

Contact:

Curt Olsen
AMF Media Group
415.283.8017
curt@amfmediagroup.com

FOR RELEASE: May 14, 2013

ALAMEDA HEALTH SYSTEM AND SUTTER HEALTH ANNOUNCE LETTER OF INTENT TO TRANSFER OWNERSHIP OF SAN LEANDRO HOSPITAL

OAKLAND, CA (MAY 14, 2013) – Alameda Health System (AHS) is pleased to announce that today it signed a ‘Letter of Intent’ with Sutter Health to transfer ownership of Sutter’s San Leandro Hospital (SLH) to Alameda Health System.

AHS is a 475-bed public health care system headquartered in Oakland with more than 3,000 employees and 500 physicians. San Leandro Hospital is a 93-bed facility owned and operated by nonprofit Sutter Health in Sacramento, as part of the Sutter Health Eden Medical Center campus in San Leandro.

AHS and Sutter Health will now initiate the due diligence necessary to ensure a good fit between the organizations. The transfer is subject to the parties developing a definitive agreement by July 1, 2013. That agreement would then be submitted to the AHS board for approval.

The LOI confirms that Sutter Health will transfer the assets of SLH – including the building, land and equipment – to AHS, which would continue to operate the hospital as part of its own health system. It also stipulates that Sutter Health will establish and fund a sizable community trust that will be available for use by AHS to support the operations of SLH.

For a number of years, AHS and Sutter Health have engaged in discussions regarding the potential acquisition of SLH by AHS. While Alameda Health System will continue to evaluate all future options, it's intent is to continue to operate SLH as a general acute care hospital. To do so moving forward, AHS will rely on substantial financial support from Sutter and the combined efforts and partnership with the San Leandro medical staff as well as additional financial support from the Eden Township Healthcare District.

AHS Chief Executive Officer Wright L. Lassiter III noted that this strategic acquisition would position AHS to provide greater access to care and more capacity to treat patients in the core of its marketplace.

“This agreement is a significant milestone towards our objective of expanding our network of facilities that deliver care to all of our communities,” said Lassiter. “While we’ve made great progress with the signing of this Letter of Intent, there is still considerable work to be accomplished in bringing this arrangement to fruition.”

Alameda Health System hopes to conclude the transaction with Sutter Health sometime in the fall.

About Alameda Health System (AHS)

Alameda Health System, a major public health care provider headquartered in Oakland, California, is recognized as a world-class patient and family centered system of care. AHS employs nearly 3,000 people, including 500 physicians at six facilities. These include Highland Hospital, a major regional trauma center and teaching hospital; John George Psychiatric Hospital, an acute and emergency care facility in San Leandro; Fairmont Hospital, an acute rehabilitation hospital and skilled nursing facility, also in San Leandro; and four ambulatory wellness centers in Oakland as well as in Newark and Hayward.

About Sutter Health

Serving patients and their families in more than 100 Northern California cities and towns, Sutter Health doctors, not-for-profit hospitals and other health care service providers share resources and expertise to advance health care quality and access. The Sutter Medical Network includes many of California’s top-performing, highest quality physician organizations as measured annually by the Integrated Healthcare Association. Sutter-affiliated hospitals are regional leaders in cardiac care, women’s and children’s services, cancer care, orthopedics and advanced patient safety technology.