

Notice of Proposed Change to Charity Care Condition
Centinela Freeman Health System's Memorial Campus
(formerly Daniel Freeman Memorial Hospital)

The proposed changes in the charity care condition language are in bold and strikeouts:

Until December 17, 2008, with respect to the operation of Memorial, the buyer shall use substantially the same charity care policies that were in effect in December 2001 at Centinela, which shall include procedures to advise patients of the availability of charity care services and qualify them to receive such services. For each year until December 17, 2008, the buyer shall incur at least \$2.4 million in charity care costs at Memorial **and Centinela**, which is deemed the equivalent of a minimum of **1,402** ~~1,071~~ charity care patient days. If the buyer fails to provide the minimum number of charity care patient days in any year until December 17, 2008, the buyer shall pay \$2,000 for each patient day by which it has fallen short of **1,402** ~~1,071~~ charity care patient days at Memorial **and Centinela** for that year. The payment shall be made to any nonprofit public benefit corporation that provides healthcare services to residents of the Memorial service area. Within 90 days of each anniversary of December 17, the buyer's Chief Financial Officer shall certify to the Attorney General the number of charity care patient days that it has provided for the year at Memorial **and Centinela**, and, if that number is less than **1,402** ~~1,071~~ patient days, that the buyer has made the payment required by this condition. For purposes of this condition, the definition of "charity care" of the Office of Statewide Health Planning and Developing, as referenced on page 44 of the Lewin Group report, shall be used. (Footnote omitted.)