CASE STUDY

NINETY-TWO PERCENT:

How Tri-City Medical Center Built Consensus Around Its Future

On June 2, 2026, voters in Oceanside, Carlsbad and Vista were asked a direct question. Should their public hospital district enter a 30-year partnership with Sharp HealthCare? When the results were certified, 92.3% had voted yes.

Ballot measures rarely earn that kind of agreement, and fewer still in today's climate. This one did because the community had been part of the decision long before it reached the ballot. The vote was the final step in a partner search built on clear objectives, a broad look at the market and a steady commitment to openness.

A COMMUNITY HOSPITAL AT A CROSSROADS

Tri-City Medical Center belongs to the people it serves. Local voters created the Tri-City Hospital District in 1957 by a five-to-one margin, and the hospital opened in 1961. Today it is a 386-bed acute care hospital in Oceanside with strong programs in cardiovascular care, stroke, orthopedics and neuroscience.

Tri-City operates in one of California's most competitive markets, alongside several large regional systems. Like many hospitals across the state, it came out of the pandemic facing real pressure. Costs were rising, aging buildings faced state seismic requirements, and in 2023 the hospital suspended labor and delivery services. Leadership's turnaround work was making progress. Even so, the board looked past short-term results and asked a longer question: what would it take to keep this hospital strong for the next 60 years?

In 2023 the board authorized a formal process to explore affiliation with a regional health system. A partner was initially selected, and after extensive diligence the parties were unable to reach consensus on definitive terms. That work was not wasted. It gave the board a clearer view of the market and of its own priorities. The district then engaged Juniper Advisory to lead a fresh, national search for a long-term strategic partner.

OBJECTIVES AS THE TRUE NORTH

The new process began with listening. Juniper interviewed board members, physicians and hospital leadership, and the broader engagement reached employees, labor representatives, elected officials and community members. Their priorities became a set of partnership objectives, reviewed with the board at its January 30, 2025 meeting. Among them:

- Ensure the long-term sustainability of the district and its hospital
- Expand access to primary and specialty care close to home
- Secure capital to modernize facilities, technology and infrastructure
- Restore advanced services, including women's and newborn care
- Continue to improve quality and health outcomes

Those objectives became the measure for every proposal and every decision that followed. When the board compared options, the question was always the same: which partner best meets the goals this community set?

CASTING A WIDE NET

A sound decision depends on a broad basis of comparison. Juniper approached 25 health systems, from regional neighbors to national organizations, so the board could see the full range of possibilities.

Every party received the same information and played by the same rules. That meant confidentiality agreements, a detailed information memorandum, a secure data room and written instruction letters for each phase. Initial proposals came in during the spring. A board ad hoc committee recommended finalists, who then submitted refined proposals detailing their vision and terms.

The board stayed in control throughout. Each milestone came back to the board for direction before the process moved forward, and the schedule followed the board's regular monthly meetings.

DECISIONS MADE IN PUBLIC

On May 29, 2025, the finalist proposals were presented at an open board meeting. After public comment, the ad hoc committee recommended Sharp HealthCare, and the full board voted unanimously to proceed. A letter of intent followed in June.

Transparency continued through the definitive agreements. Tri-City posted draft agreements on its website and hosted six public community forums where board counsel walked through the terms and residents asked questions. The parties filed the transaction with California's Office of Health Care Affordability. On December 11, 2025, citing the community's strong support, the board again voted unanimously to approve the agreements. Sharp's CEO, Chris Howard, and Tri-City board chair Tracy Younger signed them on campus the next day.

By the time Measure H reached the ballot, residents had seen every proposal and every major term. They also had a simple choice. The measure raised no taxes and required no bond financing.

> *"When they voted, they were confirming a decision they had already helped shape.*

THE PARTNERSHIP

On July 1, 2026, the hospital became Sharp Tri-City Medical Center. The agreement is modeled on Sharp's long-standing partnership with the Grossmont Healthcare District, which dates to 1991. Its key terms:

- The district continues to own the hospital and leases it to Sharp for 30 years
- Sharp assumes operations along with the hospital's assets and liabilities
- Sharp commits more than $100 million to modernize facilities, equipment and technology
- Sharp separately invests to bring 175 beds into seismic compliance

- Labor and delivery is set to return under Sharp Mary Birch, with expanded cancer and primary care to follow
- Tri-City employees and affiliated physicians continue in their roles

Gene Ma, Tri-City's CEO, described the decision as being about "caring for our community and the people who rely on Tri-City every day." Chris Howard spoke of combining Tri-City's deep community roots with Sharp's integrated network.

WHY THE COMMUNITY SAID YES

The 92% vote is the clearest measure of what this process achieved. The objectives came from the community's own priorities. Residents could follow each step, learn about the proposals and the agreements, and speak at public meetings. When they voted, they were confirming a decision they had already helped shape.

For other boards facing similar choices, Tri-City's experience points to a few lessons:

1

Start with objectives.

Agree on what success looks like before talking to partners, and hold every option to that standard.

2

Test the full market.

A broad, consistent process gives the board real choices and a credible basis for its decision.

3

Keep the board in control.

Clear decision points let the board steer the process rather than react to it.

4

Bring stakeholders along early.

Support built during the process carries through to approval.

ABOUT JUNIPER ADVISORY

Juniper Advisory is an independent investment banking firm focused exclusively on not-for-profit hospitals and health systems. For Tri-City, Juniper designed and managed the partner evaluation process, prepared information and diligence materials, solicited and evaluated prospective partners, advised the board throughout and supported negotiations through closing.

Is your board considering its strategic options?

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When outcomes matter, experience matters.