371	100.0%			

Source: OSHPD Discharge Database, CY 2018, Excludes Normal Newborns

AB 2190 Quarterly Reports for 10801 Seton Medical Center

OSHPD Bldg Name	Bldg Name	Report Year and Quarter	Construction Project Nbr	Milestone Date	Milestone Description	Milestone Comments	Milestone Quarterly Update
BLD-00846	1963 Tower	2020 - Q2	I160019-41-00; I160019-41-01; I160019-41-02; I160019-41-03; H170372-41-00	4/1/2020	Start Construction		Waiver to be resolved pending conclusion of property sale which is ongoing
				7/1/2022	Complete Construction		On schedule pending actual start date of construction.
BLD-00847	Front Wing	2020 - Q2	I160020-41-00; I160020-41-01	4/1/2020	Start Construction		Waiver to be resolved pending conclusion of property sale process which is ongoing
				7/1/2022	Complete Construction		On schedule pending actual start date of construction

Exhibit 2