



# Good Samaritan Hospital

*A Tradition of Caring*

1225 Wilshire Blvd. Los Angeles, CA 90017

March 19, 2014

**CONFIDENTIAL**

Mr. Geoffrey Ligibel, Director  
Mr. Scott Jackson, Director  
Houlihan Lokey  
123 N. Wacker Drive, 4<sup>th</sup> floor  
Chicago, IL 60606

Re: St. Vincent Medical Center

Dear Mr. Ligibel:

I am writing to you to express Good Samaritan's Hospital's ("GSH") interest in St. Vincent Medical Center ("SVMC").

GSH and SVMC have been providing high quality health care services to the population of downtown Los Angeles for almost 300 years combined. With our long standing presence in the community, and in-depth knowledge of the healthcare needs of the people in our shared neighborhoods, GSH is best positioned to help preserve SVMC's legacy and carry forward its mission and vision to serve the downtown LA community. We propose that GSH help to facilitate transfer of SVMC patients and service lines, and invest in a transition of services that assures continuity of and access to care for patients. GSH is uniquely positioned to do this because our campus is less than one mile away from SVMC, has capacity to take on SVMC's patients, and shares a commitment to provide high quality care for the community. Then DOCHS can maximize the value of SVMC by selling the real estate to a non-acute care provider. This collaboration will allow DOCHS to achieve its goals, as stated by Robert Issai:

1. "Ensure continuity of health care services"
2. "Protect the legacy of care the Daughters of Charity have built"
3. "Preserve jobs"
4. "Ensure that all members of the community have access to affordable, high quality healthcare for years to come"
5. "Make excellent patient care [our] top priority. Our community members have come to expect no less from us, and it is the right thing to do."

It also will facilitate the necessary approvals from the Attorney General and maximize community approval for the sale of SVMC.

SVMC's and GSH's reputations for clinical excellence have allowed the two hospitals to survive independently from one another. However, due to declining region-wide census, decelerating reimbursement, continuing cost pressures and the other consequences of health care reform, the community can no longer sustain both hospitals.

The announced sale by DOCHS of all its California hospitals provides an opportunity to rationalize the provision of services in downtown Los Angeles in a way that will ensure the community's needs for quality, tertiary care services are met, and the hospital that provides such expensive but needed services can operate in a financially sound manner that encourages additional investment in the community. Quality care can be provided at a more reasonable cost through consolidation of duplicative services.

We propose to work with SVMC on a transition plan to ensure an orderly transfer of patients from SVMC to GSH, as well as placement of staff and physicians. We also wish to develop with DOCHS the best ways to honor the Daughters of Charity's long legacy of service to the downtown Los Angeles community.

GSH also would be interested in developing joint proposals with any party DOCHS believes could work collaboratively with GSH to maximize the value of SVMC to DOCHS.

Thank you again for giving us the opportunity to express our interest in SVMC. We look forward to working with you so that GSH can continue SVMC's long tradition of providing compassionate care with the best healthcare services in our area. Please feel free to contact me with any questions you may have on our proposal.

Sincerely,

A handwritten signature in blue ink, appearing to read "Andrew Leeka", is written over the typed name and title.

Andrew Leeka  
President and CEO, Good Samaritan Hospital