



STATE OF CALIFORNIA
OFFICE OF THE ATTORNEY GENERAL
ANTONETTE B. CORDERO
CHIEF OF LEGAL AFFAIRS

April 13, 2018

Sent by Internet and U.S. Mail

Jeannine Taylor, Esq.
Office of the General Counsel
University of Southern California
3551 Trousdale Parkway, ADM 352
Los Angeles, CA 90089

RE: USC Verdugo Hills Hospital's Request For Modification of Condition VII

Dear Ms. Taylor:

After careful consideration and pursuant to Title 11, California Code of Regulations, section 999.5, subdivision (h), the Office of the Attorney General hereby denies USC Verdugo Hills Hospital's request to modify Condition VII of the Attorney General's Decision dated July 5, 2013.

For Fiscal Year 2017, Condition VII required USC Verdugo Hills Hospital to provide a minimum charity care amount of \$2,073,564. Based upon USC Verdugo Hills Hospital's Annual Financial Disclosure Report submitted to the Office of Statewide Health Planning and Development for Fiscal Year 2017, USC Verdugo Hills Hospital only provided \$421,518. Pursuant to Condition VII, USC Verdugo Hills Hospital is required to pay a total of \$1,652,046 to one or more tax-exempt entities that provide direct medical care services to residents in USC Verdugo Hills Hospital's service area (11 ZIP codes), as defined on page 24 of the Health Care Impact Report, dated May 16, 2013. Please provide proof by June 30, 2018, that such payments have been made.

Sincerely,

[Original Signed]

ANTONETTE B. CORDERO
Chief of Legal Affairs