

# Seton Medical Center

## Presentation to Midcoast Community Council

April 12, 2017



# Transaction Overview

- On December 14, 2015:
  - The Daughters of Charity hospitals and other selected subsidiaries became part of Verity Health System
  - Verity Health System is an independent, non-religious, non-profit healthcare system governed by a newly formed independent Board of Directors
  - Integrity Healthcare LLC is a newly formed healthcare management services company owned and controlled by BlueMountain Capital Management
  - Integrity provides management services and operational support to Verity under a Management Services Agreement over the course of up to 15 years
  - BlueMountain, an established investor in the healthcare field, infused \$100 million into Verity and arranged for \$160 million in debt from a third party vendor
  - BlueMountain has the option to convert Verity to a for-profit company anytime after 3 years
  - Verity is legally committed to operate Seton as a general acute care hospital for a minimum of 10 years
  - Charity care requirements: \$1.7 million
  - Community benefit requirements: \$794,324



# Changes to Date

- Newly Constituted Governing Board
- Newly Created Local Governing Board
- New Executives Recruited
  - Chief Executive Officer
  - Chief Operating Officer/Chief Nursing Executive
  - Chief Financial Officer
  - Chief Medical Officer
  - Human Resources Director
  - Director of Quality Improvement
- New Directors and Managers
- Physician recruitment
  - Primary care
  - Neurology
  - ENT
  - Oncology
  - Orthopedic surgery: joint and spine
  - Neurosurgery
  - Psychiatry
  - New Hospitalist/Intensivist and Anesthesia Groups


# Changes to Date

- New Programs/Services
  - Infusion Center re-opened
  - Wound Care Center expanded/Adding hyperbaric oxygen chambers
  - Robotic surgery-orthopedics
- Programs in Process
  - Gero-Psych beds
  - SNF beds
  - Retail pharmacy
  - Free-standing rehabilitation hospital
- UCSF
  - Expanded relationship for electro-physiology services
  - Cardiac surgery
  - Post-acute care
  - Canopy Health


# Changes to Date

- Enhanced relationship with Health Plan of San Mateo
  - Appointed to Health Commission Board
  - Physician recruitment
  - Program development
  - Urgent Care
  - Chronic condition management
- Expanded relationships with Brown & Toland
- Commitment of Measure A funds over next 3 years


# Our Future Plans

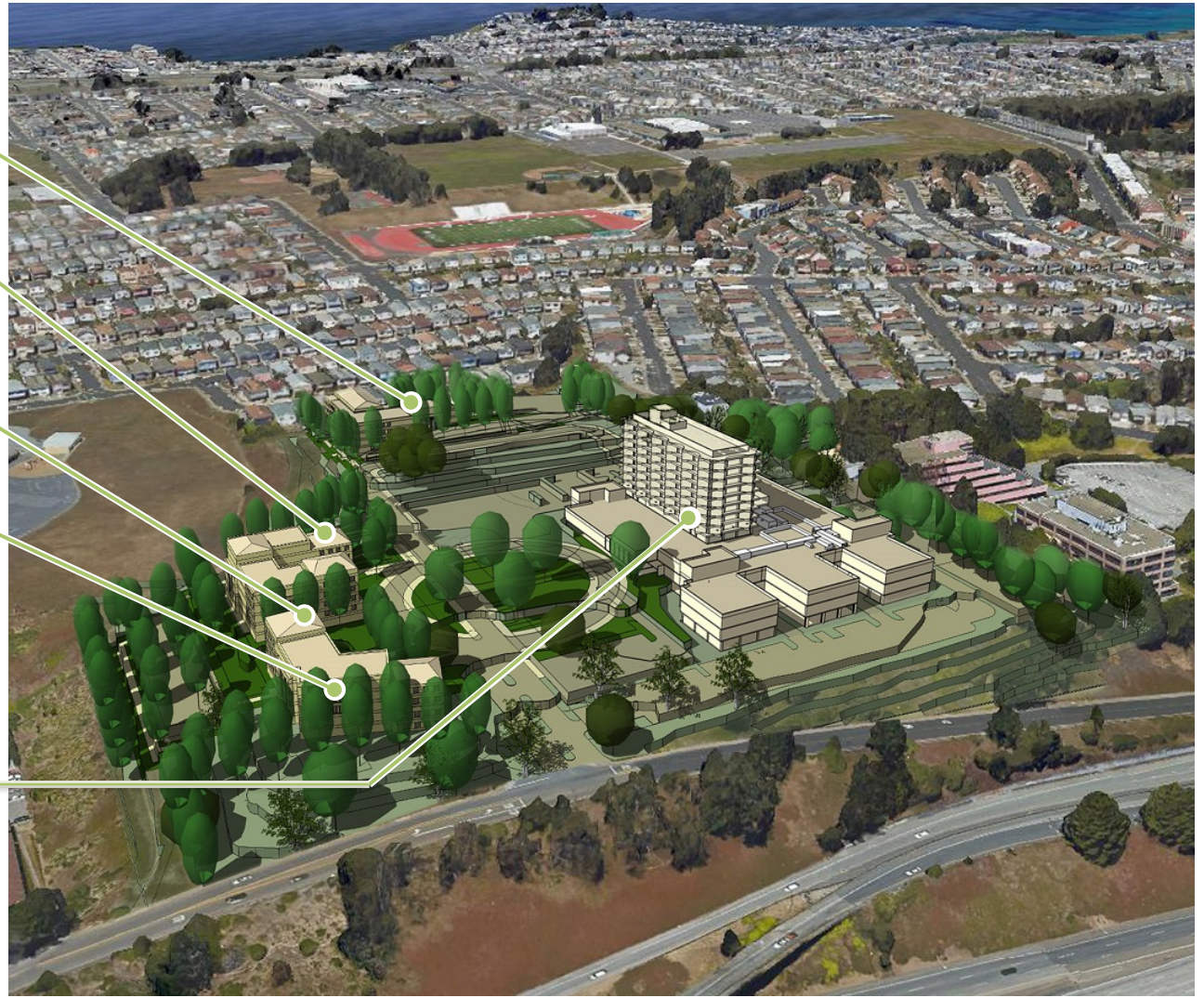
 Ambulatory care

 LTAC  
▪ 30 beds

 Acute Rehabilitation  
Hospital  
▪ 50 beds

 Senior Housing

 Phase 1 tower  
▪ 357 beds



Questions?