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800 East Washington Boulevard  
Crescent City, CA 95531

February 19, 2021

Board of Directors  
Del Norte County Healthcare District  
P.O. Box 2034  
Crescent City, CA 95531

Dear Board Members,

After receiving copies of your recent newsletter, it seems we have an opportunity to correct the record on a few important points related to the *60 Minutes* story from several weeks ago. Most importantly, Sutter Health does not dominate the Northern California market; our focus on affordability is yielding real results; and we deliver exceptional care to our patients. In short, the story did not represent who we are or what we do.

Unfortunately, your newsletter only served to perpetuate the inaccuracies in the *60 Minutes* story. If you had raised your concerns with us directly, we would have worked with you in good faith and helped you avoid misinforming others about these issues by sharing that:

- Although Sutter engaged with *60 Minutes* producers to provide accurate and balanced reporting about our healthcare system, the story failed to present the facts we provided. Rather, it included misinformation and false allegations.
- We know healthcare costs are a concern for patients and their families, but it's important to remember what *60 Minutes* distorted in its story critical of Sutter, including:
  - Sutter Health isn't Northern California's biggest health system and, as a result, does not dominate the region's market. Kaiser holds that distinction.
  - Rather than market dominance, Sutter is driven by our not-for-profit mission. Our hospitals serve more of the Medi-Cal patient population in our Northern California footprint than any other health system.
  - Last year alone, Sutter's total investment in community benefit expenditures was \$830 million, which includes charity and uncompensated care and support of community health programs.
- Sutter is focused on providing high-quality, affordable care, and our efforts are yielding results:
  - Independent analyses have reported Sutter's charges to be competitive and comparable to the market.
  - Medicare data shows Sutter outperforms comparable Northern California hospitals on average total cost of care.
  - Sutter has been able to hold overall increases to insurance companies to the low single digits since 2014.
- It's also worth noting that Glenn Melnick, quoted in the story and again in your communication, isn't an impartial academic, but rather a longtime paid consultant for the insurance industry who currently holds the Blue Cross of California Chair in Health Care Finance at USC.

The *60 Minutes* story was troubling enough for its inaccuracies, but its timing – during the most challenging health crisis any of us have ever experienced – pushed it into the realm of the offensive. Hundreds of dedicated staff and physicians right here in Crescent City are working around the clock to support our community, and they in turn are supported by thousands more Sutter teammates as we respond to the needs of the COVID-19 pandemic.

All of them deserve better.

We hope that in the future, the significant work Sutter has undertaken to partner with our communities to continue providing affordable care will be accurately represented. We are undeterred in our focus on providing access to high-quality, affordable care to our patients, especially as our COVID-19 response and vaccination efforts continue.

Sincerely,

A handwritten signature in black ink that reads "Mitchell J. Hanna". The signature is written in a cursive, flowing style.

Mitchell J. Hanna  
Chief Executive Officer  
Sutter Coast Hospital