Fallbrook Regional Healthcare District responds to community criticism of hospital sale – page A-6

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FRHD votes to table resolution ratifying sale of hospital

Julie Reeder
Publisher

The Fallbrook Regional Health District (FRHD) board voted to table a resolution ratifying the sale of the Fallbrook Hospital building to Crestwood Behavioral Health following an influx of questions and concerns voiced by community members during its July 12 meeting.

As a follow up, the board announced it will hold a special meeting Friday,

July 28 at 6 p.m. at the Fallbrook Public Utility District office in the boardroom to address the sale and other issues.

At the July 12 meeting, both opponents and supporters spoke out regarding the decision made by FRHD to sell the vacant hospital building to Crestwood Behavioral Health, Inc., which plans to open a mental health rehabilitation center. The offer from Crestwood comes after nearly two years and no offers from acute care hospital organizations, making it the most viable option for the district, according to the board.

During the public comment period of the meeting, numerous opponents and supporters voiced their opinions regarding the sale. Many left after giving their comments and were not present when the board responded to their concerns and voted unanimously to table Resolution No. 419, which ratified the execution of the purchase and sale agreement and authorized signatories in connection with the sale.

FRHD attorney Blaise Jackson reminded the board that the sale is currently in escrow with a close pending July 31, leaving the board only two weeks to take any action.

Director Stephen Abbott noted that while the board has been working on the sale of the hospital for two years, he would like board and staff to have a little more time to do additional homework and communicate with the community.

As part of Director Abbott's "additional homework," he is visiting three Crestwood facilities in Northern California this week, including one in Napa Valley, Vallejo and San Jose.

Crestwood made a presentation

see ***SALE,*** *page A-8*

SALE

from page A-1

to the public May 10 at the regular FRHD board meeting. Shortly after the presentation, the board voted to sell the property to Crestwood.

Opponents voiced their many concerns relating to the type of client that would be served at the facility and questioned the safety of having such a facility in the community. Opponents also raised the question of the district's responsibility to meet the needs of Fallbrook residents first in their decision.

Balance sheet questions were also raised relating to the property being only 38 percent of the district's total assets, allowing the sale to go through without a public vote.

Supporters reminded the standing room only crowd at both meetings that Fallbrook is the "Friendly Village" and that there is a need for this type of recovery center. Part of the discussion revolved around the cost of maintaining a vacant property, the acute hospital license and the fact that there were over 100 jobs being created locally.

At the July 12 meeting, opponents gave more prepared, detailed presentations, and Patricia Blum, executive vice president of operations for Crestwood, gave detailed rebuttals relating to the type of facility and the type of client that would be served.

Opponents' main concerns involved whether there would be "5150" (mental disorder patients), sexual predators, and dangerous criminals living at the facility. Blum explained that the facility would not be licensed for 5150 clients, they are not allowed to take 5150 clients, and that the clients they serve would already have been cleared and vetted by a doctor and a psychiatrist. Blum added the clients aren't a danger to others but more likely to themselves. She read a quote from the Sheriff in Kingsburg, a central valley town where Crestwood has a facility, backing her claim that they rarely have to call the Sheriff's department.

Larry Kamer, a spokesperson for Crestwood said, "These patients are more likely to be victims of crime rather than criminals. They want nothing more than to get better, go home and resume their lives."

Fallbrook resident Brian Hotch spoke of transparency and asked the board, "How could you not let it go to a vote? We're sensible. I would have thought you would

Although the jury found in the plaintiff's favor, the leadership of FUESD steadfastly maintains

amending the judgment to add 8 percent interest to the prejudgment amount, and also send it to the District Attorney's office.

retained earnings back into current assets? Why were there no notations regarding this shift on the balance sheet in March 2016 as required under GAAP? Especially when the year end balance sheet had already been published in February 2016?

When asked this question, Tinker replied, "There were no changes to the balance sheet under retained earnings." Village News also found no line item for "retained earnings."

Tinker added, "As part of the CHS lease agreement, the hospital property was on CHS's balance sheet until the termination of the lease on March 31, 2015, at which time the asset was transferred back to the District and added as an asset to the District's balance sheet. This is addressed in Note 10 (page 23) of the "Lease Termination Settlement in the Financial Statements with Required Supplementary Information and Independent

local residents and county.

Eric Revere spoke and talked about his fear of the mentally ill when he was younger, but then his adult son had mental illness and they became much more educated and joined the National Alliance on Mental Illness (NAMI). He said he really appreciated and respected the group NAMI.

Vi Dupre, former executive director of the then Fallbrook Healthcare District, spoke and said, "Mental health is important, just like physical health. This board and the ones before it tried very hard to get a hospital in that building or a medical facility. There's so much fear here of people who are unstable. What's happened to compassion? Let's extend it beyond borders. Fallbrook is a community of charity and generosity. So, my thought is, to this board, who has done their due diligence, thank you for your diligence and I wish you

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