

**CHILDREN'S HOSPITAL CENTRAL CALIFORNIA
FISCAL YEAR 2011
COMMUNITY BENEFITS
ANNUAL REPORT**

I. INTRODUCTION

Nearly 60 years ago, our founding mothers had a dream to care for children in a hospital as special as its patients. Children's Hospital Central California has flourished ever since, caring for hundreds of thousands of children. Our mission guides us as we travel the road to our future alongside staff, physicians, children, families, our community and our partners throughout the region.

Mission

The mission of Children's Hospital Central California is to provide high quality, comprehensive healthcare services to children, regardless of their ability to pay, and to continuously improve the health and well-being of children.

Vision

Our vision captures the path we've traveled and showcases our commitment and passion to be the best. Our clear focus is to continue to provide the best care and the best quality pediatric services available anywhere with a vision to become the nation's best children's hospital.

Core Values

Our values guide every decision and define our commitment and the actions supporting it.

Excellence: We depend on exceptional people to provide exceptional quality health care and services throughout Children's Hospital. We set high standards and we support each other as we strive to achieve them. We invest in each other and we value the individual and cultural differences that make us strong. We are proud of our superior services as measured by quality outcomes.

Compassionate Care: We treat every child, every family, each other, our visitors, and our vendors with respect, kindness, hope, joy and good humor. We display our helpful, healing, family-centered spirit at every opportunity. We recognize the importance of playfulness in human interaction and in the health of children. We look for ways to ease suffering and provide comfort.

Integrity: We are honest, ethical and responsible in our work and in the way we deal with others. We keep our promises and admit our mistakes. We know ourselves and we avoid hidden agendas. By the way we live our lives everyday, we are worthy of the trust people place in us.

Innovation: We embrace change, creativity, continuous learning and personal growth. We incorporate new ideas, technology and methods to improve the health care and services we provide. We anticipate future trends and we create strategic plans to insure future growth and continued vitality.

Collaboration: We build enduring internal and external relationships, joining with colleagues across organizational boundaries to improve the care and services we provide. We encourage and reward both individual and team achievements. We put the common good ahead of narrow interests.

Stewardship: We are resourceful, adaptable and resilient. We have a "can do" attitude that gets the job done. We are fiscally responsible and efficient with our time. We protect our reserves and manage our operating costs in order to invest in the next generation of kids. We are each personally dedicated to making Children's Hospital better because we were here.

Commitment to the Community

As a not-for-profit organization governed by its own Board of Trustees, Children's Hospital is solely committed to addressing the medical needs of our region's sickest children. With 348 beds, 220 physicians and over 2,200 full-time equivalent employees, Children's Hospital offers accessibility to over 40 fetal, neonatal and pediatric subspecialties, all committed to providing the highest level of quality care possible. Examples include the hospital's Neonatal and Pediatric Intensive Care Units that maintain low mortality rates, when compared nationally, while treating some of the sickest children.

While providing exceptional care is the single greatest contribution the hospital makes for our children and their families, the hospital also appreciates that it is uniquely positioned to support the needs of children in other ways as well.

As an extension of the hospital's mission and vision, the goal of Children's Hospital's Community Benefits Program is to advance the health and wellbeing of underserved, medically needy children through collaboration and common concern. This Community Benefits Report summarizes the contributions provided by Children's Hospital to its community for fiscal year 2011 (October 1, 2010 thru September 30, 2011).

II. SERVICE AREA DEMOGRAPHICS AND PATIENT VOLUME

Service Area Demographics

As the only pediatric specialty hospital located in Central California, Children's Hospital's primary service area extends from Stockton in the north to Bakersfield in the south, and from the Central Coast to the Eastern Sierra. The service area includes 10 counties, covers over 45,000 square miles and is home to over 1.2 million children ages 0 – 17.

Children's Hospital's Patient Volume

In 2011, Children's Hospital had 13,270 inpatient cases, 69,006 Emergency Department visits, and a combined 173,714 outpatient center, day surgery, radiology and laboratory visits. Medi-Cal covered 75% of the hospital's total inpatient days and 64% of total outpatient visits at the hospital. Nearly 2/3 of the hospital's inpatient population consisted of children 5 years of age or younger and 2/3 were an ethnicity other than Caucasian.

III. ASSESSING AND UNDERSTANDING COMMUNITY NEEDS

Children's Hospital's Community Benefits Program is established based on a collaborative community health needs assessment. Consistent with state law, Children's Hospital completes a formal assessment of unmet pediatric health care needs in the community every three years. The hospital's most recent assessment was completed in August 2011 and included the following activities.

Formal Needs Assessment Process

- Regional Community Health Needs Assessment - Under the auspices of the Central Valley Health Policy Institute, California State University, Fresno, Children's Hospital partnered with other hospitals in a four county region to conduct an assessment of health needs for both children and adults. Sources of data included key stakeholder interviews as well published health status indicator data. For a copy of the needs assessment, visit the following link.
http://www.csufresno.edu/ccchhs/institutes_programs/CVHPI/publications/2011CommunityNeeds.pdf
- Supplemental Stakeholder Interviews – In addition to the interviews conducted as part of the needs assessment described above, Children's Hospital staff conducted additional interviews to explore more thoroughly the issues as they relate to children. Interviews were conducted with over a dozen key organizations, including county public health departments, school districts, federally qualified health centers, individual pediatricians, and a variety of community-based nonprofit agencies serving low income, needy children and families.

Particular areas of interest included chronic disease management (asthma, obesity, diabetes), services for children with, or at risk for developmental delays, access to primary and preventative services, child abuse and unintentional injury prevention, mental health, and capacity of community-based providers to manage kids with complex medical conditions.

Participation in Community-Based Organizations

In 2011, Children's Hospital staff were actively engaged in a number of community-based organizations and initiatives. That continuous engagement kept the hospital close to the issues most impacting the health and wellbeing of children in its service area and allowed the hospital to make adjustments to its Community Benefits Program activities as appropriate. Examples of organizations and initiatives in which the hospital was involved in 2011 included the following.

- Bi-Annual Babies First Coordinating Council
- California Breast Feeding Coalition Communication Committee
- California Central Valley Coalition for Compassionate Care
- Child Abuse Prevention Councils
- Central California Children's Institute
- Central California Perinatal Mental Health Collaborative
- Central Valley Health and Nutrition Collaborative
- Central Valley School Health Advisory Panel
- Childhood Obesity Prevention Task Force
- Children's Health Initiative for Fresno County
- County Pediatric Death Review Teams
- Exceptional Parents Unlimited
- Fresno Babies First Breastfeeding Task Force
- Fresno Healthy Communities Access Partners
- Fresno-Kings-Madera Regional Health Authority
- Human Rights Commission
- Interagency Council for Children (Fresno and Madera Counties)
- Kern County Medically Vulnerable Infant Project
- Madera Breast Feeding Coalition
- March of Dimes Central Valley Division
- Model of Care Partnership Oversight Committee, Fresno County
- Roman Catholic Diocese of Fresno, Healthy Ministry Office
- Safe Kids Central Valley
- United Way of Fresno County

Children's Hospital's Community Benefits Advisory Committee

The hospital's Community Benefits Advisory Committee provides oversight and direction regarding the development and implementation of the hospital's Community Benefits Program. Using the information and input received through the needs assessment and from its ongoing engagement with the community, the Committee agrees upon priority needs, develops interventions to address those needs, and monitors and adjusts those interventions as necessary.

IV. A SNAPSHOT OF COMMUNITY HEALTH NEEDS IN 2011

Children in Central California are disproportionately disadvantaged when compared to children in other parts of the state and nation. Consider the statistics below comparing the eight Central Valley counties (Fresno, Kern, Kings, Merced, Madera, San Joaquin, Stanislaus, and Tulare) to California as a whole. Keep in mind, these counties make up a majority of the hospital's service area.

INDICATOR*	DESCRIPTION	CENTRAL VALLEY	STATEWIDE
Poverty	Percent of children living in poverty, 2009.	25.5	19.9
Child Abuse	Substantiated cases of child maltreatment per 1,000 pop, 2010	9.35	8.7
Infant Mortality	Average number of infant deaths per 1,000 live births under one year of age for the three year period 2005 – 2007	6.0	5.2
Low Birth Weight Infants	Percent of babies born weighing less than 2500 grams in 2009	6.6%	6.8%
Prenatal Care	Percent of women receiving inadequate prenatal care during the first trimester of pregnancy in 2009	24.6%	18.7%
Teen Pregnancy	Birth rate for mothers ages 15 – 19 per 1000 live births, 2007	56.3	37.1
Asthma	Percent of children ages 0 – 17 diagnosed with asthma, 2007	16.4%	13%
Immunizations	Percent of children who have received all required immunizations at the time they entered kindergarten, 2008	94.8%	91.7%
Obesity	Percent of children ages 0 -5 overweight for age in 2009	16.5%	15.7%
	Percent of children ages 6 -19 overweight for age in 2009	23.1%	23.1%
Uninsured	Percent of children ages 12 - 17 with no health insurance at least part of the year, 2007	13.5%	9.9%

* **Data sources.**

- Poverty: http://www.kidsdata.org/data/topic/table/child_poverty250.aspx
- Child Abuse: Child Welfare Dynamic Report System, http://cssr.berkeley.edu/ucb_childwelfare/RefRates.aspx
- Infant Mortality: http://www.kidsdata.org/data/topic/table/infant_mortality.aspx

- Low Birth Weight: California Department of Health Services, Center for Health Statistics, CD-Rom Public Use Birth and Death Files
- Prenatal Care: California Department of Health Services, Center for Health Statistics, CD-Rom Public Use Birth and Death Files
- Teen births: http://www.kidsdata.org/data/topic/table/teen_births.aspx
- Asthma: <http://www.chis.ucla.edu/>
- Immunizations: <http://www.kidsdata.org/data/topic/table/immunizations-kindergarteners.aspx>
- Obesity: <http://www.dhcs.ca.gov/services/chdp/Documents/PedNSS/2009/16B0to5.pdf>
- Uninsured: <http://www.chis.ucla.edu/>

The short-term and long-term implications of these statistics are significant. For children and their families, it means chronic illness accompanied by frequent visits to physician offices, clinics or hospital emergency rooms, missed days at school, and missed days at work. For health care providers like Children's Hospital, it means already scarce resources are stretched even thinner to address significant health needs. The opportunity is for health care providers and the broader community to address these and other health challenges facing our region's children through collaboration and common concern.

IV. COMMUNITY BENEFITS PROGRAM

A community benefit is generally defined as a clinical or non-clinical program or service that:

- provides treatment and / or promotes health and healing in response to an identified community health need or service gap identified through the community needs assessment process,
- is intended to benefit the community as opposed to the hospital, and
- results in a negative financial margin for the hospital.

Also included in the definition is the provision of charity care and the unreimbursed cost of providing health care services to those enrolled in public programs, including Medi-Cal.

For FY 2011, Children's Hospital dedicated in excess of \$2,681,924 in community benefits that continue the hospital's long tradition of being an active and integral part of Central California. Due to the hospital's receipt of Hospital Fee Program revenue in 2011, the figure above does not include the hospital's costs associated with uncompensated Medi-Cal, which was \$25,804,563 in 2011. See the section on Pages 12-13 titled "Commitment to Medi-Cal" for more information on the Hospital Fee Program.

A summary of the hospital's Community Benefits Program activities in 2011 is provided below. Please note that these activities were developed based on the hospital's community health needs assessment conducted in 2008. The outcomes of the needs assessment process described above will be used to develop the hospital's Community Benefit Program activities for 2012 – 2014.

Community Health Needs

Children's Hospital partners with a variety of community-based organizations to help address issues identified through the community health needs assessment, including the following.

Child Abuse Prevention - Preventing and protecting children from abuse and neglect form the cornerstone of The Guild's of Children's Hospital Child Abuse Prevention and Treatment Center. In partnership with a number of private and public agencies, the Program provided education, leadership, and direct services for children who were victims of abuse and to parents and community-based organizations to help prevent abuse.

Capacity for Meeting the Needs of Medically Complex Children – Children's Hospital recognizes the critical role that community based providers and organizations play in meeting the needs of medically complex children and is committed to making sure they have the clinical skills to take care of this patient population.

School Nurses - To help ensure these children receive medically appropriate care at school, Children's Hospital partnered with the California School Nurse Organization and individual school districts to provide training to school nurses on a variety of clinical procedures and topics critical to keeping children healthy.

Additionally, Children's Hospital participated in and hosted the School Health Advisory Panel's quarterly meetings. The Panel is a consortium of school district health directors throughout the Central Valley that serves as a link between school-based health care professionals and Children's Hospital for the purpose of identifying and addressing emerging issues impacting the health and wellbeing of students in grades K – 12.

Referring Hospitals / Community Based Organizations - Children's Hospital provided significant outreach education to referring hospitals and community based organizations to make sure they have the clinical expertise needed to care for medically complex children. Topics covered included care for high risk newborns, hypothermia, pediatric trauma and child maltreatment, pediatric laboratory skills, shaken baby syndrome, to name a few.

Primary Care Physicians (\$23,071) – In 2011, Children’s Hospital provided 22 separate continuing medical education programs to a total of 285 primary care providers. Pediatric subspecialty physicians from Children’s Hospital served as the featured faculty, providing community based physicians with guidance on how to manage a wide array of complex pediatric medical conditions in a number of topical areas including obesity and diabetes, oncology, gastroenterology and genetics. Programs were provided at locations throughout the hospital’s service area, including Bakersfield, Madera, Merced, Modesto and San Luis Obispo.

Developmental Disabilities – Children’s Hospital provided education to providers and families in a number of ways, including through the hosting of several conferences and working with birthing hospitals in Fresno and Tulare Counties as part of the hospital’s Neonatal Stabilization Project.

The hospital continued to participate in coalitions focused on improving care coordination for infants and children with, or at risk for, developmental delays, including Kern County’s Medically Vulnerable Infant Work Group Initiative, and First 5 Fresno’s Model of Care Partnership Oversight Committee and Systems of Care Committee. Also, the hospital expanded education and technical assistance offered through its High Risk Infant Follow Up Program to other providers and community based agencies regarding screening and assessment for developmental delays in high risk infants.

Last, Children’s Hospital maintained its strong partnership with the March of Dimes (\$10,000) in support of healthy moms and healthy babies.

Injury Prevention 2011 - Recognizing that unintentional injury is the nation’s leading cause of death in children, Children’s Hospital operates an Unintentional Injury Prevention Program to increase community awareness of childhood injuries and those measures that can be taken to decrease their prevalence throughout Central California.

Supported by a cast of 75 hospital employee volunteers, the Program covered the following topics in 2011: Distracted & Reckless Teen Driving, Pediatric Trauma, Water Safety, Wheeled Sports Safety, Child Passenger Safety, the Choking Game, Sports Injuries, Lithium (Button) Battery Ingestion, Child Maltreatment, Munchausen Syndrome by Proxy, and Abusive Head Trauma.

As the Lead Agency for Safe Kids Central Valley, Children’s Hospital led the coalition of 9 locally based agencies in a variety of projects to meet the mission of safe kids in decreasing unintentional death and injury to kids aged 14 and under.

The Program provided education to over 12,330 children and families at a host of community based venues throughout the Central Valley. In addition, the hospital

provided training and conducted outreach to 1,955 health care, education, law enforcement, and child welfare professionals through national, state, regional, and local conferences and seminars.

In 2011, Children's Hospital Injury Prevention also provided 23 television interviews and media events to address child safety issues. The hospital now provides a monthly child safety segment on two local news programs broadcast throughout the Central Valley.

Obesity Prevention - Children's Hospital applied for and received funding from the Central Valley Health Network to serve as the Advocacy Coordinator for the Kaiser HEAL Zone Project in the City of Madera. In its role as both Advocacy Coordinator and Chair of the Madera HEAL Zone Partnership Committee, Children's Hospital provided considerable support in the development and implementation of key work plan components.

The HEAL Zone Project is a three year (July 2011 – June 2014), \$1 million initiative funded by Kaiser Northern California intended to promote healthy eating and active living in the City of Madera through the following three goals.

- Decreasing calorie consumption and reducing the availability of sugary drinks and unhealthy snacks
- Increasing the consumption of fruits and vegetables
- Increasing physical activity

Additionally, as the founder and now a member of the Childhood Obesity Prevention Task Force of Fresno and Madera Counties, Children's Hospital played a lead role in supporting the Task Force's activities in 2011. Examples include forming a collaborative among pediatricians and payers for the purpose of designing and implementing a new delivery and payment model for childhood obesity treatment and prevention, and hosting a conference for primary care providers on obesity prevention and advocacy (\$334).

Children's Hospital also prepared and convened two continuing medical education programs titled "Childhood Obesity and Related Comorbidities".

Poison Control (\$48,195) - The Central California Poison Control Center is located on the Children's Hospital campus and receives a donation of office space and supplies.

In addition to providing emergency telephone advice regarding poison exposures, the Poison Control Center operates several programs critical to a culturally diverse, agriculturally based community like the Central Valley. The Center has been expressly responsive to the growing and largely underserved Latino population by developing specialized teaching tools and program interventions in Spanish, and providing customized trainings for community

health workers in Spanish. Also, the Center contracts with the State Department of Pesticide Regulation (DPR) to assist physicians in complying with mandatory reporting requirements for pesticide exposures. The Poison Control Center also provides the state DPR with case data and information on the health issues related to pesticide exposure in California.

Other (\$7,809) - Children's provided support to other programs that target the needs of underserved children or broader community based health issues including Camp Taylor (a summer camp for children with cancer and their families), the American Heart Association, Fresno Center for New Americans, and the American Red Cross.

Health Care Work Force Development

Children's is committed to promoting an adequate supply of highly trained professionals to meet our region's future demand for pediatric health care services. Activities supported by the hospital in 2011 included the following.

Physician Education: To help ensure an adequate supply of physicians in Central California, Children's Hospital supported physician education in a number of ways in 2011.

- Contributions to Medical Schools (\$29,600): Children's Hospital provided financial support to the University of California San Francisco - Fresno Medical Education Program and the University of Merced's San Joaquin Valley Program in Medical Education Program.
- Pediatric Residency Program (\$1,736,310) - Children's Hospital is a major affiliate of the University of California San Francisco - Fresno Pediatric Residency Program. Structured as a three-year fully accredited post-graduate residency, the training program is helping to address the critical shortage of both pediatricians and pediatric subspecialty physicians in the Central Valley by offering rotations in general pediatrics, pediatric surgery, family practice, and emergency medicine. In 2011, 31 medical residents received training at Children's Hospital.
- Pharmacy Residency Program (\$352,433) – Children's Hospital supported a pharmacy residency program in 2011 that provided training to 6 residents.

Hematology Class (\$7,300) - Children's Hospital made a donation to California State University - Fresno for a Hematology Class taught.

Health Careers Promotion - Children's Hospital continued to promote health careers through the hospital's Job Shadowing Program that offers high school and college students the opportunity to shadow hospital physicians, employees,

and volunteers. Additionally, the hospital partnered with Sunnyside Doctors' Academy, Clovis North High School, and the Center for Advanced Research and Technology for internship rotations at the hospital.

Community Health Education

Community health education is a paramount priority to the Hospital, which has a long-standing commitment to providing community wellness and prevention education programs. Classes were offered at the hospital as well as at other community venues. Classes were taught by Children's Hospital professionals who have spent years studying and gaining experience in their chosen fields. Classes were open to the community at no cost. Examples of classes offered in 2011 include the following.

Asthma Basics - This class provided information about controlling asthma; proper use of medications; peak flow meters; meter dose inhalers and spacers; recognizing early warning signs of asthma; environmental control and what triggers an asthma attack.

CPR for Family and Friends - Offered to families who were taking a child home from Children's Hospital, this class presented information on the American Heart Association's (AHA) pediatric chain of survival, signs of choking, prevention of sudden infant death syndrome, and prevention of the most common fatal injuries in infants and children. The course also presented information about the AHA adult chain of survival and signs of cardiac arrest, heart attack, stroke and choking in adults.

Children's Hospital also provided access to educational information via its website, include the following two services.

E-Health Newsletter (\$9,000) - Children's Hospital appreciates how difficult it is for parents to keep up with all the latest child health and safety information. E-Health Newsletter provides trusted, credible child health and safety information from hospital pediatric experts as well as other experts from around the country. Most important, families are able to customize the information to meet a child's health and safety information needs.

Health Encyclopedia (\$13,395) – The Children's Health Encyclopedia contains thousands of pages of information on pediatric diseases, conditions and treatments, as well as sections on how to keep kids healthy. The encyclopedia is available in English and Spanish.

Family Assistance

Family centered care is a cornerstone of Children's Hospital. The Hospital understands that families must be given support and resources to effectively participate in their child's care.

Culturally Competent Health Care - With a service area that is home to over 100 documented languages and 37 distinct cultures, Children's Hospital is committed to meeting the needs of a very diverse patient population. As it has done for years, the hospital in 2011 provided language assistant 24 hours a day, seven days a week. Children's Hospital also worked with a variety of ethnic groups to ensure that the hospital was providing care in as culturally sensitive a manner as possible.

Transportation (\$127,138) - Children's Hospital's Social Work Department assisted families with transportation by providing taxi vouchers and bus tokens. In addition, Children's Hospital subsidized bus and transit services from Fresno and the Kings County rural areas. Public transportation has been a problem in the Central Valley for years and thus Children's Hospital is continuing to work with the community to improve public transportation and in turn improve access to care.

Cafeteria Meals (\$59,125) - Meal coupons were provided to breast-feeding moms whose infants were in the hospital. Social Workers also provided patients' families with meal coupons when they arrived and were not prepared for a long stay at the hospital.

Family Assistance Fund (\$41,405) - When support for services were not available through a community program or another funding source, social workers were able to access these hospital funds to help patients and families obtain items needed upon return home or assist with transportation for follow up care.

Enrollment into Health Insurance— Children's Hospital commits significant resources in helping families find health insurance coverage for themselves and their uninsured children.

Services provided by the hospital included financial counselors as well as a contracted vendor with expertise in enrollment services (\$203,309). Through these services, Children's Hospital screens uninsured and under-insured families for eligibility in Medi-Cal, Healthy Families, the California Children's Services Program, as well as the Children's Hospital Financial Assistance Program. Once eligibility is determined, the hospital assists in the completion of applications, and submits applications to the appropriate processing or funding agencies.

Children's Hospital also supported outreach and enrollment services offered through the Fresno Healthy Communities Action Program (\$2,500).

Commitment to Medi-Cal

Children's Hospital's commitment to serving its community is evidenced by the large number of patients it serves that are covered by Medi-Cal. In 2011, of the hospital's 84,322 total inpatient days, 62,777 (75%) were covered by Medi-Cal. The Hospital has historically been able to negotiate increases to its Medi-Cal inpatient reimbursement. These increases, however, have not offset the rising cost of care for these patients and in recent years, additional rates freezes and cutbacks in government funding continue to put pressure on the hospital's ability to provide care. In addition, the Medi-Cal outpatient fee schedule reimbursement remains significantly below cost.

The combined net effect of total Medi-Cal reimbursement and disproportionate share funding in relation to the cost of these services resulted in a net loss to the hospital in 2011 of \$25,804,563. This figure is separate from and does not include the community benefit activities and expenses noted in previous sections, and also excludes the revenue and expenses associated with the Hospital Fee Program, which is described in more detail below.

Hospital Fee Program - In 2009, California implemented the Hospital Fee Program through which hospitals in California, including Children's Hospital Central California, received supplemental Medi-Cal payments. California implemented the Program to help offset a portion of hospital Medi-Cal payment shortfalls accrued over current and prior years.

The Program was funded by a quality assurance fee paid by hospitals that the state then used to collect additional federal funding. Hospital Fee Programs like California's are allowable under federal law, and the US Department of Health and Human Services approved California's Program.

California's Program was implemented in two parts, with Part One covering the period April 1, 2009 through December 31, 2010, and Part Two covering the period January 1, 2011 through June 30, 2011. In 2011, Children's Hospital recognized \$68,478,000 in Part One Program revenue, net of the hospital's quality assurance fee and hospital contributions to the California Health Foundation and Trust (CHFT). CHFT was established under the Program for the purpose of supporting charitable activities. Recognized net revenue from Part Two of the Program falls within the hospital's 2012 fiscal year and therefore is not included here.

As the hospital's Hospital Fee Program revenue recognized in 2011 exceeded the hospital's uncompensated Medi-Cal costs in 2011, the hospital is not reporting any uncompensated Medi-Cal in 2011.

For decades, California has under paid hospitals like Children's Hospital for Medi-Cal services provided and continues to do so today. The future looks even

worse given recently enacted Medi-Cal funding cuts at both the state and federal levels, along with the pressure that ongoing government budget deficits will play on reducing Medi-Cal funding even further. While the Program's payments have played an important role in offsetting some of the hospital's losses, the Program's limited duration means that it will not serve as a long-term solution to the hospital's chronic Medi-Cal payment shortfalls.

Charity Care

In keeping with our Mission, Children's Hospital continues to accept all patients, regardless of their ability to pay. In 2011, Children's Hospital provided \$11,000 in charity care. The amount represents costs associated with patients who meet certain criteria under the hospital's charity care policy without charge, or at amounts less than its established rates in relation to the cost of these services. Charity Care includes county indigent and free care, which is based on the patient's inability to pay for services.

In order to assist families with ongoing care needs, Children's Hospital's Financial Assistance policy requires patient families to apply for appropriate government funding in conjunction with applying for financial assistance (charity care). As a result, many families qualify for government programs and do not ultimately require charity care. The hospital's charity care amount is separate from and does not include the community benefit activities and expenses noted in previous sections.