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MemorialCare Health System's two other Long Beach hospitals, confirmed the Molinas' involvement.

An announcement earlier today by the City of Long Beach states that it would be up to MemorialCare to negotiate a transition process to keep the hospital open while MWN prepares to take over. Bishop said that MemorialCare is sticking to its plan to close the hospital July 3 and pointed out that none of the work has been done to allow MWN to begin operating the hospital.

"First of all, our lease agreement precludes us from selling, transferring, [or] assigning [the lease for the hospital] without the city. It's their land, their building, and it is up to them to come up with terms with the successor operator," Bishop told the Business Journal this morning. "What we told the city we would do is we would work to facilitate the appropriate regulatory approvals. Unfortunately, those things take many months, typically, and they have done absolutely nothing."

According to Bishop, no legal entity has been established to take over the hospital lease and creating one within two weeks would not be possible.

Bishop has met with the proposed new operators twice and has been in continuous discussions with the city since announcing last November that MemorialCare would have to close the hospital because its location on an active fault line made it uncompliant with state seismic requirements. It would cost an estimated \$80 million to \$100 million to retrofit the hospital, according to Bishop, who argued that to do so would not be "feasible" for MemorialCare.

"The hospital is going to close on 7/3. Our contracts have been canceled. Operations

have been significantly scaled down, and everyone is leaving," Bishop said. "If they want to reopen the hospital, we will work with them and facilitate that process. But if they are expecting us to work with Molina to negotiate a management agreement, not only is there not time, but that would be an irresponsible decision on behalf of our employees, and it would be frankly misleading."

Bishop said that it is his understanding that the city and MWN intend to try to make a "Hail Mary" pass to appeal to the Office of Statewide Health Planning and Development (OSHPD) to grandfather in the hospital, making it exempt from the office's seismic requirements and thereby avoiding the necessity to retrofit. "We feel that that is irresponsible of them to do that. We also don't believe that OSHPD ultimately will be a party to that and will not approve their plan to go forward with acute care without doing any seismic fixes," Bishop said.

"The employees, the majority of them, have already left. And the majority of the balance have positions that are starting in early July. So the city is asking us to tell those employees not to pursue those positions and to basically wait and hope that this Hail Mary attempt to achieve seismic compliance is successful. And we are not supportive of that," Bishop said.

John Keisler, director of economic development for the City of Long Beach, explained that what is known as the "heritage building" on the site of Community Hospital has been deemed seismically safe, and that the city is working to submit a plan to consolidate hospital services within that building to OSHPD. He also stated MemorialCare never submitted its seismic assessments to OSHPD.

Bishop pushed back on that assertion.

"We have submitted every single report and have worked with them exhaustively to try and identify a solution," he said. "The only thing accurate about that is we never submitted a plan that was able to be approved because there was no solution. And we actually received from them [OSHPD] written confirmation that no solution was viable."

Keisler said that OSHPD has, in several meetings, made suggestions as to how services could be consolidated in the heritage building and be approved by the state. "So what's happening is that the new operator has been meeting with our building officials in the city, as well as with OSHPD and the geological survey of the State of California. . . . So we are finishing those plans and once they are done, probably in July, those will be submitted to the State of California," he explained.

But Bishop said that the heritage building's assessment as seismically safe was made before the active fault was discovered and seismic studies were conducted. "If it were rated today, it would not be compliant, and it would require what's called a seismic separation. You would have to be 50 feet from the edge of the fault and then you would have to saw the building in half and then retrofit the remaining building," he explained. "So if the city were to continue to operate it would be on a technicality of . . . looking at grandfathered buildings and it wouldn't address the safety issue."

Keisler noted that it typically takes six to nine months for the state to approve a transition to a new hospital operator, and that he and the city had hoped that MemorialCare would continue managing the hospital while MWN goes through this process. He noted that the July 3 closure date was dictated by MemorialCare. Last November,

the health system had indicated it would close the hospital by June 30, 2019.

"MemorialCare did not provide us with any lead time. Even though they have until June of 2019, they chose to close a year early. And so they forced the situation and provided us with very little lead time," Keisler said.

Bishop said that the decision was made in April to break the lease for the hospital and cease operations because more than one-third of the hospital staff had quit. "Despite putting in a generous employee retention bonus, it was staff departures that resulted in the accelerated timeline," he said. "And with any reasonable expectation of continued resignations we wouldn't be able to maintain operations and provide safe patient care beyond the actual date of the closure."

Closing the hospital on July 3 is MemorialCare's choice, Keisler said. "They have the power to work with a new group, and they have the power to keep the hospital open through this management agreement, and we're hoping that they'll work that out," he said.

According to City Attorney Charles Parkin, the city council is likely to meet in closed session around 4:30 p.m. on Tuesday to discuss the transition to a new hospital operator. The matter will then be discussed publicly at the city council meeting after the closed session. ■

## Task Force Advocates For Continued Care At Community Medical Center Long Beach

■ By ANNE ARTLEY  
STAFF WRITER

(Note: The following article was written prior to the city's June 15 announcement that it would be negotiating with a group led by former Molina Healthcare President and CEO Mario Molina and his brother, John Molina, who served as chief financial officer of Molina Healthcare, to operate Community Medical Center Long Beach. The story highlights the efforts of local citizens and business people to keep the hospital operating.)

As the date draws closer that MemorialCare, the current operator of Community Medical Center Long Beach, is slated to give up the lease to the site, a task force of community members continues to advocate for keeping the hospital open.

The task force formed earlier this year after MemorialCare announced that, due to noncompliance with state seismic regulations, it would be unable to operate the hospital past June 30, 2019, according to Brascia Builders Owner Mike Brascia, one of the task force leaders. The facility, located at 1720 Termino Ave., sits on an active seismic fault and requires retrofitting certain structures to meet the requirements. In February, the health care provider informed the city of its intention to renounce the lease on July 3.

"A request came through [Fourth District