

MATERIAL CHANGE NOTICE SUBMISSION DETAILS

MCN Number	2025-08-22-1400
OHCA Review Start Date	10/8/2025
Anticipated date (unless tolled per regulation) by which OHCA could waive cost and market impact review	11/24/2025 TOLLED
Anticipated date (unless tolled per regulation) by which OHCA could determine cost and market impact review required	12/8/2025 TOLLED

SUBMITTER

HEALTH CARE ENTITY CONTACT FOR PUBLIC INQUIRY

Title	CEO
First Name	Pablo
Last Name	Velez
Email Address	pablo.velez@ecrmc.org

GENERAL

Business Name	El Centro Regional Medical Center
Website	https://www.ecrmc.org/
Ownership Type	Other Ownership
Tax Status	For-profit
Federal Tax ID	95-1915820
Description of Submitting Organization	<p>El Centro Community Hospital, doing business as, El Centro Regional Medical Center ("ECRMC") is a separate public agency and enterprise operation of the City of El Centro organized and operated under the provisions of Articles 7 and 8, Chapter 5, Part 2, Division 3, Title 4 of the California Government Code, commencing with Section 37600, dealing with municipal hospitals and Article III, Chapter 13 of the El Centro City Code. ECRMC operates a 161 bed general acute care hospital ("Hospital"), along with two specialized departments, and provides various outpatient services in outpatient centers, including two rural health clinic centers, ("Outpatient Facilities") in surrounding locations that provide healthcare services to the Imperial Valley in California. The services provided by the Hospital and Outpatient Facilities are described below.</p> <p>Although the City of El Centro holds the California Department of Public Health, general acute care hospital license for El</p>

	<p>Centro Regional Medical Center, ECRMC, as a separate public agency, operates and manages the Hospital and the Outpatient Facilities.</p> <p>ECRMC's net patient revenues are as follows:</p> <p>2022: \$168,771,020 2023: \$146,442,682 2024: \$151,052,650</p>
Health Care Provider	Yes
For Providers: Desc. of Capacity or Patients served in California	<p>The Hospital provides a range of medical services, including: cardiopulmonary services; emergency services; gastroenterology services; hepatology services; hematology; intensive care unit; laboratory services; medical surgical services; monoclonal antibody infusion services; mental health services; nutrition services; oncology; outpatient services; pediatrics; primary care services; radiology/imaging services; rehabilitation services, surgical; telehealth services; women's services; and, wound care.</p> <p>The Outpatient Facilities provide a range of medical services including: cardiology; counseling; gastroenterology; general surgery; geriatric; gynecology; infectious disease; internal medicine; interventional radiology; laboratory services; mental health services; neonatology; nephrology; neurology (pediatric); obstetrics; ophthalmology; orthopedics; pediatrics; podiatry; prenatal care; primary care; pulmonology; radiology services; sleep medicine; telehealth; and, vascular surgery.</p> <p>ECRMC has a total of 929 staff members.</p>
For Payers: Enrollees per county	

LOCATIONS

Counties	Imperial
California licenses and numbers	See attached.
Other States Served	None
Primary Languages used when providing services	English; Spanish

Other language if not listed above	American Sign Language Services. See attached for further details on languages and counties served.
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MATERIAL CHANGE

ADDITIONAL ENTITIES

Business Name	Description of the Organization	Ownership Type	Additional MCN Submission
City of El Centro	<p>The City of El Centro (the "City") is a municipal corporation and charter city that is operated by a Council/Manager form of government. Specifically, the City Council is composed of five elected members who set policy, and the City Manager ensures that the City's services are performed to the highest standard in accordance with the City Council's policies. It's revenues are as follows:</p> <p>2022: \$34,256,142 2023: \$41,327,951 2024: \$44,208,751</p> <p>Other than its limited role as a license-holder to ECRMC's general acute care hospital, as described earlier in this notice, the City has no other healthcare operations.</p>	Other	No
Imperial Valley Healthcare District	<p>Imperial Valley Healthcare District ("IVHD") owns and operates the following facilities:</p> <ul style="list-style-type: none"> • Pioneers Memorial Hospital; • Calexico Health Center; • Pioneers Children's Health Center; • Pioneers Health Center; and • Pioneers Memorial Skilled Nursing 	Other	Yes

	Facility.		
	See accompanying MCN filing by IVHD for service line, languages, revenue, and other operational details.		

CRITERIA

A health care entity with annual revenue, as defined in section 97435(d) , of at least \$25 million or that owns or controls California assets of at least \$25 million, or;	Yes
A health care entity with annual revenue, as defined in section 97435(d) , of at least \$10 million or that owns or controls California assets of at least \$10 million and is a party to a transaction with any health care entity satisfying subsection (b)(1), or	Yes
A health care entity located in a designated primary care health professional shortage area in California, as defined in Part 5 of Subchapter A of Chapter 1 of Title 42 of the Code of Federal Regulations (commencing with section 5.1), available at data.hrsa.gov . To determine if you are located in a primary health care professional shortage area, please visit here	Yes

CIRCUMSTANCES FOR FILING

The proposed fair market value of the transaction is \$25 million or more and the transaction concerns the provision of health care services.	Yes
The transaction is more likely than not to increase annual California-derived revenue of any health care entity that is a party to the transaction by either \$10 million or more or 20% or more of annual California-derived revenue at normal or stabilized levels of utilization or operation.	Yes
The transaction involves the sale, transfer, lease, exchange, option, encumbrance, or other disposition of 25% or more of the total California assets of the submitter(s).	Yes

TRANSACTION DETAILS

Anticipated Date of Transaction Closure	12/30/2025
Description of the Transaction	See attached.
Submitted to US Department of Justice or Federal Trade Commission?	No
Submitted to Other Agency?	No
Subject to court proceeding	No

<p>Description of current services provided and expected post-transaction impacts on health care services</p>	<p>See Sections 3 & 4 Submitter Business Information re (A) and (B). Following the closing of this transaction, IVHD will own ECRMC, but there are no other anticipated post-transaction changes and ECRMC will continue to operate and provide services in Imperial County.</p> <p>See attached re demographic data for ECRMC patients. There are no expected post-transaction changes hereto for the facilities under IVHD, other than resident turnover in the ordinary course.</p> <p>ECRMC participates in a separate Imperial County wide needs community assessment that is conducted by the Imperial County Community Health Improvement Partnership which includes Pioneer Memorial Hospital and all other healthcare constituents in the county. ECRMC maintains charity care and financial assistance policies that allow patients to receive care for free or reduced prices depending on the patient's insurance coverage and income level. ECRMC also has an enhanced care management program, which is a no-cost program for eligible managed health plan members with complex health issues or social needs, that provides services for physical health, substance use treatment, behavioral health, and social services. See attached Needs Assessment performed and published in November 2024. There are no expected post-transaction changes thereto.</p> <p>Medi-Cal and Medicare patients are currently accepted, and represent ninety percent (90%) of ECRMC's patient population. There are no expected post transaction changes thereto.</p>
<p>Prior mergers or acquisitions that: (A) involved the same or related health care services; (B) involved at least one of the entities, or their parents, subsidiaries, predecessors, or successors, in the proposed transaction; and (C) were closed in the last ten years.</p>	<p>On August 21, 2024, ECRMC acquired a skilled nursing facility ("SNF") license held by Imperial Care LLC, an affiliate of Bayshire, LLC. El Centro Regional Medical Center will operate the SNF as a "distinct part" of its Hospital's licensed facilities under 42 CFR § 483.5. An OHCA filing (MCN #2025-05-05-1379) was made in respect of this transaction and is currently undergoing review by OHCA.</p>
<p>Description of Potential Post Transaction Changes</p>	<p>(A) Following the closing of this transaction, IVHD will own and operate ECRMC. Except for</p>

	<p>the foregoing, there are no other expected post-transaction changes that the parties are aware of at the time of this submission.</p> <p>(B) Following the closing of this transaction and pursuant to the terms of the Asset Transfer Agreement, ECRMC's business employees shall be offered employment with IVHD. Such hired employees will be offered benefits under IVHD's benefit plans. Generally, employees that receive wages and benefits will continue to receive equal or greater wages and benefits under IVHD. There are no other expected post-transaction changes that the parties are aware of at the time of this submission.</p> <p>(C) Except for the assignment of such contracts to IVHD, there are no expected post-transaction changes that the parties are aware of at the time of this submission.</p> <p>(D) There are no expected post-transaction changes that the parties are aware of at the time of this submission.</p>
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County	Count	Percentage
(blank)	19849	9.37%
Ada	4	0.00%
ALAMEDA	6	0.00%
Allegheny	1	0.00%
Amador	1	0.00%
Anchorage	1	0.00%
ANNE ARUNDEL	4	0.00%
Arapahoe	2	0.00%
Barton	1	0.00%
Beaverhead	1	0.00%
Bell	4	0.00%
BERGEN	2	0.00%
Berrien	3	0.00%
Bexar	3	0.00%
Brazos	1	0.00%
BRONX	1	0.00%
Broward	6	0.00%
BRYAN	3	0.00%
Burlington	1	0.00%
Burnett	1	0.00%
Butte	1	0.00%
California	23	0.01%
Canadian	2	0.00%
Canyon	3	0.00%
Centre	1	0.00%
Champaign	1	0.00%
Charleston	1	0.00%
Chippewa	1	0.00%
Clackamas	1	0.00%
CLARK	28	0.01%
Clay	6	0.00%
CLEVELAND	5	0.00%
COCHISE	3	0.00%
Coconino	1	0.00%
Coleman	1	0.00%
Collier	1	0.00%
Collin	1	0.00%
Contra Costa	9	0.00%
Cook	1	0.00%
Coos	1	0.00%
Coryell	2	0.00%
Craven	6	0.00%
Curry	1	0.00%
Dallas	2	0.00%
DANE	3	0.00%
Davidson	1	0.00%

DAVISS	1	0.00%
Davis	1	0.00%
DE KALB	1	0.00%
Denton	2	0.00%
Denver	1	0.00%
Deschutes	4	0.00%
Dona Ana	1	0.00%
Douglas	9	0.00%
DuPage	1	0.00%
Duplin	1	0.00%
DUTCHESS	1	0.00%
Duval	1	0.00%
East Baton Rouge	1	0.00%
El Dorado	1	0.00%
EL PASO	15	0.01%
Erie	1	0.00%
Escambia	3	0.00%
Fairfield	2	0.00%
Fayette	1	0.00%
Flathead	1	0.00%
Floyd	1	0.00%
Fort Bend	1	0.00%
Franklin	4	0.00%
Frederick	2	0.00%
FRESNO	34	0.02%
Galveston	2	0.00%
Glynn	1	0.00%
Goshen	6	0.00%
Grays Harbor	1	0.00%
GUILFORD	1	0.00%
Hampton City	1	0.00%
HANSON	2	0.00%
HARRIS	2	0.00%
Harrison	1	0.00%
HIDALGO	6	0.00%
HILLSBOROUGH	1	0.00%
Hot Spring	1	0.00%
HOUSTON	1	0.00%
HUMBOLDT	2	0.00%
IMPERIAL	188822	89.18%
Ingham	1	0.00%
Inyo	1	0.00%
Iron	1	0.00%
Jackson	6	0.00%
JAMES CITY	1	0.00%
Jasper	1	0.00%
Jefferson	4	0.00%

Juab	1	0.00%
Kalkaska	8	0.00%
KERN	43	0.02%
King	1	0.00%
KINGS	30	0.01%
Kitsap	1	0.00%
Klamath	1	0.00%
La Paz	1	0.00%
Lake	2	0.00%
Lane	1	0.00%
Larimer	1	0.00%
Lauderdale	1	0.00%
Laurel	1	0.00%
Lawrence	1	0.00%
Lewis	1	0.00%
LIBERTY	1	0.00%
Lincoln	4	0.00%
LOS ANGELES	285	0.13%
LUBBOCK	1	0.00%
LYON	3	0.00%
MADERA	7	0.00%
Manatee	1	0.00%
MARICOPA	58	0.03%
MARION	1	0.00%
MAUI	1	0.00%
McLeod	2	0.00%
Mecosta	1	0.00%
Mendocino	2	0.00%
MERCED	4	0.00%
Middlesex	1	0.00%
Minnehaha	1	0.00%
MOHAVE	9	0.00%
MONTEREY	42	0.02%
Muskegon	3	0.00%
NASSAU	1	0.00%
NATCHITOCES	1	0.00%
NAVAJO	3	0.00%
New York	2	0.00%
Niagara	3	0.00%
NORFOLK CITY	1	0.00%
NUECES	2	0.00%
Nye	1	0.00%
Oklahoma	2	0.00%
ORANGE	60	0.03%
Osceola	1	0.00%
Otero	1	0.00%
PARK	13	0.01%

PAYETTE	16	0.01%
PENNINGTON	9	0.00%
PIERCE	8	0.00%
PIKE	6	0.00%
PIMA	8	0.00%
PINAL	8	0.00%
Pitkin	2	0.00%
PLATTE	7	0.00%
Polk	6	0.00%
Pondera	1	0.00%
Pope	6	0.00%
Potter	1	0.00%
Price	1	0.00%
Prince Georges	1	0.00%
Providence	1	0.00%
Pulaski	1	0.00%
QUEENS	4	0.00%
Ramsey	1	0.00%
RANDOLPH	1	0.00%
RIVERSIDE	644	0.30%
SACRAMENTO	14	0.01%
Saint Clair	1	0.00%
SAINT CROIX	1	0.00%
Saint Louis	2	0.00%
Saline	1	0.00%
Salt Lake	2	0.00%
San Benito	2	0.00%
SAN BERNARDINO	152	0.07%
SAN DIEGO	642	0.30%
SAN FRANCISCO	3	0.00%
SAN JOAQUIN	29	0.01%
San Luis Obispo	6	0.00%
SAN MATEO	4	0.00%
SANTA BARBARA	10	0.00%
SANTA CLARA	12	0.01%
SANTA CRUZ	8	0.00%
SANTA ROSA	1	0.00%
Saratoga	1	0.00%
Schenectady	17	0.01%
Scott	1	0.00%
SEMINOLE	1	0.00%
SISKIYOU	13	0.01%
SKAGIT	1	0.00%
SNOHOMISH	4	0.00%
SOLANO	7	0.00%
Sonoma	4	0.00%
SPOKANE	1	0.00%

STANISLAUS	12	0.01%
SUMTER	1	0.00%
Sutter	2	0.00%
Tarrant	1	0.00%
Tazewell	1	0.00%
TEHAMA	1	0.00%
Travis	3	0.00%
TULARE	19	0.01%
Uintah	1	0.00%
Union	1	0.00%
VENTURA	11	0.01%
VERMILION	1	0.00%
VIRGINIA BEACH CITY	5	0.00%
VOLUSIA	2	0.00%
Wake	2	0.00%
Walker	1	0.00%
Walton	1	0.00%
WASHOE	21	0.01%
WAYNE	2	0.00%
Webb	6	0.00%
Webster	1	0.00%
Weld	1	0.00%
Westmoreland	1	0.00%
Whatcom	2	0.00%
Whitfield	1	0.00%
Whitley	2	0.00%
Willacy	1	0.00%
Williams	2	0.00%
Wood	1	0.00%
Wright	1	0.00%
YAKIMA	2	0.00%
Yamhill	1	0.00%
YAVAPAI	9	0.00%
YUBA	1	0.00%
YUMA	378	0.18%

Grand Total 211739

Other languages are available upon request through language interpreter/translation service. ECRMC is currently utilizing its VOYCE Medical Interpreter Services.

El Centro Regional Medical Center

- **Hospital Licenses:**
 - CDPH General Acute Care Hospital License No. 090000004 (City of El Centro (for ECRMC))
 - CDPH Clinical and Public Health Laboratory License No. CDF-00000446
 - CDPH Clinical and Public Health Laboratory License No. CLR-00354582 (ECRMC Specialty Clinic)
 - CDPH Medical Waste Management Program Registration No. 349
 - CLIA Certificate of Accreditation No. 05D0643147
 - CLIA Certificate of Waiver No. 05D2171263
 - BOP Hospital Inpatient Pharmacy Permit No. HPE 22192
 - BOP Sterile Compounding Pharmacy License No. LSE 101879
 - CDPH Radiologic Health Branch Certificate of Registration No. FAC00004765
 - CDPH Radiologic Health Branch Certificate of Registration No. FAC00067140
 - CDPH Radiologic Health Branch Certificate of Registration No. FAC00078940
 - DEA Controlled Substance Registration No. AE1041134
 - FDA Certified Mammography Facility Certificate, Facility ID No. 111625
 - CDPH Radiologic Health Branch Radioactive Material License No. 0485-13
- **Hospital Enrollments and Identifiers:**
 - NPI (Hospital) No. 1861409823
 - NPI (Calexico Rural Health Clinic/Outpatient Center) No. 1598840258
 - NPI (El Centro Regional Medical Center Rural Health Clinic/Outpatient Clinic) No. 1144300476
 - Medicare Enrollment (Hospital) No. 050045
 - Medi-Cal Enrollment (Inpatient) No. 1861409823
 - Medi-Cal Enrollment (Calexico Rural Health Clinic/Outpatient Center) No. 1598840258
 - Medi-Cal Enrollment (El Centro Regional Medical Center Rural Health Clinic/Outpatient Clinic) No. 1144300476
- **Ancillary Licenses:**
 - Imperial County Department of Public Health, Food High Risk and Full Prep. Health Care Facility No. PT0030174; Facility ID No. FA0010412 (City of El Centro (for ECRMC))
- **Accreditations:**
 - TJC Hospital Accreditation No. 9816
 - American College of Radiology (ACR) Nuclear Medicine Accreditation No. NMAP# 52684-01
 - ACR MRI Accreditation No. MRAP# 54450-01
 - ACR MRI Accreditation No. MRAP# 53306-02
 - ACR Mammography Accreditation No. MAP# 11053-07
 - ACR Computed Tomography Accreditation No. CTAP# 52554-01
 - ACR Computed Tomography Accreditation No. CTAP# 54429-01
 - Mammography X-Ray Equipment and Facility Accreditation Certificate No. 27482
- **Recognitions:**
 - American Diabetes Association Certificate of Recognition – National Standards for Diabetes Self-Management Education ID No. 003041

TRANSACTION DESCRIPTION:

(A) The Goals of the transaction:

A primary goal of the transaction is to urgently stabilize and transform healthcare delivery in Imperial County by consolidating its two major hospitals under a unified, publicly governed system, thereby effectuating the legislative intent of AB 918 (2023). Imperial Valley Healthcare District (“**IVHD**”) is the successor in interest to Pioneers Memorial Hospital, as further mandated by AB 918 (2023). The acquisition of El Centro Regional Medical Center (“**ECRMC**”) is the next critical step to creating a countywide healthcare district capable of delivering coordinated, efficient, and equitable care to the residents of Imperial Valley.

Previously, the Imperial Valley had multiple healthcare districts and a city-owned hospital operating independently. This fragmentation has led to a duplication of services, inefficiencies, and financial instability. As the author of AB 918 (2023) warned, “[a]ccess to healthcare in Imperial County is at serious risk.”¹ The Legislature recognized this crisis and enacted AB 918 (2023) as an urgency statute, declaring that “the imminent financial collapse of the El Centro Regional Medical Center is a serious threat to the public health and safety of the residents of the region,” and emphasizing the need for immediate action to “stabilize access to health care and to continue ongoing emergency medical services in one of California’s most underserved communities.”²

By establishing IVHD and authorizing it to acquire ECRMC, the Legislature sought to consolidate resources, streamline operations, and ensure continuity of care. This acquisition not only stabilizes the region’s largest acute-care hospital but also empowers local governance, mandates public engagement, honors existing staff and contracts, and prioritizes equitable service delivery.

This transaction operationalizes many of OHCA’s own objectives: to build a more integrated, efficient, and equitable healthcare system. The transfer of ECRMC to IVHD improves cost efficiency through unified governance, shared medical staff, and integrated financial and clinical operations. It will promote high-value system performance by enabling coordinated care and strategic resource allocation across the county. Furthermore, it will advance equity by soliciting active community input and preserving continuity of care in a region where access is fragile and the population is predominantly low-income and rural. The transfer of ECRMC is not a financially driven transaction, rather it is a strategic, community-driven intervention designed to preserve essential services, improve long-term sustainability, and deliver high-value care to a vulnerable population.

(B) A summary of the terms of the transaction:

¹ California State Assembly. (2023). AB 918: Health care district: County of Imperial – According to the Author, Analysis. CalMatters Digital Democracy. https://calmatters.digitaldemocracy.org/bills/ca_202320240ab918.

² *Id.* at AB 918: Health care district: County of Imperial – Section 5, Bill Text.

As set forth in more particular detail in that certain Asset Transfer Agreement (the “**Agreement**”), dated effective August 1, 2025, by and among, City of El Centro (the “**City**”), ECRMC (collectively, the “**Sellers**”), on the one hand, and IVHD, on the other hand, IVHD will acquire from Sellers all of the assets (not including certain excluded assets), including properties, rights, whether real or personal, tangible and intangible, and assuming all liabilities involved in the operation of ECRMC which includes its 161-bed general acute care hospital and outpatient centers in California.

IVHD will pay each Seller One Dollar (\$1.00) to acquire the assets and assume the liabilities and the City will make a one-time cash payment to IVHD of Five Million Dollars (\$5,000,000.00) at Closing to support healthcare needs for the City’s residents.

(C) A statement of why the transaction is necessary or desirable:

The transaction is an essential step to combatting the financial challenges of the hospital and outpatient facilities currently within ECRMC’s service area. ECRMC is the largest hospital in Imperial County and without this transaction, ECRMC cannot financially sustain its operations. Its closure would leave the county’s residents with significantly reduced access to emergency and inpatient care, destabilizing the region’s already fragile healthcare infrastructure

The Legislature recognized this threat and enacted AB 918 (2023) as an urgency statute, stating that “the imminent financial collapse of the El Centro Regional Medical Center is a serious threat to the public health and safety of the residents of the region.”³ The bill authorizes IVHD, which has already succeeded to Pioneers Memorial Hospital, to acquire ECRMC and consolidate both hospitals under a single, publicly governed entity. This transfer is not only a lifeline for ECRMC but also a strategic intervention to improve system-wide efficiency, reduce duplication, and ensure continuity of care in one of California’s most underserved regions.

(D) General public impact or benefits of the transaction, including quality and equity measures and impacts:

The transaction will have positive impacts on the general public by preserving and enhancing access to high-quality, equitable healthcare services in Imperial County. ECRMC is one of only two general acute care hospitals serving the entire county. Its financial collapse would leave thousands of residents, many of whom are low-income, medically underserved, and geographically isolated, without access to emergency and inpatient care. By acquiring ECRMC, the parties seek to ensure continuity of care and protect the region’s most critical healthcare infrastructure.

The consolidation of ECRMC and Pioneers Memorial Hospital under IVHD will improve quality through unified clinical governance, an integrated medical staff, and coordinated care delivery. These structural reforms are expected to reduce duplication, streamline operations, and enable more strategic resource allocation, all of which should contribute to higher system performance and better patient outcomes. The transaction also advances equity by embedding community representation into the governance structure, requiring public meetings, and prioritizing service

³ *Id.*

delivery in historically underserved areas. The Author of AB 918 (2023) emphasized, that the creation of a countywide healthcare district, including IVHD’s ownership of both ECRMC and Pioneers Memorial Hospital, would result in “multi-millions of dollars in savings” and allow the hospitals to qualify as a sole community hospital across two campuses, triggering increased Medicare reimbursements that can be reinvested into patient care and infrastructure.⁴

The parties believe that this transaction is not only a financial and operational necessity, it is a public health imperative. It protects access to care, improves quality, and promotes equity for a vulnerable population that would otherwise face severe health risks due to systemic instability and geographic isolation.

(E) Narrative description of the expected competitive impacts of the transaction:

The expected competitive impacts of the transaction are positive and stabilizing, particularly in the context of Imperial County’s unique healthcare landscape. The region is served by only two general acute care hospitals—ECRMC and Pioneers Memorial Hospital—both of which have faced significant financial and operational challenges. Prior to the formation of IVHD, these hospitals operated independently under separate governance structures, contributing to fragmentation, duplication of services, and inefficiencies that undermined the sustainability of care delivery.

Rather than reducing competition, the transaction enhances the region’s ability to maintain essential services by consolidating these facilities under a single, publicly governed entity. This integration will not eliminate choice, rather it will preserve access to critical healthcare in a market where the alternative is collapse, rather than competition. Without this transaction, ECRMC is likely to be unable to financially sustain operations, and its closure would leave a large portion of the county without access to emergency and inpatient care. The Legislature recognized this risk and enacted AB 918 (2023) as an urgency statute to prevent a public health crisis.

Moreover, the transaction introduces competitive benefits in terms of system performance and accountability. By unifying governance, medical staff, and administrative functions, IVHD can more effectively coordinate care, reduce waste, and reinvest savings into quality improvement and expanded services. The district’s public structure ensures transparency, community oversight, and responsiveness to local needs, which are factors that enhance service quality and equity in ways that traditional market competition cannot achieve in rural and underserved areas.

The transaction does not diminish meaningful competition; it preserves and strengthens the healthcare system in a region where market failure is otherwise imminent. It ensures continuity of care, improves operational efficiency, and enhances public accountability, delivering long-term benefits to patients, providers, and the broader community.

(F) Description of any actions or activities to mitigate any potential adverse impacts of the transaction on the public:

⁴ *Id.* at AB 918: Health care district: County of Imperial – According to the Author, Analysis.

There are no anticipated adverse impacts on the public resulting from this transaction.