



January 17, 2024

Dear Mad River Team:

First and foremost, I want to wish each and every one of you and your families a happy, healthy, and prosperous New Year. While 2024 is off to a sad start with the passing of our beloved Dr. Bruce Barker, I am enthusiastic about what 2024 may bring for our hospital, our team, and our community – and I know Bruce would be proud of our accomplishments.

Things are starting to look up for 2024!

- Volumes are steadily increasing
- Our patient satisfaction scores remain exceptional
- Sacramento has renewed focus on providing much needed relief to rural healthcare
- Our surgical volumes are trending towards pre-COVID levels
- We have recruited another surgeon
- Radiology volumes continue to increase
- We continue to invest in new equipment
- We have some exciting construction projects planned, including the potential for a new Mental Health Crisis Stabilization Unit facility, via grant money, to be built on our hospital campus through our partnership with County Behavioral Health and Cal Poly Humboldt

We continue to plan and build toward a better future for all of us, our hospital and our community.

I understand many of you want to know more about the status of our discussions with Southwest Healthcare Services. Southwest is a great organization, and we continue to have meetings regularly to ensure that, if there is an opportunity to work together, it will be mutually beneficial. Unfortunately, things have taken longer than expected; however, even with the difficult market climate hospitals across the nation are currently facing, we see light at the end of the tunnel. As a result, our goal is not to rush into any deal but to take our time to ensure that we get this right for you, our community and for Mad River's legacy (which is also my father's legacy).

Please be reassured that both sides remain steadfast in their desire to support all Mad River Hospital's employees and providers. I will share more information, including an actual

transition date, if and when it becomes available. It is also our intent to provide all of you with plenty of time prior to, during, and/or after any transition to get your questions answered as we are all in this together.

Please understand that the Board of Directors and I remain committed to doing whatever is best for the community and our hospital. We are confident about Mad River's future and continued viability; however, we understand what needs to be done for all of us to prosper for years to come. We will continue to (i) make significant investments in capital projects, equipment and staff (ii) recruit new providers, (iii) improve our primary services, and (iv) expand into new and profitable service lines. To be successful in these endeavors, it truly takes a village and I appreciate each and every one of you.

I am so proud of the work you do day-in-and-day-out to serve our community. I have also spent nights here and I have seen firsthand all that you do. As you know better than most, healthcare is hard, stressful, and emotionally taxing, yet we do it out of a passion to serve others which makes healthcare the best profession of all.

Thank you for your service, and I will update you further as we move forward.

Respectfully yours,



Douglas A. Shaw

CC: Mad River Community Hospital Board of Directors
Then Tong, DO Chief of Staff Mad River Community Hospital
Assembly Speaker pro Tempore Jim Wood
Senator Mike McGuire