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San Joaquin County Board of Supervisors Votes to Explore Partnership with San Joaquin General Hospital and CommonSpirit/Dignity Health
The County Will Enter Non-Binding Letter of Intent to Negotiate Terms of Potential Partnership

STOCKTON, CA - Yesterday, the San Joaquin County Board of Supervisors voted to authorize County staff to enter into a non-binding Letter of Intent (LOI) to evaluate various options and negotiate the terms for structuring a potential partnership with San Joaquin General Hospital (SJGH) and CommonSpirit/Dignity Health.

Approximately once every ten years the County reviews the position of its health system and evaluates relevant public health industry trends to determine if it is in the best interest of the County to consider partnerships with an external entity to improve the future viability of San Joaquin General Hospital. In 2020, given the extraordinary situation with the pandemic and other external industry indicators, the County decided that exploration of a partnership was warranted.

“The ongoing pandemic has underscored the future vulnerability of a stand-alone public hospital with limited payer sources, to the benefit of our community we must consider a partnership with a strong regional health system,” said Supervisor Tom Patti, Chair of the San Joaquin County Board of Supervisors. “A partnership with such a system would help San Joaquin General Hospital better meet its goals of quality health care, to conduct its operations more efficiently, expand services for its residents and provide competitive pay to attract and retain high-quality healthcare workers. This kind of arrangement will help ensure San Joaquin County residents can access essential services well into the future.”

In February of 2020, the County began its regular evaluation by issuing a Request for Information (RFI) and forming an Ad Hoc Hospital Committee to engage in informal discussions to explore the possibility of an external health care partnership. As a result of more than 60 hours of meetings with several health systems that responded to the RFI, including the Adventist West Health System (in addition to CommonSpirit/Dignity Health), the Ad Hoc Hospital Committee found that
it would be in the best interest of the County to pursue a formal partnership agreement with CommonSpirit/Dignity Health. While the Board voted to accept the Ad Hoc Committee’s recommendation to enter into exclusive negotiations with CommonSpirit/Dignity Health, it also voted to consult with Adventist prior to any vote to finalize any agreement with CommonSpirit/Dignity Health.

Any further action regarding a formal partnership will require final approval of the Board of Supervisors as well other legal and regulatory approvals, including “meet and confer” requirements in the County’s labor agreements. SJGH’s daily operations will not be impacted by consideration of this potential partnership.

Established in 1857, San Joaquin General Hospital and its related clinics together form the basis for the County’s safety-net health care system with 65% of its patients utilizing Medicare or Medi-Cal. Additionally, SJGH provides the County with critical health care services as a level-III trauma center and a graduate medical education program that seeks to encourage graduates to continue to stay and serve County residents.

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