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TO: Idaho Attorney General's Office Attention Stephanie Guyon

FR: Nancy Hansen, POBox 1941, Lewiston ID 83501 208 413-0792

RE: Challenge Distribution: St. Joseph Regional Medical Center sale to for-profit (Lewiston, Idaho)

DA: 11-28-2016

This letter is to challenge the proposed distribution provision of the sale of the non-profit corporation St. Joseph's Regional Medical Center in Lewiston Idaho to the For Profit Ascension and request full disclosure of the 2002 transfer of the sale for \$1 of SJRMC to Ascension.

1. **PRIOR TO THE** public meeting: the public needs the full disclosure of the 2002 transfer of the sale of Sisters of St. Joseph to Ascension for \$1 with the intent it would remain a non-profit hospital and continue to support the Catholic mission or worship, health and education in the Valley, as relates to clause 2 and 4 of Idaho State Code section 48-1506

Relevant for clauses 3 and 4 are long time donors to the purchase, construction, operation and maintenance of the non-profit hospital. Also included are the profits from the thousands of paying patients served who were treated at the hospital. At issue if the INTENT of these donors for distribution upon termination of a charitable entity (the non-profit that owns the hospital, not Ascension which received sole ownership of that corporation in 2012). The donor INTENT is likely best evaluated by looking at the purposes of the non-profit when donations were made. The purposes are historically stated in the original articles of incorporation of St. Joseph's Hospital Corporation and its many revisions.

2. Ascension will receive \$109Million profit on its \$1 purchase by selling the hospital to RCCH Health Partners, a Tennessee company which will run St. Joseph's as a FOR-PROFIT business.. Ascension has said \$20million of the \$109million it receives from the sale will be given to a foundation owned and controlled by Ascension whose mission is to assist the hospital ownership with capital improvements. How the remaining \$89million in sale proceeds will be spent by Ascension has not been disclosed. There has been no commitment from Ascension to ensure this \$89million will be used to support the charitable intent of donors, as required by law, and there is nothing to stop Ascension from taking this money out the Lewiston are and spending it elsewhere for purposes that would be inconsistent with the donors' original intent.

Based on current public knowledge of the 2002 transfer the majority of the funds from the sale of the non-profit hospital assets should remain with a local non-profit, not Ascension. There should be a local board able to decide how to distribute the funds in keeping with the historical purposes of the purposes of the non-profit hospital.

