
Internal Communication

To: The Boards of Trustees, Medical Staffs and Employees of Yakima Regional Medical and Cardiac Center and Toppenish Community Hospital

From: Bryan Braegger, Interim CEO of Yakima Regional Medical and Cardiac Center
Christopher Mendoza, Interim CEO of Toppenish Community Hospital

Information about the Future of our Hospitals and the Yakima Valley Community Foundation

We want to share information with you about a matter involving our hospitals. This is a matter that should have remained private, for now, but has been made public by the Yakima Valley Community Foundation as a result of a lawsuit. Since some information is now public, we want you to hear directly from us about what's going on.

We have been involved in strategic discussions about a potential sale of our hospitals. It's customary before discussions like these to sign a confidentiality agreement. Because these discussions don't always come to fruition, the confidentiality agreement is intended to give the parties time to work through their negotiations and to prevent concern or disruption to operations while the discussions take place.

When our hospitals were sold to HMA in 2003, the Yakima Community Foundation was formed with the proceeds from the sale. The Foundation uses the funds - millions of dollars - to support the well-being of our community. Over the years, many worthy organizations and projects have been made possible by these funds. The Foundation was also given what's called a Right of First Refusal, should the current owner propose to sell the hospitals. That means, if the hospitals were proposed to be sold, the Foundation has a limited right to purchase them under specific deadlines.

In March, we notified the Foundation that we intend to sell the hospitals. We asked the Foundation if it wanted to exercise its Right of First Refusal. Our discussions were cordial, and we even extended the timeframe the Foundation had to exercise its right. So, we were surprised to learn late Friday that the Foundation is seeking a court opinion about the Right of First Refusal. Despite this litigation, the Foundation says on its website that it does not want to own the hospitals.

While we wish we could share more with you about our plans and the discussions we are having, we must respect our obligations under confidentiality agreements with the parties involved. We simply can't say more about that right now.

What we can tell you is that we are all committed to the best possible future for the hospitals. Our hospitals are well established. They provide excellent care. We are financially stable. We continue to make investments to purchase medical equipment, to improve services and to work toward further success. We can assure you that everyone involved in this process is focused on the best interests of the hospitals, our community, you, and people we care for.

We know you have many questions about who the buyer is, what happens now, and what this means for our patients, employees and medical staffs. We commit to sharing all of that information with you – in a very transparent way – as soon as we can. For now, we ask that you remain focused on the care of our patients, as you always are. We appreciate your understanding and assure you – we will share more information with you as soon as we can.