



Hazel Hawkins
MEMORIAL HOSPITAL

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PRESS RELEASE

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San Benito Health Care District Outlines Covenants with Insight Safeguarding Local Healthcare

The Commitments Behind Hazel Hawkins Hospital's Future

January 14, 2025 – Hollister, Calif. – In a deal that promises to stabilize the future of healthcare in San Benito County, Hazel Hawkins Memorial Hospital ("HHMH" or "hospital") is continuing to perform due diligence on transitioning to new ownership. The transaction is required to have a detailed set of covenants aimed at preserving the hospital's mission of providing quality and accessible care to the community while ensuring financial sustainability. These commitments with the San Benito Health Care District ("District") are designed to safeguard local healthcare services for years to come. The community can expect the following commitments under a new agreement with Insight following District Board approval:

Summary of Transaction

For two years, the District and Hazel Hawkins Memorial Hospital (HHMH) leadership, with the support of nationally recognized consultants, conducted an extensive search for a partner or buyer capable of preserving and expanding healthcare services for the residents of San Benito County. The process was guided by key criteria: any potential buyer needed to pay fair market value for the District's assets, demonstrate the financial stability to both acquire the hospital and maintain current service levels, and show a proven ability to support rural healthcare institutions like HHMH.

After a thorough evaluation, Insight emerged as the organization best equipped to meet these requirements, ensuring a sustainable future for local healthcare.

1. Nonprofit Status and Governance

Insight has committed to maintaining HHMH's status as a nonprofit public benefit corporation under California law through the Insight Health Foundation of California. In addition, the hospital's governing board will include a majority of independent members to ensure impartial oversight and accountability.

2. Continuous Operations and Service Stability

A key priority in the agreement is the uninterrupted operation of the hospital, skilled nursing facilities, clinics and all healthcare services. The hospital will continue to provide essential services, including those for Medicare and Medi-Cal patients, ensuring that local residents retain access to healthcare. Insight has also pledged to maintain all existing services during the lease period and for at least five years following the full acquisition of the hospital's real estate. This guarantees continuity in critical healthcare offerings, from emergency care to specialized treatments for ten years.

3. Financial Assistance and Charity Care

The hospital's longstanding commitment to serving the community's most vulnerable populations will continue under Insight. Insight will maintain charity care and financial assistance policies at or above current levels. These policies will comply with federal standards, ensuring fair billing practices and financial assistance for patients in need.

4. Capital Investment and Modernization

Insight has committed to investing \$50 million over the next decade to improve hospital operations and facilities. This significant capital investment will help modernize infrastructure, upgrade medical equipment, and expand services to meet the evolving healthcare needs of San Benito County's growing population.

5. Workforce Retention

Recognizing the hospital's dedicated workforce as a core strength, Insight will offer employment to at least 90% of the existing staff. This move not only preserves jobs but also ensures continuity of care, leveraging the knowledge and experience of current employees.

6. Branding and Community Identity

The hospital will retain its identity as Hazel Hawkins Memorial Hospital or a similar name, preserving the Hazel Hawkins legacy of the facility that has served the community for decades. This commitment underscores the importance of maintaining a strong connection to the local community.

7. Right of First Refusal

If Insight decides to sell the hospital's assets in the future, the District will have the right of first refusal to repurchase them. This provision provides a safety net to ensure the hospital remains a community-focused institution.

The agreement between the District and Insight would mark a significant step toward securing the future of healthcare in the region. With clear commitments to community care, service continuity, and financial stability, the hospital is poised to thrive under new leadership. While transitions of this magnitude are never without challenges, the outlined covenants provide a strong framework to ensure that Hazel Hawkins Memorial Hospital remains a trusted healthcare provider for generations to come.

Additionally, San Benito County continues to express interest in being a partner with the District in securing access to healthcare as well as being part of the process to impact the future of healthcare in the San Benito County. Hospital leadership welcomes the enthusiasm and looks forward to continuing to work together to find solutions especially around mental health and indigent care.

After attending a Board of Supervisors meeting today, Mary Casillas, CEO of Hazel Hawkins Memorial Hospital stated, "We are grateful for a Board of Supervisors that are passionate about healthcare. We look forward to working with the Board as our future begins to take shape."

Bill Johnson, President of the San Benito Health Care District stated, "Regardless of who owns the hospital, there are plenty of opportunities to collaborate with the County and we look forward to exploring those options."

The San Benito Health Care District is an independent organization whose members are elected by the citizens of San Benito County for the purpose of managing the District's assets including Hazel Hawkins Memorial Hospital. As such all decisions concerning the District are made by this elected board.

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About Hazel Hawkins Memorial Hospital

Hazel Hawkins Memorial Hospital is a full-service, public agency hospital delivering modern medicine and compassionate care to the growing San Benito County community. HHMH offers hundreds of health services across multiple locations, including top-tier specialists, a modern Emergency Department, and a state-of-the-art Women's Center. To learn more about Hazel Hawkins Memorial Hospital and the Hazel Hawkins Hospital Foundation, please visit www.hazelhawkins.com.