

MATERIAL CHANGE NOTICE SUBMISSION DETAILS

MCN Number	2026-02-13-1481
OHCA Review Start Date	February 25, 2026
Anticipated date (unless tolled per regulation) by which OHCA could waive cost and market impact review	April 13, 2026
Anticipated date (unless tolled per regulation) by which OHCA could determine cost and market impact review required	April 27, 2026

SUBMITTER

HEALTH CARE ENTITY CONTACT FOR PUBLIC INQUIRY

Title	Dr.
First Name	Gene
Last Name	Ma
Email Address	GMa@tcmc.com
Street Address	4002 Vista Way
City	Oceanside
State	CA
Postal Code	92056

GENERAL

Business Name	Tri-City Healthcare District dba Tri-City Medical Center
Website	https://www.tricitymed.org/
Ownership Type	Other Ownership
Other Ownership	Hospital District, a political subdivision of CA
Tax Status	For-profit
Federal Tax ID	95-2126937
Description of Submitting Organization	<p>Tri-City Healthcare District is a public healthcare district and is a political subdivision of the state of California organized pursuant to Division 23 of the Health and Safety Code of the state of California. The District owns and operates a 386-bed acute care hospital in northern San Diego County, called Tri-City Medical Center. Tri-City Medical Center primarily serves San Diego's North County, including the cities of Oceanside, Carlsbad, and Vista. Tri-City Healthcare District also holds a 60% ownership interest in Tri-City Medical Center Cardiovascular Health Institute, LLC, which provides management services for certain cardiovascular service lines at Tri-City Medical Center and a 60% ownership interest in Tri-City Medical Center ASC Operators, LLC, which provides management services for ambulatory surgical services provided by North Coast Surgery Center, Ltd. Tri-City Medical Center is a general acute care hospital with over 500 physicians practicing in over 60 specialties. Tri-City Medical Center maintains a 40-</p>

	<p>bed basic emergency department that conducts approximately 45,000 visits annually. Tri-City also maintains 10 operating rooms, two cardiac catheterization labs, two interventional radiology suites and other general acute care service lines including inpatient orthopedics; inpatient acute rehab; outpatient physical, occupational, and speech therapy; outpatient behavioral health; wound care; cardiac rehabilitation; outpatient imaging; outpatient pulmonary services; outpatient cardiovascular services; same day surgery outpatient observation services; and outpatient infusion. Tri-City Medical Center is one of the largest employers in North San Diego County and employs a total of approximately 1,500 staff members. Tri-City Healthcare District generated the following revenues: FY2023: \$301,100,297, FY2024: \$267,363,852, and FY2025: \$320,520,297.</p>
Health Care Provider	Yes
For Providers: Desc. of Capacity or Patients served in California	Please refer to description of submitting organization (above).

LOCATIONS

Counties	San Diego
California licenses and numbers	<ul style="list-style-type: none"> • General Acute Care Hospital license, California Department of Public Health, No. 080000099 • Permit to Operate Licensed Health Care Facility, County of San Diego Department of Environmental Health and Quality, No. DEH2002-FFPP-301782 (Tri-City Hospital District) • Clinical and Public Health Laboratory License, California Department of Public Health, No. CDF-00001463 • Certificate of Accreditation, CLIA, ID 05D0643045 • Sterile Compounding Pharmacy (Government Owned), California Board of Pharmacy, No. 15524 • Pharmacy (Government Owned Community), California Board of Pharmacy, No. 51516 • Hospital Registration, Drug Enforcement Agency, No. AT1053925 • Tissue Bank License, State of California Department of Public Health, ID No. CTE 00080166 • California Radioactive Materials License, County of San Diego Department of Environmental Health and Quality, No. 1071-37 • County of San Diego Department of Environmental Health and Quality, Unified Program

	<p>Facility Permit for storing hazardous materials, No. DEH2009-HUPFP-211573 (Tri-City Medical Center Wound Care Facility)</p> <ul style="list-style-type: none"> Unified Program Facility Permit for handling hazardous waste, San Diego Department of Environmental Health and Quality, No. DEH2015-HUPFP-002001 License for the Production of Biologics, California Department of Public Health, blood bank ID 9336 Hospital Accreditation Program, The Joint Commission, ID 9995 CAP Accreditation, No. 2317601
Other States Served	None
Primary Languages used when providing services	English; Arabic; Armenian; Chinese; Farsi; Hindi; Japanese; Korean; Russian; Spanish; Tagalog; Vietnamese; Other
Other language if not listed above	French, Italian, Polish

MATERIAL CHANGE

ADDITIONAL ENTITIES

Business Name	Description of the Organization	Ownership Type	Additional MCN Submission
Sharp HealthCare	Please refer to Exhibit A in Sharp HealthCare's MCN submission for an overview of Sharp HealthCare's organizational details. Sharp HealthCare's annual revenue for the three most recent fiscal years was: FY2025: \$5,453,612, FY2024: \$5,148,077, and FY2023: \$4,743,097	Other	Yes
Tri-City Medical Center Corporation	Please refer to Exhibit A in Sharp HealthCare's MCN submission for an overview of Tri-City Medical Center Corporation.	Other	No

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	No
---	----

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 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
The transaction involves a transfer or change in control, responsibility or governance of the Submitter. A transaction will directly or indirectly transfer control, responsibility, or governance in whole or in part of a material amount of the assets or operations of a health care entity to one or more entities if: (1) The transaction would result in the transfer of 25% or more of the voting power of the members of the governing body of a health care entity, such as by adding one or more members, substituting one or more members, or through any other type of arrangement, written or oral; or (2) The transaction would vest voting rights significant enough to constitute a change in control such as supermajority rights, veto rights, and similar provisions even if ownership shares or representation on a governing body are less than 25%;	Yes
The transaction involves the formation of a new health care entity, affiliation, partnership, joint venture, or parent corporation for the provision of health care services in California that is projected to have at least \$25 million in California-derived annual revenue at normal or stabilized levels of utilization or operation, or transfer of control of California assets related to the provision of health care services valued at \$25 million or more	Yes

TRANSACTION DETAILS

Anticipated Date of Transaction Closure	7/1/2026
Description of the Transaction	For a description of the transaction, please see Exhibit C attached to Sharp HealthCare's MCN submission.
Submitted to US Department of Justice or Federal Trade Commission?	No
Submitted to Other Agency?	Yes
Date of Submission	8/1/2026
To Whom Submitted	California Attorney General

<p>Description of Submission (Include Agency name(s) and State(s))</p>	<p>California Health & Safety Code § 32121(p)(12) and 11 CCR § 999.40 require the District to report to the California Attorney General within 30 days of any transfer or lease of district assets.</p> <p>The Parties determined the transaction is exempt from the HSR filing requirement. Transactions are not HSR reportable if one of the parties to the transaction is not an “entity” under HSR rules. Section 7A(c)(4) of the HSR Act’s exemption of “transfers to or from a Federal agency or a State or political subdivision thereof” is read in conjunction with 16 C.F.R. Section 801.1(a)(2), which states that an “entity” shall not include “... the United States, any of the States thereof, or any political subdivision or agency of either (other than a corporation or unincorporated entity engaged in commerce).” After conducting a legal analysis, the parties confirmed that the District, as a California hospital district, is a government agency and therefore not an “entity” under HSR rules. The Pre-Merger Notification Office confirmed that the facts of this transaction do not preclude the application of the exemption.</p>
<p>Subject to court proceeding</p>	<p>Yes</p>
<p>Name of Court(s), case number</p>	<p>No, however, the District has initiated a validation action in accordance with Government Code sections 860 and 53511(a). (Superior Court of California, County of San Diego, case number: 26CU007338N). The validation statutes allow public agencies to bring an action to validate the agencies’ approval of contracts, bonds, and other obligations. Validation actions provide public agencies with certainty and protect against future legal challenges to the agencies’ action in approving the transaction. Examples of validation actions in similar transactions include Fallbrook Healthcare District (1997), Grossmont Healthcare District (2014), and Desert Healthcare District (2024).</p>
<p>Description of current services provided and expected post-transaction impacts on health care services</p>	<p>(A) District furnishes services within San Diego County and facilitates access to necessary health care services to the community members within the district. As required by applicable law and described in the Affiliation Agreement, Sharp will continue to operate and maintain all of the District’s health care facilities and its assets for the benefit of the communities served by District.</p> <p>(B) The transaction is structured to protect and facilitate the TCMC’s continued delivery of certain core services (including, without limitation, basic cardiac and neurological services), while also establishing a</p>

better financial posture through which other services may be continued and/or expanded. TCMC is a general acute care hospital with a 40-bed basic emergency department, and related inpatient and outpatient service lines (as described above). The parties anticipate the transaction will result in necessary and substantial operating and financial investment for TCMC to achieve seismic compliance to maintain operations as a general acute care hospital and to maintain basic emergency services. Further, the parties anticipate that the transaction will allow TCMC to expand access to services within the community and re-open key service lines, including labor & delivery and neonatal intensive care unit services, which were closed due to financial limitations in 2023.

(C) Enclosed is an overview of demographic information related to TCMC's patients. TCMC disproportionately serves as a key access point for Medicare and Medi-Cal patients. In FY23-24, Medicare and Medi-Cal patients represented approximately 76.9% of TCMC's inpatient discharges. The parties do not anticipate any changes to patient types or demographics as a result of the transaction.

(D) TCMC maintains a charity policy to facilitate financial assistance for eligible patients and promote access to necessary care services regardless of a patient's ability to pay. TCMC also partners with community organizations as part of its COASTAL Commitment. The COASTAL commitment priorities are consistent with the findings of the Hospital Association of San Diego and Imperial Counties Community Health Needs Assessment. The parties anticipate that charity care and participation in community benefit programs will be consistent or expanded as a result of the transaction. Sharp participates in the Hospital Association of San Diego and Imperial Counties Community Health Needs Assessment and similarly implements community benefit programs aligned with the priorities identified in the needs assessment. The Affiliation Agreement further requires Sharp to provide access to free or discounted care at a level reasonably consistent with TCMC's current charity care policy.

(E) TCMC accepts both Medicare and Medi-Cal patients. Under the Affiliation Agreement, Sharp has committed to maintain TCMC's participation in the Medicare and Medi-Cal programs. As such, the parties do not anticipate any post-transaction changes.

<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>None. Please see Sharp HealthCare's MCN submission for prior acquisitions or mergers closed by Sharp HealthCare.</p>
<p>Description of Potential Post Transaction Changes</p>	<p>Please see Sharp HealthCare's MCN submission for an overview of potential post-transaction changes.</p>
<p>Description of the nature, scope, and dates of any pending or planned material changes occurring between the Submitter and any other entity, within the 12 months following the date of the notice</p>	<p>None.</p>

Tri-City Medical Center
Patient Demographic Information

Gender	Fiscal Year			Grand Total
	2023	2024	2025	
Female	55.84%	55.44%	55.41%	55.57%
Male	44.12%	44.54%	44.58%	44.41%
Unspecified	0.04%	0.02%	0.01%	0.02%
Grand Total	100.00%	100.00%	100.00%	100.00%

Ethnicity	Fiscal Year			Grand Total	
	2023	2024	2025		
Not Hispanic, Latino, or Spanish Origin					
Origin		64.90%	63.71%	64.09%	64.24%
Hispanic, Latino, or Spanish Origin		25.94%	24.65%	23.01%	24.52%
Mexican/Mexican American/Chicano/a		5.98%	8.34%	9.67%	7.99%
Unavailable		2.53%	2.58%	2.48%	2.53%
Multiple		0.49%	0.48%	0.51%	0.49%
Puerto Rican		0.06%	0.10%	0.07%	0.07%
Unable to Respond		0.05%	0.04%	0.08%	0.05%
Patient Declined		0.04%	0.06%	0.06%	0.05%
Cuban		0.02%	0.03%	0.02%	0.02%
(blank)		0.00%	0.02%	0.03%	0.02%
Grand Total		100.00%	100.00%	100.00%	100.00%

Race	Fiscal Year			Grand Total
	2023	2024	2025	
White	61.32%	61.10%	63.54%	62.01%
Other	23.81%	23.86%	21.81%	23.14%
Black or African American	5.64%	5.72%	5.55%	5.64%
Unavailable	2.27%	2.37%	2.21%	2.28%
Other Asian	2.70%	2.13%	1.95%	2.26%
Multiple	1.47%	1.45%	1.41%	1.44%
Filipino	0.73%	1.02%	1.15%	0.97%
Native Hawaiian or Pacific Islander	0.77%	0.60%	0.62%	0.66%
American Indian or Alaska Native	0.27%	0.29%	0.25%	0.27%
Chinese	0.12%	0.26%	0.32%	0.23%
Vietnamese	0.17%	0.23%	0.30%	0.23%
Japanese	0.18%	0.21%	0.18%	0.19%
Asian Indian	0.16%	0.21%	0.16%	0.17%
Samoan	0.15%	0.16%	0.16%	0.16%
Korean	0.08%	0.11%	0.12%	0.10%
Patient Declined	0.04%	0.10%	0.06%	0.07%
Other Pacific Islander	0.04%	0.06%	0.06%	0.05%
Unable to Respond	0.03%	0.03%	0.07%	0.05%
Guamanian or Chamorro	0.02%	0.05%	0.05%	0.04%
(blank)	0.03%	0.02%	0.03%	0.03%
Native Hawaiian	0.02%	0.01%	0.01%	0.01%
Grand Total		100.00%	100.00%	100.00%

Age Groups	Fiscal Year			Grand Total
	2023	2024	2025	
0-9	4.27%	3.06%	2.50%	3.28%
10-19	4.16%	3.65%	3.69%	3.83%
20-29	10.24%	10.07%	9.34%	9.88%
30-39	11.21%	11.15%	10.30%	10.88%
40-49	10.26%	10.48%	11.17%	10.64%
50-59	13.57%	13.45%	12.42%	13.14%
60-69	17.75%	18.27%	18.64%	18.22%
70-79	16.22%	17.16%	18.40%	17.27%
80-89	9.57%	9.91%	10.53%	10.01%
90-99	2.67%	2.72%	2.95%	2.78%
100-109	0.08%	0.07%	0.06%	0.07%
Grand Total	100.00%	100.00%	100.00%	100.00%

Financial Class	Fiscal Year			Grand Total
	2023	2024	2025	
Medi-cal MC	24.25%	25.82%	25.87%	25.31%
Medicare Advantage	20.01%	20.81%	22.51%	21.12%
Medicare	15.17%	14.77%	14.90%	14.95%
HMO	11.49%	9.80%	9.49%	10.27%
Commercial	6.36%	5.37%	6.07%	5.94%
Correctional Department	4.99%	5.83%	5.27%	5.35%
Medi-cal TRAD	5.30%	5.05%	4.23%	4.85%
Self Pay	2.87%	2.85%	2.63%	2.78%
Medicare Managed Care	1.98%	2.25%	2.01%	2.08%
Other Government	1.16%	1.65%	2.28%	1.70%
United HealthCare	1.76%	1.62%	1.23%	1.53%
Managed Care	2.03%	1.52%	0.95%	1.50%
Tricare	1.38%	1.31%	1.24%	1.31%
Workers Comp/Liability	0.86%	0.98%	0.94%	0.93%
Other	0.39%	0.36%	0.38%	0.38%
Select Health	0.01%	0.00%	0.00%	0.00%
Medicaid	0.00%	0.00%	0.00%	0.00%
Humana	0.00%	0.00%	0.00%	0.00%
Grand Total	100.00%	100.00%	100.00%	100.00%