

SB 1661 Facility Report #2  
13085 – Providence Tarzana Medical Center

Building 03 – Ancillary Wing

Providence Health & Services – California acquired this hospital from Tenet Healthcare on 9/19/08. The hospital had been listed for sale for the previous five years, primarily due to the cost of complying with State seismic requirements. Given the severe economic crisis, which has worsened since our acquisition of this facility, we will be unable to begin construction at this hospital until 6/1/2018. We will need to stagger the timing of our seismic projects in order to be able to access affordable capital without compromising our bond covenants, which would in turn impact our ability to provide equipment and other needed capital investments to ensure that we are able to continue to provide state-of-the-art care for the communities we serve. The dates will also be dependent upon the timing associated with local land use requirements and related approvals. We realize that the above start/completion dates are beyond the current interim deadline dates, and will, therefore, be pursuing all possible avenues to seek flexibility with regard to these interim deadlines.

No comments for Building 01 – Main Hospital or Building 02 – Patient Tower.

Health & Services California  
501 South Buena Vista Street  
Burbank, CA 91505  
t: (818) 843-5111  
www.providence.org

June 30, 2009



Robert P. David  
Chief Deputy Director  
Office of Statewide Health Planning & Development  
400 R Street, Suite 310  
Sacramento, CA 95811

Subject: SB 1661 Information for Providence Health & Services – California Hospitals

Dear Mr. David:

Enclosed please find the SB 1661 Reports for our five Providence Health & Services – California hospitals:

Providence Holy Cross Medical Center – Mission Hills  
Providence Little Company of Mary Medical Center – San Pedro  
Providence Little Company of Mary Medical Center – Torrance  
Providence Saint Joseph Medical Center – Burbank  
✓ Providence Tarzana Medical Center # 13085

All of the required information is provided on the attached reports. We have added notes to the bottom of three of the reports, which explain some of our responses.

You will note that for two of our hospitals, our facilities in Torrance and Tarzana, the start and completion dates fall outside of the current interim deadlines. Given the severe economic downturn and its impact on the current credit environment, access to adequate capital at affordable rates is almost impossible to obtain. Failure to obtain affordable capital would put at risk our ability to repay the debt required to complete all of these projects within the State's time requirements. Further, if we could obtain the needed capital, this debt could threaten our bond covenants, which would in turn impact our ability to provide equipment and other needed capital at all of our hospitals – putting all of the communities we serve at risk of not having adequate hospital services, even those communities in which our hospitals will meet the seismic requirements. Therefore, while we fully support and intend to meet the ultimate goal of SB 1953, we need to stagger our seismic construction work over time, and therefore will be pursuing all possible avenues to seek flexibility with regard to the interim deadlines.

Please feel free to contact me at (818) 847-3334 if you should have any questions.

Sincerely,

A handwritten signature in black ink, appearing to read "AS", with a long horizontal flourish extending to the right.

Arnold R. Schaffer  
Vice President, Chief Executive

Attachments (5)

cc: Paul Coleman, Acting Deputy Director, Facilities Development Division