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ATTORNEYS FOR THE STATE OF IDAHO

IN THE OFFICE OF THE IDAHO ATTORNEY GENERAL

**IN RE: ATTORNEY GENERAL
LAWRENCE G. WASDEN'S REVIEW
OF THE PROPOSED SALE OF:**

**ST. JOSEPH REGIONAL MEDICAL
CENTER, INC., an Idaho nonprofit
hospital,**

Respondent.

OAG FILE NO. 7866-218315

**FIRST INFORMATION AND
DOCUMENT REQUESTS TO
RESPONDENT**

(Idaho Code § 48-1507(2))

I.

INTRODUCTION

Attorney General Lawrence G. Wasden ("Attorney General"), on behalf of the state of Idaho, enforces the Idaho Nonprofit Hospital Sale or Conversion Act ("the Act"), title 48, chapter 15, Idaho Code. The Act requires the Attorney General to issue an opinion in which he

consents to or opposes a proposed sale, transfer, lease, exchange, optioning, or conveyance of a nonprofit hospital to an entity other than a nonprofit. See Idaho Code § 48-1504(2).

Nonprofit hospitals hold assets in charitable trust, and the Attorney General is entrusted to protect charitable trust assets on behalf of the public. See Idaho Code §§ 48-1501(2); 67-1401(5). The Attorney General's review of a proposed transaction under the Act ensures that, based on the factors in Idaho Code § 48-1506, the nonprofit hospital's charitable trust assets are preserved and protected.

Before a nonprofit hospital may enter into a sale or conversion transaction, it must notify the Attorney General in writing and provide the Attorney General with information and documents related to factors provided in Idaho Code § 48-1506. See Idaho Code § 48-1503. The information and documents that are requested in these Information and Document Requests are necessary and relevant to the Attorney General's review. See Idaho Code § 48-1506(2). Accordingly, to facilitate a timely and cost-efficient review process, we ask St. Joseph Regional Medical Center, Inc., ("Respondent") to **provide the information and documents** identified in these Information and Document Requests **with its required Idaho Code § 48-1503 notice or shortly after providing its notice.**

If any information or documents are presently unavailable, please provide all available information and documents and produce any missing information or documents as the nonprofit hospital obtains them. Throughout his review, the Attorney General may request additional information and documents that he deems necessary and relevant to his review. See Idaho Code § 48-1507(2).

II.

INSTRUCTIONS

1. **Electronic Production.** Please produce all documents electronically via a CD or a thumb drive to one of the following addresses:

Regular Mail

Stephanie Guyon
Attorney General's Office
Consumer Protection Division
P.O. Box 83720
Boise, ID 83720-0010

Overnight Mail / Hand Delivery

Stephanie Guyon
Attorney General's Office
Consumer Protection Division
954 W. Jefferson, 2nd Fl.
Boise, ID 83702

2. **Bates Numbering.** Please identify each page of a produced document with a unique Bates number or source code and use that number or code (or range of numbers or codes) when referencing a produced document.

3. **Identify Responsive Documents.** Please identify each responsive document (by Bates numbers or source codes) for each Document Request. For example:

Document Request No.	Beginning Bates No.	Ending Bates No.
1	0000001	0000020
	0001050	0001053

4. **Confidential Documents.** Please designate as "CONFIDENTIAL" each page of any document that Respondent, based on an applicable statute or rule, believes in good faith is exempt from public disclosure under Idaho Code § 48-1509. If Respondent produces any documents that it designates as "CONFIDENTIAL," Respondent must provide a separate index that lists:

- a. The Bates number(s) or source code(s) of the designated CONFIDENTIAL document;
- b. A brief description (e.g., policy, letter, etc.) of the designated CONFIDENTIAL document; and

- c. The legal basis, including the statute or rule, for designating the document CONFIDENTIAL.

5. **Consultation with Attorney General.** To avoid unnecessary burdens on Respondent, after Respondent thoroughly reviews these Information and Document Requests and determines what information and documentary material is available to Respondent, Respondent may contact deputy attorney general Stephanie Guyon at (208) 334-4135 or email her at stephanie.guyon@ag.idaho.gov.

III.

DEFINITIONS

Unless otherwise defined in a specific request, the terms used in these Information and Document Requests have the following meanings:

1. **“Acquiring entity”** means “St. Joseph Hospital, LLC,” a subsidiary of “RCCH HealthCare Partners,” which entered into an agreement to acquire “St. Joseph RMC.”
2. **“Ascension Health”** means Ascension Health, Inc., the sole member of “St. Joseph RMC.”
3. **“Attorney General”** and **“Attorney General’s Office”** mean Idaho Attorney General Lawrence G. Wasden.
4. **“Ascension Health’s Board”** means “Ascension Health’s” board of directors and its individual members.
5. **“Charitable trust assets”** means real and personal property, tangible and intangible, in which Respondent has a legal or equitable interest, in whole or in part.
6. **“Contribution(s)”** means the grant, promise or pledge of money, credit, property, financial assistance, or any other thing of value in response to a “charitable solicitation.”

7. **“Charitable solicitation(s)”** means any oral or written request, directly or indirectly, for money, credit, property, financial assistance or other thing of value on the plea or representation that such money, credit, property, financial assistance or other thing of value or any portion thereof, will be used for a charitable purpose that benefits “St. Joseph RMC.”

8. **“Documentary material(s)”** means the original or a copy of any document, book, record, report, memorandum, paper, communication, tabulation, map, chart, photograph, email, audio and/or visual recording, mechanical, photographic, or electronic transcription, or other tangible document or recording.

9. **“Fair market value”** means the price at which a business or business interest would change hands between a willing buyer and a willing seller, neither being under compulsion to buy or sell and both having reasonable knowledge of all relevant facts as of the applicable valuation date.

10. **“Proposed acquisition”** means the proposed sale of all or substantially all of “St. Joseph RMC’s” assets to “RCCH HealthCare Partners.”

11. **“Potential acquiring entity”** means any person who submitted to the Parties a solicited or unsolicited proposal regarding the “proposed acquisition.”

12. **“RCCH HealthCare Partners”** means RegionalCare Hospital Holdings, Inc., doing business as RCCH HealthCare Partners.

13. **“Respondent”** means “St. Joseph RMC.”

14. **“Respondent’s Board”** means “St. Joseph RMC’s” board of directors and its individual members.

15. **“St. Joseph RMC”** means St. Joseph Regional Medical Center, Inc., an Idaho nonprofit corporation, regardless of other names under which the nonprofit corporation operated.

IV.

DOCUMENTS AND INFORMATION REQUESTED

1. Produce copies of Respondent's articles of incorporation, including all amendments, from inception to the present.
2. Produce copies of Respondent's bylaws, including all amendments and addendums, from inception to the present.
3. Identify the names, positions, and dates of service for each of Respondent's trustees, officers, directors, and executives during the past five years.
4. Produce a detailed organizational chart showing Respondent's current operations.
5. Produce copies of documentary material reflecting the terms and conditions of Respondent's restricted or temporarily restricted gifts or bequests.
6. Describe in detail Respondent's relationship with St. Joseph Regional Medical Center Foundation, Inc., ("the Foundation"). Please identify any contributions that Respondent has received from the Foundation during the past seven years and identify how Respondent used each contribution.
7. Produce Respondent's IRS Form 990s and all supporting documentary material for the past seven years.
8. Identify the physical address (if no address is assigned, provide the legal description) of all real property Respondent owns or owns in part. For each physical address identified (or legal description provided), provide the following (if applicable):
 - a. Date on which Respondent acquired ownership or partial ownership of the real property;
 - b. Current or intended purpose of the real property;
 - c. Was the real property donated to Respondent? If yes, identify the donor's name, address, telephone number, and email address.
 - d. Description of Respondent's ownership interest in the real property;

- e. Current fair market value of the real property;
- f. Description of any current liens or security interests held by third parties;
- g. Monthly rent the Respondent's receives from the tenants who lease the real property from Respondent; and
- h. Whether the real property is subject to the proposed acquisition.

9. Identify the name and position of any current trustee, officer, or director of Respondent who has any personal financial interest in any business entity that currently does business with (a) an affiliate of Respondent; (b) Ascension Health or its affiliates; or (c) the Acquiring Entity or its affiliates.

10. Produce copies of documentary material concerning any personal financial benefit that the proposed acquisition may confer on any officer, director, trustee, employee, doctor, medical group, consultant, or any other entity affiliated with Respondent or any immediate family member of any such person.

11. Produce copies of documentary material reflecting Respondent's discussions, deliberations, or decisions regarding the proposed acquisition, including, but not limited to Respondent's discussions or deliberations about whether Respondent should (a) continue operating Respondent as a nonprofit hospital; (b) transfer Respondent to an I.R.C. § 501(c)(3) public charity; or (c) close Respondent.

12. Produce copies of Respondent's last two community needs assessments. For each produced community needs assessment, identify the name of each person or entity that assisted in preparing it.

13. Produce copies of documentary material reflecting all communications between Respondent and any persons who Respondent retained to value or appraise Respondent's fair market value in preparation for or for the purposes of the proposed acquisition.

14. Produce copies of documentary material reflecting all evaluations, determinations, calculations, conclusions, summaries, or discussions that Respondent received from any persons who Respondent retained to value or appraise Respondent's fair market value in preparation for or for the purposes of the proposed acquisition.

15. Produce copies of all requests for proposal that Respondent sent to any potential acquiring entity.

16. Produce copies of all solicited and unsolicited proposals Respondent received from a potential acquiring entity.

17. For each potential acquiring entity's proposal that Respondent declined to accept, explain why Respondent declined to accept the potential acquiring entity's proposal.

18. Produce copies of any requests for opinions Respondent submitted to the Internal Revenue Service regarding the proposed acquisition and any rulings or opinions Respondent received from the Internal Revenue Service regarding the proposed acquisition.

19. Describe in detail the Respondent's plan for using the proceeds of the proposed acquisition and explain in detail how the Respondent's plan (1) protects and preserves Respondent's charitable assets, or (2) complies with all applicable charitable trusts that govern Respondent's charitable trust assets. In Respondent's explanation provide the following additional information:

- a. If Respondent's plan implicates a currently existing entity, identify the name and address of the currently existing entity.
- b. If Respondent's plan involves creating a new entity, provide a detailed explanation of how the new entity will be created and managed.

20. Produce copies of Respondent's prior five annual audited financial statements and its most recent unaudited financial statement.

21. Produce copies of all written agreements or contracts, including proposed written agreements or contracts, between Respondent and the Acquiring Entity concerning the proposed acquisition.

22. To the extent not provided in response to a another Request, describe in detail Respondent's plan to maintain the community's continued access to affordable health care following the completion of the proposed acquisition. If Respondent's plan involves any anticipated reduction or elimination of any health services, describe in detail the availability to Respondent's community of similar, but alternative services should such elimination or reduction occur. Include copies of all documentary material reflecting Respondent' plan.

23. Describe in detail Respondent's plan to maintain existing hospital privileges post-transaction. Produce copies of all documentary material reflecting Respondent's plan.

24. Describe in detail Respondent's plan to maintain existing health science research and health care provider education following the completion of the proposed acquisition. Produce copies of all documentary material reflecting Respondent's plan.

25. Produce any other information or copies of documentary material that Respondent believes the Attorney General should consider based on the factors provided in Idaho Code § 48-1506.