|  |  |  |  |
| --- | --- | --- | --- |
|  | Old Lease | New Lease | Comments |
| Lease Payments to District | $23,200/Month | $100,000/Month | Approximate |
| Utilities Payments by District | $55,000/Month | $ 55,000/Mo/1st 5 Yrs  Then about $25,000/Mo | Approximate |
| Hospital Governing Board | ½ Dignity Health (3 Members)  ½ District Board (3 Members)  7th Member, Community | 4 Dignity Health Members  1 District Board Member |  |
| Community Board | None | 3 Community Members  1 District Board  1 Dignity Health  Hospital CEO  Chief of Medical Staff | This board will oversee Medical Staff, services, etc.  Not Financial matters |
| Hospital Beds | 25 | 25 |  |
| Hospital Clinics | 8 | 8 |  |
| Hospital Ownership | District | No Change |  |

COMMENTS:

WHAT HAPPENS WITH THE DEBT OWED BY THE DISTRICT TO DIGNITY? (CURRENTLY AROUND $30M AS I RECALL); The District will sell 49% of its operating interest in Mark Twain Medical Center to Dignity Health for $14.5 M, then the District will receive $6 M in prepaid rent, then the District will pay $ 8.4 M for tenant improvements. This will result in a lump sum payment of $12 M this year. In the non Dignity scenario, the debt scenario, the District would have to buy Dignity Health’s 50% of operating interest and buy back tenant improvements. This would equal $25-30 M.

DOES THE COUNTY CURRENTLY MAKE ANY PAYMENTS TO DIGNITY, THE DISTRICT, OR TO SUPPORT THE HOSPITAL, AND IF SO, HOW WILL THAT CHANGE? I WAS TOLD AT SOME POINT THAT THE COUNTY MADE AN ANNUAL PAYMENT TO DIGNITY OF ABOUT $800K, BUT MAYBE THAT WAS A PAYMENT TO, THEN BY, THE DISTRICT FOR THE UTILITIES. During most of the current lease the District has subsidized the hospital operations by paying for utilities. In the new lease, see row 2 in the chart above.

WHO IS RESPONSIBLE FOR ADDITIONAL CAPITAL EXPENDITIURES IN THE FUTURE (NEW BUILDINGS, NEW PROPERTY, MAINTENANCE, ETC.) DO THOSE EXPENDITURES ALL GET FUNDED BY DIGNITY, BUT ADD TO THE DEBT THAT THE DISTRICT OWES TO DIGNITY? In the new, proposed, lease the tenant improvements (Capital Expenditures) are determined and funded by Mark Twain Medical Center Corporation (Dignity Health). At the end of the new lease those improvements will need to be purchased by the District at fair market value.