

What is happening at Valley General Hospital?

Valley General Hospital and Capella Healthcare have started the process to create a partnership to maintain and enhance health care services for residents in east and central Snohomish County.

When and why did Valley General start talking about partnering with another organization?

Valley General informed the community that it was seeking a partner six months ago through the news media and our web site. Nationwide, small, community hospitals are partnering with larger organizations to provide more integrated care. These partnerships expand and enhance medical care and clinical affiliations for patients and provide capital to improve hospital facilities.

What will this partnership look like?

Snohomish County Public Hospital District No. 1 (often referred to as Valley General) currently owns and operates Valley General Hospital. The district and Capella are exploring the creation of a new organization that would operate and lease the hospital from the district for 40 years. The transaction contemplates an enterprise value of \$30 million.

How will this money be used?

The funds will be used, among other things, to retire debt and bonds owed by Valley General, provide medical care for those who are uninsured or underinsured, and support district operations.

What other benefits will this partnership provide for hospital district residents?

Capella and Valley General are still discussing the final details of the agreement. Other provisions could include capital investments for the hospital, funding for staff development and physician recruitment, as well as charitable contributions for wellness related causes in the community. The community also could benefit from additional taxes paid by the new venture from which Valley General is currently exempt.

Why did Valley General select Capella as a prospective partner?

Capella has a strong record of helping community hospitals like Valley General thrive. Capella shares our mission to provide quality, local health care for our patients and community. They invest capital in their hospital facilities, support staff development and work with local physicians to enhance and expand medical services. Two such Capella success stories are Capital Medical Center in Olympia, Washington and Willamette Valley Medical Center in McMinnville, Oregon.

What is the process for Valley General to partner with Capella?

The proposed joint venture submitted a letter of intent to the Washington State Department of Health and will file a formal application after 30 days. The hospital district's Board of Commissioners will conduct its own process that involves an independent review and a public meeting. These processes could take four months at a minimum, or longer.

Would there still be a public hospital district?

Yes, the hospital district would continue to exist and be part owner in the new venture leasing the hospital.

What will happen to the tax dollars I pay to the hospital district?

Valley General receives \$1.3 million per year (roughly \$25 per property owner) in tax revenue, which is approximately two percent of its entire budget. Tax revenue will continue to flow to the hospital district and be allocated by the Board of Commissioners to support health care programs and services for the community.

What will happen to the investment taxpayers have made in the hospital district over the years?

The hospital district still owns the hospital. It just would have been leased to the new joint venture, of which the hospital district will be part owner.

Will I still get to vote for my hospital district commissioner?

Yes, there will still be a Board of Commissioners for the public hospital district, which is elected by the community.

What happened to the potential partnership with Providence?

Valley General is continuing to discuss clinical program development with other health care organizations, including Providence.

How will this affect employment at the hospital?

Employment in any organization fluctuates with demand. Valley General staffing levels meet current standards for patient care, and will continue to do so. This partnership has the potential to bring new opportunities for employment growth to our area.

How will this process affect the quality of care we receive from Valley General?

In the past 12 months, Valley General has exceeded goals in every measured category of patient care for federal reporting requirements. This level of care will not be interrupted by this process. In fact, it's one of the things that make Valley General attractive to a potential partner. Additionally, Capella has a strong commitment to, and a record of, enhancing quality of care and patient satisfaction throughout its family of hospitals.

Is the decision to seek a partnership based on finances?

Valley General is no different than many small public hospitals that want to continue to provide community-based care. Larger health care organizations have access to resources that we do not. While this is a concern, it's not what is driving our decision to seek a strategic partnership. The primary reason is to provide current and contemporary health care, including the newest technology, which our community deserves.

How can the community follow this process?

Valley General will provide regular updates to the community through news releases and its website www.valleygeneral.org.