Health Care Impact Statement Regarding the Proposed Sale of Queen of the Valley Medical Center by St. Joseph Health Northern California and Providence Medical Foundation to NorthBay Healthcare Corporation

Prepared for the Office of the Attorney General

by Glenn Melnick, Ph.D.

Health Care Impact Statement regarding the Proposed Sale of Queen of the Valley Medical Center, by St. Joseph Health of Northern California and Providence Medical Foundation to NorthBay Healthcare Corporation

Table of Contents

I. Introduction & Purpose 5

II. Summary of California Attorney General Transaction Filing 8
A. Purpose and regulatory context 8
B. Transaction parties and existing operations 8
C. Structure, purchase price, and assets 8
D. Employee and physician-transition provisions 8
E. Mission and service-continuity commitments 9
F. Specific community benefit programs 10
G. Mission Effectiveness Committee and oversight 10

III. The Future of Queen of the Valley Medical Center with NorthBay Health – Per Parties' Public Representations on Website 11
A. Parties Address Key Questions Related to the Proposed Transaction in Website 12

IV. Profile of Purchaser – NorthBay Health 15
A. Overview 15
B. Key Statistics and Statement of Operations 16
C. Hospital Compare Quality Measures – Queen of the Valley Medical Center and NorthBay 23

V. Profile of the Hospital – Queen of the Valley Medical Center 24
A. Key Statistics 24
B. Beds by Type, Clinical Programs, and Services – QVMC 29
C. Accreditation, Certifications and Awards 31
D. Quality Measures 32
E. Medical Staff 33
F. Charity Care and Community Benefits – QVMC 35

VI. Analysis of the QVMC's Geographic Service Area and Where Napa County Residents Receive Hospital Care – QVMC, 2024–2025 36
A. Purpose and data 36
B. QVMC – Total Service Area Map 37
C. County-wide view: where Napa County residents go 38
D. QVMC Market Share and Coverage by ZIP code and subregion within Napa County 41
E. Patient origin at QVMC and NorthBay Health Medical Center 46
F. Napa County Population Trends by Age (2020–2036 Projections) 48

VII. Assessment of Potential Impact on the Availability or Accessibility of Healthcare Services from the Proposed Sale of QVMC to NorthBay 50
A. Summary of Critical Areas and Issues 50
B. Detailed Assessment of Healthcare Availability & Accessibility 50
C. Driving Time and Access to Key Services for Napa County Residents 53
D. Summary 57

E. Analysis of the $450 Million Sale of QVMC: Rationales, Non-Profit Asset Reinvestment, and Regulatory Frameworks 58

VIII. Report Conclusions and Recommended Conditions 61
A. Duration of Access Conditions for Queen of the Valley Medical Center....61
B. Recommended Conditions for Approval of Transaction 63

IX. Supplemental Appendix 67
A. Patient Utilization Trends 67
B. Financial Profile....68
C. Cost of Hospital Services....68
D. Payer Mix....70
E. Medi-Cal Managed Care 71
F. QVMC- Inpatient Utilization - Top 25 Inpatient DRGs....72

List of Exhibits

Exhibit 1. Map of Purchaser Hospitals – NorthBay Health 16
Exhibit 2. NorthBay Health Medical Center + VacaValley Hospital: Bed Capacity and Utilization 17
Exhibit 3. NorthBay Health Medical Center + VacaValley Hospital: Income Statement, Deductions from Revenue and Capitation Revenue 18
Exhibit 4. NorthBay Health Medical Center + VacaValley Hospital: Financial Ratios and Uncompensated Care 19
Exhibit 5. NorthBay Health Medical Center + VacaValley Hospital: Financial and Utilization Data by Payer Category 20
Exhibit 6. NorthBay Health Medical Center + VacaValley Hospital: Balance Sheet (Unrestricted) 22
Exhibit 7. Hospital Compare – NorthBay Health Medical Center and Queen of the Valley Medical Center Compared to National Average 23
Exhibit 8. QVMC: Bed Capacity and Utilization 24
Exhibit 9. QVMC: Income Statement, Deductions from Revenue and Capitation Revenue 25
Exhibit 10. QVMC: Financial Ratios and Uncompensated Care 26
Exhibit 11. QVMC: Financial and Utilization Data by Payer Category 27
Exhibit 12. Queen of the Valley Medical Center (Napa): Balance Sheet (Unrestricted) 28
Exhibit 13. Bed Distribution by Type – QVMC 29
Exhibit 14. QVMC – Clinical Programs and Centers 30
Exhibit 15. QVMC – Accreditation and Recognition 31
Exhibit 16. CMS Quality Measures and Readmissions – QVMC Compared to NorthBay Health Medical Center 32
Exhibit 17. Patient Experience (HCAHPS) – QVMC 33
Exhibit 18. Medical Staff – QVMC 33
Exhibit 19. Employee FTEs and Hours – QVMC 34
Exhibit 20. Charity Care and Community Benefits – QVMC 35
Exhibit 21. QVMC Total Service Area Map 37
Exhibit 22. Napa County resident encounters at hospitals by type of service, 2024–2025 38
Exhibit 23. Share of Napa County resident non-Kaiser encounters by provider group and setting, 2025 38
Exhibit 24. Top 10 non-Kaiser hospitals serving Napa County residents, 2024–2025 (IP + ED encounters) 39
Exhibit 25. Illustration of the Important Role of QVMC in Serving Napa County Hospital Patients, 2025 40
Exhibit 26. Napa County resident non-Kaiser encounters (IP + ED) and QVMC share by ZIP code, 2024–2025 41
Exhibit 27. Napa County resident non-Kaiser ED visits (not admitted) and QVMC share by ZIP code, 2024–2025 42
Exhibit 28. Napa County resident non-Kaiser inpatient discharges and QVMC share by ZIP code, 2024–2025 43
Exhibit 29. QVMC share of non-Kaiser ED visits and inpatient discharges by ZIP code, 2025 44
Exhibit 30. QVMC share of Napa County resident non-Kaiser encounters by subregion, 2024–2025 45
Exhibit 31. Napa County resident encounters at non-Kaiser hospitals other than QVMC by subregion, 2025 45
Exhibit 32. QVMC patient origin by county of residence, 2024–2025 (IP + ED encounters) 46

Exhibit 33. NorthBay Health Medical Center patient origin by county of residence, 2024–2025 (IP + ED encounters) 47
Exhibit 34. Napa County residents treated at NorthBay Health Medical Center by ZIP code, 2024–2025 47
Exhibit 35. QVMC Service Area by type 48
Exhibit 36. Napa County Population Trends by Age (2020–2036 Projections) 48
Exhibit 37. QMVC Services and licensed beds 52
Exhibit 38. Hospitals Closest to QVMC – (GAC/Non-Kaiser 53
Exhibit 39. QVMC Service & Population Dependency Analysis and Impact of Potential Reductions 56
Exhibit 40. Key Statistics – QVMC 67
Exhibit 41. Service Volumes Side by Side (FY2023-FY2025) – QVMC 67
Exhibit 42. Utilization by Payer – QVMC 68
Exhibit 43. Income Statement (FY2025) – QVMC 68
Exhibit 44. Financial Profile – QVMC 69
Exhibit 45. Revenue by Payer – Queen of the Valley Medical Center 69
Exhibit 46. Cost of Hospital Services – QVMC 70
Exhibit 47. Payer Mix – QVMC 70
Exhibit 48. Payer Mix Comparison – QVMC 71
Exhibit 49. Medi-Cal Managed Care – QVMC 71
Exhibit 50. Inpatient Utilization - Top 25 Inpatient DRGs 72
Exhibit 51. Charity Care – QVMC 73
Exhibit 52. Cost of Charity Care – QVMC 74

Health Care Impact Statement Regarding the Proposed Sale of Providence Queen of the Valley Medical Center by St. Joseph Health of Northern California and Providence Medical Foundation to NorthBay Healthcare Corporation

I. Introduction & Purpose

This health care impact statement summarizes the potential impact of the proposed sale of Providence Queen of the Valley Medical Center (QVMC or Hospital) and the associated Napa Clinics, located in Napa, California, by St. Joseph Health Northern California (SJHNC) and Providence Medical Foundation (PMF) to NorthBay Napa Hospital Corporation and its parent NorthBay Healthcare Corporation (NorthBay) on the availability and accessibility of health care services to the communities served by QVMC. On May 13, 2026, SJHNC and PMF submitted written notice of the proposed transaction (Notice) pursuant to Corporations Code section 5920 and Code of Regulations, title 11, section 999.5.[1] The proposed transaction is subject to review and approval by the California Attorney General under the framework set forth in the Corporations Code and regulation.[2] Subject to obtaining the necessary regulatory approvals, SJHNC, PMF, and NorthBay (collectively referred to herein as the Parties) anticipate completing the transaction by the end of 2026. The "Description of the Transaction," contained in the Notice and summarized in more detail in section II of this statement, describes the key aspects of the transaction, including the following:

QVMC: QVMC is a general acute care hospital located at 1000 Trancas Street, Napa, California, 94558, with 198 licensed general acute care beds. QVMC provides a range of inpatient, outpatient, and emergency medical services to residents of Napa County and surrounding communities. The Hospital participates in the Medicare and Medi-Cal programs.

SJHNC: QVMC is owned and operated by St. Joseph Health Northern California, LLC (SJHNC), whose parent corporation is Providence St. Joseph Health, a nonprofit health system operating hospitals and other health care facilities across seven states.

Providence Medical Foundation: PMF, a California nonprofit public benefit corporation, owns and operates multispecialty outpatient clinics, including clinics located in Napa County (the Napa Clinics). PMF contracts with medical groups, including Providence Medical Group, Northern California, to provide physician and other outpatient health care services.

NorthBay: NorthBay is a nonprofit health care system serving Solano County and surrounding Northern California communities. NorthBay currently owns and operates two general acute care hospitals: NorthBay Health Medical Center, located in Fairfield, California, and NorthBay VacaValley Hospital, located in Vacaville, California. NorthBay also operates primary care and specialty clinics and urgent care centers throughout the region. NorthBay is the parent corporation of NorthBay Napa

---

[1] In addition to other sources cited herein, all information in this Section is taken from the Description of the Transaction contained in the Notice of Proposed Submission and Request for Consent (Notice) at pp. NOTICE-000003-NOTICE-000005, *available at* https://oag.ca.gov/charities/nonprofithosp. This summary describes the proposed agreement as reported in the Notice; it does not independently verify closing or regulatory approval.

[2] Corporations Code section 5923.

Hospital Corporation (NorthBay Napa), a California nonprofit public benefit corporation that will own and operate QVMC if the transaction closes. [3]

Asset Purchase Agreement (APA): In April 2026, SJHNC, PMF, NorthBay Napa, and NorthBay announced entering into an APA for the proposed acquisition of substantially all assets used in the operation of QVMC and the Napa Clinics. Under the APA, SJHNC and PMF will sell substantially all of the assets associated with QVMC and the Napa Clinics to NorthBay for a total purchase price of $450 million. Following completion of the transaction, NorthBay Napa will assume responsibility for operating QVMC and the Napa Clinics subject to the terms and conditions of the APA and applicable regulatory approvals.

Purpose of the Proposed Transaction: In its description of the transaction contained in its Notice, SJHNC states that the proposed transaction is intended to support the long-term sustainability of QVMC, preserve access to essential health care services in Napa County, and provide opportunities for future investments in clinical programs, facilities, and patient care. The Notice memorializes NorthBay's commitment to maintaining locally accessible health care services, supporting QVMC's physicians and employees, and continuing the Hospital's longstanding role in serving the Napa community.

The APA includes several commitments intended to maintain continuity of care, meet 2030 seismic safety obligations, and preserve the Hospital's charitable mission.[4] These include, in summary, continuing to operate QVMC as a licensed general acute care hospital, commitment to seismic retrofitting as required by law, maintaining participation in Medicare and Medi-Cal, preserving charity care policies, continuing specified community benefit programs, and maintaining spiritual and palliative care services for a period of at least three years following completion of the transaction. NorthBay has also committed to offering employment to eligible QVMC and Napa Clinics employees, providing specified employment protections, and establishing a Mission Effectiveness Committee to oversee compliance with the transaction's mission-related commitments.

Purpose of Health Care Impact Statement (Statement): The purpose of this Statement is to provide an independent assessment of the potential effects of the proposed transaction on the availability and accessibility of health care services for residents of Napa County and surrounding communities. The analysis considers the Hospital's current operations, financial condition, patient population, clinical services, and role in meeting community health care needs. It also evaluates the potential implications of the transaction for patients, employees, physicians, and the broader community, including the extent to which the proposed commitments may preserve or enhance access to essential health care services. The findings presented in this Statement are intended to assist the California Attorney General in evaluating the proposed transaction and determining whether it is in the public interest.

Preparation of this Report included the following tasks and sources:

- Review of the Notice of Proposed Submission and Request for Consent submitted to the California Attorney General on May 13, 2026, including the description of the proposed transaction, the APA, transaction terms, and commitments made by the Parties.

---

[3] https://advancingnapahealth.org/ and https://www.northbay.org/en/articles/providence-northbay-health-reach-definitive-agreement-to-transition-ownership-of-queen-of-the-valley-medical-center/.

[4] See the APA included in the Notice at pp. NOTICE-000008-NOTICE-000192.

- Review of publicly available statements and information released by QVMC and NorthBay regarding the proposed transaction, its rationale, anticipated benefits, and plans for the future operation of the Hospital and associated outpatient clinics.
- Review of information concerning the ownership, governance, operations, and health care delivery networks of QVMC and NorthBay.
- Analysis of financial, utilization, staffing, and service information concerning QVMC and NorthBay, including information reported to the California Department of Health Care Access and Information (HCAI), to assess the Hospital's historical performance and the potential financial and operational implications of the transaction.
- Analysis of publicly available demographic, socioeconomic, and health care market data for QVMC's service area, including population characteristics and trends, insurance coverage, payer mix, hospital utilization, health status indicators, and hospital market shares.
- Assessment of the availability and accessibility of essential hospital services, including emergency, medical and surgical, intensive care, obstetric, neonatal, pediatric, behavioral health, and other services, as applicable, within QVMC's service area.
- Evaluation of the proposed transaction's potential effects on charity care, Medi-Cal patients, other vulnerable populations, community benefit programs, medical staff, hospital employees, and the continued availability of locally accessible health care services.
- Review of the commitments by the Parties including commitments stated in the APA concerning the continuation of hospital operations, employee protections, charity care, Medicare and Medi-Cal participation, community benefit programs, spiritual care, and oversight of QVMC's charitable mission.

II. Summary of California Attorney General Transaction Filing

This section summarizes the Notice of the proposed transaction.[5]

A. Purpose and Regulatory Context

SJHNC's Notice describes the Parties, the APA, the assets to be transferred and excluded, and selected workforce and mission commitments.

B. Transaction Parties and Existing Operations

Seller and Hospital

SJHNC owns and operates QVMC. SJHNC's ultimate parent is Providence St. Joseph Health, a nonprofit health system operating across seven states. QVMC belongs to Providence's Northern California network.

Providence Medical Foundation

PMF operates multispecialty clinics, including Napa County clinics (Napa Clinics), and contracts with medical groups to provide outpatient services.

Buyer and transferee

NorthBay Napa is the proposed transferee and is wholly owned by NorthBay. NorthBay Napa was formed to own and operate QVMC following closing. NorthBay is a locally governed nonprofit system that operates NorthBay Health Medical Center in Fairfield, NorthBay VacaValley Hospital in Vacaville, and regional primary care, specialty and urgent care facilities.

C. Structure, Purchase Price, and Assets

Under the APA dated April 7, 2026, SJHNC will sell substantially all assets used to operate QVMC, and PMF will sell substantially all assets used to operate the Napa Clinics, to NorthBay. The stated total purchase price is $450,000,000.

Assets Included

The transferred assets broadly encompass personal property, owned and leased real estate, transferable licenses and permits, selected operating contracts, inventory, certain intellectual property, goodwill, and other tangible and intangible assets associated with QVMC and the Napa Clinics.

Assets Excluded

Excluded assets include cash, pre-closing accounts receivable, seller bank accounts, company-wide policies, selected intellectual property, Providence regional or system-wide contracts and assets, and certain Catholic historical and religious artifacts.

D. Employee and Physician-Transition Provisions

NorthBay or an affiliate will offer employment, subject to its standard hiring policies, to SJHNC and PMF employees primarily serving QVMC and the Napa Clinics. Employees accepting offers are to

---

[5] In addition to other sources cited herein, all information in this Section, including quotations, is taken from the Description of the Transaction in the Notice at pp. NOTICE-000003-NOTICE-000005, *available at* https://oag.ca.gov/charities/nonprofithosp.

remain in the same or comparable roles, including the same or comparable positions to their current employment, for at least 12 months after closing with equivalent or higher base wages or salary, applicable differentials, and target bonus or incentive opportunities at least equal to those available before closing; severance benefits at least as favorable as pre-closing benefits; other benefits and terms substantially comparable in aggregate either to prior arrangements or to those for similarly situated NorthBay employees; and assumption of existing collective bargaining agreements covering qualifying SJHNC employees who accept employment.

PMF maintains a professional services agreement with Providence Medical Group, Northern California. PMF commits to reasonably cooperate with NorthBay in transitioning physicians serving the Napa Clinics to a NorthBay-affiliated medical group.

E. Mission and Service-Continuity Commitments

The Notice describes a series of commitments lasting at least three years following closing.

Hospital Status and Public Insurance

- Continue operating QVMC as a licensed general acute care hospital.
- Maintain QVMC and the Napa Clinics as enrolled providers in Medicare and Medicaid, as applicable.

Charity Care

NorthBay will provide charity care at QVMC under a policy that is "no less favorable than QVMC's charity care policies in effect as of execution of the Asset Purchase Agreement."

Spiritual, Mental Health, and Palliative Care

Providence Health & Services is a Catholic nonprofit religious organization and the parent corporation of QVMC. QVMC, a Catholic hospital, has Ethical and Religious Directives in place. Ethical and Religious Directives (ERDs) are standards and guidance for the provision of health care services that are rooted in the Catholic faith and the mission of the Catholic Church.[6]

Currently, under QVMC's ERDs, the Hospital does not provide abortion services, except in medical emergencies. The closest alternate provider of reproductive health care services, including abortion services, is Sonoma Valley Hospital, which is approximately 15 miles from QVMC. The ERDs also do not permit surgical sterilization or other forms of contraception, so QVMC does not currently provide these services.[7] The ERDs do permit the use of "medications that would prevent ovulation, sperm capacitation, or fertilization" (i.e. emergency contraception) in cases of sexual assault when conception has not occurred.[8]

Following the transition from SJHNC to NorthBay, QVMC will no longer operate under the ERDs, and this should shift the facility to secular non-profit governance and expansion of services to include reproductive health care. NorthBay has contractually committed, for three years, to respect sacred spaces and maintain spiritual care as well as outpatient mental health services, and baseline palliative care at historical investment levels across at QVMC and the Napa Clinics. NorthBay will also

---

6 https://www.usccb.org/resources/ERDs-7th-ed-Approved_2025-11-12.pdf

7 https://napavalleyregister.com/opinion/letters/tubal-ligation-shift-is-reason-for-concern-at-queen/article_189a610a-724b-11e1-87af-001871e3ce6c.html

8 *See* https://www.usccb.org/resources/ERDs-7th-ed-Approved_2025-11-12.pdf.

collaborate with SJHNC and PMF on visual elements honoring the hospital's faith-based origin and community legacy.

F. Specific Community Benefit Programs

For three years after closing, NorthBay commits to continue existing community benefit programs, including the following, at the same levels and scope as at execution of the agreement.

- Care coordination and assistance for low-income, uninsured or underinsured Napa County residents with complex medical and social needs;
- Mobile dental clinics serving children and young adults across Napa County;
- 24-hour naloxone distribution box outside the QVMC emergency room, including fentanyl testing strips;
- Maternal and child health education and primary prevention programming for families; and
- Free 12-week cancer wellness program for Napa Valley residents with cancer, regardless of treatment site, and for all QVMC patients regardless of residence.

G. Mission Effectiveness Committee and Oversight

NorthBay has stated that during the three-year period following closing, it will establish a Mission Effectiveness Committee through a written charter to oversee adherence to the mission commitments. Its principles include honoring and expanding local charitable commitments, guiding community benefit initiatives and the QVMC Community Health Needs Assessment, and collaborating with local religious leaders and community stakeholders.

III. The Future of Queen of the Valley Medical Center with NorthBay Health – Per Parties' Public Representations on Website

This Section of the Report extracts the contents of the Website[9] developed and posted by the Parties to provide additional information to the public related to the proposed transaction and the plans and commitments by NorthBay Health following completion of the transaction



Advancing Napa Health

> "For generations, Queen of the Valley Medical Center has been an enduring symbol of healing and a trusted cornerstone of hope in Napa Valley. That legacy – rooted in compassion, service, and community – is being strengthened for the future as Providence prepares to transfer ownership of Queen of the Valley Medical Center and related assets, including ambulatory clinics, in Napa County to NorthBay Health by the end of 2026, pending regulatory approval. The two organizations have entered into a definitive agreement, marking a significant milestone in the healing missions of both organizations".

A Shared Vision – The Future of Queen of the Valley Medical Center with NorthBay Health

> "NorthBay Health is committed to investing in Queen of the Valley Medical Center, supporting the caregivers and programs that matter most to our community. They will build on what makes The Queen special, while making it easier for you to get high-quality care close to home, expanding services where they're needed, and strengthening care for our community now and into the future. NorthBay Health envisions ongoing investments in The Queen, and leveraging their roots as a California-born, locally managed system to advance clinical excellence, innovation, and patient-centered services."

How We Got Here

> "Providence has set a bold vision through its 2030 strategic direction: be the best place to give and receive care and to create a delivery model for the future, supported by innovation and positive change. Getting there calls for leadership with courage, compassion, a deep conviction for our Mission and care for our communities. Providence must re-invest in ministries to achieve this vision and uphold its commitment to the health and healing of our

9 https://advancingnapahealth.org/our-vision/.

communities. To do so, Providence must focus resources. They engaged leaders from across Providence to ask, "Where can we do the greatest good?" and "Where can we be the best place to give and receive care?" Through these conversations, Providence determined that a new owner is the right path for The Queen. NorthBay Health has demonstrated a clear understanding of and care for Providence caregivers and the Napa community, and a commitment to investing in the future of The Queen." (Emphasis added.)

Future of The Queen

"For 67 years, NorthBay Health has been guided by a simple purpose: to care for its neighbors and strengthen the health of the communities it serves. As a California-owned, locally governed health system, NorthBay Health believes healthcare is strongest when decisions are made close to home, by people who understand the communities they serve and are accountable to them. That approach has shaped every decision over the past six decades, from expanding access to care to investing in services that meet the evolving needs of the region. As a healthcare system rooted in the Solano, Napa and Yolo communities, NorthBay Health is able to respond quickly, thoughtfully, and meaningfully to what patients and families need most. They understand the importance of preserving local access to care, supporting physicians, nurses, and team members, and ensuring that hospitals remain strong, stable resources for the communities that depend on them." (Emphasis added.)

"That same philosophy is what NorthBay Health believes it can bring to the Napa community. The focus would be on strengthening what already exists—supporting the teams who serve patients every day, investing in the programs and services the community relies on, and ensuring that local healthcare continues to thrive. Healthcare is evolving rapidly across the country, and moments like this call for long-term vision and commitment. NorthBay Health's goal is to help ensure that health care in Napa continues to grow stronger including expanding access to high-quality services, advancing innovation, and building a system that will serve the community for generations to come…. Above all, the goal is to ensure that the people of Napa continue to have access to exceptional, compassionate care from a health system committed to the region for the long term." (Emphasis added.)

"Queen of the Valley Medical Center and NorthBay Health share a deep-rooted sense of responsibility to earn the trust of patients and families, becoming their health care partner of choice at every stage of life. NorthBay Health echoes The Queen's long-standing mission to serve all, especially those who are vulnerable, ensuring that no one is left behind in their time of need."

A. Parties Address Key Questions Related to the Proposed Transaction in Website

The Website (https://advancingnapahealth.org/our-vision/) includes a section entitled "Frequently Asked Questions" that provides additional background on the plans and commitments of the Parties, including the following Questions and Answers:

Why is Providence transitioning ownership of Queen of the Valley Medical Center to NorthBay Health?

"Providence has set a bold vision through its 2030 strategic direction: be the best place to give and receive care and to create a delivery model for the future, supported by innovation and positive change. Getting there calls for leadership with courage, compassion, a deep

conviction for Mission and care for our communities. Providence must re-invest in ministries to achieve this vision and uphold its commitment to the health and healing of our communities. To do so, Providence must focus resources. They engaged leaders from across Providence to ask, “Where can we do the greatest good?” and “Where can we be the best place to give and receive care?” Through these conversations, Providence determined that a new owner is the right path for The Queen.”

Why was NorthBay Health chosen?

“Providence chose NorthBay for its commitment to caregivers, the community, and investment in the hospital…. “NorthBay Health has demonstrated a clear understanding of and care for Providence caregivers and the Napa community, and a commitment to investing in The Queen's future.” (Emphasis added.)

“NorthBay Health is a California-owned, locally governed and community-based health system. Their focus will be continuing the values and culture that define The Queen, providing conveniently accessible high-quality care, expanding access, strengthening clinical excellence, and continuing to offer a unified approach to health care delivery. Through this deeply introspective process, Providence was guided to an organization who strives to earn the trust of patients and families, becoming their health care partner of choice at every stage of life…: This commitment echoes The Queen’s long-standing mission to serve all, especially those who are vulnerable, ensuring that no one is left behind in their time of need.” (Emphasis added.)

How does this impact patients?

“We do not anticipate changes to patient care and patients can continue to see their physicians at current office locations….Serving the Napa Valley" - Keep all existing services, expand access, and advance care for underserved populations:

> “GOAL 01 · PRESERVE & EXPAND ACCESS Continue all existing services and build on them — serving Napa patients where they live .” (Emphasis added.)
>
> “GOAL 02 · HEALTH EQUITY & POPULATION HEALTH Advance the care provided to underserved populations — including bilingual care, Medi-Cal patients, behavioral health services, and occupational health for agricultural workers.” (Emphasis added.)

Will services move from Napa to Fairfield?

“No — NorthBay Health’s focus is on serving communities where they live. The Queen of the Valley Medical Center plays an incredibly important role in Napa, and the intent is to continue providing care locally to the Napa community.” (Emphasis added.)

How does this impact the caregivers and physicians at Queen of the Valley Medical Center?

“Nothing changes today. Through the agreement, NorthBay Health will make several commitments, including continuing existing clinical services and community benefit programs, extending offers of employment with NorthBay Health to actively employed caregivers, working with Providence and its NorCal medical group to transition Napa clinicians to the NorthBay system and continuing to support the foundation in its philanthropic investments in the community”.

What does this mean for caregivers and physicians in our clinics (ambulatory settings)?

"…Providence clinics will continue without interruption to schedule and see patients for appointments and procedures. NorthBay Health has demonstrated a clear understanding of and care for Providence caregivers and intends to extend offers of employment with NorthBay Health to actively employed caregivers. NorthBay Health and QVMC recognize caregivers and physicians are essential partners in improving community health and will work closely with affiliated groups such as Providence Medical Group, Northern California and independent groups to ensure continuity of care…"

What does this mean for our donors and The Queen of the Valley Foundation?

"The foundation will continue as it is today – a separate not-for-profit organization in support of the health care needs of the community. NorthBay Health has expressed an interest in supporting the critical philanthropic programs in Napa. All gifts received prior to this transformation will be honored as intended and transferred to the foundation. All future gifts will remain local and established funding initiatives underway will continue".

IV. Profile of Purchaser – NorthBay Health

A. Overview

NorthBay Health, the proposed purchaser, is a locally governed nonprofit health care system serving Solano County and surrounding communities.[10] The points below describe the system and give the source of each point; they are background only.

- **Organization:** NorthBay Healthcare Corporation is the parent of the system. It owns and operates NorthBay Health Medical Center in Fairfield and NorthBay VacaValley Hospital in Vacaville, both acute care hospitals, together with primary care and specialty clinics and four urgent care centers. NorthBay Napa Hospital Corp., wholly owned by the parent, was formed to own and operate Queen of the Valley Medical Center after closing.[11]
- **Affiliates:** a 50% interest in Western Health Advantage, a nonprofit health plan, and 100% of North Bay Physicians Surgery Center, LLC, an ambulatory surgery center in Vacaville.[12]
- **One license, one HCAI report:** the two hospitals operate under one general acute care license (CDPH license number 110000093), with 154 licensed beds at Fairfield and 35 at VacaValley. HCAI's financial data, including the pivot profile, are reported once for the license under NorthBay Health Medical Center (facility number 106481357). HCAI financial figures therefore cover both hospitals and cannot be split between them.[13]
- **Emergency and specialty services:** both hospitals operate emergency departments. NorthBay Health Medical Center is a designated trauma center, a STEMI receiving center, and a primary stroke center.[14]

---

[10] Notice at p. NOTICE-000003, *available at* https://oag.ca.gov/charities/nonprofithosp. See also https://prod.northbay.org/en/articles/providence-northbay-health-reach-definitive-agreement-to-transition-ownership-of-queen-of-the-valley-medical-center/

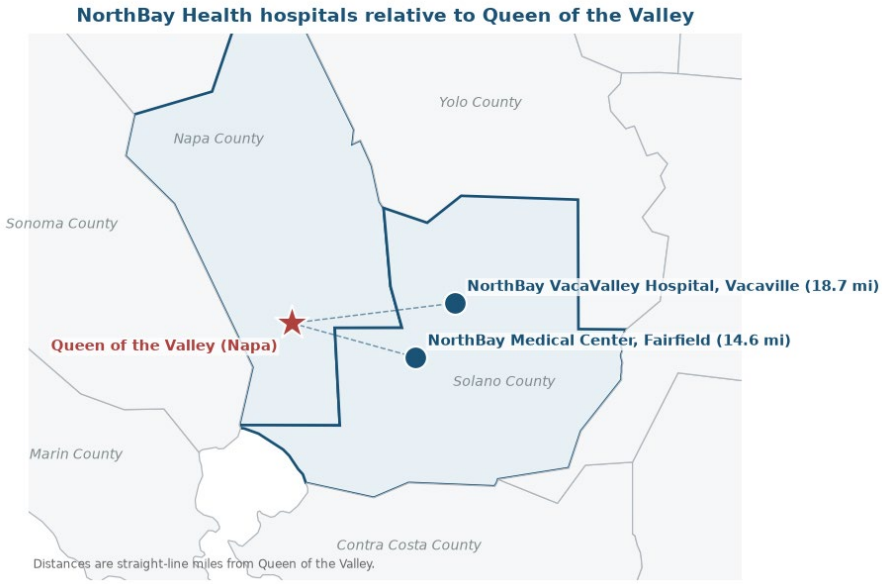
[11] Notice at p. NOTICE-000003, *available at* https://oag.ca.gov/charities/nonprofithosp.

[12] See NorthBay's audited 2025 consolidated financial statements, filed with the Notice at pp. NOTICE-002015-NOTICE-002055, available at https://oag.ca.gov/charities/nonprofithosp.

[13] HCAI Annual Utilization Report, calendar year 2024 available at Hospital Utilization - HCAI.

[14] *California EMS Authority trauma center list, August 2025 at https://df7c6sj3qwqvl.cloudfront.net/uploads/sites/71/2025/10/California-Designated-ACS-Verified-Trauma-Centers-10.22.25.pdf; https://www.northbay.org/en/locations/hospital/northbay-health-medical-center/.*

Exhibit 1. Map of Purchaser Hospitals – NorthBay Health



Source: HCAI hospital geocodes (Queen of the Valley Medical Center and NorthBay Health Medical Center); U.S. Census Bureau geocoder for NorthBay VacaValley Hospital, 1000 Nut Tree Road, Vacaville, CA 95687; U.S. Census Bureau county boundaries.

Key findings

- The straight-line distance from NorthBay Health Medical Center in Fairfield to QVMC is 14.6 miles and the distance from NorthBay VacaValley Hospital in Vacaville to QVMC is 18.7 miles.

B. Key Statistics and Statement of Operations

This section of the Statement includes descriptive statistics of NorthBay. The data are drawn from reports filed by NorthBay with HCAI.[15] NorthBay Health Medical Center and NorthBay VacaValley Hospital report to HCAI on a combined reporting basis. The Exhibits reflect combined data for both hospitals.

[15] Hospital Annual Financial Data - Selected Data & Pivot Tables (April 2026 Extract) https://data.chhs.ca.gov/dataset/hospital-annual-financial-data-selected-data-pivot-tables (April 2026 Extract).

Exhibit 2. NorthBay Health Medical Center + VacaValley Hospital: Bed Capacity and Utilization

Reporting period: CY 2024 (1/1/2024 to 12/31/2024)

A. Beds, Patient Days, Discharges and Length of Stay by Type of Care

Measure	Total	General Acute	Psychiatric	Rehabilitation	Long-term Care	Chem Dep & Other
Licensed Beds	204	204	0	0	0	0
Licensed Bed Occ. Rate	66.1%	66.1%	0.0%	0.0%	0.0%	0.0%
Available Beds	178					
Available Bed Occ. Rate	75.8%					
Patient Days (excl. nursery)	49,368	49,368	0	0	0	0
Discharges (excl. nursery)	10,531	10,531	0	0	0	0
Average Length of Stay (est.)	4.69	4.69	0.00	0.00	0.00	0.00

B. Other Utilization Statistics

Measure	Count
Average Daily Census	134.9
Disproportionate Share Hospital	DSH
ER Visits	75,589
Clinic Visits	268,155
Home Health Visits	12
Referred O/P Visits	84,116
I/P Surgeries	2,830
O/P Surgeries	8,845
Purchased I/P Days	0
Nursery Days	2,259
Nursery Discharges	1,269
Natural Births	943
Cesarean Sections	473

Source: HCAI Pivot Profile, Calendar Year 2024 (Report Period January 1 to December 31, 2024).

Key findings

- NorthBay's 204 licensed beds are all general acute, with 66.1% occupancy of licensed beds and 75.8% of available beds.
- It recorded 49,368 patient days and 10,531 discharges, with an average length of stay of 4.69 days.
- Outpatient volume is large: 75,589 ER visits and 268,155 clinic visits.
- There were 1,416 births; 33.4% by cesarean section.
- Average daily census stands at 134.9.
- NorthBay Health Medical Center is a Disproportionate Share Hospital.

Exhibit 3. NorthBay Health Medical Center + VacaValley Hospital: Income Statement, Deductions from Revenue and Capitation Revenue

Reporting period: CY 2024 (1/1/2024 to 12/31/2024)

A. Income Statement

Measure	Amount	Per Adjusted Day
Gross Patient Revenue	$4,842,810,636	$51,657.59
- Deductions from Revenue	4,153,793,590	44,307.94
+ Capitation Premium Rev.	71,102,077	758.44
Net Patient Revenue	$760,119,123	$8,108.09
+ Other Operating Revenue	28,795,313	307.16
Total Operating Revenue	$788,914,436	$8,415.24
- Operating Expenses	777,761,009	8,296.27
Net from Operations	$11,153,427	$118.97
+ Non-Operating Revenue	25,928,354	276.57
- Non-Operating Expense	264,888	2.83
- Income Taxes	0	0.00
- Extraordinary Items	0	0.00
Net Income	$36,816,893	$392.72

B. Deductions from Revenue

Deduction	Amount
Medicare Cont Adj-Trad	$1,335,821,660
Medicare Cont Adj-Mng Care	551,225,061
Medi-Cal Cont Adj-Trad	195,222,943
Medi-Cal Cont Adj-Mng Care	1,424,831,330
DSH (SB 855) Funds Rec'd	(6,725,885)
Co Indigent Cont Adj	2,479,991
Other 3rd Cont Adj-Trad.	188,714,783
Other 3rd Cont Adj-Mng Care	359,368,123
Provision for Bad Debts	20,136,578
Charity-Hill-Burton	0
Charity-Other	65,574,596
Gifts & Subs. Indigent Care	0
All Other Deductions	17,144,410
Total Deductions from Rev.	$4,153,793,590

C. Capitation Premium Revenue

Payer	Amount
Medicare	$0
Medi-Cal	52,804,323
Co. Indigent Programs	0
Other Managed Care	18,297,754
Total Capitation Rev.	$71,102,077

Source: HCAI Pivot Profile, Calendar Year 2024 (Report Period January 1 to December 31, 2024).

Key findings

- Deductions were $4.15B, 85.8% of gross revenue. With capitation, net patient revenue was $760.1M.
- Operations produced an $11.2M surplus, and net income reached $36.8M after $25.9M of non-operating revenue.
- Medicare and Medi-Cal contractual adjustments were the largest deductions ($1.89B and $1.62B). Charity deductions were $65.6M.
- Capitation revenue of $71.1M came mainly from Medi-Cal ($52.8M).

Exhibit 4. NorthBay Health Medical Center + VacaValley Hospital: Financial Ratios and Uncompensated Care

Reporting period: CY 2024 (1/1/2024 to 12/31/2024)

A. Financial Ratios

Ratio	Value
Current Ratio	1.52
Days in Accounts Receivable	58.34
Long-Term Debt to Net PPE	107.5%
Long-Term Debt to Equity	60.7%
Equity to Total Assets	50.7%
Net Return on Total Assets	4.1%
Patient Revenue Margin	-2.3%
Operating Margin	1.4%
Total Margin	4.7%
Net Income Margin	4.5%
Cost-to-Charge Ratio	15.5%
Net PPE Per Licensed Bed	$1,247,405

B. Uncompensated Care Costs

Measure	Amount
Charity-Other	$10,141,450
Charity-Other + Bad Debt	13,255,676
Charity-Other + Bad Debt + County Indigent Cont. Adj.	13,639,220

C. Uncompensated Care Costs as % of Operating Expenses

Measure	Percent
Charity % of Operating Expenses	1.4%
Charity + Bad Debt % Operating Expenses	1.8%
Charity+Bad Debt+County Indigent Cont. Adj. % of Op. Exp.	1.8%

Net PPE in these ratios includes construction-in-progress. Percents of operating expenses use operating expenses less other operating revenue. County Indigent Cont. Adj. is the County Indigent Programs contractual adjustment at cost.

Source: HCAI Pivot Profile, Calendar Year 2024 (Report Period January 1 to December 31, 2024).

Key findings

- Margins were positive: 1.4% operating and 4.7% total.
- Long-term debt is 107.5% of net PPE and 60.7% of equity, higher than at QVMC (Exhibit 10).
- Uncompensated care cost $13.6M, which is 1.8% of operating expenses.

Exhibit 5. NorthBay Health Medical Center + VacaValley Hospital: Financial and Utilization Data by Payer Category

Reporting period: CY 2024 (1/1/2024 to 12/31/2024)

A. Total, Medicare and Medi-Cal

Measure	Total	Medicare Traditional	Medicare Managed Care	Medi-Cal Traditional	Medi-Cal Managed Care
Patient Days (excl. nursery)	49,368	16,669	6,876	2,868	15,700
Discharges (excl. nursery)	10,531	3,450	1,257	529	3,587
Average Length of Stay (est.)	4.69	4.83	5.47	5.42	4.38
Outpatient Visits	356,017	103,115	38,271	7,982	93,389
Gross Inpatient Revenue	$2,550,231,996	$878,245,061	$360,312,348	$142,722,822	$733,819,044
Gross Outpatient Revenue	2,292,578,640	605,997,686	248,076,935	70,045,802	704,730,942
Gross Patient Revenue	$4,842,810,636	$1,484,242,747	$608,389,283	$212,768,624	$1,438,549,986
- Deductions from Rev	4,153,793,590	1,343,671,648	552,206,381	199,878,250	1,421,763,272
+ Capitation Premium Rev	71,102,077		0		52,804,323
Net Patient Revenue	$760,119,123	$140,571,099	$56,182,902	$12,890,374	$69,591,037
Percent of Gross Revenue	15.7%	9.5%	9.2%	6.1%	4.8%
Expenses (est.)	$748,965,696	$229,545,812	$94,090,547	$32,905,767	$222,479,191
Surplus / (Shortfall)	$11,153,427	($88,974,713)	($37,907,645)	($20,015,393)	($152,888,154)
Adjusted Patient Days	93,748	28,171	11,610	4,276	30,778

B. Other Payers

Measure	County Indigent Programs	Other Third Parties Traditional	Other Third Parties Managed Care	Other Indigent	All Other Payers
Patient Days (excl. nursery)	49	2,179	4,697	41	289
Discharges (excl. nursery)	8	440	1,159	9	92
Average Length of Stay (est.)	6.12	4.95	4.05	4.56	3.14
Outpatient Visits	9	20,883	86,204	62	6,102
Gross Inpatient Revenue	$2,507,785	$117,802,513	$293,137,526	$2,717,896	$18,967,001
Gross Outpatient Revenue	75,565	100,937,041	509,373,129	530,521	52,811,019
Gross Patient Revenue	$2,583,350	$218,739,554	$802,510,655	$3,248,417	$71,778,020
- Deductions from Rev	2,479,991	196,732,438	423,613,126	3,248,417	10,200,067
+ Capitation Premium Rev	0		18,297,754		
Net Patient Revenue	$103,359	$22,007,116	$397,195,283	$0	$61,577,953
Percent of Gross Revenue	4.0%	10.1%	49.5%	0.0%	85.8%
Expenses (est.)	$399,528	$33,829,203	$124,112,421	$502,384	$11,100,842
Surplus / (Shortfall)	($296,169)	($11,822,087)	$273,082,862	($502,384)	$50,477,111
Adjusted Patient Days	50	4,046	12,859	49	1,094

Source: HCAI Pivot Profile, Calendar Year 2024 (Report Period January 1 to December 31, 2024).

Key findings

- Medicare accounts for 47.7% of patient days and Medi-Cal for 37.6%.
- Government payers pay less than estimated cost. Revenue fell short of estimated cost by $126.9M for Medicare and $172.9M for Medi-Cal.
- Third-party managed care (commercial) brought in $397.2M, 52.3% of net patient revenue, and produced a $273.1M surplus over cost that covers about 91% of the government shortfalls.

Exhibit 6. NorthBay Health Medical Center + VacaValley Hospital: Balance Sheet (Unrestricted)

Reporting period: CY 2024 (1/1/2024 to 12/31/2024)

A. Balance Sheet

Assets	Amount	% of Total	Liabilities and Equity	Amount	% of Total
Current Assets	$249,664,312	28.1%	Current Liabilities	$164,062,143	18.4%
Limited Use Assets	334,557,349	37.6%	Deferred Credits	908,632	0.1%
Net PPE	251,952,578	28.3%	Net Long-Term Debt	273,603,640	30.8%
Construction-in-Progress	2,518,038	0.3%	Total Liabilities	$438,574,415	49.3%
Investments & Other Assets	50,624,375	5.7%			
Intangible Assets	0	0.0%	Equity	450,742,237	50.7%
Total Assets	$889,316,652	100.0%	Total Liabilities & Equity	$889,316,652	100.0%
Cash	$12,604,514	1.4%	Mortgage Notes	$0	0.0%
Memo: Gross PPE	564,608,058	63.5%	Bonds Payable	$286,144,000	32.2%
Intercompany Receivables	0	0.0%	Intercompany Payables	$5,258,012	0.6%

Source: HCAI Pivot Profile, Calendar Year 2024 (Report Period January 1 to December 31, 2024).

Key findings

- Total assets were $889.3M, and equity of $450.7M funds 50.7% of them.
- Net long-term debt is $273.6M (30.8%), after $17.8M of current maturities. Total long-term debt is $291.4M, including $286.1M in bonds.
- Cash is only $12.6M (1.4% of assets), but $334.6M (37.6%) is held in limited use assets.

C. Hospital Compare Quality Measures – Queen of the Valley Medical Center and NorthBay

Exhibit 7. Hospital Compare – NorthBay Health Medical Center and Queen of the Valley Medical Center Compared to National Average

Measure	Queen of the Valley Medical Center	NorthBay Health Medical Center
Overall hospital quality star rating (1 to 5)	4	2
Mortality measures: better	0	0
Mortality measures: no different	7	8
Mortality measures: worse	1	0
Safety measures: better	1	1
Safety measures: no different	5	6
Safety measures: worse	0	0
Readmission measures: better	2	0
Readmission measures: no different	9	8
Readmission measures: worse	0	3
HCAHPS summary star rating (1 to 5)	3	2

Source: CMS Provider Data Catalog (Care Compare).

Key findings

- **Overall Hospital Quality Measures:** Centers for Medicare and Medicaid Services (CMS) Overall Hospital Quality Measure rates NorthBay Health Medical Center at 2 stars and QVMC at 4 stars (out of maximum 5) – a higher overall score.
- **Overall Summary & Patient Satisfaction:** CMS rates QVMC at 4 stars and NorthBay Health Medical Center at 2 stars overall. Patient experience ratings (HCAHPS) mirror this delta, with QVMC receiving 3 stars compared to NorthBay's 2 stars.
- **Mortality & Safety Parity:** Performance across structural mortality and patient safety domains is comparable: both facilities show low counts of safety outliers, though NorthBay logged no "worse" mortality metrics compared to one for QVMC.
- **Readmission Metric Disparity:** The largest domain gap between the two facilities occurs in unplanned 30-day hospital readmissions. QVMC recorded 2 measures better and 0 worse than national benchmarks, whereas NorthBay recorded 0 measures better and 3 worse.

V. Profile of the Hospital – Queen of the Valley Medical Center

A. Key Statistics

This section of the Report includes descriptive statistics of the Hospital. The data are drawn from reports filed by the Hospital with HCAI.[16] These exhibits cover the fiscal year ended June 30, 2024. The NorthBay exhibits cover calendar year 2024, so the periods differ by six months.

Exhibit 8. QVMC: Bed Capacity and Utilization

Reporting period: FY ending 6/30/2024

A. Beds, Patient Days, Discharges and Length of Stay by Type of Care

Measure	Total	General Acute	Psychiatric	Rehabilitation	Long-term Care	Chem Dep & Other
Licensed Beds	198	184	0	14	0	0
Licensed Bed Occ. Rate	31.3%	29.2%	0.0%	58.7%	0.0%	0.0%
Available Beds	180					
Available Bed Occ. Rate	34.4%					
Patient Days (excl. nursery)	22,656	19,647	0	3,009	0	0
Discharges (excl. nursery)	6,084	5,824	0	260	0	0
Average Length of Stay (est.)	3.72	3.37	0.00	11.57	0.00	0.00

Source: HCAI Pivot Profile, Fiscal Year 2024

B. Other Utilization Statistics

Measure	Count
Average Daily Census	61.9
Disproportionate Share Hospital	Non-DSH
ER Visits	34,822
Clinic Visits	994
Home Health Visits	0
Referred O/P Visits	14,612
I/P Surgeries	1,186
O/P Surgeries	3,593
Purchased I/P Days	1,877
Nursery Days	1,312
Nursery Discharges	727
Natural Births	533
Cesarean Sections	269

Source: HCAI Pivot Profile, Fiscal Year 2024

[16] Hospital Annual Financial Data - Selected Data & Pivot Tables (April 2026 Extract) https://data.chhs.ca.gov/dataset/hospital-annual-financial-data-selected-data-pivot-tables (April 2026 Extract)

Key findings

- QVMC has 198 licensed beds (184 general acute and 14 rehabilitation) and reported 22,656 patient days and 6,084 discharges, with an average length of stay of 3.72 days.
- There were 34,822 ER visits and 802 births, 33.5% by cesarean section.
- Average daily census stands at 61.9.
- QVMC is not a Disproportionate Share Hospital.

Exhibit 9. QVMC: Income Statement, Deductions from Revenue and Capitation Revenue

Reporting period: FY ending 6/30/2024

A. Income Statement

	Amount	Per Adjusted Day
Gross Patient Revenue	$1,780,809,710	$32,936.10
- Deductions from Revenue	1,466,590,708	27,124.62
+ Capitation Premium Rev.	28,356,325	524.45
Net Patient Revenue	$342,575,327	$6,335.94
+ Other Operating Revenue	6,116,087	113.12
Total Operating Revenue	$348,691,414	$6,449.05
- Operating Expenses	353,698,823	6,541.66
Net from Operations	($5,007,409)	($92.61)
+ Non-Operating Revenue	7,258,176	134.24
- Non-Operating Expense	726,150	13.43
- Income Taxes	0	0.00
- Extraordinary Items	0	0.00
Net Income	$1,524,617	$28.20

Source: HCAI Pivot Profile, Fiscal Year 2024

B. Deductions from Revenue

Deduction	Amount
Medicare Cont Adj-Trad	$555,295,499
Medicare Cont Adj-Mng Care	196,298,815
Medi-Cal Cont Adj-Trad	40,174,142
Medi-Cal Cont Adj-Mng Care	306,046,346
DSH (SB 855) Funds Rec'd	0
Co Indigent Cont Adj	0
Other 3rd Cont Adj-Trad.	38,818,264
Other 3rd Cont Adj-Mng Care	219,835,370
Provision for Bad Debts	28,642,059
Charity-Hill-Burton	0
Charity-Other	11,148,634
Gifts & Subs. Indigent Care	0
All Other Deductions	70,331,579
Total Deductions from Rev.	$1,466,590,708

Source: HCAI Pivot Profile, Fiscal Year 2024

C. Capitation Premium Revenue

Payer	Amount
Medicare	$76,480
Medi-Cal	22,914,705
Co. Indigent Programs	0
Other Managed Care	5,365,140
Total Capitation Rev.	$28,356,325

Source: HCAI Pivot Profile, Fiscal Year 2024

Key findings

- Net patient revenue totaled $342.6M.
- Gross revenue totaled $1.78B (gross charges).
- Deductions represented 82.4% of charges.
- Operating expenses exceed operating revenue by $5.0M.
- Total net income was positive due to $7.3M in non-operating revenue.
- Medicare and Medi-Cal contractual adjustments were the largest deductions ($751.6M and $346.2M).
- Bad debt totaled $28.6M and charity (gross) was $11.1M.
- Capitation revenue totaled $28.4M with the largest share from Medi-Cal ($22.9M).

Exhibit 10. QVMC: Financial Ratios and Uncompensated Care

A. Financial Ratios

Ratio	Value
Current Ratio	1.87
Days in Accounts Receivable	49.09
Long-Term Debt to Net PPE	43.4%
Long-Term Debt to Equity	28.9%
Equity to Total Assets	58.9%
Net Return on Total Assets	0.4%
Patient Revenue Margin	-3.2%
Operating Margin	-1.4%
Total Margin	0.4%
Net Income Margin	0.4%
Cost-to-Charge Ratio	19.5%
Net PPE Per Licensed Bed	$845,294

Source: HCAI Pivot Profile, Fiscal Year 2024

B. Uncompensated Care Costs

Measure	Amount
Charity-Other	$2,176,017
Charity-Other + Bad Debt	7,766,443
Charity-Other + Bad Debt + County Indigent Cont. Adj.	7,766,443

C. Uncompensated Care Costs as % of Operating Expenses

Measure	Percent
Charity % of Operating Expenses	0.6%
Charity + Bad Debt % Operating Expenses	2.2%
Charity+Bad Debt+County Indigent Cont. Adj. % of Op. Exp.	2.2%

Source: HCAI Pivot Profile, Fiscal Year 2024

Key findings

- The operating margin was negative (-1.4%); total margin was a positive 0.4%.
- Reported uncompensated care cost $7.8M (2.2% of operating expenses).

Exhibit 11. QVMC: Financial and Utilization Data by Payer Category

A. Total, Medicare and Medi-Cal and Other Payors

Measure	Total	Medicare Traditional	Medicare Managed Care	Medi-Cal Traditional	Medi-Cal Managed Care
Patient Days (excl. nursery)	22,656	9,590	2,804	904	4,974
Discharges (excl. nursery)	6,084	2,369	665	281	1,506
Average Length of Stay (est.)	3.72	4.05	4.22	3.22	3.30
Outpatient Visits	50,924	10,952	5,365	7,787	11,405
Gross Inpatient Revenue	$746,200,324	$314,758,731	$99,790,732	$31,030,214	$159,922,498
Gross Outpatient Revenue	1,034,609,386	327,064,144	137,829,057	31,372,438	221,827,426
Gross Patient Revenue	$1,780,809,710	$641,822,875	$237,619,789	$62,402,652	$381,749,924
- Deductions from Rev	1,466,590,708	561,313,132	197,539,516	42,853,603	352,088,855
+ Capitation Premium Rev	28,356,325		76,480		22,914,705
Net Patient Revenue	$342,575,327	$80,509,743	$40,156,753	$19,549,049	$52,575,774
Percent of Gross Revenue	19.2%	12.5%	16.9%	31.3%	13.8%
Expenses (est.)	$347,582,736	$125,272,537	$46,379,204	$12,179,900	$74,510,871
Surplus / (Shortfall)	($5,007,409)	($44,762,794)	($6,222,451)	$7,369,149	($21,935,097)
Adjusted Patient Days	54,069	19,555	6,677	1,818	11,873

Measure	Other Third Parties Traditional	Other Third Parties Managed Care	Other Indigent	All Other Payers
Patient Days (excl. nursery)	645	3,225	107	407
Discharges (excl. nursery)	171	958	29	105
Average Length of Stay (est.)	3.77	3.37	3.69	3.88
Outpatient Visits	2,160	11,731	232	1,292
Gross Inpatient Revenue	$19,446,050	$103,030,381	$3,810,351	$14,411,367
Gross Outpatient Revenue	33,170,777	254,752,427	4,336,319	24,256,798
Gross Patient Revenue	$52,616,827	$357,782,808	$8,146,670	$38,668,165
- Deductions from Rev	43,486,569	226,215,128	8,146,670	34,947,235
+ Capitation Premium Rev		5,365,140		
Net Patient Revenue	$9,130,258	$136,932,820	$0	$3,720,930
Percent of Gross Revenue	17.4%	38.3%	0.0%	9.6%
Expenses (est.)	$10,269,879	$69,832,912	$1,590,087	$7,547,346
Surplus / (Shortfall)	($1,139,621)	$67,099,908	($1,590,087)	($3,826,416)
Adjusted Patient Days	1,745	11,199	229	1,092

Source: HCAI Pivot Profile, Fiscal Year 2024

Key findings

- Medicare accounts for 54.7% of patient days, and Medi-Cal for 25.9%.
- Revenue fell short of estimated costs by $51M for Medicare and $14.6M net for Medi-Cal. Traditional Medi-Cal was the one government category with a surplus ($7.4M).
- Third-party managed care (commercial) generated revenue totaling $136.9M, 40.0% of net patient revenue, and produced a $67.1M surplus over cost.

Exhibit 12. Queen of the Valley Medical Center (Napa): Balance Sheet (Unrestricted)

Assets	Amount	% of Total	Liabilities and Equity	Amount	% of Total
Current Assets	$191,422,839	44.9%	Current Liabilities	$102,554,537	24.1%
Limited Use Assets	19,611,139	4.6%	Deferred Credits	82,367	0.0%
Net PPE	142,155,847	33.4%	Net Long-Term Debt	72,586,151	17.0%
Construction-in-Progress	25,212,292	5.9%	Total Liabilities	$175,223,055	41.1%
Investments & Other Assets	47,633,455	11.2%			
Intangible Assets	172,123	0.0%	Equity	250,984,640	58.9%
Total Assets	$426,207,695	100.0%	Total Liabilities & Equity	$426,207,695	100.0%
Cash	$106,854,607	25.1%	Mortgage Notes	$0	0.0%
Memo: Gross PPE	449,414,271	105.4%	Bonds Payable	$68,992,026	16.2%
Intercompany Receivables	0	0.0%	Intercompany Payables	$0	0.0%

Source: HCAI Pivot Profile, Fiscal Year 2024

Key findings

- Total assets were $426.2M, and equity of $251.0M funds 58.9% of them.
- Long-term debt is $72.6M (17.0% of liabilities and equity).
- Cash is $106.9M (25.1% of assets) at the facility level. Construction-in-progress of $25.2M points to active capital projects.

B. Beds by Type, Clinical Programs, and Services – QVMC

Exhibit 13. Bed Distribution by Type – QVMC

Bed type	Licensed FY2024	Licensed FY2025	Available FY2024	Available FY2025	Staffed FY2024	Staffed FY2025
Medical/Surgical Acute	90	90	90	90	28	30
Definitive Observation	30	30	30	30	15	17
Obstetrics Acute	20	20	20	20	6	5
Physical Rehabilitation Care	14	14	14	14	9	9
Medical/Surgical Intensive Care	36	36	18	16	8	8
Neonatal Intensive Care	8	8	8	8	2	2
Nursery Acute (bassinets)	17	17	17	17	4	4
Total (excludes Nursery Acute)	198	198	180	180	68	71

Source: HCAI Annual Disclosure Reports, FY2024 and FY2025.

Key findings

- Licensed beds remained at 198 and available beds at 180.
- Medical Surgical (Med/Surg) Acute is the largest category at 90 beds, with Med/Surg Intensive care the second largest category - 36 licensed beds.

Exhibit 14. QVMC – Clinical Programs and Centers

Program or service line	Description and designation	Source
Emergency and trauma	Gasser Emergency Center; American College of Surgeons verified Level III trauma center; paramedic base station hospital for Napa County; ACEP accredited Level 3 (Bronze) Geriatric Emergency Department, 2023–2026	Providence Awards & Accreditations Directory; Emergency & Trauma Services Page.
Maternity and newborn care	The only labor and delivery unit in Napa County; neonatal intensive care; California Maternal Quality Care Collaborative Honor Roll, 2023–2026; U.S. News & World Report high performing in maternity care for the 2025 and 2026 ratings	Providence news release, December 17, 2025
Cancer care	Commission on Cancer accredited Comprehensive Community Cancer Program; National Accreditation Program for Breast Centers accredited Breast Center; Profili Imaging Center (PET, MRI, CT, low-dose CT lung screening; American College of Radiology accredited and designated lung cancer screening center)	providence.org awards and imaging pages
Heart and vascular care	Heart Care department; STEMI receiving center (Napa County EMS); U.S. News & World Report high performing in pacemaker implantation, 2026–27	providence.org awards and accreditation page
Neuroscience and stroke care	Neuroscience Center; Joint Commission Primary Stroke Center certification (October 2018), the only certified primary stroke center in Napa County at the time; national stroke-care recognition announced July 20, 2026	Providence Departments and Clinical Services Page and news releases
Surgery, orthopedics and bariatrics	Surgery Center; Spine Care; Sports Medicine; Metabolic and Bariatric Surgery Accreditation and Quality Improvement Program accredited bariatric surgery center; U.S. News & World Report high performing in hip fracture and kidney failure, 2026–27	providence.org awards and accreditation page
Women's health, nutrition and diabetes	Women's Health; Nutrition and Diabetes Wellness; diabetic training and counseling classes are reported	Providence Department Directory, providence.org
Graduate medical education	Residency and fellowship programs in Northern California; FY2025 residents and fellows are reported	Providence GME Portal ,gme.providence.org

Key findings

- The hospital offers a wide range of clinical services including specialized services.

C. Accreditation, Certifications and Awards

Exhibit 15. QVMC – Accreditation and Recognition

Issuing body	Accreditation, certification or recognition	Period or status	Source
The Joint Commission	Hospital accreditation (Gold Seal of Approval)	Current; Providence reports every acute care hospital except three named non-California facilities as Joint Commission accredited	Providence continuing disclosure, year-end 2025; providence.org awards page
The Joint Commission	Primary Stroke Center certification	Earned October 2018	Providence news release, October 12, 2018
American College of Surgeons	Verified Level III Trauma Center	Current	providence.org awards page
American College of Surgeons Commission on Cancer	Accredited Comprehensive Community Cancer Program	Current	providence.org awards page
National Accreditation Program for Breast Centers	Accredited Breast Center	Current	providence.org awards page
MBSAQIP	Accredited Bariatric Surgery Center	Current	providence.org awards page
American College of Emergency Physicians	Accredited Level 3 (Bronze) Geriatric Emergency Department	2023–2026	providence.org awards page
California Maternal Quality Care Collaborative	Honor Roll recipient	2023–2026	providence.org awards page
U.S. News & World Report	High Performing: maternity care (2025 and 2026 ratings); hip fracture, kidney failure and pacemaker implantation (2026–27)	2025–2027	Providence news release, December 17, 2025; providence.org awards page

Key findings

- The hospital has received accreditation from a wide range of professional organizations in a number of different clinical areas including specialized services.

D. Quality Measures

Exhibit 16. CMS Quality Measures and Readmissions

A. QVMC Compared to NorthBay Health Medical Center

Measure ID	QVMC	NB	National	QVMC compared to national	NB compared to national
COMP_HIP_KNEE	Not Available	3.7	4.1	Too few cases	Same
Hybrid_HWM	3.7	3.6	3.9	Same	Same
MORT_30_AMI	11.8	13	11.9	Same	Same
MORT_30_CABG	1.9	3.7	2.4	Same	Same
MORT_30_COPD	9.1	7.4	8.6	Same	Same
MORT_30_HF	12	10.4	11.1	Same	Same
MORT_30_PN	16.7	13.7	15.2	Same	Same
MORT_30_STK	11	12.6	11.9	Same	Same
PSI_03	0.19	0.34	0.63	Same	Same
PSI_04	191.43	180.67	173.30	Same	Same
PSI_06	0.21	0.20	0.21	Same	Same
PSI_08	0.23	0.22	0.27	Same	Same
PSI_09	2.19	2.02	2.34	Same	Same
PSI_10	1.54	1.89	1.67	Same	Same

B. 30-day unplanned readmission rates by condition, measurement period 07/2023–06/2025

Condition	QVMC	NB	National
chronic obstructive pulmonary disease (COPD)	20.2	20.9	20
Acute Myocardial Infarction (AMI)	14.2	13.6	14.4
Heart failure (HF)	20.1	22.1	21.3
Pneumonia (PN)	20.4	18.8	17.3
CABG	10.5	Not Available	11
Rate of readmission after hip/knee replacement	Not Available	5.6	5.8

Source: CMS Provider Data Catalog (Care Compare), 2026 Release.

Key findings

- Across the various measures both hospitals generally perform similarly to each other and in comparison to the national values.
- There are slight differences in several measures compared to the national values: Heart failure readmissions: 20.1 at QVMC and 22.1 at NorthBay Health Medical Center. Pneumonia readmissions: 20.4 and 18.8.

Exhibit 17. Patient Experience (HCAHPS) – QVMC

HCAHPS measure	Star rating (of 5)
Summary star rating	3
Overall hospital rating	3
Would recommend the hospital	4
Nurse communication	4
Doctor communication	3
Communication about medicines	2
Discharge information	3
Cleanliness	4
Quietness	1

Source: CMS Provider Data Catalog (Care Compare).

Key findings

- The overall range of star ratings is 1 to 4 (out of 5). Most measures for QVMC range from 3 to 4 stars.
- Quietness has the lowest rating, 1 star.

E. Medical Staff

Exhibit 18. Medical Staff – QVMC

This table reports the number of hospital-based physicians at QVMC in 2025.

Specialty	Total Hospital-based Physicians	Share of total
Anesthesiology	17	10.2%
Cardiovascular Diseases	6	3.6%
Dental	3	1.8%
Diagnostic Radiology	7	4.2%
Gastroenterology	5	3.0%
General/Family Practice	10	6.0%
General Surgery	8	4.8%
Internal Medicine	16	9.6%
Neurological Surgery	3	1.8%
Neurology	3	1.8%
Obstetrics and Gynecology	10	6.0%
Oncology	2	1.2%
Ophthalmology	9	5.4%
Orthopedic Surgery	9	5.4%
Otolaryngology	3	1.8%
Pathology	1	0.6%
Pediatric Medicine	7	4.2%
Physical Medicine/Rehabilitation	4	2.4%
Plastic & Reconstructive Surgery	4	2.4%
Podiatry	2	1.2%

Specialty	Total Hospital-based Physicians	Share of total
Pulmonary Disease	2	1.2%
Radiology	3	1.8%
Thoracic Surgery	1	0.6%
Urology	3	1.8%
Vascular Surgery	1	0.6%
Other Specialties	27	16.3%
Total (as filed; equals the sum of the rows above)	166	100.0%

Source: HCAI Annual Disclosure Reports, FY2025. Note: These counts are not full-time-equivalent positions, and the hospital did not report any Non-Hospital Based affiliated physicians.

Key findings

- Across the 26 specialties with reported medical staff, the hospital lists a total of 166 hospital-based physicians.

Exhibit 19. Employee FTEs and Hours – QVMC

Year	FTEs	Productive hours	Paid hours	Patient days	Prod. hrs / patient day	Nursing FTEs	Medical staff
2023	815	1,621,723	1,818,358	23,967	67.7	–	–
2024	820	1,600,338	1,811,740	22,656	70.6	–	–
2025	810	1,536,664	1,739,384	23,776	64.6	314	166

Source: HCAI Annual Disclosure Reports, FY2023–FY2025.

Key findings

- Full-time-equivalent employees numbered 815 in 2023, 820 in 2024 and 810 in 2025.
- Productive hours declined from 1,621,723 to 1,536,664 over the period.

F. Charity Care and Community Benefits – QVMC

All hospitals are required to report their Charity Care and Community benefits to HCAI. The following data and table are an extract from the most recent report.

Exhibit 20. Charity Care and Community Benefits – QVMC

Providence Queen of the Valley Medical Center, Napa, California

FY25 (July 1, 2024 - June 30, 2025)

Financial Assistance and Means-Tested Government Program	Vulnerable Population	Broader Community	Total
Traditional Charity Care	$2,643,353	$0	**$2,643,353**
Medi-Cal	$27,915,273	$0	**$27,915,273**
Other Means-Tested Government (Indigent Care)	$0	$0	**$0**
Sum Financial Assistance and Means-Tested Government Program	**$30,558,626**	**$0**	**$30,558,626**

Other Benefits			
Community Health Improvement Services	$5,136,198	$437,856	**$5,574,054**
Community Benefit Operations	$1,058,546	$245,450	**$1,303,996**
Health Professions Education	$0	$0	**$0**
Subsidized Health Services	$81,321	$0	**$81,321**
Research	$0	$0	**$0**
Cash and in-kind Contributions for Community Benefits	$731,483	$0	**$731,483**
Other Community Benefits	$0	$0	**$0**
Total Other Benefits	**$7,007,548**	**$683,306**	**$7,690,854**

Community Benefits Spending			
Total Community Benefits	$37,566,174	$683,306	**$38,249,480**
Medicare (non-IRS)	$24,829,409	$0	**$24,829,409**
Total Community Benefits with Medicare	**$62,395,583**	**$683,306**	**$63,078,889**

"In FY25, Queen of the Valley Medical Center invested $38,249,480 in key community benefit programs. $37,566,174 was spent in community benefit programs for the vulnerable which includes $2,643,353 in traditional charity care (also known as Financial Assistance at cost), $27,915,273 in unpaid cost of Medi Cal and $683,306 in community benefit spend for the broader community. Queen of the Valley Medical Center applies a ratio of cost to charge to quantify financial assistance at cost, unreimbursed Medicaid (Medi-Cal), and other means-tested government programs. The cost to charge ratio is aligned with the IRS Form 990, Schedule H Worksheet 2. Our community benefit program expenses are reported in alignment with the total cost incurred to run our programs, and we offset any restricted revenue received to arrive at our net community benefit expense."

VI. Analysis of the QVMC's Geographic Service Area and Where Napa County Residents Receive Hospital Care – QVMC, 2024–2025

A. Purpose and Data

The Exhibits in the section of the report describe the geographic service area served by QVMC and where residents of Napa County obtain hospital-based care (inpatient and emergency department (ED)), and the important role that QVMC plays in meeting the hospital care needs of residents of Napa County. These data are essential to understanding the importance of maintaining service availability at QVMC following NorthBay Health's proposed acquisition of QVMC: it shows the hospital's current role in Napa County, the areas of the County where some residents go elsewhere for care, and how dependent Napa residents and health care patients are on QVMC hospital and its related provider organizations. The Exhibits in this section of the Report are constructed based on data for calendar years 2024 and 2025 reported by the Hospital to HCAI that is used to produce publicly available, standardized patient origin and market share reports made available on the HCAI website.[17][18]

Key findings

- QVMC is the anchor hospital for Napa County residents. In 2025, QVMC accounted for 30,040 of 41,576 (72.3%) Napa County resident total patient encounters at all non-Kaiser hospitals.
- QVMC's share of Napa County inpatients admitted to a non-Kaiser hospital is 61%. Patients received care outside their local delivery system, including, for example, referrals for specialized service and emergencies when traveling outside the area. It is likely that Napa residents seek tertiary care outside the County, going to other non-QVMC hospitals including tertiary centers such as UCSF (Exhibits 20–22).
- As a result, and not surprisingly, QVMC's share of all Napa emergency patients is much higher for ED care 75% when compared to inpatient care as patients are generally instructed to visit the nearest ED in cases requiring emergency care.
- Among non-Kaiser hospitals, QVMC provides by far the most care to Napa County residents. Adventist Health St. Helena is second with approximately 12% of all hospital utilization; no other hospital exceeds 3.7% (Exhibit 22).
- Local access and geography are important drivers of QVMC use. QVMC serves more than 80% of encounters from the City of Napa and 75% from Yountville. While less than half of patients from American Canyon (43%) and a smaller share use QVMC (15%) from Up Valley communities.
- QVMC is overwhelmingly a Napa County hospital. Napa residents comprised 84.6% of its 2025 encounters; Solano and Sonoma residents together added 9.0% (Exhibit 30).

---

[17] https://data.chhs.ca.gov/dataset/patient-origin-market-share-pivot-profile-inpatient-emergency-department-and-ambulatory-surgery

[18] Important Notes on Construction of the Exhibits: Some Napa County residents are enrolled in Kaiser Permanente Health Plan. This plan operates a closed delivery system that generally requires its members to use on Kaiser facilities except for emergencies or referrals for specialized care. As such, in constructing the Exhibits to assess the potential access implications of the transaction, data for utilization of Kaiser Permanente hospitals are excluded from all exhibits. In performing the calculations totals and shares are calculated among Napa County resident encounters at non-Kaiser hospitals.

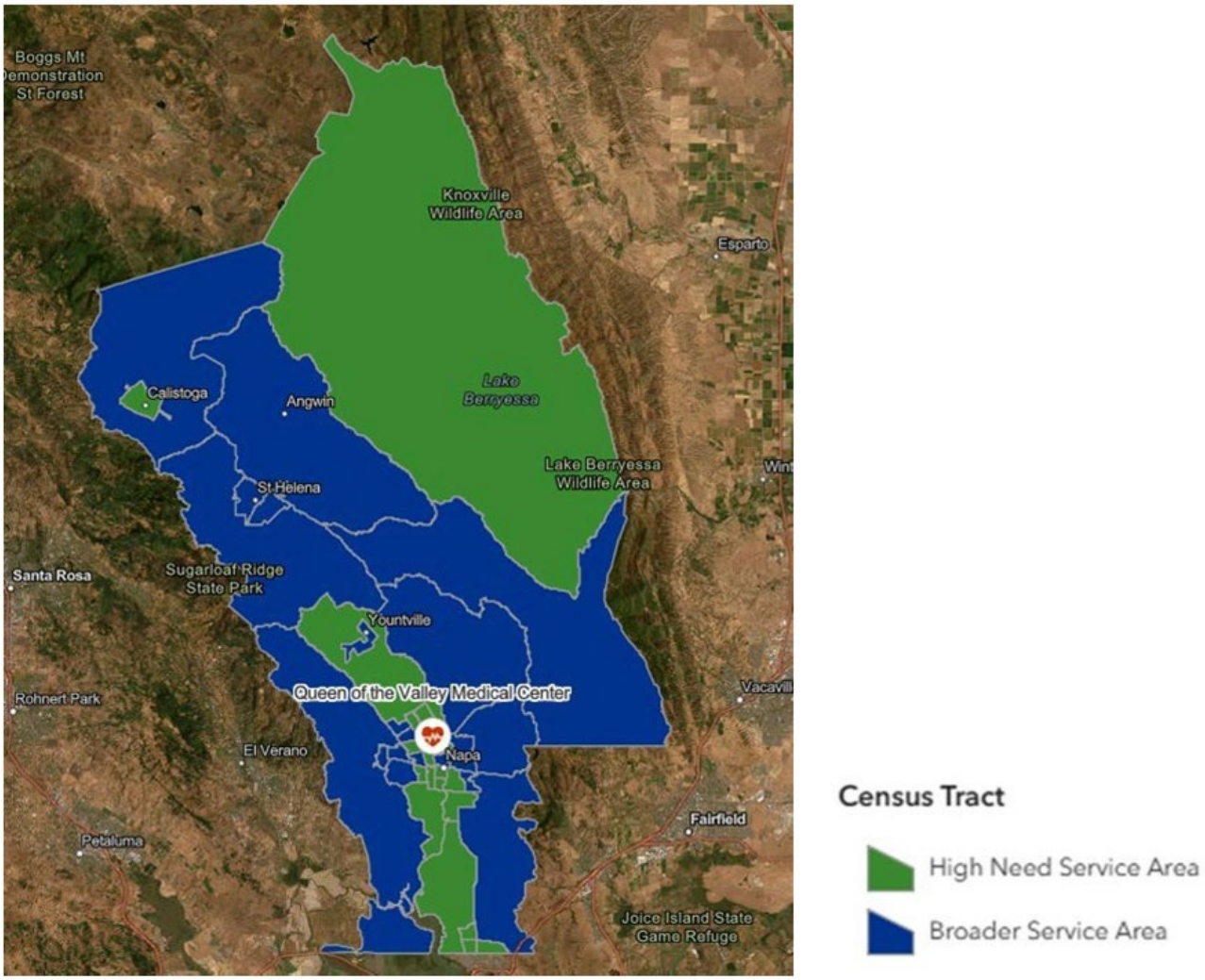
- It is important to note that NorthBay Health Medical Center and QVMC currently serve largely separate populations. Napa County residents totaled 540 of NorthBay Health Medical Center's 74,870 encounters, which is less than 1%.

B. QVMC – Total Service Area Map

The Map below illustrates the QVMC Total Service Area including identified high-need service areas as defined by the Hospital and reported in their Annual Community Benefit Report filed with HCAI.[19]

Exhibit 21. QVMC Total Service Area Map

Figure 2. Queen of the Valley Medical Center Total Service Area



Source: Queen of the Valley Medical Center FY2025 Community Benefit Report (p. 6)

19 https://hcai.ca.gov/community-benefit-plans/providence-queen-of-the-valley-medical-center/?report_year=2025

C. County-wide View: Where Napa County Residents Go

Exhibit 22. Napa County Resident Encounters at Hospitals by Type of Service, 2024–2025

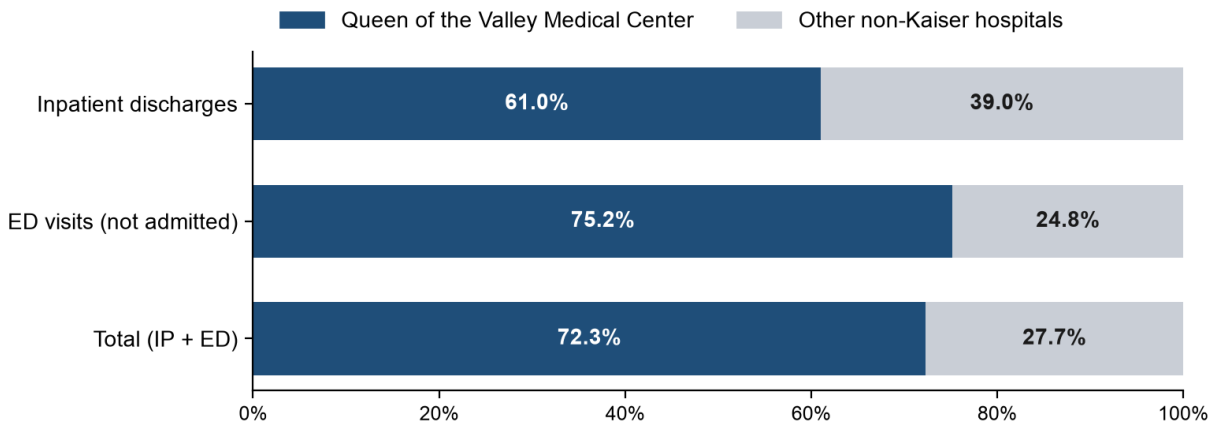
Hospital group	IP 2024	IP 2025	ED 2024	ED 2025	Total Encounters 2024	Total Encounters 2025	Share of non-Kaiser 2025
Non-Kaiser hospitals, total	**8,251**	**8,712**	**32,789**	**32,864**	**41,040**	**41,576**	**100.0%**
Queen of the Valley Medical Center	5,159	5,314	24,460	24,726	29,619	30,040	72.3%
Other non-Kaiser hospitals	3,092	3,398	8,329	8,138	11,421	11,536	27.7%
QVMC share of non-Kaiser encounters	**62.5%**	**61.0%**	**74.6%**	**75.2%**	**72.2%**	**72.3%**	**–**

Source: HCAI patient origin and market share data, Napa County residents, calendar years 2024 and 2025; non-Kaiser totals from the project's earlier Napa County workbook. Encounters are inpatient discharges plus ED visits not resulting in admission; ambulatory surgery excluded. Kaiser hospitals are excluded. Note: Inpatient (IP) means inpatient discharges, including patients admitted through the ED. ED means ED visits that did not result in an admission (treat-and-release), so IP and ED do not double count. Total encounters equal IP plus ED. Counts are encounters, not unique individuals. One resident with several visits is counted several times. Ambulatory surgery is excluded.

Summary.

- Napa County residents had 41,576 total encounters at all other non-Kaiser hospitals in 2025 (8,712 inpatient discharges and 32,864 ED visits), 1.3% more than in 2024.
- QVMC treated 30,040 patients or 72%.
- All other hospitals treated 11,536 (27%) of Napa County resident patients.
- As expected, QVMC's share is much higher for ED care (75%) than for inpatient care (61%).

Exhibit 23. Share of Napa County Resident Non-Kaiser Encounters by Provider Group and Setting, 2025



Source: HCAI patient origin and market share data, Napa County residents, calendar years 2024 and 2025. Encounters are inpatient discharges plus ED visits not resulting in admission; ambulatory surgery excluded. Kaiser hospitals are excluded; shares are calculated among non-Kaiser hospitals only.

Summary.

- As noted, QVMC's share among non-Kaiser hospitals is greater for emergency care than for inpatient care.
- QVMC treated 75% of all non-Kaiser ED visits and 61% of non-Kaiser inpatient discharges.

- The remaining 39% of inpatient discharges and 25% of ED visits went to other non-Kaiser hospitals.
- As noted, and confirmed by data presented below, this difference in inpatient versus emergency utilization is consistent with residents traveling to larger regional and academic hospitals for inpatient admissions.

Exhibit 24. Top 10 Non-Kaiser Hospitals Serving Napa County Residents, 2024–2025 (IP + ED Encounters)

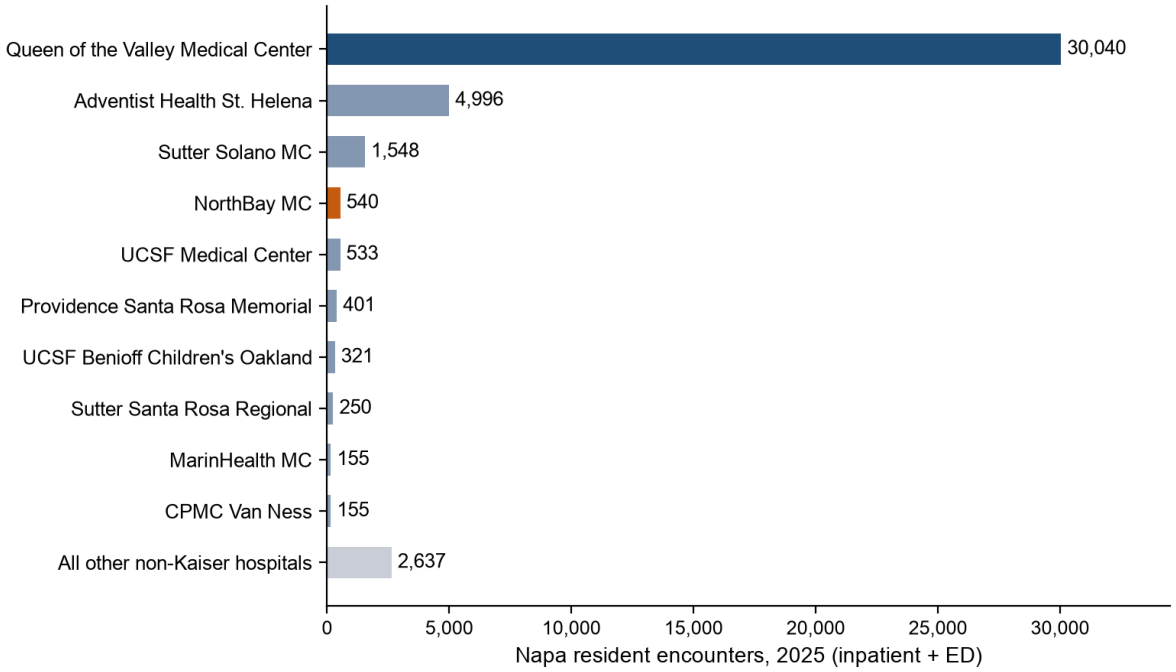
#	Hospital	County	2024	2025	Change	Share of non-Kaiser 2025
1	Queen of the Valley Medical Center	Napa	29,619	30,040	+1.4%	72.3%
2	Adventist Health St. Helena	Napa	5,064	4,996	-1.3%	12.0%
3	Sutter Solano Medical Center	Solano	1,626	1,548	-4.8%	3.7%
4	NorthBay Health Medical Center	Solano	427	540	+26.5%	1.3%
5	UCSF Medical Center	San Francisco	493	533	+8.1%	1.3%
6	Providence Santa Rosa Memorial Hospital–Montgomery	Sonoma	410	401	-2.2%	1.0%
7	UCSF Benioff Children's Hospital Oakland	Alameda	256	321	+25.4%	0.8%
8	Sutter Santa Rosa Regional Hospital	Sonoma	231	250	+8.2%	0.6%
9	MarinHealth Medical Center	Marin	125	155	+24.0%	0.4%
10	California Pacific Medical Center - Van Ness Campus	San Francisco	119	155	+30.3%	0.4%
	Subtotal, top 10		**38,370**	**38,939**	**+1.5%**	**93.7%**
	All other non-Kaiser hospitals		2,670	2,637	-1.2%	6.3%
	Total non-Kaiser hospitals		**41,040**	**41,576**	**+1.3%**	**100.0%**

Source: HCAI patient origin and market share data, Napa County residents, calendar years 2024 and 2025. Encounters are inpatient discharges plus ED visits not resulting in admission; ambulatory surgery excluded.

Summary.

- The top ten hospitals, including QVMC, account for 94% of Napa residents' total hospital-based encounters.
- QVMC alone accounts for 72%.
- Adventist Health St. Helena, the county's only other acute care hospital, is second with 4,996 encounters (12%).
- When combined, the two Napa County hospitals together provide 84% of all care to Napa County residents.
- The remaining eight hospitals are outside the County, and each serve fewer than 1,600 Napa residents in 2025.

Exhibit 25. Illustration of the Important Role of QVMC in Serving Napa County Hospital Patients, 2025



Source: HCAI patient origin and market share data, Napa County residents, calendar years 2024 and 2025. Encounters are inpatient discharges plus ED visits not resulting in admission; ambulatory surgery excluded. Kaiser hospitals are excluded; shares are calculated among the 41,576 non-Kaiser encounters. NorthBay Health Medical Center highlighted.

Summary.

- In 2025, Napa County residents had 41,576 encounters at non-Kaiser hospitals, and QVMC treated 30,040 (72%).
- Of the remaining 11,536, Adventist Health St. Helena treated 4,996 (12%), making it the largest alternative to QVMC.
- The remaining eight hospitals treated less than 2,600 patients, including: Sutter Solano Medical Center 1,548 (3%) while no other single hospital treated more than 540 patients.
- NorthBay Health Medical Center served 540 (1%), and all other non-Kaiser hospitals together treated 2,637 patients (6%).

D. QVMC Share and Coverage by ZIP Code and Subregion Within Napa County

Exhibit 26. Napa County Resident Non-Kaiser Encounters (IP + ED) and QVMC Share by ZIP Code, 2024–2025

ZIP	Community	Non-Kaiser encounters 2024	Non-Kaiser encounters 2025	QVMC 2024	QVMC 2025	QVMC share 2024	QVMC share 2025
94558	Napa	21,068	21,564	18,286	18,751	86.8%	87.0%
94559	Napa	8,651	8,793	7,550	7,616	87.3%	86.6%
94503	American Canyon	4,141	4,108	1,797	1,748	43.4%	42.6%
94574	St. Helena	2,391	2,338	458	401	19.2%	17.2%
94515	Calistoga	2,057	2,084	245	263	11.9%	12.6%
94599	Yountville	1,331	1,327	1,007	988	75.7%	74.5%
94508	Angwin	871	870	99	111	11.4%	12.8%
94567	Pope Valley	217	206	31	33	14.3%	16.0%
94581	Napa (PO boxes)	142	105	92	68	64.8%	64.8%
94573	Rutherford	73	88	21	32	28.8%	36.4%
94576	Deer Park	62	58	12	10	19.4%	17.2%
94562	Oakville	42	37	21	19	50.0%	51.4%
Total	**Napa County**	**41,046**	**41,578**	**29,619**	**30,040**	**72.2%**	**72.2%**

Source: HCAI patient origin and market share data, Napa County residents, calendar years 2024 and 2025. Encounters are inpatient discharges plus ED visits not resulting in admission; ambulatory surgery excluded. ZIP codes sorted by 2025 non-Kaiser encounters; ZIP rows sum exactly to the non-Kaiser county total. Kaiser hospitals are excluded; shares are calculated among non-Kaiser hospitals. ZIP codes are grouped into four subregions: City of Napa (94558, 94559, 94581), American Canyon (94503), Yountville (94599), and Up Valley (94508 Angwin, 94515 Calistoga, 94562 Oakville, 94567 Pope Valley, 94573 Rutherford, 94574 St. Helena, 94576 Deer Park).

Summary.

- Two City of Napa ZIP codes, 94558 and 94559, generate a large share of all Napa County patient encounters - 30,357 encounters, or 73% of the total utilization by County residents.
- QVMC serves more than 80% of patients coming from the top two ZIP codes.
- Yountville (94599) has a lower but still high share, 74%.
- QVMC's share is less outside the Napa–Yountville corridor: 43% in American Canyon (94503), the county's third-largest ZIP code with 4,108 total encounters, 17% in St. Helena (94574), 13% in Angwin (94508), and 13% in Calistoga (94515). The county-wide QVMC share of non-Kaiser encounters totaled 72% in both 2024 and 2025.

Exhibit 27. Napa County Resident Non-Kaiser ED Visits (not admitted) and QVMC Share by ZIP Code, 2024–2025

ZIP	Community	Non-Kaiser ED visits 2024	Non-Kaiser ED visits 2025	QVMC 2024	QVMC 2025	QVMC share 2024	QVMC share 2025
94558	Napa	16,834	17,000	15,198	15,454	90.3%	90.9%
94559	Napa	7,074	7,162	6,414	6,486	90.7%	90.6%
94503	American Canyon	3,269	3,276	1,451	1,447	44.4%	44.2%
94574	St. Helena	1,922	1,880	339	295	17.6%	15.7%
94515	Calistoga	1,653	1,645	163	183	9.9%	11.1%
94599	Yountville	909	857	710	674	78.1%	78.6%
94508	Angwin	717	678	59	68	8.2%	10.0%
94567	Pope Valley	171	162	18	24	10.5%	14.8%
94581	Napa (PO boxes)	116	75	80	53	69.0%	70.7%
94573	Rutherford	53	66	12	23	22.6%	34.8%
94576	Deer Park	47	35	5	4	10.6%	11.4%
94562	Oakville	28	30	11	15	39.3%	50.0%
Total	**Napa County**	**32,793**	**32,866**	**24,460**	**24,726**	**74.6%**	**75.2%**

Source: HCAI patient origin and market share data, Napa County residents, calendar years 2024 and 2025. Encounters are inpatient discharges plus ED visits not resulting in admission; ambulatory surgery excluded. Kaiser hospitals are excluded; shares are calculated among non-Kaiser hospitals.

Summary. QVMC handled 24,726 of 32,866 resident non-Kaiser ED visits in 2025 (75.2%). Its ED share is highest in the City of Napa (90.9% in 94558 and 90.6% in 94559) and Yountville (78.6%). In American Canyon only 44.2% of ED visits were at QVMC, essentially unchanged from 2024 (44.4%), and in the Up Valley communities the share is lower still: 15.7% in St. Helena (down from 17.6%), 10.0% in Angwin, and 11.1% in Calistoga, where Adventist Health St. Helena is the nearer ED. Small ZIP codes such as Rutherford (94573) and Oakville (94562) show large percentage swings on fewer than 100 visits and should be read with caution.

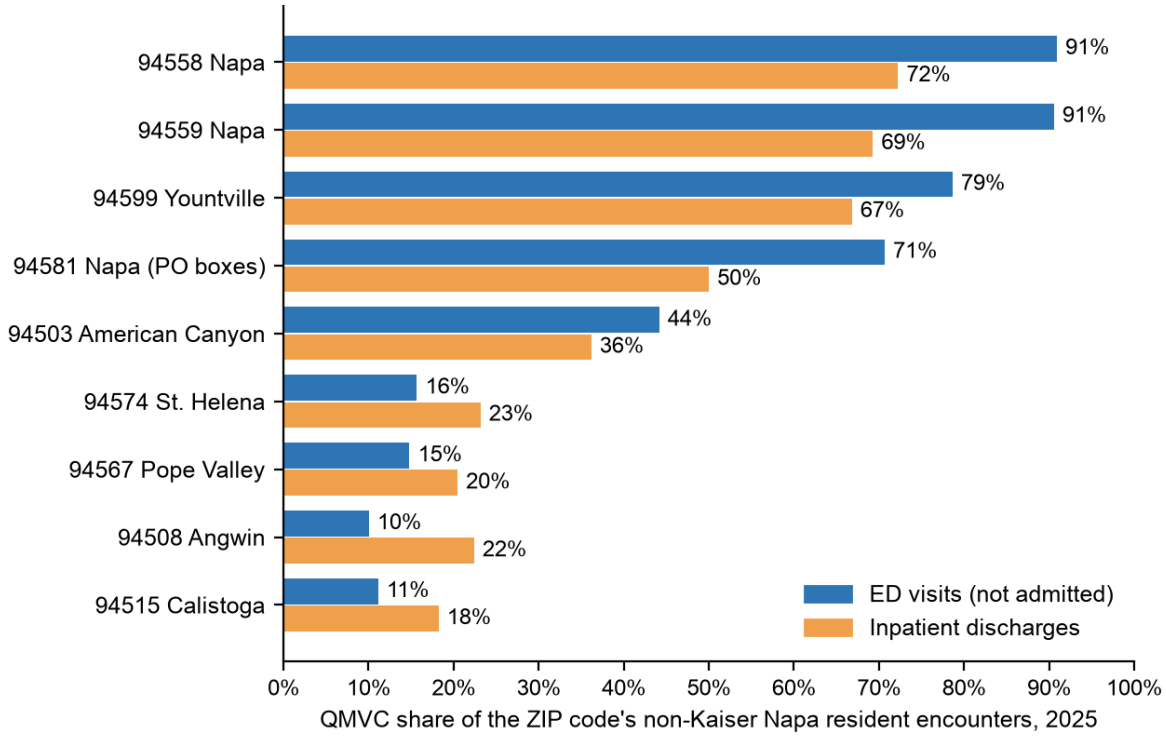
Exhibit 28. Napa County Resident Non-Kaiser Inpatient Discharges and QVMC Share by ZIP Code, 2024–2025

ZIP	Community	Non-Kaiser discharges 2024	Non-Kaiser discharges 2025	QVMC 2024	QVMC 2025	QVMC share 2024	QVMC share 2025
94558	Napa	4,234	4,564	3,088	3,297	72.9%	72.2%
94559	Napa	1,577	1,631	1,136	1,130	72.0%	69.3%
94503	American Canyon	872	832	346	301	39.7%	36.2%
94599	Yountville	422	470	297	314	70.4%	66.8%
94574	St. Helena	469	458	119	106	25.4%	23.1%
94515	Calistoga	404	439	82	80	20.3%	18.2%
94508	Angwin	154	192	40	43	26.0%	22.4%
94567	Pope Valley	46	44	13	9	28.3%	20.5%
94581	Napa (PO boxes)	26	30	12	15	46.2%	50.0%
94576	Deer Park	15	23	7	6	46.7%	26.1%
94573	Rutherford	20	22	9	9	45.0%	40.9%
94562	Oakville	14	7	10	4	71.4%	57.1%
Total	**Napa County**	**8,253**	**8,712**	**5,159**	**5,314**	**62.5%**	**61.0%**

Source: HCAI patient origin and market share data, Napa County residents, calendar years 2024 and 2025. Encounters are inpatient discharges plus ED visits not resulting in admission; ambulatory surgery excluded. Inpatient includes admissions through the ED. Kaiser hospitals are excluded; shares are calculated among non-Kaiser hospitals.

Summary. QVMC accounted for 5,314 of 8,712 resident non-Kaiser inpatient discharges in 2025 (61.0%, down from 62.5%). In its core City of Napa ZIP codes the inpatient share is 69% to 72%, well below its ED share there (about 91%), so City of Napa residents who need a hospital admission are more likely to receive it somewhere other than QVMC than residents seeking ED care. The inpatient share declined from 2024 in American Canyon (39.7% to 36.2%), Yountville (70.4% to 66.8%), St. Helena (25.4% to 23.1%), and Calistoga (20.3% to 18.2%). County-wide, resident non-Kaiser discharges grew by 459 while QVMC's grew by 155.

Exhibit 29. QVMC Share of Non-Kaiser ED Visits and Inpatient Discharges by ZIP Code, 2025



Source: HCAI patient origin and market share data, Napa County residents, calendar years 2024 and 2025. Encounters are inpatient discharges plus ED visits not resulting in admission; ambulatory surgery excluded. ZIP codes with at least 100 non-Kaiser encounters in 2025, sorted by QVMC share of total encounters. Kaiser hospitals are excluded; shares are calculated among non-Kaiser hospitals.

Summary. Two patterns stand out. In the City of Napa and Yountville, QVMC's share of ED visits exceeds its share of inpatient discharges by 12 to 21 percentage points, meaning residents who live closest to QVMC still receive a meaningful share of their inpatient care elsewhere. In the Up Valley ZIP codes the pattern reverses: QVMC's inpatient share (18% to 23%) is higher than its ED share (10% to 16%), which suggests that Up Valley residents use Adventist Health St. Helena for emergencies but are more often transferred or referred to QVMC for admission. American Canyon falls in between, with QVMC holding 44% of ED visits and 36% of inpatient discharges.

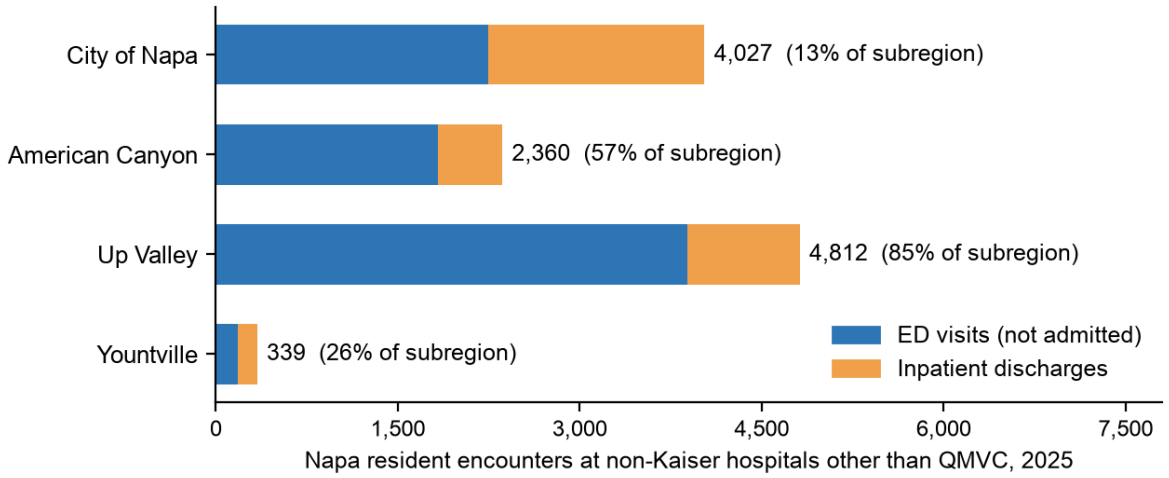
Exhibit 30. QVMC Share of Napa County Resident Non-Kaiser Encounters by Subregion, 2024–2025

Subregion	ZIP codes	Encounters 2025	Share of county 2025	QVMC share 2024	QVMC share 2025	QVMC ED share 2025	QVMC IP share 2025	Encounters at other non-Kaiser hospitals 2025
City of Napa	94558, 94559, 94581	30,462	73.3%	86.8%	86.8%	90.7%	71.4%	4,027
American Canyon	94503	4,108	9.9%	43.4%	42.6%	44.2%	36.2%	2,360
Up Valley	94508, 94515, 94562, 94567, 94573, 94574, 94576	5,681	13.7%	15.5%	15.3%	13.6%	21.7%	4,812
Yountville	94599	1,327	3.2%	75.7%	74.5%	78.6%	66.8%	339
Napa County	**All**	**41,578**	**100.0%**	**72.2%**	**72.2%**	**75.2%**	**61.0%**	**11,538**

Source: HCAI patient origin and market share data, Napa County residents, calendar years 2024 and 2025. Encounters are inpatient discharges plus ED visits not resulting in admission; ambulatory surgery excluded. Subregions are groupings of ZIP codes defined for this analysis. Kaiser hospitals are excluded; shares are calculated among non-Kaiser hospitals.

Summary. The City of Napa accounts for 73.3% of resident non-Kaiser encounters, and QVMC serves 86.8% of them. American Canyon (9.9% of encounters) and the Up Valley communities (13.7%) are QVMC's weakest areas, at 42.6% and 15.3%. Yountville is small (3.2% of encounters) but closely tied to QVMC at 74.5%. QVMC's share was essentially stable from 2024 to 2025 in every subregion, with changes of 1.2 percentage points or less; the largest, in Yountville, was a decline from 75.7% to 74.5%.

Exhibit 31. Napa County Resident Encounters at Non-Kaiser Hospitals Other Than QVMC by Subregion, 2025



Source: HCAI patient origin and market share data, Napa County residents, calendar years 2024 and 2025. Encounters are inpatient discharges plus ED visits not resulting in admission; ambulatory surgery excluded. Kaiser hospitals are excluded; shares are calculated among non-Kaiser hospitals.

Summary. Of the 11,538 resident non-Kaiser encounters that went to hospitals other than QVMC in 2025, 4,812 came from Up Valley, 4,027 from the City of Napa, 2,360 from American Canyon, and 339 from Yountville. American Canyon and Up Valley together account for 62.2% of care that goes elsewhere, although they represent only 23.5% of all resident non-Kaiser encounters; in those areas 57% and 85% of encounters, respectively, are at other non-Kaiser hospitals. Most of this care is ED visits, which make up 54% (Yountville) to 81% (Up Valley) of the non-QVMC encounters in each

subregion. These areas are where NorthBay Health's stated plans for new primary care, urgent care, and specialty sites in Napa County would have the most room to change patterns of care.

E. Patient Origin at QVMC and NorthBay Health Medical Center

Exhibit 32. QVMC Patient Origin by County of Residence, 2024–2025 (IP + ED Encounters)

County of residence	2024	2025	Share 2024	Share 2025	Cumulative share 2025
Napa	29,619	30,040	83.8%	84.6%	84.6%
Solano	1,955	1,901	5.5%	5.4%	89.9%
Sonoma	1,328	1,287	3.8%	3.6%	93.5%
Other U.S.	540	492	1.5%	1.4%	94.9%
Lake	272	267	0.8%	0.8%	95.7%
Contra Costa	191	165	0.5%	0.5%	96.1%
San Francisco	107	122	0.3%	0.3%	96.5%
Humboldt	136	108	0.4%	0.3%	96.8%
Sacramento	103	105	0.3%	0.3%	97.1%
Marin	99	98	0.3%	0.3%	97.4%
Alameda	101	93	0.3%	0.3%	97.6%
Los Angeles	84	93	0.2%	0.3%	97.9%
Mendocino	81	76	0.2%	0.2%	98.1%
Santa Clara	69	73	0.2%	0.2%	98.3%
All other counties	651	601	1.8%	1.7%	100.0%
Total QVMC encounters	**35,336**	**35,521**	**100.0%**	**100.0%**	

Source: HCAI patient origin data for Queen of the Valley Medical Center.

Summary. QVMC had 35,521 inpatient and ED encounters in 2025, up 0.5% from 35,336. Napa County residents made up 84.6% of them, up from 83.8%. Solano (1,901, 5.4%) and Sonoma (1,287, 3.6%) were the next largest sources, and all three counties together supplied 93.5%. Residents of other U.S. states, likely visitors, accounted for 492 encounters (1.4%). Encounters from most other listed counties declined slightly while Napa encounters grew 1.4%, so QVMC became somewhat more dependent on Napa residents.

Exhibit 33. NorthBay Health Medical Center Patient Origin by County of Residence, 2024–2025 (IP + ED Encounters)

County of residence	2024	2025	Change	Share 2024	Share 2025
Solano	67,646	68,476	+1.2%	91.5%	91.5%
Yolo	538	651	+21.0%	0.7%	0.9%
Sacramento	772	636	-17.6%	1.0%	0.8%
Contra Costa	553	588	+6.3%	0.7%	0.8%
Napa	427	540	+26.5%	0.6%	0.7%
Alameda	266	292	+9.8%	0.4%	0.4%
San Francisco	160	150	-6.2%	0.2%	0.2%
San Joaquin	101	97	-4.0%	0.1%	0.1%
Santa Clara	73	92	+26.0%	0.1%	0.1%
Sonoma	80	71	-11.2%	0.1%	0.1%
All other counties, states, and unknown	3,346	3,277	-2.1%	4.5%	4.4%
Total NorthBay MC encounters	**73,962**	**74,870**	**+1.2%**	**100.0%**	**100.0%**

Source: HCAI California Patient Origin Report, NorthBay Health Medical Center (Fairfield), IP + ED patients. Top 10 California counties by 2025 encounters; Napa County highlighted.

Summary. NorthBay Health Medical Center is a Solano County hospital: 68,476 of its 74,870 encounters in 2025 (91.5%) came from Solano residents. Napa County residents were its fifth-largest source among California counties, with 540 encounters (0.7%), up from 427 (0.6%) in 2024. By comparison, QVMC received 1,901 encounters from Solano residents in 2025, more than three times the Napa flow to NorthBay. Before the acquisition, the two hospitals drew from largely separate, adjacent markets.

Exhibit 34. Napa County residents treated at NorthBay Health Medical Center by ZIP Code, 2024–2025

ZIP	Community	2024	2025	Change	Share of NorthBay's Napa patients 2025	NorthBay share of ZIP's non-Kaiser encounters 2025
94503	American Canyon	206	265	+59	49.1%	6.5%
94558	Napa	137	185	+48	34.3%	0.9%
94559	Napa	67	74	+7	13.7%	0.8%
94599	Yountville	1	6	+5	1.1%	0.5%
94508	Angwin	2	5	+3	0.9%	0.6%
94574	St. Helena	6	4	-2	0.7%	0.2%
94581	Napa (PO boxes)	4	1	-3	0.2%	1.0%
94567	Pope Valley	3	0	-3	0.0%	0.0%
94573	Rutherford	1	0	-1	0.0%	0.0%
Total	**Napa County**	**427**	**540**	**+113**	**100.0%**	**1.3%**

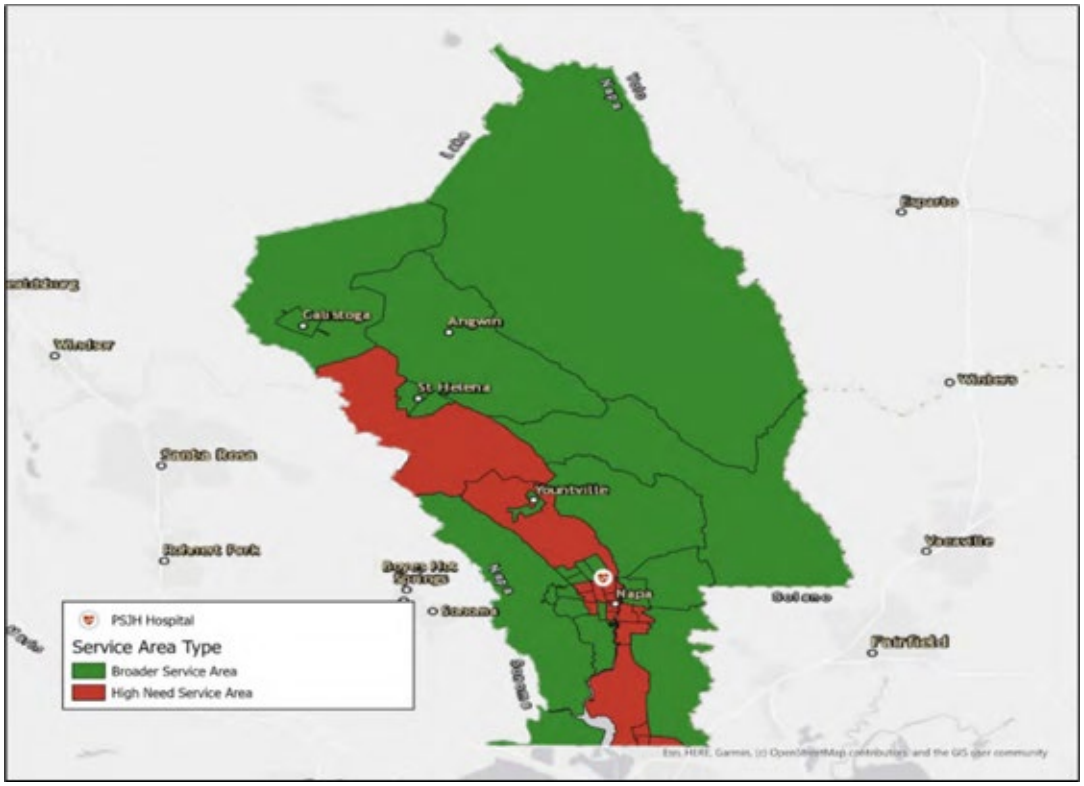
Source: HCAI patient origin and market share data, Napa County residents, calendar years 2024 and 2025. Encounters are inpatient discharges plus ED visits not resulting in admission; ambulatory surgery excluded. Kaiser hospitals are excluded; shares are calculated among non-Kaiser hospitals.

Summary. Napa resident encounters at NorthBay Health Medical Center rose from 427 to 540 (+26.5%). Nearly half came from American Canyon (265, or 49.1%), the Napa ZIP code closest to Fairfield, and most of the rest from the City of Napa (94558 and 94559, 259 combined). Even in American Canyon, NorthBay accounted for only 6.5% of residents' non-Kaiser hospital encounters, and county-wide its share was 1.3%. NorthBay's current footprint in Napa County is therefore small,

and the acquisition of QVMC, rather than existing NorthBay use, is what gives NorthBay Health a substantial share of Napa County residents' non-Kaiser hospital care.

These data presented in this section of the report delineating the market served by QVMC are consistent with the following Map below included in the May 2026 Filing by the Parties.

Exhibit 35. QVMC Service Area by Type



F. Napa County Population Trends by Age (2020–2036 Projections)

The table below extends Napa County's population projections by major age categories through 2036, incorporating baseline Census benchmarks, historical ACS estimates, and long-range trajectories consistent with California Department of Finance (DOF) Demographic Research Unit (Report P-2A) projection parameters.

Exhibit 36. Napa County Population Trends by Age (2020–2036 Projections)

Age Group	2020	2022	2024	2026	2028	2030	2031	2036
Under 18 (Youth)	27,243	25,620	24,600	23,800	23,100	22,500	22,200	20,900
18 to 64 (Working Age)	82,230	80,710	78,800	77,500	76,400	75,200	74,600	72,000
65 +	28,550	29,180	29,700	30,200	30,500	30,800	31,000	31,600
Total Pop.	138,023	135,510	133,100	131,500	130,000	128,500	127,800	124,500

Note: 2020-2024 Actual Census; 2026-2036 Projection Data Sources: U.S. Census Bureau: 2020 Decennial Census: Official baseline count (April 1, 2020); American Community Survey (ACS) 1-Year & 5-Year Estimates (2022, 2024): Demographic breakdowns by age cohort. California Department of Finance (DOF) — Demographic Research Unit: Report P-2A: Total Population Projections by Age, Sex, and Race/Ethnicity for California and Its Counties (2020–2070).

VII. Assessment of Potential Impact on the Availability or Accessibility of Healthcare Services from the Proposed Sale of QVMC to NorthBay

A. Summary of Critical Areas and Issues

1. **Importance of the Hospital to the Community:** Role as Napa County's primary acute anchor, time-sensitive and specialized clinical service lines, and severe geographic constraints.
2. **Continuation as a General Acute Care Hospital:** Evaluation of proposed transaction commitments, secular non-profit governance transition, and the structural inadequacy of a 3-year protection limit.
3. **Emergency and Trauma Services:** ED visit volume trends, Level III Trauma Center status, paramedic base station role, and 5150 involuntary psychiatric evaluation capacity.
4. **Medical/Surgical & Intensive Care Services:** Inpatient bed capacity, telemetry and ICU occupancy rates, and support for high-acuity surgical procedures.
5. **Obstetrics, Perinatal & Neonatal Intensive Care Services:** Countywide monopoly on hospital-based labor & delivery, 22-bed perinatal unit, and Level II Special Care Nursery (4 beds).
6. **Outpatient, Specialized & Cancer Care Services:** Outpatient therapy, imaging center, CARE Network, mobile dental clinics, Comprehensive Cancer Center, and cardiovascular programs.
7. **Effects on Medi-Cal, Medicare & Vulnerable Populations:** Payer mix profile, government reimbursement underpayment offset by commercial margins, and Partnership HealthPlan integration.
8. **Effects on Charity Care & Community Benefit:** Historical charity care expenditures, baseline expenditure requirements, and index-linked protections.
9. **Effects on Staffing, Employee Rights & Medical Staff:** Job offers, wage/benefit guarantees, collective bargaining agreement assumption, and Providence Medical Group, Northern California physician alignment.

B. Detailed Assessment of Healthcare Availability & Accessibility

1. Importance of the Hospital to the Community

QVMC is the indispensable anchor of the healthcare delivery system in Napa County. In 2025, QVMC accounted for the vast majority of total non-Kaiser inpatient and emergency department (ED) encounters by Napa County residents—representing over 70% of all non-Kaiser hospital care in the county. The hospital is overwhelmingly a local resource: Napa County residents constitute 80+% of its total patient volume.

QVMC provides high-acuity, time-sensitive services that exist nowhere else in Napa County. It operates the county's only Level III Trauma Center, its only hospital-based labor and delivery unit, its only Level II Special Care Nursery, and its only certified Primary Stroke Center and STEMI Receiving Center.

Geographic isolation makes local service preservation vital. The county's only other acute care hospital, Adventist Health St. Helena, sits 21 miles to the north (a 27-minute drive under ideal conditions) and primarily serves the smaller Up Valley population. Out-of-county alternatives—such as Sutter Solano in Vallejo (39 minutes) or NorthBay Health Medical Center in Fairfield (42 minutes)—

require navigating congested travel corridors (Highway 12, Highway 29, and Jamieson Canyon Road). These travel bottlenecks severely impact vulnerable groups, including Medi-Cal beneficiaries, agricultural workers, and the 20% of Napa County residents aged 65 or older.

2. Continuation as a General Acute Care Hospital

Neither NorthBay nor SJHNC anticipates reducing healthcare service availability as a direct result of the acquisition. Under the APA, NorthBay Napa will acquire QVMC and related Napa Clinics for $450 million, transitioning the hospital from Providence's Catholic network to a secular, locally governed non-profit health system.

While NorthBay has publicly pledged “no service reductions” and “full clinical continuity from Day One,”[20] its formal APA commitments to maintain essential acute care services, charity care policies, and community benefit programs extend for only three years post-closing.

For an institutional anchor handling over 72% of a county's acute care, a three-year guarantee is structurally insufficient. The three-year term would expire in 2029—just as the hospital faces the state's 2030 seismic compliance mandate under the Alfred E. Alquist Hospital Facilities Seismic Safety Act and NorthBay's own '2030 Vision' capital rollout. Extending these protections to five and ten years is essential to safeguard for the community the availability and access to services provided by this institutional anchor, in alignment with prior California Attorney General approvals for community anchor acquisitions.

3. Emergency and Trauma Services

QVMC's Gasser Emergency Center is the primary emergency response asset in Napa County. In FY2025, the ED logged 36,578 visits (up 10.9% from FY2023), handling 75.2% of all non-Kaiser ED encounters by Napa County residents. In the core City of Napa ZIP codes (94558 and 94559), QVMC's emergency market share exceeds 90%.

The facility serves crucial public safety functions:

- **Level III Trauma Center:** Designated by the American College of Surgeons as the county's sole trauma facility.
- **Paramedic Base Station:** Directs and coordinates ground ambulances, air transport, and CHP aviation operations across Napa County.
- **Designated 5150 Receiving Facility:** Serves as the county's authorized evaluation location for involuntary psychiatric holds under Welfare and Institutions Code § 5150.

Because surrounding emergency departments in Solano and Sonoma counties operate under heavy baseline volumes and long transport times, preserving 24/7 basic emergency and trauma capacity at QVMC without interruption is vital to regional public health.

4. Medical/Surgical & Intensive Care Services

QVMC maintains 198 licensed acute beds, including general medical/surgical acute and telemetry/observation beds, obstetrics beds, and intensive care unit (ICU) beds. In FY2024, the facility recorded 22,656 patient days and 6,084 discharges.

---

[20] NorthBay Health; Community Engagement Sessions 1 and 2, https://www.oag.ca.gov/charities/nonprofithosp.

Exhibit 37. QVMC Services and Licensed Beds

Bed Category / Unit	Licensed Beds
Medical/Surgical Acute	90
Definitive Observation (Telemetry)	30
Medical/Surgical Intensive Care (ICU)	36
Obstetrics / Perinatal	20
Physical Rehabilitation	14
Neonatal Intensive Care (Level II Special Care)	8

The ICU beds and telemetry beds support the hospital's high-acuity surgical programs (including bariatric, orthopedic, spine, and neurosurgery) and emergency admissions. Maintaining these inpatient medical/surgical and critical care beds is necessary to support trauma, cardiac, and complex surgical patient needs locally.

5. Obstetrics, Perinatal & Neonatal Intensive Care Services

QVMC is the sole hospital provider of labor, delivery, and inpatient perinatal care in Napa County. The hospital operates a licensed perinatal unit alongside a Level II Special Care Nursery (Community NICU). Closing or scaling back obstetrical or neonatal support services would force expectant mothers to travel over to Fairfield, Vallejo, or Santa Rosa, introducing significant clinical risks for high-risk pregnancies and precipitous labor.

6. Outpatient, Specialized & Cancer Care Services

QMVC operates comprehensive outpatient specialty programs that serve as critical regional resources:

- **Queen of the Valley Cancer Center:** A Commission on Cancer (CoC)-accredited Comprehensive Community Cancer Program featuring advanced radiation therapy, infusion suites, and an NAPBC-accredited Breast Center.
- **Cardiovascular & Neurosciences:** Operates two cardiac catheterization labs (STEMI receiving center) and a Joint Commission-certified Primary Stroke Center.
- **Community Health & Vulnerable Care:** Includes the CARE Network for complex care management (196 Enhanced Care Management clients), the Queen's Mobile Dental Clinic (serving 1,628 low-income youth), and outpatient physical/occupational therapy.

7. Effects on Medi-Cal, Medicare & Vulnerable Populations

Government payers account for the majority of QVMC's inpatient volume. In FY2025, Medicare (traditional and managed care) represented 53.9% of total inpatient discharges, while Medi-Cal (traditional and managed care) accounted for 28.6%.

Napa County operates under a single-plan County Organized Health System (COHS) administered by Partnership HealthPlan of California (Partnership). An estimated 85+% of QVMC's Medi-Cal beneficiaries are enrolled through Partnership. NorthBay's commitment to maintain active,

uninterrupted provider contracts with Partnership and traditional Medi-Cal is essential to prevent severe care disruptions for vulnerable residents.

8. Effects on Charity Care & Community Benefit

NorthBay has agreed to maintain charity care policies at terms 'no less favorable' than QVMC's existing policy. To ensure accountability, NorthBay should be provide a baseline annual charity care floor of $2,643,353 (at cost) and a community benefit floor of $7,690,854, with annual CPI-inflation adjustments starting in 2027.

9. Effects on Staffing, Employee Rights & Medical Staff

QVMC is a major regional employer, maintaining 810 full-time equivalent (FTE) employees and an active medical staff of 166 physicians across 26 clinical specialties in FY2025. QVMC entered into collective bargaining agreements with unions, as noted in the APA. The APA contains meaningful employee protection provisions: NorthBay will extend job offers to active employees, guarantee comparable roles, wages, and benefits for at least 12 months, honor existing collective bargaining agreements, and coordinate with Providence Medical Group, Northern California to transition outpatient physicians into NorthBay-affiliated medical groups.

C. Driving Time and Access to Key Services for Napa County Residents

Because QVMC operates as the primary acute care anchor and the only comprehensive acute care hospital serving Napa County, preserving a clinical core within local access points is critical.

Exhibit 38. Hospitals Closest to QVMC – (GAC/Non-Kaiser)

Hospital #	Hospital	City	Driving Distance (miles)	Driving Time (formatted)	Driving Route
1	**Queen of the Valley Medical Center**	Napa	0	0 min	Anchor / baseline
2	**Adventist Health St. Helena**	St. Helena	21	27 min	Silverado Trail
3	**NorthBay VacaValley Hospital**	Vacaville	21.3	33 min	CA-12 E and I-80 E
4	**Sutter Solano Medical Center**	Vallejo	16.9	39 min	CA-29 S
5	**NorthBay Health Medical Center**	Fairfield	22.2	42 min	Monticello Rd and Wooden Valley Rd
7	**UCSF Medical Center — Parnassus campus**	San Francisco	54.1	1 hr 17 min	US-101 S
8	**Providence Santa Rosa Memorial Hospital — Montgomery**	Santa Rosa	34.2	1 hr 1 min	CA-12 W
8	**UCSF Benioff Children's Hospital Oakland**	Oakland	48.6	1 hr 7 min	I-80 W
9	**Sutter Santa Rosa Regional Hospital**	Santa Rosa	42.6	59 min	Silverado Trail
10	**Marin Health Medical Center**	Greenbrae	41.4	56 min	US-101 S
10	**California Pacific Medical Center — Van Ness campus**	San Francisco	53.6	1 hr 15 min	US-101 S

1. Key Services at QVMC - Where Access Is Critical

A. Level III Trauma Center & Emergency Services

- **Service:** 24/7 Emergency Department & Designated Level III Trauma Center.
- **Why Maintaining Access is Critical:** QVMC is the only designated trauma center in Napa County. Diverting or consolidating emergency and trauma services to NorthBay facilities in

Solano County (e.g., NorthBay Health Medical Center in Fairfield) would introduce life-threatening transport delays across Highway 12, Highway 29, and Jamieson Canyon Road, especially during peak commute hours or severe weather events.

B. Inpatient Labor & Delivery (L&D) and Level II Special Care Nursery

- **Service:** Perinatal Services, LDR Suites, and Level II Special Care Nursery (NICU).
- **Why Maintaining Access is Critical:** QVMC is the sole provider of hospital-based maternity care in Napa County. Consolidating or reducing these beds would convert Napa County into an immediate "maternity desert," forcing pregnant women to travel 20–30+ miles into Solano or Sonoma counties for deliveries and emergency obstetric care.

C. Inpatient & Outpatient Oncology (Martin-O'Neil Cancer Center)

- **Service:** Comprehensive Cancer Care, Radiation Oncology, Infusion Services, and Surgical Oncology.
- **Why Maintaining Access is Critical:** Cancer care often requires continuous, multi-week treatment regimens (daily radiation therapy, regular chemotherapy infusions). Shifting specialty oncology protocols to other hospitals creates severe transportation barriers, treatment non-adherence risks, and fragmented care continuity for vulnerable cancer patients.

D. Advanced Cardiovascular & Stroke Care (STEMI / Stroke Center)

- **Service:** Percutaneous Coronary Intervention (PCI/Angioplasty), Cardiac Catheterization, and Primary Stroke Center designation.
- **Why Maintaining Access is Critical:** Time-sensitive cardiovascular emergencies (acute myocardial infarctions and ischemic strokes) require immediate local intervention ("door-to-balloon" and "door-to-needle" metrics). Maintaining local 24/7 cardiac catheterization and stroke teams at QVMC is essential for survival rates in Napa.

2. Key Populations Dependent on QVMC Facing Reduced Access Risk

A. Low-Income & Agricultural/Agricultural Worker Populations (Medi-Cal Beneficiaries)

- **Demographic Profile:** Napa County's farmworker population and low-income families enrolled in Partnership HealthPlan of California (Medi-Cal Managed Care).
- **Why Maintaining Access is Critical:** Medi-Cal beneficiaries face heightened geographic and socioeconomic mobility barriers. If services or clinic slots at QVMC are reduced in favor of Solano County sites, low-income patients who lack reliable personal transportation or paid time off will face deferred care, leading to higher rates of preventable emergency room utilization and advanced disease presentation.

B. Elderly & Aging Populations (Medicare Beneficiaries)

- **Demographic Profile:** Over 20% of Napa County residents are aged 65 or older—a cohort projected to grow steadily through 2030.[21]
- **Why Maintaining Access is Critical:** Older adults disproportionately rely on local hospital inpatient capacity, complex chronic disease management, orthopedic care, and cardiac services.

---

[21] *See* Exhibit 39., "Napa County Population Trends by Age 2020-2036 Projections", ***supra.***

Forcing senior populations to cross county lines for specialized or inpatient care introduces mobility hazards, caregiver strain, and care fragmentation.

C. Rural & Upper Napa Valley Residents (Upvalley Communities)

- **Demographic Profile:** Residents of St. Helena, Calistoga, Yountville, and surrounding rural agricultural areas.
- **Why Maintaining Access is Critical:** For Up Valley residents, QVMC is already a 20- to 35-minute drive. If services are relocated, transit times would increase, significantly hindering access to acute inpatient, diagnostic, and specialty outpatient services.

D. Commercially Insured Local Workforces & Small Business Employees

- **Demographic Profile:** Local hospitality, winery, retail, and municipal employees covered under employer-sponsored health plans.
- **Why Maintaining Access is Critical:** Maintaining full clinical service lines locally ensures that local employers retain access to a local provider network without encountering increased out-of-pocket costs, facility fees, or out-of-network leakage if specialized care is shifted across regional health system boundaries.

The table below summarizes the key clinical services and vulnerable populations dependent on QVMC, structured around the main issues, demographic profiles, and impacts of potential service reductions or consolidations resulting from the proposed NorthBay Health transaction.

Exhibit 39. QVMC Service & Population Dependency Analysis and Impact of Potential Reductions

1. Main Concern / Issue	2. Demographic Profile	3. Potential Impact of Reduction
Emergency & Trauma Care Access *(Maintaining Access of 24/7 ED & Level III Trauma Center)*	All Napa County residents, visitors, commuters, and agricultural workers relying on rapid emergency response.	Shuttering or downgrading emergency capacity forces life-threatening transport delays across Highway 12, Highway 29, and Jamieson Canyon Road to Solano County facilities.
Inpatient Maternity & Perinatal Care *(Sole OB unit & Level II Nursery in Napa County)*	Expectant mothers, women of childbearing age (15–44)	Eliminating local maternity services creates an immediate "maternity desert," forcing pregnant patients to travel 20–30+ miles out-of-county for deliveries and obstetric emergencies.
Comprehensive Oncology Services *(Martin-O'Neil Cancer Center)*	Cancer patients	Shifting specialty oncology care to Fairfield or Vacaville creates severe transportation barriers, treatment non-adherence risks, and fragmented care continuity for vulnerable patients.
Advanced Cardiovascular & Stroke Care *(STEMI / Primary Stroke Center designation)*	Aging populations and individuals experiencing time-sensitive acute cardiac events or ischemic strokes.	Compromises critical "door-to-balloon" and "door-to-needle" survival metrics by eliminating local 24/7 cardiac catheterization and stroke intervention teams.
Low-Income & Agricultural Access *(Medi-Cal Managed Care beneficiaries / Partnership HealthPlan)*	Low-income families, farmworkers, and underserved minority communities in Napa Valley.	Increases geographic and socioeconomic barriers for patients lacking reliable personal transportation or paid time off, leading to deferred care and higher ED utilization.
Senior & Aging Care Services *(Medicare beneficiaries aged 65+)*	Seniors comprising over 20% of Napa County's population, facing complex chronic conditions.	Forces older adults to cross county lines for inpatient care and chronic disease management, introducing severe mobility hazards, caregiver strain, and care fragmentation.
Up Valley / Rural Geographic Access *(St. Helena, Calistoga, Yountville residents)*	Residents of northern Napa County agricultural and resort communities.	Increases travel times from 20–35 minutes to 50–70+ minutes, severely restricting access to acute inpatient, diagnostic, and specialty outpatient services.

Key Service Differences: QVMC vs. Adventist Health St. Helena and Sonoma Valley Hospital

While both facilities provide general acute care, QVMC functions as the county's primary high-acuity referral center, offering specialized services not present or operating at the same scale at the Up Valley Adventist Health facility:

- **Higher Licensed Bed Capacity:** QVMC operates **198 licensed beds** (HCAI ID 106281047; CCN 050009), representing the largest acute care concentration in the county, whereas St. Helena Medical Center serves a smaller up-valley patient footprint.

- **Core County Obstetric & Maternity Anchor:** QVMC handles the vast majority of Napa County's inpatient live births (averaging roughly 731 to 850+ annual births), anchoring the county's OB/GYN and specialized neonatal service lines.
- **Comprehensive Emergency & Trauma-Supporting Infrastructure:** Located directly in the county seat of Napa, QVMC manages the heaviest emergency department volume in the region, serving as the central safety net for acute medical, surgical, and intensive care admissions.
- **Advanced Medical Specialties:** QVMC provides broader comprehensive diagnostic, intensive care (ICU), and surgical subspecialty coverage aligned with urban-adjacent regional referral needs, whereas St. Helena leans more heavily toward specialized regional rehabilitation, behavioral medicine, and community-based acute care.

3. Analytical Summary Supporting QVMC as the County's Most Important Hospital

A. Geographic and Population Core Alignment

- **County Seat Centrality:** QVMC is located in the city of Napa, directly positioning it where the vast majority of the county's population resides and works.
- **Demographic Pressures & Senior Care:** Napa County's population is aging rapidly—seniors (aged 65+) are projected to rise to roughly 24% of the county's total residents by 2030, while total county population gradually contracts. As the larger acute care facility, QVMC absorbs the escalating inpatient, cardiovascular, and chronic disease burdens driven by this senior demographic shift.

B. Volume and Market Coverage

- **Maternity & Birth Capture:** QVMC provides essential maternity care. Its robust clinical infrastructure ensures that high-risk OB/GYN specialty care remains accessible within county borders.
- **Essential Healthcare Infrastructure and Access Stability:** Adventist Health St. Helena in Deer Park, California, faces mandatory California hospital seismic compliance deadlines administered by the Department of Health Care Access and Information (HCAI, formerly OSHPD) under SB 1953 / Alfred E. Alquist Hospital Seismic Safety Act standards. Adventist Health St. Helena operates a 151-bed acute care facility housed across multiple interconnected wings built in different decades. State-wide, hospital seismic compliance for 2030 is estimated by the California Hospital Association and RAND to cost California hospitals between $143 billion and $176 billion in aggregate. QVMC is a larger, regional acute care hospital that has undergone more recent structural expansions and modernizations over the years, giving it a more favorable baseline structural performance category mix compared to older rural hospitals such as Adventist Health St. Helena.

D. Summary

QVMC serves as the primary emergency medical anchor for Napa County residents, operating at a scale well above Adventist Health St. Helena. With 18 dedicated treatment stations, the Hospital handles a heavy annual volume of emergency visits resulting in substantial inpatient admissions, making it the primary frontline safety net for acute medical crises and trauma-adjacent care in the region.

The critical nature of QVMC's emergency infrastructure becomes starkly apparent when examining geographic and capacity constraints across the surrounding area. The closest alternative emergency department—Sonoma Valley Hospital—is located 9.5 miles away but is a much smaller facility with only eight ED stations and fewer annual visits. Similarly, Adventist Health St. Helena operates as a very small facility with an emergency department limited to eight stations and fewer annual visits. Because other fully equipped regional medical centers lie 13 to 18+ miles away across county lines (such as Sutter Solano or NorthBay Health Medical Center), QVMC remains an essential, high-capacity hospital capable of providing both routine care and, if needed, absorbing the county's emergency patient surge.

E. Analysis of the $450 Million Sale of QVMC: Rationales, Non-Profit Asset Reinvestment, and Regulatory Frameworks

In April 2026, St. Joseph Health Northern California, LLC (SJHNC) and Providence Medical Foundation (PMF), operating as part of the Providence system, entered into a definitive Asset Purchase Agreement (APA) to sell substantially all operational assets of Queen of the Valley Medical Center (QVMC) and its associated Napa Clinics to NorthBay Health for a purchase price of $450 million**.**

Because Queen of the Valley Medical Center has operated for decades as a tax-exempt, non-profit community health asset within California, the disposition and use of the $450 million in gross transaction proceeds raises important questions regarding non-profit asset preservation for Californians.

This Section details several considerations, including:

1. Providence's stated rationale for the $450 million transaction.
2. Retaining sale proceeds within California to benefit state residents.

1. Stated Rationales for the $450 Million Transaction

In filings with the Office of the Attorney General (OAG) under Corporations Code Section 5920 et seq. and public disclosures, the parties outline several operational and strategic justifications for the transaction:

- **Regional Operational Alignment & Scale:** Providence (a multi-state health system based in Washington) has gradually adjusted its Northern California asset footprint. NorthBay Health operates directly in adjacent Solano County. Transitioning QVMC to NorthBay creates a contiguous local regional network across Napa and Solano counties, aimed at optimizing care coordination, clinical coverage, and administrative scale.
- **Capital and Operational Sustainability:** The transaction allows NorthBay to anchor a broader Northern California footprint while providing Providence with liquid capital from the sale of a public benefit corporation asset to rebalance its balance sheet, address enterprise debt obligations, or reallocate resources across its remaining hospital system.
- **Preservation of Community Benefits:** The APA commits NorthBay to maintaining services and licensed capacity and key community benefit programs at existing scope and funding levels, including charity care and community benefits as well as specialized care coordination programs for low-income and uninsured Napa County residents. NorthBay has also stated that it plans to

invest $100 million into the Hospital over the next five years including to expand primary and urgent care services, and outpatient services.[22]

2. Retaining Sale Proceeds Within California to Benefit State Residents

Numerous factors can be considered in making the case for requiring Providence to retain and deploy the $450 million in transaction proceeds strictly within California for the direct benefit of California residents. The Attorney General has issued enforceable conditions on health facility transactions that address the seller's use of net proceeds from transactions.

A. The Non-Profit Asset & Charitable Trust Doctrine (Cy-Près)

Under California non-profit trust law and the common-law doctrine of *cy-près* ("as near as possible"), charitable assets accumulated by a tax-exempt entity carry an implicit restriction: they must continue to serve the charitable intentions, and geographic communities from which they were generated. California requires that any accumulated public assets cannot be privatized.

This transaction is between two non-profits, which means:

- **Public Subsidization:** QVMC built its balance sheet, facilities, and market position over decades through tax exemptions granted by California taxpayers, local philanthropic contributions, and patient revenues generated by Napa County and California residents.
- **Geographic Proximity Principle:** If a multi-state health system transfers assets from the sale of a public benefit corporation out of state (e.g., to fund operations or capital expansion in Washington, Oregon, or Alaska), this transfer does not follow the principle that locally generated charitable funds should continue benefiting the local or state populace.

B. Direct Reinvestment in California

If the proceeds remain earmarked for California non-profit healthcare, there are several potential high-priority uses within Providence's remaining California health system:

1. **Seismic Safety Mandates (SB 1953 / HCAI Standards):** California acute care hospitals face strict structural and non-structural seismic retrofitting mandates required by 2030 under state law. Capital proceeds acquired by the public benefit corporation can be funneled directly into Providence's remaining Northern and Southern California hospital facilities (e.g., Santa Rosa Memorial Hospital, St. Joseph Hospital Eureka, or Southern California campuses) to fund required infrastructure upgrades to ensure its facilities continue to function for the public's health and safety after an emergency.
2. **Subsidizing Safety-Net Operating Losses:** Many California non-profit hospitals face compressed operating margins driven by elevated labor costs, inflation, and high Medi-Cal/uninsured patient mixes. Reinvesting proceeds into a dedicated California operating reserve or endowment ensures long-term safety-net stability for vulnerable members of the public.
3. **Alternative Community Benefit Distributions:** If Providence's existing California network does not require the entirety of the liquid funds, the state can mandate that a portion of the proceeds be placed into an independent grant-making trust or foundation (similar to the creation of the California Health Care Foundation following historical non-profit conversions) to fund primary care, mental health services, or health equity initiatives across Northern California.

[22] "Providence Queen of the Valley NorthBay Health" (presentation, NorthBay Health, October 2025), p. 15.

VIII. Report Conclusions and Recommended Conditions

Based on NorthBay Health's (NBH) commitments outlined in its filings, public reports by the Parties, and publicly available data regarding the acquisition of the Hospital, the proposed transaction is expected to result in the continuation and maintenance, availability, and accessibility of existing healthcare services and community benefits provided by the Hospital in the communities served. It is anticipated that programs to assure access for Medi-Cal, Medicare, uninsured, and other types of insured patients will remain unchanged along with continuation of current levels of charity and community benefits (adjusted for inflation).

NorthBay, however, has proposed commitments to maintain services and access for only three years post closing.[23] Below is a discussion and analysis of this proposed three-year commitment and why it fails to protect access to needed services to Napa County residents and patients, and how it is inconsistent with prior agreements for similar transactions approved by the Attorney General.

A. Duration of Access Conditions for Queen of the Valley Medical Center

1. Why a three-year commitment is not sufficient

NorthBay has offered to maintain all existing services at QVMC for three years after closing. NorthBay, in its public communications, has committed to: "no service reductions" and "full clinical continuity from Day One."[24] However, the only commitment offered is limited to three years. For a hospital that functions as the acute care anchor of an entire county, three years is too short to protect access.

A. Napa County residents depend heavily on QVMC

QVMC is the largest provider of hospital care to Napa County residents by a wide margin. In 2025 it accounted for the vast majority of inpatient and ED encounters by Napa residents, a similar share as in 2024. Among non-Kaiser hospitals it provided 70+% of resident encounters, and no hospital other than Adventist Health St. Helena (9%) served more than 2.7%. Dependence is highest where most residents live: QVMC served the majority of encounters from the City of Napa, including 68% of ED visits, and 63% of encounters from Yountville. The Hospital is in turn almost entirely a Napa County institution, with Napa residents making up the vast majority of all its 2025 encounters.

QVMC also provides the county's most time-sensitive services. It is the only designated trauma center in Napa County (Level III), a STEMI Receiving Center with cardiac catheterization capability, a Primary Stroke Center, and the county's hospital-based labor and delivery service with a special care nursery. These are services for which a delay of 30 to 40 minutes can negatively impact outcomes, and for which residents cannot reasonably plan ahead or shop among providers.

B. QVMC serves as the primary healthcare source for Napa County

QVMC serves as the primary healthcare source for most Napa County residents, operating in a geographic footprint with very limited nearby alternatives. The county's only other general acute care facility, Adventist Health St. Helena, is located 21 miles north of QVMC (a 27-minute drive under normal conditions) and primarily serves a smaller segment of the population in the Up Valley communities. Non-Kaiser alternative hospitals require travel outside county lines: Sutter Solano

---

[23] Written Notice to Cal. Att'y Gen. under Cal. Corp. Code § 5920, *In re Proposed Sale of Providence Queen of the Valley Med. Ctr. to NorthBay Health Corp.* (May 13, 2026), *available at* https://oag.ca.gov/charities/nonprofithosp.

[24] NorthBay Health; Community Engagement Sessions 1 and 2, at https://www.oag.ca.gov/charities/nonprofithosp.

Medical Center in Vallejo is 39 minutes away, and NorthBay Health Medical Center in Fairfield takes 42 minutes via Monticello Road and Wooden Valley Road. Tertiary and general acute hospitals in Marin, Sonoma, Alameda, and San Francisco counties require drive times ranging from 56 to 77 minutes under baseline conditions.

Reports show that travel times can be extended by severe congestion along key corridors including Highway 12, Highway 29, and Jamieson Canyon Road due to heavy commute traffic, seasonal tourism, and weather disruptions. These types of transportation barriers place a disproportionate burden on populations most dependent on QVMC—including Medi-Cal beneficiaries, agricultural workers, and older adults—who are poorly equipped to absorb long, costly trips. With over 20% of Napa County residents aged 65 or older, the local population presents a healthcare profile that, as NorthBay itself notes, "demands more, not less" accessible care.[25]

C. The hospitals serve almost entirely separate markets

NorthBay Health Medical Center and QVMC currently serve largely separate populations. Napa residents accounted for less than 600 of NorthBay Health Medical Center's 74,870 encounters in 2025 (0.7% of their total), while Solano County residents accounted for 90+% of their total encounters. NorthBay served less than 1% of Napa resident hospital encounters. The acquisition therefore does not combine two hospitals already serving the same community. It combines Napa County's principal hospital into a system whose existing patients, physicians, and capital commitments are centered in another county.

D. Three-year timeline ends before NorthBay's own stated plans and obligations mature

NorthBay's presentation frames its plans for Napa around a "2030 vision" of new primary care, urgent care, specialty hubs, and imaging and commits to capital investment "including seismic compliance by 2030". A three-year service commitment from a closing in 2026 or 2027 would expire in 2029 or 2030, at the same time the hospital faces the 2030 seismic deadline under the Alfred E. Alquist Hospital Facilities Seismic Safety Act.

3. Recommended structure of conditions for QVMC

Consistent with QVMC's essential role in Napa County as an anchor hospital for the community, the conditions should apply for a term of 7 to 10 years to ensure that the community continues to have access to care at QVMC. This is particularly important based on the projected demographic changes in the communities serviced by QVMC, including vulnerable and aging populations. NorthBay may request to amend these conditions subject to the review and approval of the Attorney General in the event of unforeseen circumstances.[26] The conditions secure the availability and accessibility of important care at QVMC for which the hospital is the only provider for critical services in the area.

---

25 https://www.oag.ca.gov/charities/nonprofithosp.

26 Cal. Code Regs, tit. 22, § 999.5, subd. (h).

B. Recommended Conditions for Approval of Transaction

If the California Attorney General approves the proposed transaction, the following conditions are recommended to minimize any potential negative healthcare impacts on access, equity, and community benefits that could result from the transaction:

1. For 7-10 years, the Hospital should maintain 24-hour emergency and trauma medical services including the following:
   - **a.** ED - Basic; emergency treatment stations at current operational levels;
   - **b.** Designation as a Level III Trauma Center;
   - **c.** Designation as an authorized evaluation facility under the Welfare and Institutions Code, Section 5150, for behavioral health patients under involuntary evaluation in Napa County;
   - **d.** Emergency medical and emergency pediatric care integrated within the regional emergency network;
   - **e.** Designation as the Paramedic Base Station for Napa County emergency services, coordinating ground vehicles, air ambulances, and CHP air operations; and
   - **f.** Certification as a Primary Stroke Center (recognized for excellence in acute stroke and cardiovascular care).
2. For 7-10 years, the Hospital shall maintain the following inpatient and outpatient services at current licensure, types, and/or levels of services:
   - **a.** Cardiac services, including two cardiac catheterization labs and the designation as a STEMI Receiving Center;
   - **b.** Critical care services, including 16 staffed intensive care unit beds;
   - **c.** Neurology services, including designation as a Primary Stroke Center;
   - **d.** Women’s health services, including reproductive health and women’s imaging services;
   - **e.** Oncology services;
   - **f.** Orthopedic surgical services;
   - **g.** Advanced robotic surgical services;
   - **h.** Behavioral health services; and
   - **i.** Palliative care services.
3. For 7-10 years, the Hospital shall maintain the same types and/or levels of women’s healthcare services and mammography services, currently provided at the location below or an equivalent location in Napa County:
   - **a.** The Breast Center / Women's Imaging Services, providing advanced mammography, diagnostic breast imaging, and clinical screening services on the main medical campus at 1000 Trancas Street, Napa, California;
   - **b.** Inpatient Perinatal & Maternity Services, maintaining a 22-licensed-bed perinatal unit (operating 12–14 staffed LDR/postpartum beds) serving as the sole inpatient labor and delivery provider in Napa County, complete with evidence-based maternal safety bundles for hemorrhage, hypertension, and sepsis management;

c. Neonatal Support Services, maintaining a Level II Special Care Nursery (4 beds) equipped to stabilize newborns, and manage intermediate care needs;

d. Perinatal Education & Wellness Programs, offering virtual and in-person classes (including childbirth preparation, newborn care, breastfeeding support, and postpartum care) which recorded over 1,500 participant contacts in FY25; and

e. Specialized Women's Community Health Programs, including the CARE Network and specialized clinical partnerships (such as bilingual/bicultural birth doula mentorship pipelines) designed to expand healthcare access and eliminate disparities for low-income and Latina mothers in Napa County.

4. For 7-10 years, the Hospital shall maintain the outpatient healthcare services, clinical departments, affiliated medical groups, and community support centers provided at the locations below or similar locations with similar accessibility and with equivalent services within Napa County:

a. Main Campus Outpatient & Diagnostic Services:

- Location: Queen of the Valley Medical Center Main Campus, 1000 Trancas Street, Napa, California.
- Services: Admitting, Patient Registration, and Pre-Op Testing services; Heart & Vascular Labs / Cardiac Catheterization Labs; Neurosciences & Stroke Care Services; Inpatient and Outpatient Surgical Services; and the Audiology Center.

b. Cancer Care, Oncology & Infusion Services:

- Location: Queen of the Valley Cancer Center, 1000 Trancas Street, Napa, California.
- Services: Comprehensive oncology care, radiation therapy, medical infusion, and diagnostic CT services.

c. Women’s Health, Imaging & Breast Center:

- Location: The Breast Center & Women's Imaging Services, 1000 Trancas Street, Napa, California.
- Services: Advanced mammography, diagnostic breast imaging, outpatient women's imaging, and perinatal/maternity care coordination.

d. Outpatient Rehabilitation Services:

- Location: Outpatient Therapy Facilities, Napa, California.
- Services: Physical therapy, occupational therapy, and speech-language pathology services.

e. Community Outreach, Complex Care & Mobile Health Clinics:

- Location: Community Health & CARE Network Offices, 980 Trancas Street, Suite 4, Napa, California (along with deployed mobile units across the county).
- Services: CARE Network Enhanced Care Management (ECM), community-based medical and psychosocial care navigation, health equity programs, and the Queen's Mobile Dental Clinic serving children and youth across Napa County.

f. Affiliated Physician Clinics & Medical Groups:

  - Location: Providence Medical Group / Providence Medical Foundation clinical offices located throughout Napa County.
  - Services: Primary care, multi-specialty physician clinics, urgent care/“ExpressCare” services, and outpatient specialist consultations integrated into the regional delivery network.

5. For 7-10 years, the Hospital shall maintain a charity care policy that is no less favorable than its current charity care policy that complies with California and Federal law, and shall provide an annual amount of charity care equal to or greater than $2,643,353 (the "Minimum Charity Care Amount"), which is the amount of charity care the Hospital reported for its fiscal year ended June 30, 2025. For purposes herein, the term "Charity Care" means the amount of charity care costs (not charges) incurred by the Hospital in connection with the operations and provision of services at the Hospital. The definition and methodology for calculating "Charity Care" and the methodology for calculating "cost" shall match the Department of Health Care Access and Information (HCAI, formerly Office of Statewide Health Planning and Development) definition for annual hospital reporting purposes. Beginning January 1, 2027, and on each January 1 thereafter, the Minimum Charity Care Amount will be increased by the rate of inflation for the preceding calendar year as measured by the Consumer Price Index for All Urban Consumers (CPI-U), San Francisco-Oakland-Hayward, CA, All Items, Base Period: 1982-84=100 (as published by the U.S. Bureau of Labor Statistics). For example, if that index increases by 3.0%, the Minimum Charity Care Amount beginning January 1, 2027, would be $2,722,654;
6. For 7-10 years, the Hospital shall continue to expend no less than $7,690,854 annually in community benefit services (the "Minimum Community Benefits Amount"), which is the amount of community benefit services, excluding charity care and the unpaid costs of Medi-Cal, other means-tested government programs, and Medicare, reported for its fiscal year ended June 30, 2025. If the Hospital receives any grant funds for community benefit services, those grant funds may not be applied to the Minimum Community Benefits Amount. Beginning January 1, 2027, and on each January 1 thereafter, the Minimum Community Benefits Amount will be increased by the rate of inflation for the preceding calendar year as measured by the Consumer Price Index for All Urban Consumers (CPI-U), San Francisco-Oakland-Hayward, CA, All Items, Base Period: 1982-84=100 (as published by the U.S. Bureau of Labor Statistics). For example, if that index increases by 3.0%, the Minimum Community Benefits Amount beginning January 1, 2027, would be $7,921,580;
7. For 7-10 years, the Hospital shall use and maintain a Financial Assistance Policy that is no less favorable that QVMC’s current Financial Assistance Policy.
8. For 7-10 years, the Hospital shall maintain language services currently available to patients at QVMC at no cost to patients.
9. For 7-10 years, the Hospital shall maintain employment for all staff unless necessary for flexibility
10. For 7-10 years, the Hospital shall maintain a community advisory board that includes physicians and other staff and community representatives.
11. The transaction proceeds shall be spent on healthcare and related purposes in California.
12. For 7-10 years, the Hospital will honor the existing QVMC MOUs in place with all organized staff and will engage in good faith bargaining to renew all MOUs.

13. For 7-10 years, the Hospital will maintain nurse staffing ratios in compliance with California laws and regulations.
14. For 7-10 years, the Hospital shall participate in the Medicare program, by maintaining a Medicare Provider Number and providing the same types and/or levels of emergency and non-emergency services to Medicare beneficiaries and/or on the same terms and conditions as other similarly situated hospitals without any loss, interruption of service, or decrease of quality.
15. For 7-10 years, the Hospital shall be certified to participate in the Traditional Medi-Cal program and Medi-Cal Managed Care program, providing the same type, on the same terms and conditions as other similarly situated hospitals offering substantially the same services, without any loss, interruption of service, or decrease of quality, or gap in contracted hospital coverage, including:
    a. Financial support to Medi-Cal patients
    b. Active integration with Partnership HealthPlan of California
    c. Targeted maternal/clinical services including Medi-Cal NTSV birth deliveries, and Medi-Cal VBAC deliveries as needed by the Medi-Cal population served by the Hospital
16. For 7-10 years, the Hospital shall maintain its current City/County/Regional Contracts for the programs listed below subject to the agreement of the appropriate city/county:
    a. Trauma Center Service Agreement between the County of Napa and the Hospital, for the provision of Level III Trauma Center designation services, emergency care, and 24/7 stabilization;
    b. Designation Agreements and operational protocols between the County of Napa and the Hospital for emergency medical services, disaster response, and specialized clinical care center designations;
    c. Mental Health and Behavioral Health Services Agreements between the County of Napa Health and Human Services Agency (HHSA) and the Hospital, for reimbursement of acute psychiatric care, crisis residential coordination (e.g., via the Progress Foundation partnership), and behavioral health integration addressing mental health readmission rates (e.g., 105 readmissions across 927 Medi-Cal/inpatient behavioral health admissions);
    d. Regional Stroke Care Agreements and Joint Commission Certification for designation as a Primary Stroke Center, ensuring rapid intervention metrics;
    e. Specialized Clinical & Mobile Health Agreements, including the operation of the Queen's Mobile Dental Clinic (providing 3,738 clinic services to 1,628 Napa County youth) and the CARE Network Complex Care Management program (enrolling 196 Enhanced Care Management clients); and
    f. Community Grant & Social Program Agreements between the Hospital and Napa County community partners (such as Napa Valley Unified School District, Generation Housing, and local emergency funds via NEWS and UpValley Family Centers) regarding basic needs, housing stability, and health equity initiatives.
17. For 7-10 years, the Hospital shall honor existing collective bargaining agreements.

IX. Supplemental Appendix

A. Patient Utilization Trends

Exhibit 40. Key Statistics – QVMC

Year	Discharges	Licensed beds	Patient days	Avg. daily census	Avg. length of stay (days)
2023	6,008	198	23,967	65.7	3.99
2024	6,084	198	22,656	61.9	3.72
2025	6,109	198	23,776	65.1	3.89

Source: HCAI Annual Disclosure Reports, FY2023–FY2025.

Key findings

- Discharges rose from 6,008 in 2023 to 6,109 in 2025, with 198 licensed beds.
- Average length of stay stood at 3.99 days in 2023, 3.72 in 2024 and 3.89 in 2025.

Exhibit 41. Service Volumes Side by Side (FY2023-FY2025) – QVMC

Measure	FY2023	FY2024	FY2025	Change FY2023 to FY2025	Change FY2024 to FY2025
Emergency services visits (total units: with and without admission)	32,982	34,822	36,578	+10.9%	+5.0%
Inpatient surgeries	1,226	1,186	1,078	-12.1%	-9.1%
Outpatient surgeries (surgery-and-recovery outpatient plus ambulatory surgery)	3,788	3,593	3,236	-14.6%	-9.9%
Live births (natural plus cesarean)	735	802	725	-1.4%	-9.6%
Natural births	531	533	508	-4.3%	-4.7%
Cesarean sections	204	269	217	+6.4%	-19.3%
Nursery days	1,177	1,312	1,194	+1.4%	-9.0%
Nursery discharges	–	727	651	–	-10.5%
Purchased inpatient days	–	1,877	1,877	–	0.0%
Referred outpatient visits (FY2023 on a different definition)	12,574	14,612	14,518	–	-0.6%
Total outpatient visits (FY2023 on a different referred-visit definition)	55,397	50,924	51,370	–	+0.9%

Source: HCAI Annual Disclosure Reports, FY2023–FY2025.

Key findings

- Emergency visits rose from 32,982 in FY2023 to 36,578 in FY2025.
- Inpatient surgeries declined from 1,226 to 1,078.

Exhibit 42. Utilization by Payer – QVMC

Payer	Disch. to 3/2025	Disch. to 3/2026	Days to 3/2025	Days to 3/2026	Visits to 3/2025	Visits to 3/2026
Medicare traditional	2,469	2,496	10,479	9,965	10,875	12,318
Medicare managed care	744	837	2,925	3,605	5,443	4,908
Medi-Cal traditional	256	184	1,017	738	2,372	1,956
Medi-Cal managed care	1,541	1,488	5,398	5,601	17,782	18,584
County indigent programs	0	0	0	0	0	0
Other third party traditional	178	158	728	736	2,411	2,711
Other third party managed care	862	755	2,949	2,565	12,991	13,350
Other indigent	57	29	128	85	745	898
Other payers	99	97	294	360	1,109	1,126
Total	6,206	6,044	23,918	23,655	53,728	55,851

Source: HCAI Quarterly Financial Reports, Four Quarters Ended March 31, 2025 and 2026.

Key findings

- Total utilization is relatively stable over the two periods across all payors.
- Total discharges across all payors in the most current period totaled 6,044 and Total patient days totaled 23,655.
- Outpatient visits rose from 53,728 to 55,851 (+4.0%).
- In the four quarters ended March 31, 2026, Medicare (traditional and managed care) accounted for 55.1% of discharges and Medi-Cal for 27.7%.
- Medi-Cal accounted for the largest share of outpatient visits (36.8%).

B. Financial Profile

Exhibit 43. Income Statement (FY2025) – QVMC

Income statement	FY2025
Gross patient revenue	$1,870.5M
Less: deductions from revenue	$1,562.1M
Plus: capitation premium revenue	$32.1M
Net patient revenue	**$340.5M**
Plus: other operating revenue	$4.9M
Total operating revenue	**$345.4M**
Less: operating expenses	$349.8M
Net from operations	**-$4.4M**
Plus: non-operating revenue	$8.2M
Less: non-operating expense	$0.8M
Net income	**$3.0M**

Source: HCAI Annual Disclosure Report, FY2025.

Key findings

- Gross patient revenue of $1.87 billion, less deductions of $1.56 billion, plus capitation premium revenue of $32.1 million, resulted in net patient revenue of $340.5 million (18.2% of gross).

- Total operating revenue of $345.4 million fell below operating expenses of $349.8 million, an operating loss of $4.4 million (an operating margin of -1.3%).

Exhibit 44. Financial Profile – QVMC

Measure	Four quarters ended 3/31/2025	Four quarters ended 3/31/2026
Licensed beds	198	198
Available beds (average)	148	148
Staffed beds (average)	80	72
Gross inpatient revenue	$804.1M	$823.0M
Gross outpatient revenue	$1,035.3M	$1,118.5M
Total deductions from revenue	$1,532.8M	$1,627.2M
of which provision for bad debts	$8.6M	$6.8M
of which charity, other	$14.9M	$16.6M
Capitation premium revenue	$30.9M	$32.8M
Net patient revenue	$337.4M	$347.2M
Other operating revenue	$5.3M	$5.7M
Nonoperating revenue net of expense	$8.2M	$3.0M
Capital expenditures	$7.1M	$8.3M

Source: HCAI Quarterly Financial Reports, Four Quarters Ended March 31, 2025 and 2026.

Key findings

- Licensed beds and available beds remained constant at 198 and 148 respectively, while staffed beds declined from 80 to 72.
- Net patient revenue was $347.2 million in the four quarters ended March 31, 2026, compared to $337.4 million a year earlier.
- Overall, the operating statistics were fairly stable across both time periods.

Exhibit 45. Revenue by Payer – Queen of the Valley Medical Center

Payer	Gross rev. to 3/2025	Gross rev. to 3/2026	Net rev. to 3/2025	Net rev. to 3/2026	Net as % of gross to 3/2026
Medicare traditional	$659.7M	$688.8M	$91.9M	$87.5M	12.7%
Medicare managed care	$269.0M	$302.3M	$26.1M	$26.3M	8.7%
Medi-Cal traditional	$62.2M	$52.4M	$13.8M	$7.9M	15.1%
Medi-Cal managed care	$415.7M	$456.0M	$62.7M	$76.8M	16.8%
County indigent programs	$0.0M	$0.0M	$0.0M	$0.0M	–
Other third party traditional	$60.5M	$64.4M	$8.4M	$14.1M	21.9%
Other third party managed care	$336.5M	$336.5M	$133.0M	$130.5M	38.8%
Other indigent	$12.3M	$14.4M	$0.0M	$0.0M	0.0%
Other payers	$23.4M	$26.8M	$1.4M	$4.2M	15.8%
Total	$1,839.3M	$1,941.6M	$337.4M	$347.2M	17.9%

Source: HCAI Quarterly Financial Reports, Four Quarters Ended March 31, 2025 and 2026.

Key findings

- Total Net patient revenue rose from $337.4 million to $347.2 million (+2.9%), while Total Gross patient revenue rose from $1.84 billion to $1.94 billion (+5.6%).
- Overall, net revenue equaled 17.9% of gross charges in the four quarters ended March 31, 2026, and the ratio ranged from 8.7% for Medicare managed care to 38.8% for other third-party managed care (other indigent care produced no net revenue).
- The three largest sources of net revenue were other third-party managed care ($130.5 million), Medicare traditional ($87.5 million) and Medi-Cal managed care ($76.8 million).
- Medi-Cal managed care net revenue rose from $62.7 million to $76.8 million, while Medicare traditional net revenue declined from $91.9 million to $87.5 million.

C. Cost of Hospital Services

Exhibit 46. Cost of Hospital Services – QVMC

Payer	Allocated patient-care cost	% of total
Medicare	$158,495,590	50.9%
Medi-Cal	$77,616,007	24.9%
County Indigent	$0	0.0%
Private / Third-Party	$67,855,127	21.8%
Other Payers	$7,584,867	2.4%
Total patient-care cost	$311,551,591	100.0%

Source: HCAI Annual Disclosure Reports, FY2024.

Key findings

- Allocated patient-care cost totaled $311,551,591: Medicare $158,495,590 (50.9%) and Medi-Cal $77,616,007 (24.9%).

D. Payer Mix

Exhibit 47. Payer Mix – QVMC

Payer	Disch. FY24	Share FY24	Disch. FY25	Share FY25	Days FY24	Days FY25	Discharge change	Days change
Medicare traditional	2,369	38.9%	2,525	41.3%	9,590	10,583	+6.6%	+10.4%
Medicare managed care	665	10.9%	769	12.6%	2,804	3,116	+15.6%	+11.1%
Medi-Cal traditional	281	4.6%	256	4.2%	904	1,012	-8.9%	+11.9%
Medi-Cal managed care	1,506	24.8%	1,489	24.4%	4,974	5,314	-1.1%	+6.8%
County indigent programs	0	0.0%	0	0.0%	0	0	–	–
Other third party traditional	171	2.8%	165	2.7%	645	745	-3.5%	+15.5%
Other third party managed care	958	15.7%	768	12.6%	3,225	2,640	-19.8%	-18.1%
Other indigent	29	0.5%	57	0.9%	107	148	+96.6%	+38.3%
All other payers	105	1.7%	80	1.3%	407	218	-23.8%	-46.4%
Total	6,084	100.0%	6,109	100.0%	22,656	23,776	+0.4%	+4.9%

Source: HCAI Annual Disclosure Reports, FY2024 and FY2025 (based on inpatient discharges).

Key findings

- Medicare traditional discharges rose from 2,369 in FY2024 to 2,525 in FY2025.
- Total discharges rose from 6,084 to 6,109 and total patient days from 22,656 to 23,776.

Exhibit 48. Payer Mix Comparison – QVMC

Payer	QVMC	Napa acute	California
Medicare Traditional	38.9%	40.3%	25.9%
Medicare Managed Care	10.9%	12.3%	17.3%
Medi-Cal Traditional	4.6%	8.5%	8.0%
Medi-Cal Managed Care	24.8%	20.3%	25.7%
County Indigent	0.0%	0.0%	0.3%
Third-Party Traditional	2.8%	2.3%	3.4%
Third-Party Managed Care	15.8%	14.7%	17.7%
Other Indigent	0.5%	0.3%	0.6%
Other Payers	1.7%	1.3%	1.1%

Source: HCAI Annual Financial Data, FY2024.

Key findings

- Medicare traditional accounts for 38.9% of discharges at the hospital, 40.3% across Napa acute hospitals and 25.9% statewide.

E. Medi-Cal Managed Care

Exhibit 49. Medi-Cal Managed Care – QVMC

Item	Entry
Medi-Cal managed care model, Napa County	County Organized Health System: a single local plan contracts with the State to administer Medi-Cal benefits through local providers
Plan serving Napa County	Partnership HealthPlan of California, a nonprofit plan that serves Napa and 23 other northern California counties (about 900,000 Medi-Cal members plan-wide)
Hospital Medi-Cal contract provider number and period	HSC30353F; July 1, 2024 to June 30, 2025
Medi-Cal traditional discharges, FY2024 and FY2025	281 and 256
Medi-Cal managed care discharges, FY2024 and FY2025	1,506 and 1,489
Managed care share of Medi-Cal discharges, FY2024 and FY2025	84.3% and 85.3%
Medi-Cal share of all discharges, FY2024 and FY2025	29.4% and 28.6%

Source: Providence, accrediting and rating bodies, union and plan public records, accessed October 25, 2026; each row names its source.

Key findings

- Medi-Cal accounted for 29.4% of discharges in FY2024 and 28.6% in FY2025.
- Napa County has a County Organized Health System, so one plan serves Medi-Cal members.

F. QVMC- Inpatient Utilization - Top 25 Inpatient DRGs

Exhibit 50. QVMC- Inpatient Utilization - Top 25 Inpatient DRGs

MS-DRG Code	MS-DRG Description	Discharges	Total Charges	Mean Charge Per Stay	Mean Charge Per Day	Mean Length Of Stay
871	SEPTICEMIA OR SEVERE SEPSIS WITHOUT MV >96 HOURS WITH MCC	438	76,153,031	173,865	35,503	4.9
795	NORMAL NEWBORN	422	4,727,914	11,204	6,585	1.7
807	VAGINAL BIRTH WITHOUT STERILIZATION OR D&C WITHOUT CC/MCC	331	12,210,323	36,889	18,990	1.9
291	HEART FAILURE AND SHOCK MCC	235	22,955,134	97,681	31,882	3.1
794	NEONATE WITH SIGNIFICANT PROBLEMS	225	3,636,625	16,163	7,993	2.0
621	O.R. PROCEDURES FOR OBESITY WITHOUT CC/MCC	128	12,543,352	97,995	97,995	1.0
872	SEPTICEMIA OR SEVERE SEPSIS WITHOUT MV >96 HOURS WITHOUT MCC	126	11,850,931	94,055	32,647	2.9
193	SIMPLE PNEUMONIA AND PLEURISY WITH MCC	117	13,447,177	114,933	32,170	3.6
057	DEGENERATIVE NERVOUS SYSTEM DISORDERS WITHOUT MCC	113	15,540,668	137,528	12,645	10.9
806	VAGINAL BIRTH w/o STERILIZATION OR D&C WITH CC	113	4,913,527	43,483	18,472	2.4
177	RESPIRATORY INFECTIONS AND INFLAMMATIONS WITH MCC	103	13,490,987	130,980	34,154	3.8
788	CESAREAN SECTION WITHOUT STERILIZATION WITHOUT CC/MCC	91	4,949,678	54,392	18,820	2.9
280	MYOCARDIAL INFARCTION, DISCHARGED ALIVE WITH MCC	69	10,109,594	146,516	41,949	3.5
065	INTRACRANIAL HEMORRHAGE OR CEREBRAL INFARCTION WITH	68	6,121,321	90,019	32,560	2.8
189	PULMONARY EDEMA AND RESPIRATORY FAILURE	64	6,358,700	99,355	37,625	2.6
603	CELLULITIS WITHOUT MCC	64	4,627,747	72,309	29,290	2.5

MS-DRG Code	MS-DRG Description	Discharges	Total Charges	Mean Charge Per Stay	Mean Charge Per Day	Mean Length Of Stay
787	CESAREAN SECTION WITHOUT STERILIZATION WITH CC	64	4,072,196	63,628	18,426	3.5
552	MEDICAL BACK PROBLEMS WITHOUT MCC	61	7,296,803	119,620	19,304	6.2
208	RESPIRATORY SYSTEM DIAGNOSIS WITH VENTILATOR SUPPORT <=96 HOURS	59	14,828,750	251,335	51,311	4.9
853	INFECTIOUS AND PARASITIC DISEASES WITH O.R. PROCEDURES WITH MCC	58	20,805,083	358,708	41,694	8.6
640	MISCELLANEOUS DISORDERS OF NUTRITION, METABOLISM, FLUIDS AND ELECTROLYTES WITH MCC	57	5,742,748	100,750	28,858	3.5
897	ALCOHOL, DRUG ABUSE OR DEPENDENCE WITHOUT REHABILITATION THERAPY WITHOUT MCC	57	5,357,634	93,994	36,446	2.6
392	ESOPHAGITIS, GASTROENTERITIS AND MISCELLANEOUS DIGESTIVE DISORDERS WITHOUT MCC	56	4,149,634	74,101	28,817	2.6
682	RENAL FAILURE WITH MCC	55	6,138,983	111,618	28,421	3.9
641	MISCELLANEOUS DISORDERS OF NUTRITION, METABOLISM, FLUIDS AND ELECTROLYTES WITHOUT MCC	54	4,108,797	76,089	37,695	2.0

Source: https://data.chhs.ca.gov/dataset/top-25-ms-drgs-

Exhibit 51. Charity Care – QVMC

Year	Gross pt. rev.	Charity	Bad debt	Charity %GPR	Bad debt %GPR
2023	$1,718.9M	$8.9M	$1.4M	0.52%	0.08%
2024	$1,780.8M	$11.1M	$28.6M	0.63%	1.61%
2025	$1,870.5M	$18.0M	$7.6M	0.96%	0.41%

Source: HCAI Annual Disclosure Reports, FY2023–FY2025.

Key findings

- Charity care charges rose from $8.9M in 2023 to $11.1M in 2024 and $18.0M in 2025.
- Bad debt stood at $1.4M, $28.6M and $7.6M.

Exhibit 52. Cost of Charity Care – QVMC

Fiscal year	Charity charges (HCAI)	Cost-to-charge ratio	Est. cost: charges times ratio (HCAI)	Financial assistance at cost (community benefit)	Charity care spending (Attorney General notice)
2023	$8,856,900	0.1812	$1,605,301	$1,230,365	$1,362,487
2024	$11,148,634	0.184	$2,051,349	$1,751,274	$1,754,486
2025	$18,041,785	0.1741	$3,141,075	$2,643,353	$2,634,689

Source: HCAI Annual Disclosure Reports, FY2023–FY2025; Queen of the Valley Medical Center Community Benefit Reports.

Key findings

- Charity charges rose from $8,856,900 in 2023 to $18,041,785 in 2025.
- The cost-to-charge ratio stood at 0.1812, 0.184 and 0.1741.

****END OF REPORT****