

Kern County Grand Jury Melissa Brown, Foreperson 1415 Truxtun Avenue, Ste. 600 Bakersfield, CA 93301

Dear Ms. Brown,

Thank you for asking Ridgecrest Regional Hospital to respond to the recent grand jury report regarding the East Kern Healthcare District. As you indicated in your report, we are currently working with the EKHCD to expand their district to include the annexation of the Ridgecrest area.

Healthcare in rural communities in California, and especially the Ridgecrest community, are in crisis. The high costs of providing care post-COVID, coupled with low reimbursements and provider shortages, have created a situation where RRH is facing unparalleled difficulty in maintaining access to services the community expects and deserves. While we are implementing numerous cost-saving and revenue-generation initiatives, annexation offers a unique opportunity to increase revenue through eligibility for supplemental government funding not currently available to non-profit private hospitals like RRH. In addition, this partnership will open up many state and federal grant opportunities not now available to RRH.

Our goal is to cooperate with EKHCD to create a strategic plan for the entire expanded district. RRH can assist the EKHCD in assessing care needs and opportunities and to create a plan to address these needs over the next several years. If annexation is approved, we intend to work very collaboratively with the District to identify specific areas where we can partner to improve access and care to the citizens of the entire District. We have already created shared vision and goals to solidify our partnership. We are ultimately hopeful that through this shared vision we can create multiple opportunities to improve access, create new services, and create a healthy environment within the newly expanded District.

The strategic planning process is just beginning, and we should be able to have a first draft completed within 3-4 months. Please let me know if you need more information. Thanks again for your interest in our success!

Sincerely,

James Suver, CEO/President

Ridgecrest Regional Hospital