#### **BEFORE THE**

# DEPARTMENT OF HEALTH CARE ACCESS AND INFORMATION STATE OF CALIFORNIA

In the Matter of the Penalty Issued to:	) ) ) HCALN: 25 002C HOE
ST. ROSE HOSPITAL	) HCAI No. 25-003C-HQF
Appellant.	}
	}
	}
	}
	}

### PROPOSED DECISION

This matter was heard before Camille Dixon, Hearing Officer, Department of Health Care Access and Information ("HCAI"), State of California, beginning on Wednesday, July 2, 2025, at 1:30 PM PST.

HCAI was represented by Ty Christensen, Manager, Accounting and Reporting Systems Section. Tina Tran, Associate Governmental Program Analyst, Accounting and Reporting Systems Section and Michelle Church-Reeves, Attorney III, Legal Office were also present on behalf of HCAI.

Hayward Sisters Hospital, doing business as St. Rose Hospital, an Alameda Health System affiliate, hereinafter referred to as "Appellant," was represented by Mike Sarrao, Esq., General Counsel. Mario Harding, Chief Administrative Officer, and Rosario Eugenio, Accounting and Finance Manager, were also present on behalf of Appellant.

Department of Public Health, CalHealth Find Database <a href="https://www.cdph.ca.gov/Programs/CHCQ/LCP/CalHealthFind/Pages/SearchResult.aspx">https://www.cdph.ca.gov/Programs/CHCQ/LCP/CalHealthFind/Pages/SearchResult.aspx</a> [as of July 9, 2025].

The hearing concluded at 1:54 PM PST. Both documentary and testamentary evidence were received. The record was held open for Appellant to submit additional documentary evidence. Appellant submitted additional documentary evidence on July 2, 2025, without objection from HCAI. The record was closed on July 2, 2025, at 6:00 PM PST.

#### PROCEDURAL FINDINGS

- 1. On May 12, 2025, HCAI assessed a \$13,600 penalty and \$4,400 penalty against Appellant, for a total amount of \$18,000, for two of its delinquent Hospital Quarterly Financial ("HQF") Reports, which were filed after the expiration of the extension period.<sup>2</sup>
- 2. Appellant timely appealed the penalties within the required fifteen business days<sup>3</sup> from receipt of the penalty letters by emailing the Hearing Office directly on May 23, 2025, and submitting a Request for Administrative Hearing form dated May 23, 2025, which was received by the Hearing Office on Friday, May 23, 2025.
- 3. Appellant requested the consolidation of the two appeals at the time of appeal. No party objected to the consolidation request and the consolidation was approved by the Hearing Office.
- 4. HCAI submitted written exhibits to the Hearing Office and Appellant in advance of the hearing in a timely manner. All exhibits were found to be authentic and relevant and were admitted to the record as Exhibits 1 through 22.
- Appellant submitted a written statement to the Hearing Office and HCAI at the time of 5. appeal. The Hearing Officer found the written statement to be authentic and relevant and, without objection from HCAI, admitted the written statement to the record. Appellant submitted additional documentary evidence on July 2, 2025, without objection from HCAI, the Hearing Officer found the additional documentary evidence to be authentic and relevant and admitted the exhibits, labeled Exhibits A through E, to the record.

Health & Saf. Code, § 128770. See also Exhibits 1, 11, and 20.
 Health & Saf. Code, § 128775. See also Cal. Code Regs. Tit. 22, § 97052.

#### **FACTUAL FINDINGS**

- 1. Appellant was required under Health and Safety Code section 128770 to timely file its HQF report for the Report Period Ending ("RPE") date September 30, 2024, by November 14, 2024. Appellant requested and received a 30-day extension, which extended the due date to December 14, 2024,5 but filed its HQF report 136 days after the extension expired on April 29, 2025.6
- HCAI's System of Integrated Electronic Reporting and Auditing ("SIERA") sent 2. automated reminders to Appellant via email on Wednesday, December 4, 2024, and Friday, December 13, 2024. A delinquent report reminder was automatically emailed to Appellant on Tuesday, December 17, 2024. A delinquent report notice, dated December 23, 2024, was mailed to Appellant using General Logistics Systems ("GLS") overnight mail and signed for by Appellant on Tuesday, December 24, 2024. 9 SIERA was updated on December 26, 2024, to reflect that Lex Reddy was no longer Chief Executive Officer and that Mario Harding replaced Mr. Reddy. <sup>10</sup> A final notice of delinquent quarterly financial utilization report letter dated January 21, 2025, was signed for by Appellant on January 22, 2025. 11
- 3. Penalties accrued from December 15, 2024, until April 29, 2025, when the HQF report was filed, after the expiration of the extension. 12 In accordance with Health and Safety Code section 128770, subsection (a), HCAI assessed penalties in the amount of \$100 per day for 136 days, resulting in a total penalty amount of \$13,600.13 These facts were substantiated both by oral statements made under oath by Mr. Christensen at the hearing and written exhibits.

<sup>&</sup>lt;sup>4</sup> Health & Saf. Code, § 128770. *See also* Cal. Code Regs. Tit. 22, § 97051. <sup>5</sup> Exhibit 1. <sup>6</sup> Exhibits 1 and 10.

<sup>&</sup>lt;sup>7</sup> Exhibits 2 and 3.

Exhibits 5 and 6.

Exhibit 7.
Exhibits 8 and 9.

<sup>&</sup>lt;sup>12</sup> Exhibits 10, 20 and 22.
<sup>13</sup> Health & Saf. Code, § 128770. *See also* Exhibits 10, 20, and 22.

- 4. Appellant was required under Health and Safety Code section 128770 to timely file its HQF report for the RPE date December 31, 2024, 14 by February 14, 2025. 15 Appellant requested and received a 30-day extension, which extended the due date to March 16, 2025, but filed its HQF report 44 days after the extension expired on April 29, 2025. 16
- 5. HCAI sent automated reminders to Appellant via email on Thursday, March 6, 2025, and Saturday, March 15, 2025. 17 A delinquent report reminder was automatically emailed to Appellant on Wednesday, March 19, 2025. 18 A delinquent report notice, dated March 24, 2025, was mailed to Appellant using GLS overnight mail and signed for by Appellant on Tuesday, March 25, 2025. 19 A final notice of delinquent quarterly financial utilization report letter dated April 22, 2025, was signed for by Appellant on April 24, 2025.<sup>20</sup>
- Penalties accrued from March 17, 2025, until April 29, 2025, when the HQF report was 6. filed, after the expiration of the extension.<sup>21</sup> In accordance with Health and Safety Code section 128770, subsection (a), HCAI assessed penalties in the amount of \$100 per day for 44 days, resulting in a total penalty amount of \$4,400.<sup>22</sup> These facts were substantiated both by oral statements made under oath by Mr. Christensen at the hearing and written exhibits.
- 7. Appellant is a 126-bed non-profit, general acute care hospital located in Hayward, California, and provides over 800 jobs, including more than 300 physician positions.<sup>23</sup>
- 8. Appellant submitted a written statement with its appeal and made oral statements of facts it believes show good cause why the HQF reports at issue were not submitted in a timely manner. Appellant also submitted evidence after the conclusion of the hearing to support its position.

<sup>&</sup>lt;sup>14</sup> Exhibit 11.

<sup>15</sup> Health & Saf. Code, § 128770. *See also* Cal. Code Regs. Tit. 22, § 97051.

<sup>&</sup>lt;sup>16</sup> Exhibits 11.

<sup>&</sup>lt;sup>17</sup> Exhibits 12 and 13.

<sup>&</sup>lt;sup>18</sup> Exhibit 14.

<sup>&</sup>lt;sup>19</sup> Exhibits 15 and 16.

Exhibits 13 and 10.

20 Exhibits 17 and 18.

21 Exhibits 19, 20, and 22.

22 Health & Saf. Code, § 128770. See also Exhibits 19, 20, and 22.

23 Department of Public Health, CalHealth Find Database

https://www.cdph.ca.gov/Programs/CHCQ/LCP/CalHealthFind/Pages/SearchResult.aspx [as of July 9, 2025]. See also St. Rose Hospital https://www.strosehospital.org [as of July 9, 2025].

- 9. In its written statement Appellant wrote that Lex Reddy, Chief Executive Officer ("CEO"), and Matthew Williams, Chief Financial Officer ("CFO"), both left their roles on October 31, 2024, "as expected." Appellant wrote that it affiliated with Alameda Health System ("AHS") on November 1, 2024, due to significant financial distress and remains in a financially dire situation. <sup>24</sup> The sole accountant, Josefina Pangilinan, left sometime prior to November 2024 for unspecified reasons prior to the AHS affiliation, and Appellant wrote that it experienced challenges backfilling the position to support the Accounting & Finance Manager, Rosario Eugenio, which resulted in the late filing of the HOF reports.<sup>25</sup> Appellant concluded its written statement by requesting a waiver of the penalties due to its existing financial burdens.<sup>26</sup>
- 10. Mario Harding began his role as Chief Administrative Officer on November 1, 2024, when Appellant affiliated with AHS. Mr. Sarrao opined that Appellant is a recipient of a loan from HCAI's Distressed Hospital Loan Program which is explained in detail below.
- The Distressed Hospital Loan Program (DHLP) offers interest-free, working capital loans 11. to non-profit hospitals that belong to integrated health care systems with no more than two separately licensed hospitals in California that are facing the risk of closure while they implement turnaround strategies to regain financial viability.<sup>27</sup> The DHLP was established through AB 112<sup>28</sup> in 2023 and also became operative in 2023, with Appellant being one of the non-profit hospitals in receipt of a loan award in 2023 in the amount of \$17,650.000.<sup>29</sup>
- 12. Mr. Sarrao claimed that Appellant is a standalone non-profit hospital and although it restructured its leadership, and affiliated with AHS as of November 1, 2024, it still struggles financially. Mr. Sarrao claimed that the \$18,000 in penalties will impact Appellant's ability to provide the "best patient care and increase access to care," and claimed Appellant is a "safety net" hospital that has struggled financially for "many years."

<sup>&</sup>lt;sup>24</sup> Exhibit A.

<sup>&</sup>lt;sup>25</sup> Exhibit A.

<sup>&</sup>lt;sup>26</sup> Exhibit A.

Distressed Hospital Loan Program - HCAI [as of July 11, 2025].

See Health & Saf. Code §§ 129380-129387.

Press Release and List of Loan Awards [as of July 11, 2025]. HCAI contracts with the California Health Facilities Financing Authority through an Inter-Agency Agreement to administer the DHLP. Distressed Hospital Loan Program - HCAI [as of July 13, 2025].

- 13. The Hearing Officer requested that Mr. Sarrao provide additional evidence to support the claim of financial hardship as described in Appellant's written statement submitted on appeal and based on the testimony at the hearing and gave Mr. Sarrao a deadline of Monday, July 7, 2025, to submit additional evidence. Mr. Sarrao, on July 2, 2025, provided additional evidence labeled Exhibits A through E. The additional evidence shows Appellant's financial timeline and events from 2021 to 2025 as a non-profit hospital undergoing financial, organizational, and operational challenges to avoid closure.
- 14. To address its revenue shortfall in 2021 and 2022, Appellant applied for and received grant money from the California Health Foundation and Trust ("CHFT") in the amount of \$37,000 in 2021 and \$36,000 in 2022. Alameda County awarded Appellant \$5,256,000 under Measure "A," the Essential Health Care Services Initiative, during the period July 1, 2021, to June 30, 2022. Appellant also received \$6,744,000 from the State of California through the federally funded inter-governmental transfer program for the year ending September 30, 2022. The United States Department of Health and Human Services awarded Appellant \$1,715,008 through the Coronavirus Aid, Relief, and Economic Security (CARES) Act during the year ending September 30, 2022. Medi-Cal was 37.86% of Appellant's total revenue in 2021 and 42.69% in 2022. Medicare was 40.63% of Appellant's total revenue in 2021 and 41.65% in 2022. Neither Medi-Cal nor Medicare reimburse 100% of patient services rendered by Appellant, additionally, uninsured and underinsured patients represent 42% of Appellant's patient volume.

<sup>&</sup>lt;sup>30</sup> Exhibit A.

<sup>31</sup> Exhibit A.

<sup>&</sup>lt;sup>32</sup> Exhibit A.

<sup>&</sup>lt;sup>33</sup> Exhibit A. The CARES Act is an economic stimulus bill passed by the 116th United States Congress and signed into law by the President in response to the COVID-19 pandemic and included payments to health care entities to continue access to health care for COVID-19 patients, and support for health care providers, among other provisions. H.R.748 - 116th

Congress (2019-2020): CARES Act | Congress.gov | Library of Congress [as of July 13, 2025].

<sup>35</sup> Exhibit A. Exhibit A.

<sup>&</sup>lt;sup>36</sup> Exhibit A.

- 15. Appellant submitted a DHLP application, dated June 30, 2023, which describes Appellant as a non-profit hospital and Appellant's application shows that it sought \$20,000,000 to prevent closure of the hospital.<sup>37</sup> Appellant was awarded \$17,650,000.<sup>38</sup>
- 16. In its DHLP application Appellant describes itself as a "safety-net" hospital for skilled nursing facilities, board and care facilities, and an in-network provider for emergency services for indigent residents in addition to patients with behavioral health issues.<sup>39</sup> The three closest acute care hospitals with patient services similar to Appellant are at least 20 minutes away and it is the only acute care hospital in Hayward. Patients that lack access to transportation would be delayed or denied health care services if the hospital closed. 40
- 17. Appellant's audited financial statements for fiscal years ending September 30, 2023, and September 30, 2024, shows Appellant was still operating at a loss after receiving DHLP funding. 41 Appellant entered into a debt service relief agreement with HCAI wherein it restructured a \$24,360,000 loan and a \$10 million line of credit on October 31, 2024, that is insured through HCAI's California Health Facility Construction Loan Insurance Program ("Cal-Mortgage") which is explained in detail below. 42
- HCAI administers the Cal-Mortgage program, which was created in 1969 to insure loans 18. for construction, renovation, and expansion projects that improve health care access, particularly in underserved areas. <sup>43</sup> The State of California guarantees the payment of principal and interest on the loans. The loan insurance permits borrowers to obtain low interest rates. 44 The Insurance Fund, which is part of the Cal-Mortgage program, is used as a depository of fees and insurance premiums and is used to pay shortfalls resulting from defaults by insured borrowers and the administrative expenses of the Cal-Mortgage program. <sup>45</sup> As the Insurance Fund is a trust, interest

<sup>&</sup>lt;sup>37</sup> Exhibit A. <sup>38</sup> Exhibit A.

<sup>&</sup>lt;sup>42</sup> Exhibits A and B.

<sup>&</sup>lt;sup>43</sup> 2021-Cal-Mortgage-Reports-to-the-Legislature-Released-August-2022.pdf [as of July 13, 2025]. See also Health & Saf. Code §§ 129000-129045.

<sup>44</sup> Ibid.

<sup>45</sup> Ibid.

and other earnings generated may only be used for Cal-Mortgage program purposes. 46

19. Due to its continuing financial challenges, the affiliation with AHS, leadership and staff restructuring, major changes to labor and delivery services, and the conversion of a third-floor unit to sub-acute care, Appellant submitted a DHLP loan modification application on or around March 31, 2025. 47 The application shows that Appellant requested a 12-month extension of its payment deferral period and maturity date, and the application shows that Appellant is experiencing declining inpatient and outpatient volumes, in addition to an increased cost of care without increased reimbursement from Medi-Cal and Medicare, a lack of sufficient reserves, and the application shows Appellant is applying for more grant funding from other sources. <sup>48</sup> Appellant's consolidated statement of revenue and expenses shows that Appellant was still operating at a loss for the seven-month reporting period ending on April 30, 2025. 49 Appellant's DHLP modification request was approved. 50 The information Appellant submitted regarding the affiliation with AHS, leadership and staffing changes, major changes to labor and delivery, as well as the conversion of the third-floor unit to sub-acute care, among other information, resulted in Appellant's payment deferral period being extended by 12 months on May 7, 2025.<sup>51</sup> HCAI did not object to Appellant's submission of Exhibits A through E, which were 20.

found to be authentic and relevant and were admitted into the record on July 2, 2025, at 6:00 PM PST. These facts were substantiated by oral statements made under oath by Mr. Sarrao at the hearing as well as written exhibits.

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<sup>46</sup> *Ibid*.
47 Exhibit B.
48 Exhibit B.

#### DISCUSSION AND LEGAL CONCLUSIONS

- 1. The issue here is whether Appellant had good cause, as required by Health and Safety Code section 128770, for failing to file its HQF reports after the expiration of the extension period dates on December 14, 2024, and March 16, 2025, and whether the penalties should be waived in whole or in part.
- 2. Under Health and Safety Code section 128770, subsection (c), a penalty may "be reviewed on appeal, and the penalty may be reduced or waived for good cause." In *Waters v. Superior Court*, the California Supreme Court stated that, "good cause may be equated to a good reason for a party's failure to perform that specific requirement from which he seeks to be excused." Good cause must be directly related to the specific legal requirement which the party failed to perform and should be outside the reasonable control of the party. Good cause is sometimes defined as circumstances beyond the party's control, and not related to the party's own negligent act or failure to act. On an individual basis, courts and administrative bodies have often found that hospitalization, incapacitation, accident involvement, or loss or unavailability of records may constitute good cause. As a general rule, however, "good cause" includes reasons that are fair, honest, in good faith, not trivial, arbitrary, capricious, or pretextual, and reasonably related to legitimate needs, goals, and purposes. The determination of good cause in a particular context should utilize common sense based on the totality of the circumstances, including the underlying purpose of the statutory scheme. Mere ignorance is not a strong showing of good

52 Waters v. Super. Ct. of Los Angeles County (1962) 58 Cal.2d 885, 893 (hereafter Waters)

Waters).

53 Waters, supra, 58 Cal.2d 885,893 and Secretary of State, "Good Cause" Reasons for Waiving Late Campaign & Lobbying Filing Fees <a href="https://www.sos.ca.gov/campaign-lobbying/helpful-resources/fines-late-filing-disclosure-statements-and-reports/guidelines-waiver-liability-late-filing-fines">https://www.sos.ca.gov/campaign-lobbying/helpful-resources/fines-late-filing-disclosure-statements-and-reports/guidelines-waiver-liability-late-filing-fines</a> [as of July 13, 2025].

http://www.fppc.ca.gov/content/dam/fppc/NS-Documents/TAD/FilingOfficer/700FO-Folder/Late%20Fine%20Guidelines.pdf [as of June 4, 2025]. See also *Waters*, *supra*, 58 Cal.2d 885, 893.

<sup>885, 893.

55</sup> Cotran v. Rollins Hudig Hall Intern., (1998) 17 Cal.4th 93.

56 Laraway v. Sutro & Co. (2002) 96 Cal.App.4th 266, 274.

cause.<sup>57</sup> A party's diligence is a factor in determining good cause for an extension or a delay.<sup>58</sup>

- 3. Here, the substantiated facts show that Appellant filed its HQF for RPE September 30, 2024, 136 days late, resulting in a penalty of \$13,600 and its HQF for RPE December 31, 2024, 44 days late, resulting in a penalty of \$4,400, for total penalties of \$18,000.59
- 4. Since at least 2021, Appellant's documentation demonstrates that it struggles to remain solvent and keep its hospital doors open. Appellant has applied for and received numerous grants from various sources, such as Alameda County, the state, the federal government and private sources such as CHFT.<sup>60</sup> Medi-Cal and Medicare, which do not reimburse 100% of Appellant's costs, was a majority of Appellant's total revenue in 2021 and 2022. 61 That information by itself, however, would not constitute good cause because the timeline occurs years prior to the HQF reports at issue in this appeal but as explained below, Appellant was dealing with competing priorities to keep its hospital open when the HQF reports were due and being prepared.
- If Appellant were to close its hospital doors due to insolvency, patients would be forced 5. to travel at least 20 minutes away to one of three other hospitals outside of Hayward and patients that lack access to transportation would either be delayed or denied health care services. 62 Further, uninsured and underinsured patients represent 42% of Appellant's patient volume, underscoring the importance of Appellant being able to keep its hospital doors open as a "safety net" hospital. 63
- 6. Because Appellant's financial viability as a non-profit hospital remained at risk in 2023, Appellant was awarded a DHLP loan in the amount of \$17,650,000, which was \$2,350,000 million less than it requested in its DHLP application. <sup>64</sup> Between 2023 and 2024, Appellant continued to operate at a loss after receiving DHLP funds and entered into a debt service relief

<sup>57</sup> Tsingaris v. State of California (1979) 91 Cal.App.3d 312, 314.
58 People v. Financial & Surety, Inc. (2016) 2 Cal.5th 35, 47. See also Wang v.
Unemployment Ins. Appeals Bd. (1990) 225 Cal.App.3d 412, 420.

Exhibit 20.

<sup>&</sup>lt;sup>64</sup> Exhibit A.

agreement with HCAI on October 31, 2024, in efforts to address its financial shortfall, which was around the same period of time that Appellant's HQF reports were due and being prepared. 65

- Appellant underwent substantial organizational changes during the time the reports were 7. due and being prepared. 66 Appellant's CEO and CFO departed on October 31, 2024, "as expected" and as of November 1, 2024, Appellant affiliated with AHS in hopes of addressing its financial challenges and hired new leadership, including Mario Harding, as the Chief Administrative Officer. 67 The departure of Josefina Pangilinan, the sole accountant who was responsible for filing the HQF reports, impacted Appellant's ability to timely file the HQF reports and Appellant experienced challenges backfilling the position when the HQF reports were due and being prepared. <sup>68</sup> Rosario Eugenio requested a 30-day extension for each of the HQF reports, however, HQF reports, by law, can only be extended by 30 days, therefore, Appellant did not have the option to get additional extensions to file the HQF reports while it continued to balance its financial, organizational, leadership and staffing challenges. <sup>69</sup>
- Appellant requested a modification of its DHLP application on or around 8. March 31, 2025, to restructure its debt as it was experiencing declining patient volume and an increased cost of care without increased reimbursement from Medi-Cal and Medicare and it lacked sufficient reserves. 70 It was also dealing with a recent restructuring of its hospital due to the affiliation with AHS, leadership changes, and staff shortages, as well as changes to its labor and delivery services and a conversion of a third-floor unit to sub-acute care. 71 As of its report period ending on April 30, 2025, Appellant was still operating at a loss and will continue to rely on other sources to continue to fund the hospital. 72 Based on the aforementioned information it submitted, Appellant's DHLP modification application requesting a 12-month payment deferral was approved on May 7, 2025.<sup>73</sup>

<sup>&</sup>lt;sup>65</sup> Exhibit B.

<sup>66</sup> Exhibit B.

<sup>&</sup>lt;sup>68</sup> Exhibit B and Exhibit 22.

<sup>&</sup>lt;sup>69</sup> Exhibits 1 and 11. See also Cal. Code Regs. Tit. 22, § 97051.

<sup>&</sup>lt;sup>72</sup> Exhibit E. <sup>73</sup> Exhibits B and C.

- 9. As mentioned above, "good cause" includes reasons that are fair, honest, in good faith, not trivial, arbitrary, capricious, or pretextual, and reasonably related to legitimate needs, goals, and purposes. 74 The purpose of the penalty under Health & Safety Code section 128770 is to encourage the timely submission of reports. However, report compliance must be balanced with common sense based on the totality of the circumstances. 75 Appellant had many competing priorities during the time the HQF reports were due and being prepared, which prevented it from filing the HQF reports on time. <sup>76</sup> Appellant's ongoing financial challenges resulted in Appellant seeking grant funding from various sources, restructuring its debt, requesting a loan modification, restructuring its organization leadership, affiliating with AHS, trying to backfill their accountant's position, who was responsible for filing the HQF reports, major changes to labor and delivery, as well as the conversion of the third-floor unit to sub-acute care. <sup>77</sup> These were events that could not be ignored by Appellant to comply with a report filing requirement and constitute good cause due to the aforementioned, superseding circumstances. <sup>78</sup>
- As a matter of public policy, imposing \$18,000 in penalties on a financially struggling 10. non-profit hospital is not in the interest of the more than 800 staff working at Appellant's facility or the vulnerable patients seeking care there. 79 The harm associated with the late submission of two HQF reports is very minimal compared to the harm associated with imposing \$18,000 in penalties on a non-profit hospital that faces closure without the help of various funding sources. 80 Uninsured and underinsured patients make up 42% of Appellant's patient volume. 81 Appellant's closure would result in those patients being deprived of access to a hospital in Hayward and those patients would have to drive at least 20 minutes away to one of three other hospitals located in other cities.<sup>82</sup>

 <sup>&</sup>lt;sup>74</sup> Cotran, supra, 17 Cal.4th 93.
 <sup>75</sup> Laraway, supra, 96 Cal.App.4th 266, 274.
 <sup>76</sup> Exhibit B.

<sup>&</sup>lt;sup>77</sup> Exhibits A and B.

<sup>&</sup>lt;sup>79</sup> Exhibit 20.

Exhibits A and B.

<sup>82</sup> Exhibit B.

Even worse, patients that lack access to transportation would be delayed or denied health care and over 800 jobs would be lost if Appellant's hospital closed.<sup>83</sup>

11. Based on the totality of the circumstances, the substantiated facts show good cause for a waiver of the \$13,600 penalty for RPE September 30, 2024, and a waiver of the \$4,400 penalty for RPE December 31, 2024.

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<sup>83</sup> Exhibit B. *See also* St. Rose Hospital <a href="https://www.strosehospital.org">https://www.strosehospital.org</a> [as of July 9, 2025].

## PROPOSED ORDER

Dated: July 23, 2025	//original signed//
	CAMILLE DIXON Hearing Officer Department of Health Care Access and Information
	DECISION
Pursuant to Health and Safety the Proposed Decision is:	Code section 128775, after due consideration of the record
Accepted Rejected	
Dated: August 6, 2025	//original signed//