

Hospital selling for \$55 million

Watsonville Hospital - Watsonville Hospital

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Details of sale forwarded to attorney general, released to public

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WATSONVILLE — Watsonville Community Hospital officials released copies this morning of the sale application submitted to the attorney general's office in anticipation of its approval.

The document, which fills four binders, describes the details of the \$55 million sale of the hospital, which includes all the institution's

current assets including the new building.

"(The hospital) will continue to operate as an acute care hospital and to honor all its labor contracts," said Watsonville Hospital President John Friel. "Care will continue at the same level, such as in the emergency room. They've made a commitment to continue to run the drug and alcohol treatment program, the obstetric program in which 150 ba-

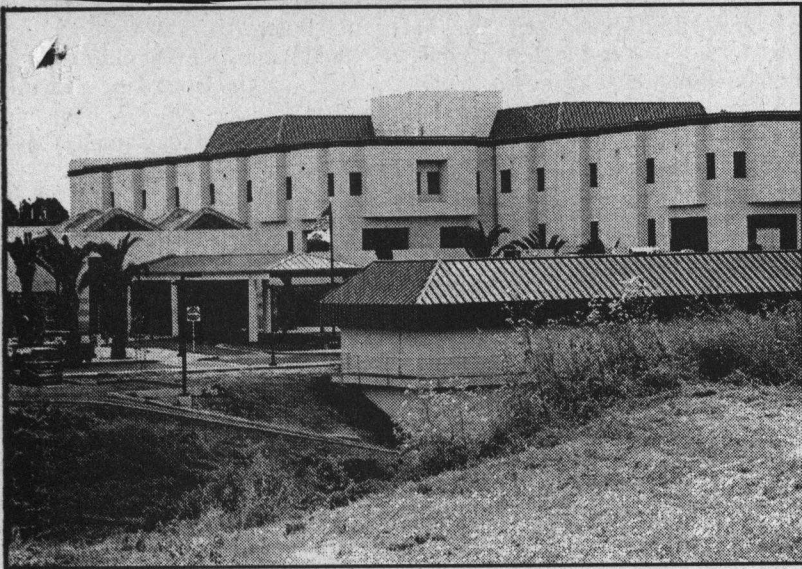
bies are born each month, the medical surgical services, and the intensive care unit. They've also made a commitment to complete building the 5,500 square foot medical office building at the old Seagate facility."

The application, submitted to the attorney general's office May 29, describes the terms of the proposed sale of the hospital to Community Health Systems, a nation-wide hospital conglomerate based in Tennessee.

Friel said this morning that he and the hospital's board of directors have been working closely with the attorney general's office since January and therefore expect the application to be considered complete.

Friel said hospital officials have been waiting for about a week and a half for representatives of the attorney general's office to declare the application complete, but decided to

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R-P file photo

The new Watsonville Hospital at 75 Nielson St.

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release the document to the public today because there is so much interest in the transaction.

"It was just a matter of them looking at it and it seems to be intact," said Friel. "The attorney general has 90 days to review it, so we're making the assumption today that it's complete."

Friel said the attorney general's office will review the document and

then hold a public meeting in Watsonville on the sale. Attorney General representatives will then make a determination on whether the sale should go through or not.

"Our hope is that they will be able to complete work within the 90 day period," said Friel. "We expect it to go through. The board and I have been working on this for over a year."

A complete set of the binders containing the application is available for the public to review at the Watsonville Public Library on Union Street.