



**SAN BENITO COUNTY  
AGENDA ITEM  
TRANSMITTAL FORM**

Dom Zanger  
District No. 1

Kollin Kosmicki  
District No. 2

Mindy Sotelo  
District No. 3  
Chair

Angela Curro  
District No. 4  
Vice-Chair

Bea Gonzales  
District No. 5

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**Item Number: 2.1**

**MEETING DATE:** 10/24/2023

**DEPARTMENT:** BOARD OF SUPERVISORS

**AGENDA ITEM PREPARER:** Dulce Alonso

**DEPT HEAD/DIRECTOR:** Ray Espinosa

**SUBJECT:**

**BOARD OF SUPERVISORS**

Receive a report from ECG on Hazel Hawkins Memorial Hospital (HHMH) and an update on discussions with various stakeholders, including but not limited to Salinas Valley Health, discuss the possibility of submitting a non-binding Letter of Intent (LOI) to HHMH, in partnership with various stakeholders, and if desired, delegate authority to the County Administrative Officer to sign a LOI.

SBC FILE NUMBER: 156

**AGENDA SECTION:**

REGULAR AGENDA

**BACKGROUND/SUMMARY:**

Hazel Hawkins Memorial Hospital (HHMH), established in 1907, is the only licensed general Acute Care Hospital Currently operating with Critical Access Hospital Designation in the County of San Benito. The San Benito Health Care District, formed in 1958, operates according to the Health and Safety Code, section 32000-32492. The District is governed by a five-member Board of Directors elected to serve four years. A Chief Executive Officer is responsible for administrative services and heads the District's staff team. The District office is located in the City of Hollister and is primarily funded by charges of services, property taxes, investments, grants, and other contributions. District boundaries are almost countywide, excluding a tiny portion of Aromas in the northwest area of the County and the Bitterwater area far south of the County.

Hospitals are:

- A cornerstone of modern healthcare systems.
- Playing a vital role in safeguarding public health.
- Providing medical care.
- Advancing medical knowledge.
- Contributing to the overall well-being of communities.

Their importance extends far beyond individual patient care, impacting society at large. In San Benito County, only one hospital provides those vital services. The board of supervisors understands the importance and critical of the hospital's continued success.

#### **CURRENT SITUATION:**

The San Benito County Health Care District is currently in Chapter 9 bankruptcy, approved and authorized by the District Board on May 22, 2023. District Board continues to focus on financial and operational viability and an accelerated search for a partner or buyer in light of ongoing developments.

At the Board meeting on June 27, 2024, the board approved the creation of the Health Care/Hazel Hawkins ad hoc and appointed Supervisors Curro and Gonzales. They also approved ratifying a non-disclosure agreement with the San Benito Healthcare District at the same meeting. ("District") to explore potential options for working together for the District, the County, and Salinas Valley Health.

On August 3, 2024, The San Benito Health Care District (District) and (HHMH) announced that they received a Letter of Intent (LOI) from American Advanced Management (AAM), paving the way for discussions regarding a strategic partnership.

On August 8, 2023, the County Board of Supervisors approved a contract with ECG to prepare an assessment of HHMH, develop strategic considerations associated with various scenarios, and develop an executive summary of the financial and strategic impact of the systems.

On August 24, 2023, the State Department of Health Care Access announced that HHMH was awarded a 10 million loan as part of California's Distressed Hospital Loan Program.

On October 16, 2023, the County's Contractor provided an informational presentation at the City of Hollister City Council meeting.

On October 17, 2023, the County's Contractor provided an informational presentation at the City of San Juan Bautista Council meeting.

ECG will be providing an update on their findings and sharing their recommendations.

#### **RESOLUTION OR ORDINANCE NEEDED FOR THIS ITEM:**

No

**CONTRACT NEEDED FOR THIS ITEM:**

No

**CONTRACT AND RFP HISTORY:**

N/A

**LAST CONTRACT AMOUNT OR N/A:**

N/A

**STATE IF THIS IS A NEW CONTRACT/ HOW MANY PAST AMENDED CONTRACTS/ OR N/A:**

N/A

**STRATEGIC PLAN GOALS: 1. Operational Development & Excellence**

Yes

**STRATEGIC PLAN GOALS: 2. Planning And Sustainable Growth**

Yes

**STRATEGIC PLAN GOALS: 3. Technology**

Yes

**STRATEGIC PLAN GOALS: 4. Community Engagement**

Yes

**STRATEGIC PLAN GOALS: 5. Health & Safe Community**

Yes

**BUDGETED:**

N/A

**BUDGET ADJUSTMENT NEEDED:**

No

**SOURCE OF FUNDING:**

N/A

**UNFUNDED MANDATE:**

No

**SBC BUDGET LINE ITEM NUMBER:**

N/A

**CURRENT FY COST:**

N/A

**STAFF RECOMMENDATION:**

1. Receive a report from ECG on Hazel Hawkins Memorial Hospital (HHMH) and an update on discussions with various stakeholders, including but not limited to Salinas Valley Health, discuss the possibility of submitting a non-binding Letter of Intent (LOI) to HHMH, in partnership with various stakeholders, and
2. If desired, delegate authority to the County Administrative Officer to sign a LOI.

**ATTACHMENTS:**

[Press Release SBHCD Receives Letter of Intent from American Advanced Management Inc.](#)  
[Hazel Hawkins Memorial Hospital Report](#)