

**Errata: Effect of the Asset Purchase Agreement between Verity Health System of California, Inc., Verity Holdings, LLC, St. Francis Medical Center and Prime Healthcare Services, Inc. on the Availability and Accessibility of Healthcare Services to the Communities Served by St. Francis Medical Center**

Prepared for the Office of the California Attorney General

June 17, 2020

## ERRATA

### 1) *Community Benefit Services*

In the report titled *Effect of the Asset Purchase Agreement between Verity Health System of California, Inc., Verity Holdings, LLC, St. Francis Medical Center and Prime Healthcare Services, Inc. on the Availability and Accessibility of Healthcare Services to the Communities Served by St. Francis Medical Center* dated June 4, 2020, the community benefit services table, on page 59, incorrectly reported the annual average for the preceding five fiscal years as \$2,132,804. The table below shows the corrected summary and 5-year average of \$1,597,077.

In the last five fiscal years, the Hospital has provided several community benefit services. As shown in the table below, the average annual cost of community benefit services over the five years was \$1,597,077.

Community Benefit Services							
Community Benefit Cost	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	Total	5 - Year Average
Benefits for Persons Living In Poverty	\$308,184	\$296,923	\$259,120	\$1,421,448	\$2,817,941	\$5,103,616	\$1,020,723
Benefits for Broader Community	\$368,616	\$254,798	\$796,376	\$1,016,586	\$445,393	\$2,881,769	\$576,354
<b>Total*</b>	<b>\$676,800</b>	<b>\$551,721</b>	<b>\$1,055,496</b>	<b>\$2,438,034</b>	<b>\$3,263,334</b>	<b>\$7,985,385</b>	<b>\$1,597,077</b>

Source: Verity Health

\*Grant funds and grant supported programs are not included.

### 2) *Potential Conditions for Transaction Approval by the California Attorney General*

As a result of the corrected average annual cost of community benefit services, the recommended condition number 8, on page 104 of the report, would be revised to include the corrected average as follows:

8. For at least five years from the Closing Date, the Hospital shall continue to expend no less than \$1,597,077 annually in community benefit services (Minimum Community Benefits Amount). If the Hospital receives any grant funds for community benefit services, those grant funds may not be applied to the Minimum Community Benefits Amount. The Minimum Community Benefits Amount will be increased on an annual basis by the rate of inflation as measured by the Consumer Price Index for Los Angeles-Long Beach-Anaheim Average Base Period: 1982-84=100 (as published by the U.S. Bureau of Labor Statistics). In addition, the following community benefit programs shall continue to be offered and/or supported for at least five years from the Closing Date:
  - a. Southern California Crossroads Program;
  - b. Patient and Family Centered Care (PFCC);
  - c. Health Benefit Resource Center;
  - d. Welcome Baby Program;
  - e. Healthy Community Initiatives;
  - f. St. Francis Career College's access for onsite training;

- g. Paramedic Training and Education; and
- h. Patient Transportation support.