

### IMPARTIAL ANALYSIS OF MEASURE "AA"

State law authorizes a health care district to transfer, at fair market value, any part of its assets to one or more corporations to operate and maintain those assets for the benefit of the communities served, for up to thirty (30) years. Before a health care district can complete such a transfer, its elected board must, by resolution, submit to the voters of the district a measure proposing the transfer. If a majority of the voters voting on the measure vote in favor, the transfer is approved.

The Desert Healthcare District ("District") has called for a measure authorizing the District to enter into a lease purchase agreement ("Agreement") with Desert Regional Medical Center, Inc ("Medical Center") to be placed on the ballot of the election to be held within the boundaries of the District. This Agreement will allow for the transfer of 50% or more of assets of the District to the Medical Center at fair market value, for fair and reasonable consideration, as determined by an independent consultant with expertise in methods of appraisal and valuation, and in accordance with applicable governmental and industry standards. The assets to be leased and then transferred generally include certain parcels of land, El Mirador Surgery Center, and Desert Care Network physician clinics. Assets excluded from the transfer generally include Las Palmas Medical Plaza and The Wellness Park. Lists of specific assets included and excluded from the lease purchase agreement are set forth in the full text of Measure "AA" in this voter information pamphlet.

If Measure "AA" is approved, the District will be authorized to enter into the Agreement with Medical Center and will lease specific included assets from District to Medical Center for a period of up to thirty (30) years, commencing in 2027. The lease purchase agreement calls for an initial payment by Medical Center to District, nineteen (19) annual rental payments (including an annual rent escalator), and a final payment in 2057. Upon conclusion of the term, the included assets will be legally transferred from the District to Medical Center. Total anticipated rent and purchase payments is six hundred forty-six million, two hundred thirty-one thousand, seven hundred fifty dollars (\$646,231,750).

A "YES" VOTE MEANS the District will be authorized to enter into the lease purchase agreement.

A "NO" VOTE MEANS the District will not be authorized to enter into the lease purchase agreement.

By: Minh C. Tran  
County Counsel

**ARGUMENT IN FAVOR OF MEASURE "AA"**

**YES on Measure AA is in the best interest of our community.**

Coachella Valley residents depend on the professional management at Desert Regional Medical Center to provide high-quality life-saving healthcare. Measure AA protects the future of the hospital for another 30 years and beyond.

**YES on AA saves taxpayers from millions in new taxes.**

- Without AA our local government would likely be forced to take over hospital operations, expensive hospital seismic upgrades and other maintenance
- This could cost taxpayers over \$400 million – costs we cannot afford.
- As a result, healthcare services at Desert Regional could face serious disruptions, or even closure.

**YES on AA brings an unprecedented investment to our community to improve health care in the Coachella Valley**

- Lease payments of nearly \$650 million for the District to support community organizations and healthcare providers
- Over \$220 million for seismic upgrades to the hospital
- Tens of millions to expand emergency services at JFK Memorial Hospital

**YES on AA approved by an independent analysis and appraisal obtained by the Board.**

**YES on AA protects Coachella Valley patients and continues lifesaving services at Desert Regional**

- Ensures current capacity at Desert Regional is maintained
- Allows the current operator to continue providing critical services such as Level 1 Trauma and Comprehensive Stroke centers.
- Continues programs to recruit and train hundreds of doctors and nurses to address Coachella Valley’s shortage of medical professionals.

**YES on Measure AA approves a nearly \$1 BILLION investment in the future of our community’s healthcare - at NO COST TO TAXPAYERS.**

Doctors, Nurses, Patients, and Community Organizations agree - YES on Measure AA will PROTECT taxpayers from paying millions, KEEP Desert Regional open, and SAVE LIVES in our community.

We urge YES on Measure AA - Protect Desert Care.

By: David Brinkman, DAP Health  
 Mark Scheibach, Executive Director Desert Cancer Foundation  
 Chauncey Thompson, Director Volunteers in Medicine  
 Lisa Ford, Development Alzheimers Coachella Valley  
 Roland D. Reinhart MD, President Desert Doctors

**REBUTTAL TO ARGUMENT IN FAVOR OF MEASURE "AA"**

**Vote No on Measure AA to keep Desert Regional Medical Center a public hospital.**

Measure AA is Tenet Healthcare's proposed shakedown disguised as an "investment" in Desert Regional and the Coachella Valley.

AA would let Tenet transfer (or sell) the hospital to another operator after 10 years for a potentially huge profit. Desert Healthcare District would have little or no say in a sale. AA does not guarantee that the hospital will be here in 30 years — AA threatens Desert’s future today.

**Desert is not in danger of closing.**

- Tenet is unlikely to abandon Desert, its most profitable hospital in California in 2023, with more than \$500 million in profits from 2018-2023. AA locks down revenue for Tenet.

**AA will NOT save taxpayers money.** AA allows the sale of Coachella Valley’s most important publicly owned healthcare asset to Tenet, a for-profit corporation whose goal is profits. AA ends local input on Desert’s future.

**Vote NO on AA. Coachella Valley residents do not need Tenet to manage Desert.**

- The current lease expires in 2027, leaving time to find a new operator.
- More competent, professional leadership could operate Desert without costing taxpayers.
- Tenet’s management of Desert has resulted in vermin infestations, plumbing disasters, and chronic understaffing, all jeopardizing patient care.

**AA is NOT about saving taxpayers money or providing quality healthcare. It’s about maximizing profits for Tenet.**

If Tenet cared about Coachella Valley, its proposal would not include a noncompete clause restricting how Desert Healthcare District can invest funds in other healthcare resources.

**Vote No on Measure AA.**

By: California Nurses Association

**ARGUMENT AGAINST MEASURE "AA"**

Registered nurses, healthcare workers, patients, and residents of the Coachella Valley are voting NO on Measure AA. Here is why:

Measure AA is a ballot initiative that will destroy the public's control and oversight over Desert Regional Medical Center by selling it to Tenet Healthcare, a for-profit corporation headquartered in Dallas.

Vote NO to keep Desert a public hospital owned by the Coachella Valley community. It is a public asset governed by Desert Healthcare District and currently leased to Tenet Healthcare until 2027.

Desert Healthcare District does not need to sell the hospital to make money. The district can continue leasing the hospital without increasing taxes to residents.

Tenet has made huge profits from Desert: In 2023, the hospital earned Tenet more than \$60 million in income. From 2018 to 2023, Desert earned Tenet \$528 million in profits but Tenet is not reinvesting the funds to make required upgrades or fix chronic infrastructure problems.

Vote NO on Measure AA because a full Tenet takeover would be a disaster for our patients.

Staff nurses say chronic short staffing at Desert jeopardizes patient care and that Tenet has utterly failed to maintain the building, reporting inoperable elevators, sewage leaking into patient rooms, rodents in the intensive care unit, and cockroaches in the emergency room's break room.

On February 27, 2024, the Riverside County Department of Environmental Health shut down one of Desert's kitchens due to "signs of active vermin infestation."

Measure AA would let Tenet continue to put shareholder profits over patient care. Nurses say Tenet prioritizes profits above patient safety and quality nursing care.

Measure AA would let Tenet transfer the lease or sell the hospital after 10 years — with NO restrictions or input from the public.

Measure AA would restrict and prevent the Desert Healthcare District board from spending taxpayer funds within the healthcare district and community.

Vote NO on Measure AA to keep Desert a public hospital.

By: California Nurses Association

**REBUTTAL TO ARGUMENT AGAINST MEASURE "AA"**

The argument against Measure AA is filled with FALSE and MISLEADING claims - in fact, Nurses at Desert Regional Medical Center and throughout the Valley urge YES on Measure AA

**That's because nurses know, IF MEASURE AA FAILS, Desert Regional's lease expires, and the hospital could face serious disruptions to care, and closure.** Without Measure AA:

- Access to lifesaving care at Desert Regional would be disrupted for up to 7 years
- Taxpayers would be responsible for over \$400 million in hospital operating costs
- OTHER AREA HOSPITALS COULD BECOME OVERCROWDED WITH PATIENTS - SKYROCKETING WAIT TIMES FOR EMERGENCY SERVICES

**The Desert Healthcare District put Measure AA on the ballot** because they cannot afford to operate the hospital without raising taxes and recognize the importance of keeping Desert Regional PROFESSIONALLY OPERATED - YES on AA means Desert Regional can continue to:

- Contribute millions** of dollars to expand access to healthcare in the Valley
- Provide the **most hospital care to MediCal patients** in the Valley
- Save lives in our community** with state-of-the-art specialty centers and services

**YES on MEASURE AA PROTECTS LIFESAVING CARE** in the Coachella Valley:

- Keeps Desert Regional open with **oversight from an elected board.**
- Provides nearly \$650 Million** to expand healthcare services throughout the Valley.
- Guarantees state-mandated upgrades at Desert Regional are completed at **NO COST TO TAXPAYERS**

But one Sacramento-based special interest group is opposing Measure AA to advance their own agenda - and is putting our community's healthcare at risk.

As nurses in the Coachella Valley, we urge YES on AA, to protect patients, healthcare professionals, and taxpayers. Join nurses throughout the Valley in voting YES on Measure AA.

By: Denise Perez, Nurse Practitioner FNP-C  
Romualdo D. Ligsay, RN, MSN  
Sheila Zerr, Registered Nurse  
Marissa G Ramos, RN, BSN, MBA, MSN  
Luke Holliday, RN