

Community Benefit Plan Progress Report, 2010-2011



November 2012

Menlo Park Surgical Hospital

Community Benefit Progress Report Prepared and Submitted by:

Kathi Palange

Administrator

Menlo Park Surgical Hospital

(650) 853-5454

PalangK@sutterhealth.org

Sutter Health

Building Healthier Communities and Caring for Those in Need

Menlo Park Surgical Hospital is affiliated with Sutter Health, a not-for-profit network of 48,000 physicians, employees, and volunteers who care for more than 100 Northern California towns and cities. Together, we're creating for a more integrated, seamless and affordable approach to caring for patients.

It's better for patients:

We believe this community-owned, not-for-profit approach to health care best serves our patients and our communities – for multiple reasons. First of all, it's good for patients. According to the Journal of General Internal Medicine (April 2000), patients treated at for-profit or government-owned hospitals were two-to-four times more likely to suffer preventable adverse events than patients treated at not-for-profit institutions.

Our stockholders are our communities:

Investor-owned, for-profit health systems have a financial incentive to avoid caring for uninsured and underinsured patients. They also have a financial incentive to avoid hard-to-serve populations and "undesirable" geographic areas such as rural areas. In many Northern California's underserved rural locales, Sutter Health is the only provider of hospital and emergency medical services in the community.

Providing charity care and special programs to communities:

Our communities' support helps us expand services, introduce new programs and improve medical technology. Across our network, every Sutter hospital, physician organization and clinic has a special story to tell about fulfilling vital community needs.

Our Commitment to Community Benefit: Meeting the health care needs of our communities is the cornerstone of Sutter Health's not-for-profit mission. This includes directly serving those who cannot afford to pay for health care and supporting programs and services that help those in financial need.

In 2011, our network of physician organizations, hospitals and other health care providers invested \$756 million in health care programs, services and benefits for the poor and underserved. This includes:

- The cost of providing charity care
- The unpaid costs of participating in Medi-Cal
- Investments in medical research, health education and community-based public benefit programs such as school-based clinics and prenatal care for patients.

Sutter Health now provides \$2.7 million in charity care per week.

Community Benefit Overview

Menlo Park Surgical Hospital (MPSH) provides an alternative to the traditional surgical experience. Accredited by the Joint Commission on Accreditation of Healthcare Organizations (JCAHO), MPSH is a 16-bed acute care surgical facility in the heart of the Peninsula, south of San Francisco. The surgical hospital accommodates both inpatient and outpatient procedures, while meeting the needs of both the patient and their loved ones. More specifically, MPSH offers procedures in the specialty care areas of orthopedics, general surgery, gynecology, urology, podiatry and plastic surgery.

As part of our mission to serve and keep our communities healthy MPSH provides free and discounted care to qualified low-income patients and those enrolled in Medicare, Medi-Cal and other government programs. These patients who are in need of the specialty care surgical procedures that MPSH can offer are referred through the Palo Alto Medical Foundation and a variety of community physicians. Charity care is coordinated through our Access to Care office in Santa Cruz.

2010 Community Benefit Value	Mills-Peninsula Health Services*
Benefits for the Poor and Underserved	\$26,812,108
Benefits for the Broader Community	\$ 2,238,486
Total Quantifiable Community Benefit	\$29,050,594

2011 Community Benefit Value	Mills-Peninsula Health Services*
Benefits for the Poor and Underserved	\$35,722,000
Benefits for the Broader Community	\$1,884,355
Total Quantifiable Community Benefit	\$37,606,355

* financial information above reflects the community benefit values for Mills-Peninsula Health Services. This includes the total benefits for the poor and underserved and broader community for the following hospitals:

- Mills-Peninsula Health Services (includes Menlo Park Surgical Hospital)
- Sutter Maternity & Surgery Center

For further detail regarding the community benefit values for Menlo Park Surgical Hospital specifically, please contact Kathi Palange at (650) 853-5454 or PalangK@sutterhealth.org.

2010 and 2011 Community Benefit Values

Sutter Health affiliates and many other health care systems around the country voluntarily subscribe to a common definition of community benefit developed by the Catholic Health Association. Community benefits are programs or activities that provide treatment and/or promote health and healing as a response to community needs.

The community benefit value for Mills-Peninsula Health Services is calculated in two categories: **Benefits for the Poor and Underserved** and **Benefits for the Broader Community**. Below are definitions for each community benefit activity:

Benefits to the Poor and Underserved

- **Traditional Charity Care** – Free or discounted health care services provided to the uninsured and underinsured populations.
- **Unreimbursed Cost to Medi-Cal** – The “shortfall” created when the facility receives payment below the costs of treating public beneficiaries.

Benefits for the Broader Community

- **Non-Billed Services** – Activities with no individual patient bill, therefore no deduction from revenue is shown in the traditional statement of revenues and expenses.
- **Cash Donations and In-Kind Donations** – Dollars and other items such as staff time and supplies donated by a facility to a community-based program or agency.
- **Education & Research** – All community, patient, and medical education such as community lectures, nursing student rotations and physician/clinician training.

Community Benefit Summary Mills-Peninsula Health Services*

Benefits for the Poor and Underserved – 2010	Community Benefit
Traditional Charity Care	\$ 7,930,338
Unreimbursed costs of Public Programs	
Medi-Cal	\$16,221,812
Other Public Programs	\$428,055
Other Benefits for the Poor and Underserved	\$ 2,231,903
Total Quantifiable Benefits for the Poor and Underserved	\$26,812,108

Benefits for the Broader Community – 2010	Community Benefit
Non-Billed Services	\$1,086,533
Cash and In-Kind Donations	\$ 781,243
Education & Research	\$ 285,388
Other Community Benefits	\$ 85,322
Total Quantifiable Benefits for the Broader Community	\$ 2,238,486

Benefits for the Poor and Underserved – 2011	Community Benefit
Traditional Charity Care	\$10,624,853
Unreimbursed costs of Public Programs	
Medi-Cal	\$22,083,114
Other Public Programs	\$431,480
Other Benefits for the Poor and Underserved	\$ 2,612,553
Total Quantifiable Benefits for the Poor and Underserved	\$35,722,000

Benefits for the Broader Community – 2011	Community Benefit
Non-Billed Services	\$ 795,831
Cash and In-Kind Donations	\$ 755,510
Education & Research	\$ 332,448
Other Community Benefits	\$566
Total Quantifiable Benefits for the Broader Community	\$ 1,884,355

*The financial information above reflects the community benefit values for Mills-Peninsula Health Services. This includes the total benefits for the poor and underserved and broader community for the following hospitals:

- Mills-Peninsula Health Services (includes Menlo Park Surgical Hospital)
- Sutter Maternity & Surgery Center

For further detail regarding the community benefit values for Menlo Park Surgical Hospital specifically, please contact Kathi Palange at (650) 853-5454 or PalangK@sutterhealth.org.