

**For Immediate Release  
Media Contact: Scott Graf  
(208) 334-4112**

**Date: March 20, 2017**

**Wasden Announces Opinion on Proposed Sale of Lewiston Nonprofit Hospital**

*The sale – which includes the creation of a new \$25 million healthcare endowment and independent foundation – may proceed to closing without objection from the Attorney General.*

(BOISE) - Attorney General Lawrence Wasden today announced the release of his opinion regarding the proposed sale of St. Joseph Regional Medical Center, a nonprofit hospital in Lewiston, to a for-profit subsidiary of Tennessee-based RCCH HealthCare Partners. The opinion concludes the [Attorney General's review](#) of the proposed sale as required under the [Idaho Nonprofit Hospital Sale or Conversion Act](#).

"My review of the proposed sale indicates the hospital and the public will benefit from this transaction," Wasden said. "I therefore do not oppose the sale, and I encourage the parties to work cooperatively to quickly transition the hospital to its new management."

Wasden also announced that his office has reached agreements with Ascension Health - the sole member of St. Joseph Regional Medical Center, Inc. - and RCCH HealthCare Partners to establish a \$25 million healthcare endowment. A new, independent foundation will administer the endowment to benefit the health and well-being of people in nearby counties in Idaho, Washington and Oregon. Ascension Health agrees to contribute \$23 million to the endowment and RCCH HealthCare Partners has generously agreed to donate \$2 million. RCCH HealthCare Partners has also agreed to transfer ownership of Carondelet House to the new foundation.

"The charitable mission of all Idaho nonprofit hospitals is providing free or low-cost healthcare to Idahoans," Wasden said. "For nearly 100 years, St. Joseph Regional Medical Center has provided healthcare to residents in Idaho, Washington and Oregon. In return, St. Joseph Regional Medical Center has received millions of dollars in tax exemptions, along with the money, time and labor of people who have helped the hospital grow. This endowment will be a way to continue the purposes for which the assets have been created and used in the community.

"I insisted that the new foundation be independent and administered for the benefit of those in the Lewis Clark Valley. It is important to me that the community take charge of the foundation and the endowment it will administer. The foundation will also honor the Catholic principles that have long governed the hospital's activities.

"The negotiations to reach the agreement were lengthy and vigorous. I thank Ascension Health and RCCH HealthCare Partners for their diligence and cooperation throughout the review process."

Idaho's Nonprofit Hospital Sale Act requires the Attorney General to review most nonprofit hospital sales or conversions to for-profit entities. In late October 2016, St. Joseph Regional Medical Center notified the Office of the Attorney General of its intent to sell the Lewiston

hospital. The primary sale terms include a commitment from St. Joseph Hospital LLC, the purchaser, to:

- pay a \$109 million purchase price;
- invest \$57 million in capital improvements over the next five years;
- establish a local board to govern the hospital;
- continue the hospital's current level of charity care;
- continue to provide current community programs;
- retain employees at their current salaries and benefit levels; and
- continue operating under the Catholic Tradition.

The Nonprofit Hospital Sale Act includes six factors the Attorney General must apply to the transaction and the parties' actions. The process to assess each of these factors took several months to complete. It included [reviewing thousands of documents](#), holding a [public hearing in Lewiston](#), soliciting public comments and obtaining an independent business valuation of the hospital. The Attorney General's review revealed that the sale terms and the parties' actions substantially comply with all of the six factors under the Nonprofit Hospital Sale Act:

- **Fair Market Value:** The \$109 million purchase price exceeds the hospital's estimated fair market value.
- **Party Actions:** The parties have not acted to decrease the fair market value of the charitable trust assets.
- **Charitable Assets:** The settlement reached with regards to the hospital's charitable assets upholds charitable trust principles and is also in the community's interests.
- **Due Diligence:** The board of directors exercised adequate due diligence in finding a purchaser and negotiating the sale terms.
- **Private Benefits:** The parties will not receive unlawful private benefits from the sale.
- **Contracts:** The negotiated contracts appear reasonable.

To help the public better understand the Attorney General's opinion, the office has posted answers to [frequently asked questions](#) on the Attorney General's website. Members of the public also may submit comments to the Attorney General through the [online email form](#). Finally, the Attorney General's opinion and the parties' agreements may be found [here](#).