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Prime Healthcare Files RICO Lawsuit Against SEIU

Ontario, Calif., Aug. 25, 2014 – Prime Healthcare Services, a California-based and award-winning hospital management organization, has filed a complaint under the federal RICO statute against SEIU, SEIU President Mary Kay Henry, UHW, UHW President Dave Regan and affiliates.

The RICO Act (Racketeering Influenced and Corrupt Organizations Act) is a federal law that provides for extended criminal penalties and a civil cause of action for acts performed by an ongoing criminal organization. It is focused on racketeering.

“Prime Healthcare is an award-winning healthcare system dedicated to providing the highest quality of patient care and ensuring access to healthcare,” said Troy Schell, Prime Healthcare’s general counsel. “Unfortunately, due to SEIU’s self-serving and illegal actions, Prime Healthcare has had to file this lawsuit to protect the rights of hospitals and allow them to focus on providing patient care to the communities they serve.”

Prime Healthcare and its hospitals have been recognized numerous times for their clinical successes. In the past six years, Prime Healthcare system was recognized three times as one of the “Top 15 Health Systems” in the nation, including in 2013, based on quality of healthcare and patient satisfaction. In 2014, eight Prime Healthcare hospitals were ranked among the “100 Top Hospitals” in the nation by Truven. Prime Healthcare hospitals have earned the award 27 times since 2003.

A majority of the hospitals Prime Healthcare acquires were in financial distress. Since 2005, Prime Healthcare has invested approximately \$788 million in facility renovation, equipment purchase and general capital improvements in its facilities. It is dedicated to strengthening hospitals through capital investment and providing quality healthcare. It’s important to note that since Prime Healthcare was founded in 2001, it has never closed a hospital nor put one in bankruptcy. It has no intention of doing that for any future acquisition.

Filed in U.S. District Court for the Northern District of California, San Francisco Division, the lawsuit accuses the defendants of conspiring to extort, threaten and force Prime Healthcare to enter into a “neutrality agreement” that would enable SEIU to force all employees into the union regardless of employee choice.

Among other unlawful conduct, the defendants have issued malicious and false statements, funded operations with money unlawfully received in violation of federal law, coerced the California Hospital Association to impose neutrality agreements on its members including Prime Healthcare, and threatened

“Saving Hospitals, Saving Jobs, Saving Lives.”

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to prevent acquisitions of hospitals by Prime Healthcare unless it concedes to the defendants' demands and provide them control of all Prime Healthcare hospitals.

The defendants' campaign of extortion against Prime Healthcare has been ongoing for years. The defendants' actions and plans are based on SEIU's Contract Campaign Manual, its playbook for waging such extortionate campaigns ("Corporate Campaign").

The purpose of this lawsuit is to reveal SEIU's illegal actions and to protect the rights of the hospitals and allow them to focus on providing quality healthcare to their patients.

Prime Healthcare's mission is to provide the highest quality healthcare with compassion and efficiency while philanthropically supporting the communities it serves. Its motto, "Saving Hospitals, Saving Jobs, Saving Lives," is more than just a slogan. It's a result of more than a decade of experience acquiring failing hospitals and transforming them into thriving community assets.

Prime Healthcare Services

Ontario, CA-based Prime Healthcare Services (www.primehealthcare.com), with a motto of "Saving Hospitals, Saving Jobs and Saving Lives," is one of the largest hospital companies in the nation.

Prime Healthcare was recognized as one of the "Top 15 Health Systems" in the nation in 2013, based on quality of healthcare and patient satisfaction, the third time in six years it has earned the honor. In 2014, eight Prime Healthcare hospitals were ranked among the "100 Top Hospitals" in the nation by Truven Health Analytics (formerly Thomson Reuters). Prime Healthcare hospitals have earned the award 27 times since 2003. In addition, 11 Prime Healthcare hospitals earned national recognition as "Top Performer on Key Quality Measures" in 2013 from The Joint Commission, the leading Medicare accreditation organization in the country.

Through their subsidiaries, Prime Healthcare Services and the non-profit Prime Healthcare Foundation have more than 30,000 employees and own and operate 28 hospitals: Alvarado Hospital Medical Center, Centinela Hospital Medical Center, Chino Valley Medical Center, Desert Valley Hospital, Encino Hospital Medical Center, Garden Grove Hospital Medical Center, Glendora Community Hospital, Huntington Beach Hospital, La Palma Intercommunity Hospital, Montclair Hospital Medical Center, Paradise Valley Hospital, San Dimas Community Hospital, Shasta Regional Medical Center, Sherman Oaks Hospital and West Anaheim Medical Center – in California; Providence Medical Center and Saint John Hospital – in Kansas; Garden City Hospital – in Michigan; St. Mary's Hospital – in New Jersey; Saint Mary's Regional Medical Center – in Nevada; Lower Bucks Hospital and Roxborough Memorial Hospital – in Pennsylvania; Landmark Medical Center and Rehabilitation Hospital of Rhode Island – in Rhode Island; Dallas Medical Center, Harlingen Medical Center, Knapp Medical Center and Pampa Regional Medical Center – in Texas.

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