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INSIGHT HEALTH STEPS AWAY FROM LEASE-TO-PURCHASE NEGOTIATIONS AMID NATIONAL RURAL HEALTHCARE UNCERTAINTY

Organizations commit to exploring other partnership opportunities to protect healthcare access in San Benito County

August 13, 2025— HOLLISTER, Calif. –The San Benito Health Care District (District) announced today that Insight Health (Insight) is stepping away from negotiations on a proposed lease-to-purchase agreement, citing unprecedented uncertainty stemming from the recently signed One Big Beautiful Bill Act (OBBBA). The legislation will cut \$1.1 trillion from healthcare, with \$137 billion in reductions projected to directly impact rural healthcare.

In November 2024, voters in San Benito County approved a ballot measure that authorized the District to lease (with lessee option to purchase) certain District real property assets, and selling substantially all other District assets, to Insight Health or another qualified buyer for fair market value.

After months of constructive discussions between the District and Insight Health leadership, Insight decided that due to the shifting financial landscape it was prudent for them to withdraw from the proposed transaction.

“Our community relies on the stability of our service lines, and any agreement had to prioritize protecting those services while also identifying ways to grow and expand over time,” said Mary Casillas, HHMH CEO. “OBBBA has created a level of uncertainty for us here in San Benito County that we have never seen before. While we have yet to fully understand OBBBA’s impact, we know it has affected the potential transaction with Insight and is having similar consequences for rural hospitals across California and the nation.”

Nationwide, nearly one-third of rural hospitals are in danger of closing—700 are at risk, with an additional 300 considered at immediate risk—according to the [Center for Healthcare Quality and Payment Reform](#).

Moving forward, the District will concentrate on strengthening its financial position while developing new strategies to ensure its long-term viability.

“While this is a disappointing turn in our journey with Insight Health, our commitment to protecting the future of Hazel Hawkins is unwavering,” said Bill Johnson, President of the District Board. “Weathering the coming storm of OBBBA will require the dedication, creativity, and collaboration of leadership, staff, physicians and our partners. We look forward to finding ways to discuss other meaningful opportunities with Insight as part of this ongoing effort.”

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About Hazel Hawkins Memorial Hospital

Hazel Hawkins Memorial Hospital is a full-service, public agency hospital delivering modern medicine and compassionate care to the growing San Benito County community. HHMH offers hundreds of health services across multiple locations, including top-tier specialists, a modern Emergency Department, and a state-of-the-art Women's Center. To learn more about Hazel Hawkins Memorial Hospital and the Hazel Hawkins Hospital Foundation, please visit www.hazelhawkins.com.