



MEMORIALCARE® HEALTH SYSTEM

**Annual Report and Plan for Community Benefit**  
**Miller Children's Hospital Long Beach**  
**Fiscal Year 2011**  
**(July 1, 2010 – June 30, 2011)**

**Mission -**

**To improve the health and well being of individuals, families and our communities through innovation and the pursuit of excellence.**

**Vision -**

**Exceptional People. Extraordinary Care. Every Time.**

**Values -**

**MemorialCare ABCs**

**A - Accountability**

**B - Best Practices**

**C - Compassion**

**S - Synergy**

## **Annual Report and Plan for Community Benefit Fiscal Year 2011 (July 1, 2010 – June 30, 2011)**

The annual report and plan for community benefit audiences are the Office of Statewide Health Planning and Development (OSHPD), communities being served by Long Beach Memorial and community organizations, which interact with the hospital.

California senate bill 697 (SB697) mandates that non-profit hospitals submit an annual community benefit report and plan detailing their activities related to community benefit for the prior fiscal year and future strategic plans for forthcoming years. Additionally, a triennial community health needs assessment is to be conducted and utilized in setting community benefit priorities.

Advancing the State of the Art in Community Benefits (ASACB) principles for quantifying and reporting community benefit are part of our efforts to guide establishing priorities for community benefit activities at Long Beach Memorial Medical Center (LBMMC). Community benefit categories follow the standards set by the Catholic Health Association (CHA) and the Veterans Health Administration (VHA). Data collection is maintained in the Community Benefit Inventory for Social Accountability (CBISA) software by Lyon's Software Company through an annual subscription.

The Community Benefit Report and Plan contained in this document has followed the ASACB guidelines. Community benefit related activity owners (reporters) provided information for fiscal year 2011. Each reporter was provided a hand-out explaining how to identify, count and record community benefit programs and activities. Additionally, each reporter was provided with a "Community Benefit Occurrence Worksheet", which itemizes the qualifying program and activity occurrence by collecting the following data points:

- Volunteer hours
- Persons served
- Salaries and wages for staff
- Purchased services
- Supplies
- Facility space
- Other direct expenses (advertising, mailing etc.)
- Offsetting revenue

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Submitted to:

Office of Statewide Health Planning and Development (OSHPD)  
Sacramento, CA

**November, 2011**

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## Letter from the CEO

LONG BEACH MEMORIAL  
COMMUNITY HOSPITAL LONG BEACH  
Miller Children's Hospital Long Beach  
 MEMORIALCARE HEALTH SYSTEM

November 1, 2011

Long Beach Memorial, Community Hospital Long Beach and Miller Children's Hospital Long Beach are proud to serve the Greater Long Beach community. Our hospitals serve families in Los Angeles and Orange Counties with a wide range of general and specialty care including, primary medicine, cancer, heart, rehabilitation, orthopedics, pediatrics, neurology, behavioral health and women's services. Long Beach Memorial is nationally ranked by U.S. News and World Report as one of the Best Regional Hospitals; we maximize the synergy within our hospitals and with our community, to provide excellent care and stewardship.

The health care industry continues to evolve, as does our organization. The changes in health care legislation are fused into our vision, continuing to see a path of positive growth and possibility. Our organization is well positioned for the future and has consistently demonstrated: first, our steadfast focus on our mission of high quality health care; second, our razor-sharp commitment to responsible stewardship of our resources, not just our financial resources but, as importantly, our human resources; and third, our continued dedication to provide a wide array of services and programs to meet the changing needs of our diverse community.

Long Beach Memorial, Community Hospital Long Beach and Miller Children's Hospital Long Beach have made a solid commitment to work in partnership with dedicated individuals and local organizations, to stay true to our vision and values, and to continue investing our resources to best serve those in need.

We believe that our dedication to our mission, stewardship and diversification will ensure an organization, which continues to thrive, well into the future. As such, we are committed to strategically focusing our investment of charitable resources to address the unmet health needs of the diverse communities we serve. For fiscal year 2010-2011, Long Beach Memorial, Community Hospital Long Beach\* and Miller Children's community benefit contributions totaled \$62,854,000 including \$46,876,000 in charity care.

We are proud of our commitment to providing extraordinary care, relying on exceptional people and continuing to build a future where we can provide the highest quality of care to our community.

Sincerely,

*Diana Hendel*

Diana Hendel, Pharm.D  
Chief Executive Officer  
Long Beach Memorial  
Community Hospital Long Beach  
Miller Children's Hospital Long Beach

\*Community Hospital Long Beach: reporting period 4/29/11 – 6/30/11

## Executive Summary

### What is Community Benefit?

Community Benefit programs directly influence access to care and improves the health status of the community that a non-profit hospital serves. Community Benefit reporting is governed under an IRS reporting requirement (Form 990 Schedule H) at the federal level and a California state law (SB697), which requires non-profit hospitals to submit a community benefit plan and annual report demonstrating what the hospital has provided to the community over the prior fiscal year.

Community benefit programs must meet at least one community benefit objective and within the objective one of these conditions must be met:

1. **Improve access to health services** (program is – broadly available to the public, include vulnerable or underserved persons, barrier to access is reduced, without the program the community would loose access to a needed service).
2. **Enhance health of the community** (program is – designed around public health goals, yields measurable improvement in health status or without it, health status would decline; operated in collaboration with public health partners).
3. **Advance medical or health care knowledge** (program – trains health professionals or students, does not require trainees to join staff, open to professionals in the community, involves research with findings available to the broader public in a reasonable amount of time).
4. **Relieve or reduce the burden of government or other community effort** (program – relieves a government financial or programmatic burden, government provides the same or similar service but not duplicative or competitive, government provides funding of activity, if program is closed there would be a greater cost to the government and/or another non-profit, receives philanthropic support through community volunteers or contributions).

Examples of Community Benefit programs and activities at Miller Children's Hospital Long Beach include: charity care (uncompensated care and uninsured care), support groups, health education, outpatient care, research and health screenings.

## **About the Organization**

MemorialCare Health System is a leading Southern California not-for-profit integrated delivery system with nearly 11,000 employees and 2,300 affiliated physicians. The MemorialCare hospitals include Long Beach Memorial, Miller Children's Hospital Long Beach, Community Hospital Long Beach, Orange Coast Memorial, Saddleback Memorial - Laguna Hills and San Clemente.

Four leading physician groups joined the health system as the founding members of the MemorialCare Medical Foundation, launched in early 2011. With this addition, our health system now includes five urgent care locations, 21 primary care locations and two specialty care locations, in addition to the MemorialCare HealthExpress retail clinics in Albertsons stores in Huntington Beach, Irvine and Mission Viejo.

The health system has gained widespread recognition for our unique approach to health care. The organization has been identified as one of the Top 100 Integrated Health Networks in the Nation, as well as Top 10 in the West (from SDI). Our hospitals are ranked as high performers in 18 specialties by US News and World Report. We are particularly proud to be one of only 29 companies worldwide selected as a 2011 Gallup Great Workplace winner!

### **Founded:**

The pediatric hospital opened in 1970, with many innovative patient and family centered care features, such as patient rooms to accommodate a parents' overnight stay. Miller Children's opened with 65 active pediatric physicians and surgeons along with services such as an expanded NICU, cleft palate program, allergy, ENT, endocrine, urology and general surgery. In 2003, women's health care became part of Miller Children's Hospital Long Beach when it brought women's services under its license. Currently there are 324 licensed pediatric and women's beds.

### **Organization:**

Miller Children's Hospital Long Beach (MCHLB) and Long Beach Memorial (LBM) is the second largest not-for-profit, community-based hospital west of the Mississippi. The 54-acre campus houses 716 beds (462 adult beds). On April 29, 2011 Community Hospital Long Beach joined the organization providing an additional 208 beds. These three hospitals are under the same tax identification number but are separately licensed hospitals. Miller Children's Hospital Long Beach provides specialized pediatric care for children and young adults, with conditions ranging from common to complex—as well as maternity care for expectant mothers—all under one roof. Only five percent of all hospitals are children's hospitals, making them unique not only to children's health care needs in the community, but across the region. Miller Children's is one of only eight free-standing children's hospitals in California.

Miller Children's is a not-for-profit, pediatric teaching hospital that treats more than 8,000 children each year and has become a regional pediatric

destination for more than 84,000 children, who need specialized care in the outpatient specialty and satellite centers. The MemorialCare Center for Women at Miller Children's Hospital Long Beach delivers more than 6,000 babies each year and transports nearly 100 high-risk moms to Miller Children's each year.

Miller Children's features eight Centers of Excellence, including seven major inpatient care centers within the hospital and comprehensive outpatient specialty centers that feature more than 30 sub-specialties, and include 16 California Children Services (CCS) approved special care centers. These Centers provide specialized care for children with chronic conditions, such as pulmonary, gastroenterology, orthopedics, cardiology, rehabilitation, diabetes, asthma, autism, and hematology/oncology (cancer) conditions.

**Medical Staff:**

More than 750 pediatric specialists and sub-specialists, as well as nearly 100 OB/GYNs, including 10 high-risk pregnancy specialists (maternal fetal sub-specialists), ensure that the highest quality, compassionate care is given to each patient and their family.

**Nursing Staff:**

450 pediatric registered nurses

**Teaching Affiliations:**

Miller Children's Hospital Long Beach is the major pediatric teaching hospital of the University of California, Irvine, including an extensive general pediatrics residency program, pediatric specialty fellowships, and houses a satellite training center of California State University, Long Beach, for nursing education.

Other Teaching Affiliations Include:

- California State University, Los Angeles
- City of Long Beach
- Columbia Emergency Medical Group
- Downey Regional Medical Center
- Golden West College
- Harbor-UCLA
- Long Beach City College
- Long Beach Unified School District
- University of California, Irvine
- University of California, Los Angeles (UCLA)
- University of Southern California (USC)
- University of Southern California - LA City

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## Our Community

### Hospital Service Area

Long Beach, California is the fifth largest city in California. It has been designated by the USA Today as the most diverse city in the nation. With over 460,000 residents the ethnic, cultural and language diversity of the city is a source of pride. Long Beach Memorial (LBM), Community Hospital Long Beach (CHLB) and Miller Children's Hospital Long Beach (MCHLB), comprise Long Beach Memorial Medical Center; situated in the South Bay area of Los Angeles County within an area referred to as Service Planning Area 8 (SPA 8). According to the 2010 decennial census, 40% of the population identify as Hispanic, nearly 13.5% as African American, 13% as Asian (includes Asian Indian, Chinese, Filipino, Vietnamese, Cambodian etc.), and 29% white. Just over 9% of the total population is aged 65 or older. Children age 14 and under comprise 20% of the population. The median age for the population is 33.2 years. A primary language other than English is spoken in over 45% of the households located near LBMHC.

Those living below the federal poverty level make up 18.8% of the population in Long Beach. The median household income is \$50,040. Central Long Beach, which is where LBM and MCHLB are located, was selected by the California Endowment as one of the communities to be a part of the ten year initiative, Building Healthy Communities: California Living 2.0.

Approximately 40% of admissions come from zip codes within the city of Long Beach boundaries. MCHLB's secondary service area incorporates the cities of Lakewood, Seal Beach, Compton, Bellflower, Carson, Cerritos, Paramount, Los Alamitos, Signal Hill, Cypress, Norwalk, Lynwood, Bell, Bellflower, Cerritos, Downey, Gardena, Hawaiian Gardens, Hawthorne, Huntington Park, sections of Los Angeles, Lynwood, Norwalk, San Pedro, South Gate and Wilmington. The top two zip codes related to number of discharges from MCHLB are indicated in bold on the service area table, 90805 – 9.95% and 90813 – 6.07%.

<b>MCHLB Primary Service Area*</b>	
<b>City</b>	<b>Zip Code(s)</b>
Long Beach	<b>90805</b> , 90806, 90807, 90810, 90808, <b>90813</b> , 90815, 90802, 90804, 90803, 90814

<b>MCHLB Secondary Service Area*</b>	
<b>City</b>	<b>Zip Code(s)</b>
Bell	90201
Bellflower	90706
Carson	90745, 90746
Cerritos	90703
Compton	90221, 90220, 90222
Cypress	90630
Downey	90242, 90241
Gardena	90247
Hawaiian Gardens	90716
Hawthorne	90250
Huntington Park	90255
Lakewood	90712, 90713, 90715
Los Alamitos	90720
Los Angeles	90059, 90044, 90002, 90003, 90001
Lynwood	90262
Norwalk	90650
Paramount	90723
San Pedro	90731
Seal Beach	90740
Signal Hill	90755
South Gate	90280
Wilmington	90744

\*Based on calendar year 2008 OSHPD data

## ***Community Health Needs Assessment***

In accordance with California state law SB697, which requires nonprofit hospitals to conduct a community health needs assessment every three years, the Long Beach Health Needs Assessment (LBHNA) is a community health survey project designed to determine the health needs of the population living in Long Beach and the surrounding communities. The LBHNA is a collaborative partnership among the four major hospitals in the city of Long Beach - Community Hospital Long Beach, Long Beach Memorial, Miller Children's Hospital Long Beach, and St. Mary Medical Center. For the 2009 LBHNA the area hospitals contracted with California State University Long Beach Professor of Health Care Administration, Tony Sinay, PhD, and Associate Professor of Health Sciences, Veronica Acosta-Deprez, PhD.

The goal of the project is for the local hospitals and area healthcare providers to utilize the results of the assessment in order to improve the quality and quantity of healthcare services available in the greater Long Beach area. The resulting report helps provide community leaders with long-term strategic planning initiatives focused on the health status and needs of the city. Additionally, the report allows community partners to identify gaps in services and to provide opportunities for collaborative partnerships to address the issues. These partnerships have the potential to improve the health status of the community through program development, access to services, and availability of services.

The Long Beach Health Needs Assessment (LBHNA) for 2009 is the sixth and most recent survey.

**Introduction:** The commitment of local hospitals – Community Hospital Long Beach, Long Beach Memorial, Miller Children's Hospital, and St. Mary Medical Center is to ensure the health of the population in the city of Long Beach. The Long Beach Health Needs Assessment for 2009 is the sixth survey of its kind in the city by local hospitals. The goal is to utilize the results of the Long Beach Community Health Survey to improve the quality and quantity of services available in the greater Long Beach area. The resulting report helps provide community leaders with long-term strategic planning initiatives focused on the health status and needs of the city. This report also allows community partners to identify gaps in services and to provide opportunities for collaborative partnerships to address the issues. These partnerships have the potential to improve the health status of the community through program development, access to services and availability of services.

**Methodology:** The 2009 survey instrument was developed through an iterative process and consisted of twenty-seven questions covering topics such as; population demographics, health concerns affecting adults, teens and children and access to services and providers. The survey instrument was provided in both English and Spanish languages. The self administered surveys were distributed to a convenience sample at community forums, events and health fairs within the city of Long Beach from July through November, 2009.

The total number of survey participants was 481. Zip code analysis was undertaken to determine significant gaps in less and most vulnerable areas. Also, key informant survey

was administered using web technologies and 16 key informants responded to the survey.

Results: The number one barrier to receiving proper medical care was reported as lack of health insurance. The health care providers needed most were dentists and family doctors.

The affordability of services compared to previous survey years indicate services are less affordable today. The top four needed services that were identified as unaffordable or unavailable were mental health counselor (31%), family planning clinics, transportation, and before-and-after school programs, which are the same as the 2007 assessment. The zip code analysis indicated that the areas of most need without availability to hospital, family physician, dentist, eye doctor, mental health and emergency rooms were located in 90813 and 90805. Prayer was the most utilized alternative health method (30%). The top adult health issues were reported as diabetes and high blood pressure. For teens the top health issues reported were gangs and drug abuse. For children the top health issues were reported as obesity, child abuse and poor nutrition. Further analysis of health issues and zip codes resulted in significant differences between 'Most Vulnerable' and 'Less Vulnerable' areas for all age groups.

According to key informants, the top three providers that were needed for children were mental health counselor, dentist and specialty doctors. For teens mental health counselor, family doctor and dentists were selected. The top three providers that were needed for adults were mental health counselors, specialty Doctor and dentist, and the top three providers that are needed for elderly were mental health counselor, dentist and family doctor. Key informants were asked to identify the top health issues for children, teens, adults and the elderly. The top health issues related to children were asthma, air pollution, lack of affordable health care, lack of health insurance and poor nutrition. The top health issues for teens were gang activities, accidents, drug abuse, asthma, air pollution and depression. Adult health issues identified were depression, diabetes, lack of affordable health care, lack of health insurance and alcohol abuse. The top health issues for the elderly were depression, diabetes, heart disease, poor nutrition and lack of affordable health care.

Limitations: The small convenience sample may not be generalizable to the full population of Long Beach. The survey is self-administered.

Conclusions and Recommendations: As indicated by the data, the areas of opportunity for the health care community to focus on include:

- Transportation continues to be an unmet need
- Mental Health services are needed by a third of the population
- High blood pressure, diabetes and arthritis in the adult population
- Children's health issues remain constant from previous surveys; child abuse, poor nutrition, asthma, obesity and lack of exercise
- Reduction of barriers such as insurance and health care costs to access needed services
- Key informants identified the need of before-and-after school programs for children and teens
- Affordability and access to services for those living in the 'most vulnerable' areas of the city

## **Miller Children's Hospital Long Beach Community Benefit**

### Accomplishments for fiscal year 2011 (July 1, 2010 – June 30, 2011)

Miller Children's Hospital Long Beach and Long Beach Memorial have concentrated its community benefit resources on instituting programs focused on communities with disproportionate unmet health needs; applying ASACB standards to enhance existing programs and reviewing metrics to measure outcomes of identified programs. Our governance oversight process included:

- Integration of Community Hospital Long Beach into the MHS and Long Beach Memorial Community Benefit processes for counting and reporting community benefit.
- Community Benefit Oversight Committee (CBOC) structure approved
- Community Benefit Standards adopted for MemorialCare Health System

Our areas of focus included: access to care, health and wellness and chronic disease prevention and care. To address the needs of the underserved, following are highlights of activities that Miller Children's Hospital Long Beach and Long Beach Memorial provided in FY11 to address our community priorities.

### **Category A: Community Health Improvement Services**

Activities or programs carried out or supported for the express purpose of improving community health that are subsidized by the health care organization qualify as Community Health Improvement Services. These services do not generate inpatient or outpatient bills, although there may be nominal fees or sliding scale payments for the services. Community need for the activity must be established. Community benefit activities or programs seek to improve access to health services, enhance public health, advance generalizable knowledge, and relieve government burden. These activities or programs are to be broadly available to the public and serve low-income consumers; reduce geographical, financial or cultural barriers to accessing health services and if ceased to exist would result in access problems; address federal, state or local public health priorities (ex. eliminating health disparities); leverage or enhance public health activities; would otherwise become the responsibility of government or other tax-exempt organizations; and advance generalizable knowledge through education or research that benefits the public.

Miller Children's Hospital Long Beach provides Community Health Improvement Services through community lectures, presentations and workshops in the areas of childhood cancer, maternal health, safety and disaster preparedness, health fairs, health screenings, respiratory care, and tobacco education. Community based clinical services and health care support services which include perinatal diabetes and pregnancy program, child safety efforts and asthma outreach and education for children.

We administer the Regional Perinatal Program and the California Diabetes & Pregnancy program (Sweet Success). These programs train clinical staff at Sweet Success affiliated hospitals regarding diabetes and pregnancy. Our child safety efforts include; car seat, bike helmet distribution and pedestrian safety. The Long Beach Alliance for Children with Asthma provides community health workers using the promotores model; provide asthma control education to physicians, nurses and the community. Over 15,000 people are served through these efforts for a net benefit of over \$738,619.

**Table 1: Community Health Improvement Services**

<b>Activity</b>	<b>Persons</b>
Community Health Education (A1)	3,550
Community Based Clinical Services (A2)	100
Health Care Support Services (A3)	2,631
Other (A4)	9,100
<b>Total</b>	<b>15,381</b>

As a teaching hospital, we are able to offer community based clinical services through our family medicine rotations (lives touched and dollars are aggregated and reported in the Long Beach Memorial report). Residents serve the gynecologic clinic, sigmoidoscopy clinic, the Children’s Clinic, vaccination clinic and the Westside Neighborhood clinic providing access to care for those who are living in poverty and/or uninsured. Our medical residents are active in the local schools with the “Tar Wars” tobacco cessation education program to discourage tobacco use among youth, reaching over 820 fifth grade students.

Health care support services range from phone lines, staffed by trained clinicians, to a Family Resource Center. The Family Resource Center, partially funded through an early start government grant, provides assistance to parents and families in the community to understand the Individualized Education Program (IEP) process for children with special learning needs, community outreach through presentations with the nutrition program for Women, Infants and Children (WIC), Head Start and school districts. Over 1,000 special needs families were served during the fiscal year, which represents a small fraction of the lives that are touched by this program.

**Category B: Health Professions Education**

Educational programs that result in a degree, certificate or training necessary to be licensed to practice as a health professional, or continuing education necessary to retain state license or certification by a board in the individual’s health profession fall under the Health Professions Education category. Direct costs of health professions education includes: stipends, fringe benefits of interns, residents and fellows; salaries and fringe benefits of faculty directly related to intern and

resident education, medical students, nursing programs, and allied health professionals.

In conjunction with Long Beach Memorial, Miller Children’s Hospital Long Beach is the major pediatric teaching hospital for the University of California, Irvine, including an extensive general pediatrics residency program, pediatric specialty fellowships, and houses a satellite training center of California State University, Long Beach, for nursing education. Our institution plays a vital role in the training of physicians and nurses from these and other major universities. Each year, 19 medical residents, 53 residents and 5 fellows provide specialized care to infants, children and adolescents. Recognizing that the nursing shortage has to do with available capacity for educating future nurses, Long Beach Memorial and Miller Children’s Hospital Long Beach (MCHLB) in partnership with California State University Long Beach School of Nursing, established an accelerated nursing program and satellite campus at MCHLB for clinical courses led by faculty from both the university and the hospital. This partnership provides access to nursing students to train with human patient simulators that provide an opportunity for students to learn “real-time patient care” in a non-threatening environment of a simulation lab. The program graduates over 100 new nurses each year. The physician and nursing education listed below is consolidated for Long Beach Memorial and Miller Children’s Hospital Long Beach and reported on the LBM report.

Other health professionals are also educated by MCHLB and many perform their clinical hours and/or internship rotations at MCHLB. These students are directly supervised by MCHLB staff. Fields such as; child development, occupation and physical therapy, lactation, neo-natal intensive care, perinatal diabetes, and school nurses are represented.

**Table 2: Category B: Health Professions Education**

<b>Activity</b>	<b>Persons</b>
Physicians/Medical Students (B1)	Aggregated and reported on LBM report
Nurses/Nursing Students (B2)	Aggregated and reported on LBM report
Other Health Professional Education (B3)	513
Other (B5)	271
<b>Total</b>	<b>784</b>

**Category C: Subsidized Clinical Services**

Clinical services provided despite a financial loss to the organization. The financial loss is measured (based on costs, not charges) after removing losses associated by bad debt, charity care, Medicaid and other means-tested government programs. Subsidized clinical services meets an identified community need and if the organization no longer offered the service, the service would be unavailable in the community, the community's capacity to provide the service would be below the need, or the service would become the responsibility of government or another tax-exempt organization. Subsidized services exclude ancillary services that support inpatient and ambulatory programs and operate at a loss (ex. Lab, radiology, and anesthesiology).

The Bickerstaff Pediatric/Family HIV Center provides care to HIV infected/exposed children and their parents. Infectious Disease services both outpatient and inpatient consultation services, education to medical students and residents are provided. On staff is a psychiatrist to assist with psychiatric needs at the Bickerstaff Pediatric Family Center. The Bickerstaff Pediatric/Family HIV Center's mission is to provide sensitive, culturally appropriate, comprehensive family-centered medical care and case management services to children and their families infected and affected by the HIV virus in Long Beach and surrounding communities.

Miller Children's Hospital hosts a number of outpatient clinics that are offered to children and youth in the community, regardless of their ability to pay. At these specialty care clinics, specially designated multidisciplinary teams are responsible for all care coordination and case management of patients in these programs. Clientele is 40% Hispanic and 75% MediCal. Many of these centers are approved CCS (California Children's Services) providers. CCS is a statewide program that coordinates medical care and therapy services for children under 21 years of age with certain health care needs. Patients typically qualify for the CCS Special Care Centers by medical diagnosis, complexity of their disease and financial status.

### **Outpatient Specialty Centers**

Cardiology Center	Myelodysplasia Center
Child Development Center	Neurology Center
Craniofacial Program at the Stramski	Pediatric Orthopedic Center
Children's Developmental Center	
Ears, Nose and Throat Center	Pulmonary, Allergy and Cystic Fibrosis Center
Endocrinology, Diabetes and	Rehabilitation Center
Metabolic Center	
Family Medicine Center	Renal Center
Gastroenterology, Hepatology and	Rheumatology Center
Nutrition Center	
Hematology/Oncology Center	Surgery Center
Infectious Disease Center	Urology Center

In addition to these clinical services, the Outpatient Centers also provide community education related to diabetes and provide in-service training for school

nurses at their locations. The Outpatient Centers also provide taxi vouchers to those in need.

**Table 3: Category C: Subsidized Clinical Services**

Activity	Persons
Women’s and Children’s Services (C5)	70
Other (C10)	1575
<b>Total</b>	<b>1,645</b>

**Category D: Research**

The study or investigation to generate generalizable knowledge made available to the public. Research includes the communication of findings and observations, including publication in a journal. Internally funded research and research funded by tax-exempt or government entities are eligible for reporting.

The Bickerstaff Pediatric/Family HIV Center in addition to providing care to HIV infected/exposed children and their parents, also conduct research. There were 58 Pediatric Research Visits and 64 Adult Research Visits for the fiscal year. Research dollars are consolidated and reported on the Long Beach Memorial submission.

MCHLB is the only hospital on the west coast to offer the national standard for Normal Fetal Growth study in conjunction with UCI. Additionally, our pediatric oncology careline, housed in the Jonathan Jaques Children’s Cancer Center (JJCCC), is heavily involved in research programs involving blood disorders, cancers, psychosocial issues and long-term survival. JJCCC partners with many local hospitals such as Harbor-UCLA, Children’s Hospital Los Angeles (CHLA), Rady Children’s and national consortiums, such as Children’s Oncology Group (COG), National Association of Children’s Hospitals & Related Institutes (NACHRI) and the Hemophilia & Thrombosis Research Society (HTRS).

**Category E: Financial Contributions to Community-Based Organizations**

Cash contributions or grants and the cost of in-kind contributions that support charity care, health professions education, and other community benefit activities make up category E. In-kind contributions include the cost of staff hours donated by the organization to the community while on the organization’s payroll, indirect cost of space donated to tax-exempt community organizations, financial value (cost) of donated food, equipment and supplies. A number of community organizations such as the Junior Blind meet at our facility for no charge.

**Category F: Community Building Activities**

Includes activities to protect or improve the community's health or safety. Hospital employees are involved in many local, county, state and national organizations, which promote health, primary prevention, workforce development and advocacy efforts related to the hospital's mission. As a recognized leader in family centered care and working to achieve the designation of Baby Friendly Hospital (a World Health Organization and UNICEF title), hospital staff hold member and board positions for local, regional, state and national breast feeding coalitions. Additionally, MCHLB pediatric rehabilitation staff is involved in advocacy activities such as; Long Beach Alliance for Food and Fitness, Long Beach Healthy Kids Summit and Long Beach Diabetes Collaborative. The net benefit of community building activities was over \$18,000 serving nearly 300 individuals for fiscal year 2011.

### **Category G: Community Benefit Operations**

Indirect and direct costs for community benefit operations. Established as an objective in the community benefit plan for FY11, developing the community benefit oversight committee (CBOC), training and communication to community benefit reporters regarding the ASACB standards; to assist in these efforts, presentations were made to hospital department managers and the CBOC regarding the definition of, importance of and the commitment to community benefit by MCH and the overall MemorialCare Health System. The net benefit of community benefit operations was just under \$50,986 for the year.

### **Category H: Charity Care**

Charity Care is defined as free or discounted health and health-related services provided to persons who cannot afford to pay, care provided to uninsured, low-income patients who are not expected to pay all or part of a bill, or who are able to pay only a portion using an income-related fee schedule, billed health care services that were never expected to result in cash inflows, and the unreimbursed cost to the health system for providing free or discounted care to persons who cannot afford to pay and who are not eligible for public programs. Charity Care does NOT include bad debt. The combined charity care for fiscal year 2011 reported for the three Long Beach hospitals; Long Beach Memorial, Community Hospital Long Beach and Miller Children's Hospital Long Beach is \$46,876,000.

## Category I: Government Sponsored Health Programs

Government-sponsored health care community benefit includes unpaid charges of public programs, the "shortfall" created when a facility receives payments that are less than charges for caring for public program beneficiaries. Additionally, "Other Public Programs" are medical programs for the indigent, medically indigent or local and state programs that provide payments to health care providers for persons not eligible for Medi-Cal. In fiscal year 2011, MemorialCare participated in the Hospital Provider Fee initiative, which for LBM, MCHLB and CHLB took a \$30,000,000 loss and turned it into a gain. Historically, Medi-Cal shortfalls (including Outpatient Specialty Care CCS clinics) have totaled approximately \$30,000,000.

**Table 4: Consolidated LBM, MCHLB and CHLB Government Sponsored Health Programs**

Category	Consolidated in 000's
Unpaid Costs of Medi-Cal & CCS	-*
Unpaid Costs of Medicare	177
Others Public Programs	496
<b>Total with Medicare</b>	<b>673</b>
<b>Total without Medicare</b>	<b>496</b>

\* participation in the Hospital Provider Fee initiative

The total number of lives touched through community benefit related programs, associated charity care and participation in government sponsored health programs was 221,831 (LBM, CHLB & MCHLB) at a total quantifiable benefit to the community of \$62,853,696 for fiscal year 2011.

## Financial Summary of Community Benefit

### LONG BEACH MEMORIAL, MILLER CHILDREN'S HOSPITAL LONG BEACH AND COMMUNITY HOSPITAL LONG BEACH (CONSOLIDATED FINANCIALS)

#### COMMUNITY BENEFIT SUMMARY FYE JUNE 30, 2011

		In 000's
1.	CHARITY CARE (a)	\$46,876
2.	UNPAID COSTS OF MEDI-CAL (b)	\$0*
3.	OTHERS FOR THE ECONOMICALLY DISADVANTAGED (c)	\$1,481
4.	EDUCATION AND RESEARCH (d)	\$11,647
5.	OTHER FOR THE BROADER COMMUNITY (e)	\$2,673
	<b>TOTAL QUANTIFIABLE COMMUNITY BENEFIT LESS UNPAID COST OF MEDICARE</b>	<b>\$62,677</b>
6.	UNPAID COSTS OF MEDICARE (b)	\$177
	<b>TOTAL QUANTIFIABLE COMMUNITY BENEFITS</b>	<b>\$62,854</b>

\*In fiscal year 2011, MemorialCare participated in the Hospital Provider Fee initiative, which for LBM, MCHLB and CHLB took a \$30,000,000 loss and turned it into a gain.

( a ) Charity Care - Includes traditional charity care write-offs to eligible patients at reduced or no cost based upon the individual patient's financial situation.

( b ) Unpaid costs of public programs include the difference between costs to provide a service and the rate at which the hospital is reimbursed. Estimated costs are base on the overall hospital cost to charge ratio.

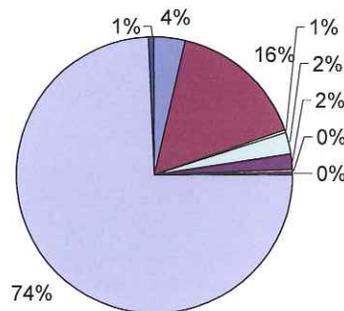
( c ) Includes other payors for which the hospital receives little or no reimbursement (County Indigent)

( d ) Costs related to the Medical Education programs and Medical Research that the hospital sponsors.

( e ) Includes many non billed programs such as community education, screening, support groups, clinics and other self help groups.

Community Benefit for FY11 is calculated at **6.13%** of Operating Expense.

FY11 LBM, MCHLB and CHLB Consolidated Community Benefit by Category



■ Community Health Improvement Services (A)	■ Health Professions Education (B)	□ Subsidized Health Services (C)
□ Research (D)	■ Financial and In-Kind Contributions (E)	■ Community Building Activities (F)
■ Community Benefit Operations (G)	□ Charity Care (H)	■ Government Sponsored Health Programs (I)

## **Leadership Journal (narrative only; no dollars reported)**

### ***Volunteer services***

Miller Children's Hospital has 378 committed community volunteers who provided 21,853 hours of service for the year. Volunteers are valued members of our health care team at MCHLB and help us discharge patients, deliver flowers, answer telephones, escort patients and guests to various hospital locations. The community members who volunteer at our hospital provide an opportunity to connect to the health care system benefiting not only the hospital but also the community at large. We have specialized volunteer programs such as the "Cuddler" Program in the NICU designed to support the development and growth of neonates, by providing advanced volunteer "cuddlers" – who are hospital trained – to interact with premature babies during times when their parents can't be with them at the hospital. We also have a volunteer grandparent program in the Child Life Department. These special volunteers visit and spend time with children who are in the hospital. These "grandparents" step-in to color, play board games or talk with children who may be bored or feel a little isolated while in the hospital.

### ***Bike Safety***

The "Tour of Long Beach" bike ride to promote healthy and active lifestyles in the community was an opportunity for our Miller Children's Safety Coalition volunteers to distribute over 200 bike helmets to ensure riders in need of helmets received the necessary equipment to ride safely. The helmets were funded through a grant from the hospital foundation which is a part of the Kohl's Cares initiative.

### ***Ronald McDonald House Long Beach***

Physicians and staff members serve on the community based board of trustees for the new Ronald McDonald House being planned for the Long Beach Memorial and Miller Children's campus. This 23 room house will serve families not only at Miller Children's Hospital Long Beach but also other area hospitals providing a low cost home away from home for parents and families of seriously ill children. Construction is almost complete and the planned opening in late 2011.

## **Community Partners Index**

In keeping with the community benefit principle of community capacity building and the overall mission and commitment to improve the health and well being of individuals, families and our communities, Miller Children's Hospital Long Beach cultivates and maintains strong ties with a network of community stakeholders (list is not exhaustive but highlights key partnerships).

American Cancer Society  
American Heart Association  
American Lung Association  
Bickerstaff Foundation  
California Children's Rehabilitation  
Foundation (CCRF)  
California State University Long Beach  
(School of Nursing, Department of Social  
Work, Department of Health Science)  
California State University Los Angeles  
CARE Program  
Cerritos College  
Child Protection Center  
City of Long Beach  
Greater Long Beach Child Guidance  
Center  
Kohl's Cares Foundation  
Long Beach Alliance for Children with  
Asthma (LBACA)  
Long Beach City College  
Long Beach Department of Health and  
Human Services  
Long Beach Ronald McDonald House  
Long Beach Unified School District  
Los Angeles County Office of Education  
March of Dimes  
Memorial Medical Center Foundation  
Pacific AIDS Training and Education  
Center  
Ronald McDonald Charities of Southern  
California (RMCSA)  
Safe Kids L.A.  
St. Baldrick's Foundation  
The Children's Clinic and Dental Clinic  
University of California Irvine (School of  
Medicine)  
University of Southern California

## Community Benefit Plan FY2012

In the year ahead, we will continue to develop and refine systems that develop our institutional support for community benefit and strengthen our programs to address the identified unmet health needs in our community. We will work to increase organizational leadership and evaluation; increase the quality of program planning, implementation, and evaluation; and enhance the sustainability of organizational and programmatic commitments.

The Community Health Needs Assessment (CHNA) for the triennial report will be conducted between October, 2011 and February, 2012. The CHNA steering team will have representation from all the Long Beach non-profit hospitals, Long Beach Health Department, City of Long Beach Planning and Development Services and California State University Long Beach. There will be two types of instruments, each serving a separate population; general public and key informant. Instruments will be available on-line as an anonymous survey in English and Spanish. The key informant instrument will also be available on-line link. Kiosks will be available at area health fairs to solicit participation as well as having survey links available on the hospital and City webpages. Data analysis and report will be presented in June, 2012 and we will work on processes and procedures to make the report publicly available.

### FY2012 Priorities:

1. Disease Management
2. Access to Care
3. Prevention
4. Behavioral Health

Each of these priorities ties to the strategic plan for the organization and is an identified community need.

1. **Disease Management:** includes cardiac care, childhood obesity and diabetes. Tied to an identified need by the 2009 Community Health Needs Assessment:
  - 27% of those living in the most vulnerable zip codes indicated childhood obesity as a top concern
  - 28% indicated diabetes as the biggest health issue
  - High blood pressure and adult diabetes identified as an unmet need
2. **Access to care:** Work to foster creation of medical homes and participation in the CCS demonstration project. Tied to an identified need by the 2009 Community Health Needs Assessment:
  - Family physician access and specialty care for children

3. **Prevention:** provide for community and professionals; include free screenings and health education at health fairs and community lectures and annual women's health event. Tied to an identified need by 2009 Community Health Needs Assessment indicated:
  - Top health issue identified for all age groups was obesity
  - Other health conditions identified which would benefit from health education/behavior modification: nutrition, exercise, high blood pressure
  
4. **Behavioral health:** appropriate identification and assessment with referral is predominately conducted at CHLB and homeless assistance & case management (LBM). Tied to an identified need by 2009 Community Health Needs Assessment indicated:
  - All age categories reported the need for access to mental health services
  - Key informants identified depression as a top issue for all age groups

In order to address the identified needs, we will conduct an assessment to categorize gaps in services in the community, document assets and develop programs and activities that address the priorities.

## Appendix A – Contact Information

### Physical Address of Main Hospital Campus:

2801 Atlantic Blvd.  
Long Beach, CA 90806

Web address:        [www.millerchildrenshospitallb.org](http://www.millerchildrenshospitallb.org)

### Administration:

<b>Diana Hendel, PharmD</b> <i>Chief Executive Officer</i>	
<b>Suzie Reinsvold, MSN, RN</b> <i>Chief Operating Officer</i> <b>Judy Fix, RN, MSN</b> <i>Chief Nursing Officer</i>	<b>Divya Joshi, M.D.</b> <i>Chief Medical Officer, Miller Children's Hospital Long Beach</i>  <b>Robert Castillo, M.D.</b> <i>Chief of Staff, Miller Children's Hospital Long Beach</i>  <b>Sandra Makela, M.D.</b> <i>Chief of Staff, MemorialCare Center for Women</i>

### Community Benefit Contacts:

Cindy Gotz, MPH, CHES  
Community Benefit Manager  
562-933-2889  
[cgotz@memorialcare.org](mailto:cgotz@memorialcare.org)

Peter Mackler  
Executive Director, Government Relations and Policy  
714-377-2946  
[pmackler@memorialcare.org](mailto:pmackler@memorialcare.org)

## Appendix B –Financial Assistance Policy

 <b>Memorial Health Services Policies and Procedures</b>	<b>Effective Date: October 22, 2010</b>  <b>Note: For origination date see History at end of Policy.</b>
<b>Subject: Financial Assistance</b>	<b>Approval Signature:</b>  <b>Barry Arbuckle President &amp; CEO</b>
<b>Manual: Finance/Purchasing</b>  <b>Policy/Procedure # 236</b> <b>Section:</b>	<b>Sponsor Signature:</b>  <b>Patricia Tondorf Executive Director Patient Financial Services Systems</b>

### PURPOSE:

Memorial Health Services (MHS) is a non-profit organization which provides hospital services in five distinct Southern California communities. Memorial Health Services and its member hospitals are committed to meeting the health care needs of patients who may be uninsured or underinsured. As part of fulfilling this commitment, MHS provides medically necessary services, without cost or at a reduced cost, to patients who qualify in accordance with the requirements of this Financial Assistance Policy.

The Financial Assistance Policy establishes the guidelines, policies and procedures for use by hospital personnel in evaluating and determining patient qualification for financial assistance. This policy also specifies the appropriate methods for the accounting and reporting of Financial Assistance provided to patients at hospitals within Memorial Health Services.

### POLICY:

#### Financial Assistance Defined

Financial assistance, also known as Charity Care, is defined as any necessary<sup>1</sup> inpatient or outpatient hospital service that must be provided at an MHS facility to a patient who is unable to pay for care. Patients unable to pay for their care must establish eligibility in accordance with requirements contained in the Memorial Health Services Financial Assistance Policy.

Depending upon individual patient eligibility, financial assistance may be granted on a full or partial aid basis. Financial assistance may be denied when the patient or other responsible guarantor does not meet the MHS Financial Assistance Policy requirements.

#### Financial Assistance Reporting

All Memorial Health System hospitals will report the amounts of financial assistance, full or partial, provided to patients as required for Charity Care. Charity Care reporting will be in accordance with the regulatory requirements issued by the Office of Statewide Health Planning and Development(OSHHPD) as contained in the Accounting and Reporting Manual for Hospitals, Second Edition and any other subsequent clarification or advisement issued by OSHHPD. To

<sup>1</sup> Necessary services are defined as any hospital inpatient or outpatient service, or emergency care that is not entirely elective for patient comfort and/or convenience.

comply with these regulations, each hospital will maintain this policy as written documentation regarding its Charity Care criteria, and for individual patients, each hospital will maintain written documentation regarding all financial assistance determinations. As required by OSHPD, Charity Care provided to patients will be recorded on the basis of actual charges for services rendered.

Charity Care will be reported as an element of each hospital's annual Community Benefit Report submitted to OSHPD and any other appropriate state agencies.

#### General Process and Responsibilities

Access to emergency medical care shall in no way be affected by whether financial assistance eligibility under this policy exists; emergency medical care will always be provided to the extent the facility can reasonably do so.

All patients who do not indicate coverage by a third party payer will be provided a Medi-Cal application prior to discharge

The Memorial Health Services Financial Assistance Policy relies upon the cooperation of individual applicants for accurate and timely submission of financial screening information. To facilitate receipt of such information, MHS hospitals will use a Financial Assistance application to collect information from patients who:

- Are unable to demonstrate financial coverage by a third party insurer and request financial assistance;
- Insured patients who indicate that they are unable to pay patient liabilities; and
- Any other patient who requests financial assistance

The financial assistance application should be completed as soon as there is an indication the patient may be in need of financial assistance. The form may be completed prior to service, during a patient stay, or after services are completed and the patient has been discharged. Accordingly, eligibility for the MHS Financial Assistance Program may be determined at any time the hospital has sufficient information to determine qualification.

Completion of a financial assistance application provides:

1. Information necessary for the hospital to determine if the patient has income and/or assets sufficient to pay for services;
2. Authorization for the hospital to obtain a credit report for the patient or responsible party;
3. Documentation useful in determining eligibility for financial assistance; and
4. An audit trail documenting the hospital's commitment to providing financial assistance.

#### Eligibility

Eligibility for financial assistance shall be determined solely by the patient's and/or patient guarantor's ability to pay. Eligibility for financial assistance shall not be based in any way on age, gender, sexual orientation, ethnicity, national origin, veteran status, disability or religion.

The patient/guarantor bears the burden of establishing eligibility for qualification under any financial assistance program. Patients/guarantors are required to provide timely, honest and complete disclosure in order to obtain financial assistance. Each hospital will provide guidance and/or direct assistance to patients or their guarantors as necessary to facilitate completion of

complete disclosure in order to obtain financial assistance. Each hospital will provide guidance and/or direct assistance to patients or their guarantors as necessary to facilitate completion of government low-income program applications when the patient may be eligible. Assistance should also be provided for completion of an application for the MHS Financial Assistance Program.

Completion of the Financial Assistance application and submission of any or all required supplemental information may be required for establishing eligibility with the Financial Assistance Program.

Financial Assistance Program qualification is determined after the patient and/or patient guarantor establishes eligibility according to criteria contained in this policy. While financial assistance shall not be provided on a discriminatory or arbitrary basis, the hospital retains full discretion to establish eligibility criteria and determine when a patient has provided sufficient evidence of qualification for financial assistance.

Once determined, Financial Assistance Program eligibility will remain in effect for a period of six (6) months and then may be renewed by the hospital upon submission of required information by the patient. Patient financial services will develop methods for accurate tracking and verification of financial assistance program eligibility.

Any eligible patient account balance created by a visit that resulted in the request for Financial Assistance Program coverage and those occurring for a period of six (6) months following eligibility determination will be considered for full or partial write-off as Charity Care. Other pre-existing patient account balances outstanding at the time of eligibility determination by the hospital may be included as eligible for write-off at the sole discretion of management.

Patient obligations for Medi-Cal Share of Cost (SOC) payments will not be waived under any circumstance. However, after collection of the patient share of cost portion, any other unpaid balance relating to a Medi-Cal SOC patient may be considered for Charity Care.

Factors considered when determining whether an individual is qualified for financial assistance pursuant to this policy may include, but shall not be limited to the following:

- No insurance coverage under any government or other third party program
- Household<sup>2</sup> income
- Household net worth including all assets, both liquid and non-liquid
- Employment status
- Unusual expenses
- Family size as defined by Federal Poverty Level (FPL) Guidelines
- Credit history

Eligibility criteria are used in making each individual case determination for coverage under the MHS Financial Assistance Program. Financial assistance will be granted based upon each individual determination of financial need. To assure appropriate allocation of assistance, financial need may be determined based upon consideration of both income and available patient family assets.

Covered services include necessary inpatient and outpatient hospital care provided the services are not covered or reimbursed by Medi-Cal, county indigent programs or any other third party

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<sup>2</sup> "Household" includes the patient, the patient's spouse, any individual to whom the patient is a dependent and any other individual legally responsible to provide for the patient's health care needs.

government low-income program applications when the patient may be eligible. Assistance should also be provided for completion of an application for the MHS Financial Assistance Program.

Completion of the Financial Assistance application and submission of any or all required supplemental information may be required for establishing eligibility with the Financial Assistance Program.

Financial Assistance Program qualification is determined after the patient and/or patient guarantor establishes eligibility according to criteria contained in this policy. While financial assistance shall not be provided on a discriminatory or arbitrary basis, the hospital retains full discretion to establish eligibility criteria and determine when a patient has provided sufficient evidence of qualification for financial assistance. In the event of a dispute regarding eligibility for financial assistance, a patient may seek review from management in Patient Financial Services.

Once determined, Financial Assistance Program eligibility will remain in effect for a period of six (6) months and then may be renewed by the hospital upon submission of required information by the patient. Patient Financial services will develop methods for accurate tracking and verification of financial assistance program eligibility.

Any eligible patient account balance created by a visit that resulted in the request for Financial Assistance Program coverage and those occurring for a period of six (6) months following eligibility determination will be considered for full or partial write-off as Charity Care. Other pre-existing patient account balances outstanding at the time of eligibility determination by the hospital may be included as eligible for write-off at the sole discretion of management.

Patient obligations for Medi-Cal Share of Cost (SOC) payments will not be waived under any circumstance. However, after collection of the patient share of cost portion, any other unpaid balance relating to a Medi-Cal SOC patient may be considered for Charity Care.

Factors considered when determining whether an individual is qualified for financial assistance pursuant to this policy may include, but shall not be limited to the following:

- No insurance coverage under any government or other third party program
- Household<sup>2</sup> income
- Household net worth including all assets, both liquid and non-liquid
- Employment status
- Unusual expenses
- Family size as defined by Federal Poverty Level (FPL) Guidelines
- Credit history

Eligibility criteria are used in making each individual case determination for coverage under the MHS Financial Assistance Program. Financial assistance will be granted based upon each individual determination of financial need. To assure appropriate allocation of assistance, financial need may be determined based upon consideration of both income and available patient family assets.

Covered services include necessary inpatient and outpatient hospital care provided the services are not covered or reimbursed by Medi-Cal, county indigent programs or any other third party payer. All patients not covered by third-party insurance and those insured patients who indicate

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<sup>2</sup> "Household" includes the patient, the patient's spouse, any individual to whom the patient is a dependent and any other individual legally responsible to provide for the patient's health care needs.

- Ten Thousand Dollars (\$10,000) and fifty percent (50%) greater than Ten Thousand Dollars (\$10,000) in other total assets
- Deferred Compensation Plans

Patients who have assets beyond those specifically exempted will be expected to leverage the assets through independent financing in order to satisfy the patient account. Accordingly, patients with sufficient assets available are not qualified for the MHS Financial Assistance Program. Patients with sufficient assets will be denied eligibility even when they meet basic income qualification requirements.

For the purpose of determining eligibility for discounted payment, documentation of income shall be limited to recent pay stubs or income tax returns.

SPECIAL CIRCUMSTANCES:

Any evaluation for financial assistance relating to patients covered by the Medicare Program must include a reasonable analysis of all patient asset net worth, income and expenses, prior to eligibility qualification for the Financial Assistance Program. Such financial assistance evaluations must be made prior to service completion by the MHS hospital.

- If the patient is determined to be homeless he/she will be deemed eligible for the Financial Assistance Program.
- If the patient/guarantor has recently been declared bankrupt by a Federal Bankruptcy Court.

Patients seen in the emergency department, for whom the hospital is unable to issue a billing statement, may have the account charges written off as Charity Care. All such circumstances shall be identified on the patient's Financial Assistance Application as an essential part of the documentation process.

OTHER ELIGIBLE CIRCUMSTANCES:

Memorial Health Services deems those patients that are eligible for any or all government sponsored low-income assistance programs to be indigent. Therefore, such patients are automatically eligible for Charity Care under the MHS Financial Assistance Policy and account balances classified as Charity Care if the government program does not make payment for all services provided, or days during a hospital stay.

For example, patients who qualify for Medi-Cal, CCS, CHDP, Healthy Families, MSI, CMSP or other similar low-income government programs are included as eligible for the MHS Financial Assistance Program.

Any or all non-reimbursed patient account balances are eligible for full write-off as Charity Care. Specifically included as Charity Care are charges related to denied stays, denied days of care, and non-covered services. All Treatment Authorization Request (TAR) denials and any other failure to pay for covered or non-covered services provided to Medi-Cal and/or other government low-income qualified patients are covered.

Patients with restricted coverage, and/or other forms of limitation shall have non-covered amounts classified as Charity Care when payment is not made by the low-income government program.

that they are unable to pay patient obligations such as co-payments and deductibles, may be considered for eligibility under the Financial Assistance Program.

For the purpose of determining eligibility for discounted payment, documentation of income shall be limited to recent pay stubs or income tax returns.

### INCOME QUALIFICATION LEVELS

#### Full Charity

If the patient's household income is two hundred percent (200%) or less of the established poverty income level, based upon current FPL Guidelines and the patient meets all other Financial Assistance Program qualification requirements, one hundred percent (100%) of the patient liability portion of the bill for services will be written off.

#### Low Income Financial Assistance (LIFA)

If the patient's household income is between two hundred one percent (201%) and three hundred fifty percent (350%) of the established poverty income level, based upon current FPL Guidelines, and the patient meets all other Financial Assistance Program qualification requirements, the following will apply:

a. Patient's care is not covered by a payer If the services are not covered by any third party payer so that the patient ordinarily would be responsible for the full billed charges, the patient's payment obligation will be one hundred percent (100%) of the total expected payment, including co-payment and deductible amounts, that the Medicare program would have paid for the service if the patient was a Medicare beneficiary. If the service provided is not covered under the Medicare program then the patient will be responsible for forty (40%) of billed charges.

b. Patient's care is covered by a payer If the services are covered by a third party payer so that the patient is responsible for only a portion of the billed charges (i.e., a deductible or co-payment), the patient's payment obligation will be one-hundred percent (100%) of the patient liability portion of total payment up to the point where total payments (patient + insurance) equal one-hundred percent (100%) of the total expected payment, including co-payment and deductible amounts, that the Medicare program would have paid for the service if the patient was a Medicare beneficiary.

### ASSET QUALIFICATION

Patient owned assets may be evaluated to determine if sufficient patient household resources exist to satisfy the hospital's bill for services rendered. Evaluation of patient assets will consider both the asset value and amounts owed against the asset to determine if potential net worth is available to satisfy the patient payment obligation.

Recognizing the need to protect basic household assets, each patient family unit evaluated will be allowed the following asset exemptions:

- Primary residence
- One vehicle per patient or two vehicles per family unit
- Tax-exempt retirement program funds
- Ten Thousand Dollars (\$10,000) and fifty percent (50%) greater than Ten Thousand Dollars (\$10,000) in other total assets

Data mailers sent to patients as part of the routine billing process will contain information about the MHS Financial Assistance Program. These notices shall be available in English and Spanish and any other languages that are representative of five percent (5%), or more, of the patients in the hospital's service area according to the Federal Title VI guidelines.

A patient information brochure that describes the features of the MHS Financial Assistance Program will be made available to patients and members of the general public. These notices shall be posted in English and Spanish and any other languages that are representative of five percent (5%), or more, of the patients in the hospital's service area according to the Federal Title VI guidelines.

#### Billing and Collection Practices

Patients in the process of qualifying for government or hospital low-income financial assistance programs will not be assigned to collections prior to 120 days from the date of initial billing.

If a patient is attempting to qualify for eligibility under the hospital's charity care or discount payment policy and is attempting in good faith to settle an outstanding bill with the hospital by negotiating a reasonable payment plan or by making regular partial payments of a reasonable amount, the hospital shall not send the unpaid bill to any collection agency or other assignee, unless that entity has agreed to comply with guidelines outlined in California Health and Safety Code 127400 et seq. Low-income patients, who at the sole discretion of the hospital are reasonably cooperating to settle an outstanding hospital bill by making regular and reasonable payments towards their outstanding hospital bill, will not be sent to an outside collection agency if doing so would negatively impact the patient's credit. The hospital extended payment plan may be declared no longer operative after the patient's failure to make all consecutive payments due during a 90-day period. Before declaring the hospital extended payment plan no longer operative the hospital shall make a reasonable attempt to contact the patient by phone and, to give notice in writing, that the extended payment plan may become inoperative, and of the opportunity to renegotiate the extended payment plan. Prior to the hospital extended payment plan being declared inoperative, the hospital shall attempt to renegotiate the terms of the defaulted extended payment plan, if requested by the patient. The hospital shall not report adverse information to a consumer credit reporting agency or commence a civil action against the patient or responsible party for nonpayment prior to the time the extended payment plan is declared to be no longer operative. For purposes of this section, the notice and phone call to the patient may be made to the last known phone number and address of the patient.

Patients who communicate that they have an appeal for coverage of services pending will not be forwarded to collections until the final determination of that appeal is made. Examples of appeals are; Health Plan Appeals, Independent Medical Review, Medi-Cal and Medicare coverage appeals.

The hospital shall reimburse the patient or patients any amount actually paid in excess of the amount due under this article, including interest. Interest owed by the hospital to the patient shall accrue at the rate (10% per annum) set forth in Section 685.010 of the Code of Civil Procedure, beginning on the date payment by the patient is received by the hospital. However, a hospital is not required to reimburse the patient or pay interest if the amount due is less than five dollars (\$5.00). The hospital shall give the patient a credit for the amount due for at least 60 days from the date the amount is due.

All extended payment plans will be interest free.

#### Confidentiality

Deferred Compensation Plans

Patients who have assets beyond those specifically exempted will be expected to leverage the assets through independent financing in order to satisfy the patient account. Accordingly, patients with sufficient assets available are not qualified for the MHS Financial Assistance Program. Patients with sufficient assets will be denied eligibility even when they meet basic income qualification requirements.

For the purpose of determining eligibility for discounted payment, documentation of income shall be limited to recent pay stubs or income tax returns.

SPECIAL CIRCUMSTANCES:

Any evaluation for financial assistance relating to patients covered by the Medicare Program must include a reasonable analysis of all patient asset net worth, income and expenses, prior to eligibility qualification for the Financial Assistance Program. Such financial assistance evaluations must be made prior to service completion by the MHS hospital.

- If the patient is determined to be homeless he/she will be deemed eligible for the Financial Assistance Program.
- If the patient/guarantor has recently been declared bankrupt by a Federal Bankruptcy Court.

Patients seen in the emergency department, for whom the hospital is unable to issue a billing statement, may have the account charges written off as Charity Care. All such circumstances shall be identified in the account notes or on the patient's Financial Assistance Application as an essential part of the documentation process.

OTHER ELIGIBLE CIRCUMSTANCES:

Memorial Health Services deems those patients that are eligible for any or all government sponsored low-income assistance programs to be indigent. Therefore, such patients are automatically eligible for Charity Care under the MHS Financial Assistance Policy and account balances classified as Charity Care if the government program does not make payment for all services provided, or days during a hospital stay.

For example, patients who qualify for Medi-Cal, CCS, CHDP, Healthy Families, MSI, CMSP or other similar low-income government programs are included as eligible for the MHS Financial Assistance Program.

Any or all non-reimbursed patient account balances are eligible for full write-off as Charity Care. Specifically included as Charity Care are charges related to denied stays, denied days of care, and non-covered services. All Treatment Authorization Request (TAR) denials and any other failure to pay for covered or non-covered services provided to Medi-Cal and/or other government low-income qualified patients are covered.

Patients with restricted coverage, and/or other forms of limitation shall have non-covered amounts classified as Charity Care when payment is not made by the low-income government program.

The portion of Medicare patient accounts (a) for which the patient is financially responsible (coinsurance and deductible amounts), (b) which is not covered by insurance or any other payer including Medi-Cal, and (c) which is not reimbursed by Medicare as a bad debt, may be classified as Charity Care if:

1. The patient is a beneficiary under Medi-Cal or another program serving the health care needs of low-income patients; or
2. The patient otherwise qualifies for financial assistance under this policy and then only to the extent of the write-off provided for under this policy.

Any patient who experiences a catastrophic medical event may be deemed eligible for financial assistance. The determination of a catastrophic medical event shall be based upon the amount of the patient liability at billed charges, and consideration of the individual's income and assets as reported at the time of occurrence. Management shall use reasonable discretion in making a determination based upon a catastrophic medical event. As a general guideline, any account with a patient liability for services rendered that exceeds \$100,000 may be considered for eligibility as a catastrophic medical event.

Any account returned to the hospital from a collection agency that has determined the patient or guarantor does not have the resources to pay his or her bill, may be deemed eligible for Charity Care. Documentation of the patient or guarantor's inability to pay for services will be maintained in the Charity Care documentation file or in the account notes.

#### Criteria for Re-Assignment from Bad Debt to Charity Care

All outside collection agencies contracted with MHS to perform account follow-up and/or bad debt collection will utilize the following criteria to identify a status change from bad debt to Charity Care:

1. Patient accounts must have no applicable insurance coverage including governmental or other third party payers); and
2. The patient or guarantor must have an Experian credit score rating of less than or equal to 500. If the collection agency is using a credit scoring tool other than Experian, the patient and or guarantor must fall into 20<sup>th</sup> percentile of credit scores for the method used; and
3. The patient or guarantor has not made a payment within one hundred eighty (180) days of assignment to the collection agency; and
4. The collection agency has determined that the patient/guarantor is unable to pay; and/or
5. The patient does not have a valid Social Security Number and/or an accurately stated residence address in order to determine a credit score.

#### Public Notice

Each MHS hospital shall post notices informing the public of the Financial Assistance Program. Such notices shall be posting in high volume inpatient, outpatient and emergency service areas of the hospital. Notices shall also be posted in the patient financial services and collection departments. Notices will include contact information on how a patient may obtain more information on financial assistance as well as where to apply for such assistance. These notices shall be posted in English and Spanish and any other languages that are representative of five percent (5%), or more, of the patients in the hospital's service area according to the Federal Title VI guidelines.

Data mailers and statements sent to patients as part of the routine billing process will contain information about the MHS Financial Assistance Program. These notices shall be available in English and Spanish and any other languages that are representative of five percent (5%), or more, of the patients in the hospital's service area according to the Federal Title VI guidelines.

A patient information brochure that describes the features of the MHS Financial Assistance Program will be made available to patients and members of the general public. These notices shall be posted in English and Spanish and any other languages that are representative of five percent (5%), or more, of the patients in the hospital's service area according to the Federal Title VI guidelines.

#### Billing and Collection Practices

Patients in the process of qualifying for government or hospital low-income financial assistance programs will not be assigned to collections prior to 120 days from the date of initial billing.

If a patient is attempting to qualify for eligibility under the hospital's charity care or discount payment policy and is attempting in good faith to settle an outstanding bill with the hospital by negotiating a reasonable payment plan or by making regular partial payments of a reasonable amount, the hospital shall not send the unpaid bill to any collection agency or other assignee, unless that entity has agreed to comply with guidelines outlined in California Health and Safety Code 127400 et seq. Low-income patients, who at the sole discretion of the hospital are reasonably cooperating to settle an outstanding hospital bill by making regular and reasonable payments towards their outstanding hospital bill, will not be sent to an outside collection agency if doing so would negatively impact the patient's credit. The hospital extended payment plan may be declared no longer operative after the patient's failure to make all consecutive payments due during a 90-day period. Before declaring the hospital extended payment plan no longer operative the hospital shall make a reasonable attempt to contact the patient by phone and, to give notice in writing, that the extended payment plan may become inoperative, and of the opportunity to renegotiate the extended payment plan. Prior to the hospital extended payment plan being declared inoperative, the hospital shall attempt to renegotiate the terms of the defaulted extended payment plan, if requested by the patient. The hospital shall not report adverse information to a consumer credit reporting agency or commence a civil action against the patient or responsible party for nonpayment prior to the time the extended payment plan is declared to be no longer operative. For purposes of this section, the notice and phone call to the patient may be made to the last known phone number and address of the patient.

Patients who communicate that they have an appeal for coverage of services pending will not be forwarded to collections until the final determination of that appeal is made. Examples of appeals are; Health Plan Appeals, Independent Medical Review, Medi-Cal and Medicare coverage appeals.

The hospital shall reimburse the patient or patients any amount actually paid in excess of the amount due under this article, including interest. Interest owed by the hospital to the patient shall accrue at the rate (10% per annum) set forth in Section 685.010 of the Code of Civil Procedure, beginning on the date payment by the patient is received by the hospital. However, a hospital is not required to reimburse the patient or pay interest if the amount due is less than five dollars (\$5.00). The hospital shall give the patient a credit for the amount due for at least 60 days from the date the amount is due.

All extended payment plans will be interest free.

#### Confidentiality

It is recognized that the need for financial assistance is a sensitive and deeply personal issue for recipients. Confidentiality of requests, information and funding will be maintained for all that seek or receive financial assistance. The orientation of staff and selection of personnel who will implement this policy shall be guided by these standards.

### Good Faith Requirements

Every MHS hospital makes arrangements for financial assistance with medical care for qualified patients in good faith and relies on the fact that information presented by the patient is complete and accurate.

Provision of financial assistance does not eliminate the right to bill, either retrospectively or at the time of service, for all services when fraudulent, inaccurate or incomplete information has been given. In addition, the MHS hospital reserves the right to seek all remedies, including but not limited to civil and criminal damages from those who have provided false, inaccurate or incomplete information in order to qualify for the MHS Financial Assistance Program.

In the event that a patient qualifies for partial financial assistance under the LIFA component of this Policy and then fails to make payment in full on their remaining patient liability balance, the hospital, at its sole and exclusive discretion, may use any or all appropriate means to collect the outstanding balance while in compliance with California Health and Safety Code 127400 et seq.

### **HISTORY:**

Origination: May 22, 2006 (Replaces Policies #230 Low Income Financial Assistance (LIFA), Qualifications For: and #231 Charity Care, Qualification and Process for Assignment)  
Reviewed/Revised: January 1, 2007  
Reviewed/Revised: December 20, 2007  
Three Year Review: February 18, 2010  
Reviewed/Revised: October 22, 2010

## Financial Assistance Application

### INSTRUCTIONS

1. Please complete *all* areas on the attached application form. If any area does not apply to you, write N/A in the space provided.
2. Attach an additional page if you need more space to answer any question.
3. You *must* provide proof of income when you submit this application. The following documents are accepted as proof of income:

**If you filed a federal income tax return you must submit a copy of the following:**

- a. Federal income tax return (Form 1040) from the most recent year. You must include all schedules and attachments as submitted to the Internal Revenue Service;
- b. Federal W-2 Form showing wages and earnings;
- c. Two (2) most recent paycheck stubs;
- d. Two (2) most recent and consecutive bank statements; must include all pages of each statement (including blank pages). For all accounts, checking and savings.

**If your source of income doesn't require filing a federal income tax return, please provide the following:**

- e. Two (2) most recent paycheck stubs;
- f. Two (2) most recent check stubs from any Social Security (award letter acceptable), child support, unemployment, disability, alimony, or other payments;
- g. Two (2) consecutive bank statements; must include all pages of each statement (including blank pages).
- h. If you are paid only in cash, please provide a written statement explaining your income sources.

**If you have no income, please provide a letter explaining how you support yourself/family.**

4. Your application cannot be processed until *all* required information and/or documents are provided.
5. It is important that you complete, sign, and submit the financial assistance application along with all required attachments within fourteen (14) days.
6. You *must* sign and date the application. If the patient/guarantor and spouse provide information, both *must* sign the application.
7. If you have questions, please call your customer service departments.
  - ▶ Long Beach Memorial and Miller Children's Hospital Long Beach .....866-283-3686
  - ▶ Orange Coast Memorial and Saddleback Memorial ..... 877-647-7372
8. Once complete, please return the application with the required documents to:
  - ▶ MemorialCare, P.O. Box 20894, Fountain Valley, CA 92728-0894

<b>INCOME</b>		
	Patient/Guarantor	Spouse
1. Gross Wages & Salary (before deductions)		
2. Self-Employment Income		
<b>Other Income:</b>		
3. Interests & Dividends		
4. Real Estate Rentals & Leases		
5. Social Security		
6. Alimony		
7. Child Support		
8. Unemployment/Disability		
9. Public Assistance		
10. All Other Sources (attach list)		
Total Income (add lines 1 - 10 above)		

<b>UNUSUAL EXPENSES</b>	
Please provide information on any unusual expenses such as medical bills, bankruptcy, court judgments or settlement payments (attach list as needed)	
Description	Amount

<b>ASSETS</b>		
Please provide an accurate estimate of value for each asset you own. Also, indicate how much you owe on any outstanding debt related to each asset listed.		
Asset	Value	Amount Owed
1. Primary Residence		
2. Other Real Estate (attach list)		
3. Motor Vehicles (attach list)		
4. Other Personal Property		
5. Bank Accounts & Investments		

6. Retirement Plans		
7. Other Assets (attach list)		
Total Amounts (add lines 1 – 7 above)		

By signing below, I/We declare that all information provided is true and correct to the best of my/our knowledge. I/We authorize Memorial Health Services to verify any information listed in this application. I/We expressly grant permission to contact my/our employer, banking, and lending institutions. In addition, my/our credit report may be obtained.



\_\_\_\_\_  
Signature of Patient/Guarantor

\_\_\_\_\_  
Signature of Spouse

\_\_\_\_\_  
Date

\_\_\_\_\_  
Date

\*Also available in Spanish