

**COMMUNITY INFORMATION SESSIONS
EAST KERN HEALTH CARE DISTRICT (EKHCD) AND
RIDGECREST REGIONAL HOSPITAL (RRH)
APRIL 5, 6, 11, AND 12, 2024**

Presenters:

- Karen Macedonio, President, East Kern Health Care District
- Thomas Hayes, Consultant, Ridgecrest Regional Hospital
- Dr. Steven Goodwin, CEO, TurningWest

About this Community Information Session

Four Community Information sessions are being held, two via the online Zoom platform and two in-person events, one in California City and another in Ridgecrest.

What we ask of you, the public, is to bring us your questions and comments so that we can ensure that you are informed and represented throughout this process. In return, we promise to be transparent and forthcoming with as much information as possible about this phase of the process relating to the potential annexation.

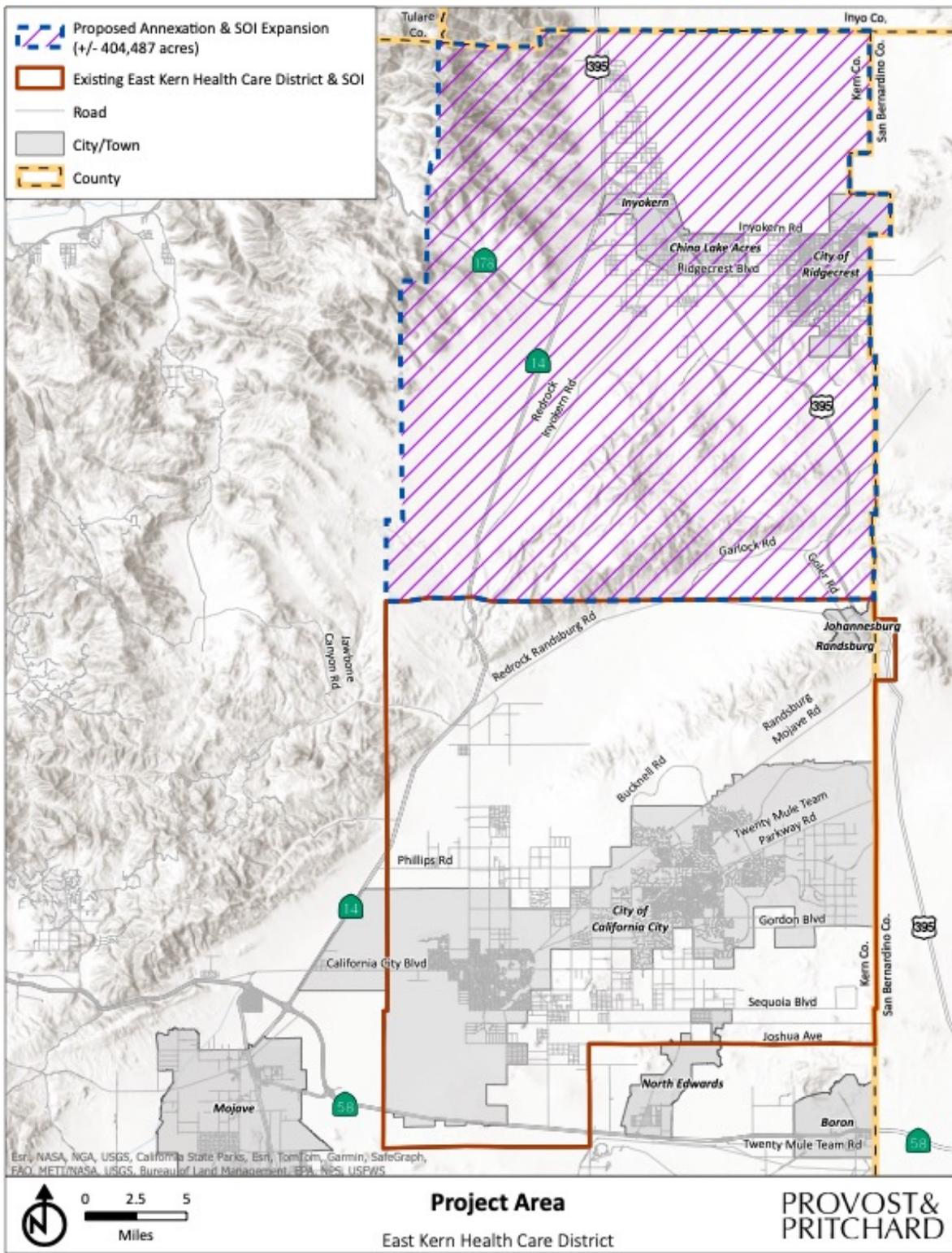
Background

In 1945, the State of California legislature created a new form of government called "Health Care Districts." These districts were designed to build and operate hospitals and other health care services in rural, underserved areas. Five member Boards, elected by the local voters, govern each District.

Here in Kern County, there are six Health Care Districts: the Kern Valley Healthcare District, the North Kern South Tulare Hospital District, the West Side Health Care District, the Tehachapi Valley Healthcare District, the Muroc Healthcare District, and the EKHCD which currently serves a portion of Eastern Kern County, in the California City, Cantil and Randsburg areas, as well as a small section in San Bernardino County.

About East Kern Health Care District (EKHCD)

EKHCD, a multi-county California Special District, was originally formed as East Kern Hospital District via the Kern County Local Agency Formation Committee (LAFCo) process and a ballot measure that was approved by the voters living within the boundaries of the District in November 1976. EKHCD is governed by a five-member Board of Directors elected by the residents of the District. Directors serve staggered 4-year terms.



EKHCD is tasked with ensuring access to healthcare services for our residents. As part of that mandate, the District owns and manages properties housing medical providers in California City.

About Ridgecrest Regional Hospital

Since 1962 Ridgecrest Regional Hospital has offered comprehensive healthcare services to the remote residents of the Indian Wells Valley and surrounding communities. When many privately owned clinics began to close their doors or reduce operations in the early 2000s, Ridgecrest Regional Hospital took on the role of offering continuity of services by recruiting and contracting with dozens of physicians ranging from pediatric and adult medicine to specialized care.

Financial challenges began for RRH, when a pair of historic earthquakes caused millions of dollars in damages to our facility. As a private non-profit hospital, we were not able to be reimbursed for these damages through government funding. The prolonged effects of the COVID pandemic reduced volume for the elective procedures that historically helped offset costs for core services. This occurred at a time when the cost of supplies, labor, and other operating expenses skyrocketed. As threats to local healthcare continued, the RRH Board of Directors began in 2022 to aggressively seek solutions that would improve our financial situation — including advocating for reimbursements that reflect the costs of service delivery and establishing sustainable revenues for the fixed costs of offering services to a small population nearly 100 miles away from the nearest hospital.

Joining the East Kern Health Care District would qualify RRH for many revenue streams that are unavailable to private non-profit facilities. Because of the shared geography and culture of California City and Ridgecrest, which are both located in the remote areas of East Kern County, combining efforts could provide a stronger system of health care services for all. With this possible goal in mind, the EKHCD and RRH boards began a dialogue in late 2023 explore annexing Ridgecrest into EKHCD borders.

Current Agreements

EKHCD and RRH have agreed on the following statements as foundational to their initial Letter of Intent and any decisions resultant to this agreement.

Values Guiding this Project

- Access to Health Care – we seek to offer the broadest possible continuum of health care options to the residents of East Kern County.
- Excellence – we are committed to excellence in health care.
- Transparency – we vow to be fully transparent with one another and with the public as we pursue common goals.

Mission for this Project

- To provide expanded Health Care options to the residents of and visitors to Eastern Kern County.

Vision for this Project

- A system of care that everyone in Eastern Kern County may access.

Benefits to local resident of and visitors to Eastern County Kern with this Annexation

The major benefits of this annexation by the District to include the Ridgecrest area are as follows:

1. Annexation creates a governmental vehicle which gives RRH increased possibilities and ways to collaborate with the EKHCD.
2. Annexation opens up potential State and Federal funding streams which could be available to RRH through this vehicle of a Health Care District. These funding streams are not available to private, nonprofit hospitals.
3. If RRH were to come under EKHCD, it could extend seismic compliance deadlines for RRH out for 5 years beyond 2030.

What's Next?

The EKHCD is preparing to vote on a Resolution requesting the Kern County Local Agency Formation Committee (LAFCo) to commence the process of exploring annexation of the area designed in the map above into the District.

EKHCD is a taxing entity that gets a share of the 1% general tax from the parcels within its district. All annexations are subject to a tax sharing negotiation with Kern County. EKHCD would not be taking over any existing County services. The County will still provide all the same services after the annexation, so there would be no property tax sharing on the area annexed. The property owners in the current EKHCD and in the newly annexed Ridgecrest area will not see an increase to their taxes. This annexation process will not affect current taxation levels unless new taxes are approved by a 2/3 vote of the residents. Taxes collected from EKHCD property owners will continue to be used by EKHCD to benefit that community.

Further Questions and Comments

If after this meeting you have additional questions, please email those questions or comments to EKHCD via email at annex@ekhcd.com and/or to RRH via email at inquiries@rrh.org.

All questions, comments, and responses will subsequently be published and made publicly available.