

## **Community Benefit Plan for 2012-2013**

San Fernando Community Hospital, Inc.  
dba  
Mission Community Hospital  
14850 Roscoe Boulevard  
Panorama City, CA 91402

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**MISSION COMMUNITY HOSPITAL**  
COMMUNITY BENEFITS PLAN: FY 2012-2013

**Summary**

**OUR PLEDGE**

San Fernando Community Hospital, dba Mission Community Hospital (MCH), is committed to the health and wellness of north-central and northeast San Fernando Valley (SFV) residents. As such, we dedicate ourselves to being a center of excellence in delivering health, behavioral health and community health of the highest quality. We pledge compassionate care with services delivered by highly qualified caregivers reflective of the ethnic and linguistic diversity of the community we serve. We pledge uncompromising standards of care to our patients in their individual journeys toward health of body and mind. And to enhance the wellness of our community, we pledge to continue providing an array of health education and outreach services to prevent and reverse the threat to health and quality-of life faced by individuals and families from the two of the most serious chronic life threatening diseases: unchecked diabetes and/or obesity.

MCH community benefit programs are developed in collaboration with community residents, community physicians and dentists, health and human service organizations, business, church, schools and fraternal organizations.

We develop services and strategies for overcoming disparities such as dental care and diet and nutrition education in collaboration with UCLA School of Dentistry, UCLA School of Nursing and the California State University, Northridge (CSUN) Marilyn Magaram Center for Food Science, Nutrition and Dietetics. Mission Community Hospital is a proud community partner in the recently established Clinical and Translational Science Institute at UCLA, which works to bring cutting edge scientific research into the community setting.

**MCH IS A NOT-FOR-PROFIT, COMMUNITY FOCUSED HOSPITAL**

Because MCH was established and organized for public benefit and not for profit, MCH is not required to return profits to shareholders like taxable organizations do. Rather, we *invest* any surplus funds from hospital operations to enhance our capacity to deliver high-quality health care to the communities we serve. MCH is under management contract with Deanco Healthcare LLC. Since assuming MCH management in 2011, Deanco has invested \$4 million in new equipment, and new service lines, including advanced surgical navigation equipment (Medtronic O-Arm) and the only da Vinci® Robotic Surgery System at a community hospital in the Western U.S.

## SECTION 1

### Mission Community Hospital Organization and Services

#### 1.1 INTRODUCTION TO THE HOSPITAL

San Fernando Community Hospital, Inc., DBA Mission Community Hospital (MCH) is a two-campus, private not-for-profit community safety-net hospital in service to medically underserved and low-income communities in north central and northeast San Fernando Valley neighborhoods for close to 90 years. MCH campuses are at Panorama City and San Fernando. Currently under management agreement with Deanco Healthcare, LLC, MCH is licensed as one hospital with two locations; is fully accredited by the Joint Commission on Accreditation of Healthcare Organizations (JCAHO) and fully certified to participate in Medicare and Medicaid. As a State of California designated Medi-Cal Disproportionate Share Hospital (DSH), 89 percent of MCH services are to Medi-Cal or Medicare beneficiaries and to indigent persons.

More than 81 percent of patients at the MCH-Panorama City campus (inpatient medical/surgical care, emergency services and behavioral health care) are Medicare or Medi-Cal beneficiaries. At the MCH-San Fernando Campus all persons receiving community-benefit services are low-to-very-low income, medically indigent and to persons with limited ability to pay for care.

At MCH-Panorama City construction of the new South Tower was completed in 2002. The Tower houses a 60-bed Medical/Surgical inpatient service and 60-bed inpatient Adult Psychiatric service. With the end of construction MCH-Panorama City became one of the first hospitals in Los Angeles County to fully meet all SB 1953 seismic requirements for new facility construction. In addition to the new medical-surgical and psychiatric facility, MCH-Panorama City also houses a Psychiatric Outpatient Day Treatment service for adults. A satellite Outpatient Treatment Center opened in 2011 in Santa Clarita, providing mental health services to a community that has, historically, been underserved. Our commitment to the mental health of our community has led us to create a mobile Psychiatric Evaluation Team which serves persons in crisis at our locations, other hospitals' emergency departments, as well as community agencies, group homes and families. To meet the ever-expanding need for hospital beds, MCH will upgrade the North Tower in FY2012-2013 and reopen 25 licensed beds at an estimated cost of \$500,000.

At MCH-San Fernando campus, upgrades begun in 2005 will continue into FY 2013, with the creation of a 15-exam room primary care clinic comprising 8400 square feet, which will complete the build-out of existing space. The Campus is wholly dedicated to community health benefit and will be renamed the *San Fernando Community Health Center* in recognition of the new role the campus will assume. Programs related to diabetes prevention have been coordinated by

the San Fernando Community Diabetes Center located at the San Fernando Campus. Since 2005, 6,000 sq. ft. of the Campus has been renovated to house the MCH-UCLA Dental Teaching Clinic and the hospital's nationally recognized Project ALTO-D™, an extensive community chronic disease prevention service. An additional 1000 sq. ft. was dedicated to the "Diabetes Teaching Kitchen." The Kitchen focuses on diabetes, obesity and chronic disease prevention. One of the few such resources anywhere in the nation, the Teaching Kitchen opened in November, 2010. Kitchen educational programs are designed to reduce the danger from escalating rates of diabetes and obesity in MCH service communities by teaching residents at risk for or living with these conditions, caregivers and other family members, how to prepare nutritious, ethnic-focused foods. The emphasis is on the selection and healthy preparation of low fat, low starch, and low sugar fresh foods that reduce risk of diabetes, heart failure and other serious medical complications.

The San Fernando Valley Community Diabetes Center provides preventive healthcare to medically underserved people in the northeast San Fernando Valley, with a special focus on the needs of the Latino community. To ensure services are provided in a culturally appropriate environment, a majority of the staff is bilingual and all understand and respect cultural differences. The Center combines an intensive patient education program with each visit to help reduce acute illness and promote healthy lifestyles in an at-risk population.

The SF Campus facility is the first such community benefit resource developed and underwritten by a private independent not for profit hospital in California and one of very few nationally. Services based at the Campus are reflective of cultural, ethnic and linguistic preferences of the residents of the 16-square mile area MCH serves.

SF Campus-based services benefit adults, seniors, teens and children throughout the north-central and northeast San Fernando Valley. The nearly 22 sq. mile area has a population estimated at 437,000.

## **1.2 GOVERNANCE AND POLICY MAKING**

The 10-member MCH Board of Directors is representative of the communities the Hospital serves. The Board of Directors meets monthly. It has fiduciary, quality assurance and policy-making responsibilities. No director or officer is compensated for their Board or hospital service.

The Hospital Board of Directors are elected for staggered three-year terms and limited to three consecutive terms. The Chief Executive Officer of the Hospital is an ex-officio, non-voting member and the Chief of the Hospital's Medical Staff is also ex-officio, but voting member of the Board. The affiliations of officers and directors are as follows:

<b>William Josephson, M.D., Chairman</b>	Internal Medicine, member of the MCH Medical Staff, 1988
<b>Cesar De La Cruz, Vice-Chairman</b>	Property Manager, Agora Realty & Management, Inc.
<b>Sunghee Myung-Koziol, Treasurer</b>	Senior Vice President/District Manager, Premier Business Bank
<b>Louise Oliver, Secretary</b>	Director of Government & Community Contracts, Valley Operations, Goodwill of Southern California
<b>Piyush Jogani, M.D., Director</b>	Gastroenterologist, member of the MCH Medical Staff, 1993
<b>Troy Halpern, Director</b>	Owner, Halpern Industries
<b>Staci Harrison, Director</b>	Director of Clinical Nursing, Critical Care Services
<b>Shirley Friedman, Director</b>	Founder, President/CEO, The Attentive Group, Inc.
<b>Bassam Bejjani, M.D., Ex-Officio</b>	Chief of Staff, member of the MCH Medical Staff, 1993
<b>James Theiring, CEO, Ex-Officio</b>	Chief Executive Officer, Mission Community Hospital

### **1.3 MISSION AND VISION**

MCH is guided by its' **mission** to provide compassionate healthcare and quality healthcare. The **vision** that guides the hospital is to deliver safe, quality healthcare reflective of the needs and cultures of the diverse communities we serve. Mission is committed to community-focused care.

#### **1.4 HOSPITAL SERVICES**

MCH employs 650 clinical and support professionals culturally and linguistically representative of the communities the Hospital serves. The Hospital's 250+ member medical staff includes primary care as well as specialists and sub-specialists. MCH offers medical/surgical, surgical, cardio pulmonary, ICU/CCU, inpatient psychiatric and outpatient day treatment program, medical detoxification, physical therapy, industrial medicine, and 24-hour emergency services. Outpatient services include physical therapy, mammography, laboratory, and ultrasound, X-ray and other diagnostics and outpatient day treatment services. MCH is licensed by the State of California, Los Angeles County Department of Public Health and accredited by the Joint Commission for the Accreditation of Healthcare Organizations.

#### **1.5 HOSPITAL FISCAL CONSIDERATIONS**

MCH had an increase in net assets in FY11 of \$2,367,451. The MCH Board of Directors remains committed to supporting community benefit programs based at the hospital's San Fernando campus. The Affordable Health Care Act contains innovations including coverage for today's medically uninsured. The issue with respect to hospital community benefit is whether reimbursement to nonprofit hospitals at that future date will meet actual costs-of-care and generate sufficient surplus for various community benefit activities

Private philanthropic foundation support for MCH San Fernando Campus activity declined in recent years reflecting the overall economic downturn in society. This is particularly serious because MCH does not have an endowment. MCH community benefit programs at the MCH San Fernando Campus are funded in whole or in part by private philanthropic foundations, dental program fees, approved indirect fees from government and private-sector grants or contracts, and with significant on-going support from MCH that includes facility, overhead and administrative cost support.

At the end of FY 2011 MCH held \$469,703 in restricted funds earmarked for special capital improvements, equipment acquisitions and community benefit services. Since work on the San Fernando Campus began in 2005 we have raised more than \$5 million in restricted funds from such philanthropic organizations as The California Endowment, Annenberg Foundation, UniHealth Foundation, Ahmanson Foundation, LA Care Health Plan, Kaiser Community Fund, the Aetna Foundation and corporations such as Lowes Stores. The SF Campus also benefited from fundraising events.

### 1.5.1. Operating Margin

Other variables impacting the hospital's operating margin during FY2011 are displayed in Table 1.

**Table 1: Financial Variables FY 2011**

Operating Margin as % of net patient revenue	.08
Days of Cash on Hand 6/30/11	38
Debt to Capital Ratio 6/30/11	2.28
Payor Mix <sup>1</sup>	
Medicare	46.4
Medi-Cal	35.3
Other 3 <sup>rd</sup> party payor	6.7
Other	11.6

### 1.5.2. Stronger Balance Sheet

In June 2010 MCH entered into a strategic alliance with Deanco Health Care, LLC, Beverly Hills, California, to assure the hospital's financial stability during this time of tumult in the financial markets. The alliance assures MCH access to short-term capital to meet cash flow and other hospital financial needs. The hospital will continue as an independent, nonprofit community hospital from June 2010 – June 2013. In 2013 the MCH Board of Directors and Deanco Health Care, LLC, will evaluate the status of the strategic alliance and determine whether convergence of the hospital from nonprofit to investor-owned status should go forward.

## 1.6 HOSPITAL MANAGEMENT/LEADERSHIP

The Board of Directors delegates overall managerial responsibility to the Hospital's Chief Executive Officer (CEO). The CEO and Management holding key responsibilities for leadership are:

James K. Theiring, CPA, Chief Executive Officer

Vincenzo Variale, Chief Financial Officer

Carla Stanley, RN, MSN, Chief Nursing Officer

Dianne Wagner, RN, MBA, Chief Operating Officer

Christopher Doan, Esq., Chief Compliance Officer, General Counsel

Jack Lahidjani, President, Deanco Healthcare, LLC

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<sup>1</sup> Cal Mortgage Bond Disclosure Agreement, 2011

David J. Herman, Chairman, Deanco Healthcare, LLC

Richard A. Chamow, Chief Financial Officer, Deanco Healthcare, LLC

Glenn Marshak, M.D., Medical Director, Deanco Healthcare, LLC

## SECTION 2

### THE COMMUNITIES MCH SERVES

Our Community Benefits Plan for 2012-2013 (See Page 13, Section 3) as in prior years, targets the Hospital’s primary service community: a 30-square mile urban and suburban area in the north central and northeast San Fernando Valley (SFV). The area, with a population of about 437,000, includes parts of such City of Los Angeles neighborhoods as Arleta, Mission Hills, North Hills, North Hollywood, Panorama City, Pacoima, Sepulveda, Sun Valley, Van Nuys, as well as the City of San Fernando. The area includes ten zip codes.

The Hospital’s primary service community makes up about 23 percent (437,000) of the geography and population of the FFV as a whole. The SFV population in 2009 was 1.9 million.

**Table 2: MCH Target community population, poverty and medical insurance coverage <sup>2</sup>**

Community	Zip Code	Total Population	Percent living in Poverty: age 0-64	Percent under age 65 without health insurance
Arleta	91331	NA	NA	NA
North Hills	91343	62,806	26.66	24.75
North Hollywood	91605	42,712 <sup>3</sup>	28.66	28.14
San Fernando	91340	35,039	22.00	21.71
Mission Hills	91345	18,340	10.00	13.79
Pacoima	91331	104,372	22.66	19.87
Panorama City	91402	73,812	25.66	28.09
Sepulveda	91402	NA	NA	NA
Sun Valley	91352	49,357	25.33	22.33
Sylmar	91340	80,735	18.33	15.24
Van Nuys	91406	45,065	21.33	27.62
		507,859 total	20.06 average	20.75 average

Six neighborhoods in Pacoima and San Fernando are designated federal Empowerment Zone because of pervasive poverty. Overall, Latinos ethnic minority makes up about 71 percent. Some communities in the MCH primary service area have even larger numbers of Latino residents. About one in five is an immigrant. See Table 3, below.

<sup>2</sup> Assessing the Community’s Needs: A Triennial Report on the San Fernando and Santa Clarita Valleys, Valley Care Community Consortium, 2010.

<sup>3</sup> Overall North Hollywood had total population of 170,851 in 2009. The area is divided into four zip codes. Mission Community Hospital principally serves zip code 91605. Similarly Van Nuys has four zip codes and a total population of 180,261. The hospital principally serves zip code 91406.

**Table 3: Ethnic Diversity in the Target Community<sup>4</sup>**

Community	Percent Asian	Percent African American	Percent Latino	Percent White	Percent Other
Arleta	NA				
North Hills	13.48	3.98	59.32	21.00	2.21
North Hollywood	6.50	4.79	57.87	26.55	4.29
San Fernando	1.92	2.02	89.94	6.00	1.13
Mission Hills	10.45	3.69	62.29	21.74	1.83
Pacoima	3.70	3.65	85.78	5.84	1.03
Panorama City	10.79	3.05	75.68	8.82	1.67
Sepulveda	NA				
Sun Valley	5.08	1.08	75.35	16.54	1.96
Sylmar	3.73	5.06	72.47	16.50	1.69
Van Nuys	6.29	5.38	58.23	26.28	3.83
Average %	6.88	3.63	70.77	16.59	2.18

MCH is a private, nonprofit safety net/primary care hospital. More than 89 percent of MCH patients at the MCH-Panorama City campus (medical/surgical and behavioral services) are Medicare or Medi-Cal beneficiaries. At the MCH-SF campus all persons receiving community-benefit services are low-to-very-low income medically indigent and with limited ability to pay for care. At MCH-Panorama City approximately 70 percent is Latino, African American or Asian-Pacific Island while 90 percent of persons receiving care at MCH-San Fernando self-describe as Latino.

The MCH primary service community is approximately bounded by Sherman Way to the south, 405 freeway to the west, 118 freeway to the north and the 5 freeway to the east.

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<sup>4</sup> Assessing the Community's Needs: A Triennial Report on the San Fernando and Santa Clarita Valleys, Valley Care Community Consortium, 2010.

## SECTION 3

### MCH Community Benefit Programs

#### 3.1 COMMUNITY BENEFIT DEFINED

MCH defines Community Benefit as services and activities that address community health needs primarily through disease prevention, health promotion and education, improved access to services and working with others to improve individual and community health status.

#### 3.2. BENEFIT SUMMARY

In FY 2011 MCH provided emergency medical and behavioral health care as well as inpatient care for community benefit. These services were valued at \$6,836,000. At the same time we provided community-based dental care to the residents of our service communities, valued at more than \$538,000. We also invested more than \$200,000 in operation of community benefit services such as diabetes self-management programs at the MCH-San Fernando Campus.

#### 3.3 COMMUNITY BENEFIT PROGRAMS

MCH operates seven core Community Benefit functions. Each is briefly described below.

##### 3.3.1. Hospital Charity (Uncompensated) Care

MCH treats all patients, regardless of age, sex, lifestyle, creed, race, national origin or source of payment. All patients are treated equally with regard to charges, bed assignments and medical care, regardless of their ability to pay. MCH provides care without charge, or at discounted rates, to patients who meet MCH charity care eligibility criteria. We maintain records to identify and monitor the indigent and charity care we provide. In FY 2011 we provided approximately \$6,836,000 in indigent and charity care. Provision for bad debt totaled \$9,770,413.

##### 3.3.2. Emergency Department Services

The MCH Emergency Department (ED) has nine patient care bays. The ED serves the spectrum of medical, surgical, age, ethnic and linguistic groups. The Level III service is fully certified, accredited and staffed by board certified emergency medicine physicians supported by registered nurses, nurse practitioners, emergency medical technicians and patient advocates. The ED responds to the needs of an average of 1600 patients monthly. It is the point-of-entry for about 2/3 of MCH inpatient medical/surgical admissions. ED operates 24/7 responding to the immediate care needs of adult, senior and child gunshot victims, behavioral crisis asthmatics and others in respiratory crisis, persons in heart failure, auto accident victims and high-risk pregnant women and teens presenting in labor but without prior prenatal care. Approximately one-third of

persons presenting to the ED do so with non-emergent and non-urgent primary care need. Nearly one-third of all ED patients are also medically indigent and unable to fully meet ED charges. In FY 2011 the ED served 228 patients designated as 'homeless' with gross charges of \$406,054. In FY2012-2013, efforts to link these patients, particularly those deemed 'chronically homeless' to a more robust system of service providers specifically addressing the issue of homelessness as a driver of healthcare and public sector costs will be piloted in the ED in collaboration with the San Fernando Valley Homeless Coalition.

### 3.3.3. MCH San Fernando Campus

When the new 120-bed medical, surgical and behavioral health inpatient facility was completed at Panorama City in 2002 all of the patients at the Mission-San Fernando campus were transferred there leaving the MCH San Fernando campus unused. The MCH Board of Directors worked to find a good purpose for this venerable facility without encumbering financially prohibitive seismic retrofit costs. The 24,000 square foot facility no longer houses inpatient care; it is dedicated to ambulatory clinical and community health education services. The initial upgrade of the SF Campus was completed in 2005 with the opening of the MCH-UCLA Dental Teaching Clinic and Project ALTO-D™ services. The MCH San Fernando Campus is a unique community health & wellness resource. Facility readiness was completed with grant funding from the California Endowment, UniHealth Foundation, Ahmanson Foundation, and Weingart Foundation, MCH underwrites facility operating costs.

### 3.3.4. Project ALTO-Diabetes/Obesity Prevention and Self-Management

MCH has sponsored Project ALTO-D™ for six years. ALTO-D™ is an acronym for "Alerting Latinos to Overcome Diabetes and Obesity." Project ALTO-D™ has been underwritten in part by grant support from the California Endowment, and the Annenberg Foundation and currently by the Weingart Foundation. Its core services have been significantly underwritten by MCH. Project ALTO-D™ served about 1,400 persons during FY 2011. A total of eighteen (18) of the 16-hour *Estilo de Vida Saludable con Diabetes* (EVS) courses were delivered in 2011. The course name translates as "Healthier Lifestyles with Diabetes." About 75 percent of residents in our primary service community self-describe as Latino and of these about half are more comfortable when class materials and conversation are in monolingual Spanish, although we do offer bi-lingual classes as requested. The EVS course consists of 2-hour workshops delivered by highly qualified Spanish-speaking health educators and held weekly for 8-successive weeks. Classes are intentionally limited to a maximum of 12-15 persons/class to encourage conversation and sharing life experiences. ALTO classes are free. They are held at the two MCH campuses as well as at community churches, schools and recreation centers.

### 3.3.5. MCH-UCLA Dental Teaching Clinic

Opened in 2005 the Dental Teaching Clinic is managed by MCH with professional services delivered by bi-lingual Spanish/English faculty members of the UCLA School of Dentistry and advanced students in community dentistry. The Clinic is located at the MCH campus in the City of San Fernando about six miles to the northeast of the main hospital campus in Panorama City. In Fiscal Year 2011, the Dental Teaching Clinic has delivered more than 2,208 patient visits to the approximately 2,192 active adult and child patients, most of whom, live within five miles of the campus. The Dental Clinic provides patient diagnosis, treatment planning, treatment and follow-up to patients. Unless the need is emergent the Clinic maintains a four week waiting list for dental services. In 2007-2008, grant funding allowed the Clinic to expand its patient outreach to include adults with chronic mental illness, a population long overlooked for dental care. The Clinic delivers an average of 184 dental visits monthly. In FY 2011 these services totaled \$242,132. Based on "usual and customary" reimbursement for our zip codes, this care is valued at approximately \$538,000.

About 90 percent of dental patients pay for all or part of the cost of their care on a sliding-fee schedule based on the Federal Poverty Level guidelines and an average of 45% of private dental practice "usual and customary" reimbursement rates for our zip codes. Patient fees continue to meet approximately 60 percent of costs. Major philanthropic support has come from the UniHealth Foundation, Facey Foundation and the California Wellness Foundation. The challenge is to sustain, and as possible, expand this critically needed service to meet the unprecedented need. Compounding the challenge of continuing the dental service is the State of California Denti-Cal program decision to no longer cover indigent adults for dental care. MCH support defrays core Dental Teaching Clinic overhead costs.

### 3.3.6. MCH Diabetes/Obesity Prevention Teaching Kitchen

The SF Campus' unique Diabetes/Obesity Teaching Kitchen opened November 2010. Housed where the facility's original institutional kitchen was located the facility is dedicated to teaching. The facility upgrade includes venues for teaching healthier meal planning, healthier food ingredient and fresh foods selection, healthier food preparation, and healthier cooking practice. The Kitchen's classroom area is configured and equipped for food preparation demonstrations and teaching. The kitchen is staffed by bi-lingual dietitians and nutritionists as well as by faculty/ advanced students from the CSUN Marilyn Magaram Center for Food Science, Nutrition and Dietetics. The Teaching Kitchen is unique in that it is the only such health education resource sponsored by a hospital in California and perhaps nationwide. The Teaching Kitchen is open to adults, seniors and teens living with diabetes and/or obesity and their caregivers, Project ALTO-Diabetes/Obesity participants and MCH-UCLA Dental Teaching Clinic patients without charge. Renovation funding was received from Los Angeles County Supervisor Zev Yaroslavsky's office, (3<sup>rd</sup> District), through

the L.A. County Development Block Grant (CDBG) and County Development Block Grant – Recovery (CDBG-R) programs of the Community Development Commission. Philanthropic support from the Kaiser Permanente Community Fund, Ahmanson Foundation, and the Lowes Home Improvement Warehouses, Inc. enabled initial renovation planning and start-up operational funding. MCH support defrays core overhead costs.

#### 3.3.7. Community Psychiatric Evaluation & Counseling Services (PECC)

This service with start-up funding from the UniHealth Foundation, has four aims. They are to 1) Create a point-of-service for the psychiatric evaluation of persons presenting to the Emergency Department in apparent behavioral health crisis, 2) Reduce ED waiting times for ED patients presenting with apparent emerging medical need by triaging behavioral health patients to the PECC and away from the hospital patient waiting room, 3) Assess behavioral health patients referred to the hospital for immediate or deferrable psychiatric need. Persons with non-deferrable need are admitted as inpatients to the MCH behavioral health unit. The service benefits an average of 100 persons monthly who otherwise would receive a psychiatric evaluation in the ED and 4) Provide Psychiatric Emergency Team (PET) mobile evaluation of persons with behavioral health challenge unable to travel to the PECC for evaluation.

## Section 4 Objectives Planned for FY 2012-13

### 4.1 OBJECTIVES PLANNED FOR FY 2012-13

The MCH Community Benefits Program has a strong track record of developing collaborative efforts with the communities we serve. We have identified community needs through a collaborative community-wide comprehensive health needs assessment, developed partnerships with different groups to address public health issues and leveraged other resources.

Historically, nonprofit hospitals, such as MCH as a condition of their tax-exempt status are required to enhance the health and welfare of their communities. Through changes stemming from the Patient Protection and Affordable Care Act (ACA) of 2010, nonprofit hospitals will have the opportunity to direct their community benefit efforts toward public health interventions and collaborate more effectively with local health departments. The ACA, for example, specifies that nonprofit hospitals:

- Complete community-health-needs assessments regularly (we have been doing so for more than ten years in collaboration with the Valley Care Community Consortium, a nonprofit organization that brings community hospitals and health and human services providers in the San Fernando Valley together for community health enhancement and planning );
- Take into account input from persons representing community interests, including public health experts, when developing the assessment;
- Adopt a plan to meet the community health needs identified through the assessment; and
- Report annually how it is addressing the needs identified in the most recent community-health-needs assessment and explaining why any identified needs are not being addressed.

In 2010 we consolidated our diabetes prevention programs located at the San Fernando Community Campus. The newly established MCH- **San Fernando Community Diabetes Center** coordinates MCH programs related to diabetes prevention and health education. The Center includes the MCH-Project ALTO-D™ diabetes prevention program and the newly opened Diabetes Teaching Kitchen.

In FY 2012-13 MCH will continue to outreach to its primary service community in partnership with organizations such as the Mid-Valley and North East Valley Chambers of Commerce, Valley Industry and Commerce Association, Interfaith Council of the San Fernando Valley, the Access to Care Collaborative of the San Fernando Valley, Valley Care Community Consortium and 7 public elementary schools.

MCH's collaborative relationship with the UCLA School of Dentistry will continue to provide oral health promotion screening/sealants, and dental treatment.

In FY 2012-2013, MCH will expand our commitment to the mental health of the communities we serve by expansion of our Psychiatric Outpatient Treatment Services, both at our Panorama City Campus and our satellite program in Santa Clarita, and our Mobile PET.

**Objectives for the FY 2012-13 Community Benefit Plan are:**

1. Develop and deliver diabetes and other chronic disease prevention and screening in various modalities that benefit approximately 800 persons living in the MCH primary service community through the hospital's San Fernando Community Diabetes Center's Project ALTO-D™ (Alert Latinos to Overcome Diabetes and Obesity);
2. To promote obesity prevention and environmental health in collaboration with community nonprofit health and human services providers through participation in community health fairs and meetings;
3. To provide 2,200 dental patient visits at reduced fees at the 4-chair pilot Dental Teaching Clinic at the San Fernando Campus;
4. To provide inpatient and outpatient hospital-based medical, emergency, diagnostic, and/or rehabilitation services to 200 undocumented medically indigent persons (uncompensated and charity care) and to Medi-Cal and Medicare beneficiaries living in the MCH primary service community.
5. To provide a minimum of 200 adults and seniors in the MCH primary service community with cooking and nutritional classes without charge as a component of the MCH Diabetes Teaching Kitchen.
6. To provide 33,000 Van RT services to MCH Partial Day program patients, Behavioral Health patients and Medical/Surgical patients.
7. To reduce the volume of behavioral health challenged patients seeking care at the MCH Panorama City Campus' Emergency Department (ED), by providing a behavioral health walk-in clinic adjacent to the ED to serve an average of 100 patients monthly who initially present to the ED with apparent mental health challenge.
8. To expand Outpatient Psychiatric Treatment Services to residents of Santa Clarita by continuing to build the *Turning Point* Program in that location.
9. Expand the scope of service of our Mobile Psychiatric Evaluation Team.

10. Strengthen services to the 'chronically homeless frequent user' of emergency and inpatient services through collaboration with the San Fernando Valley Homeless Coalition and Los Angeles Fair Housing; addressing the underlying issue of 'chronic homelessness' as a determinative factor driving health care consumption costs by this population.

11. Mission Community Hospital will fund the build-out of the last remaining 8,400 square foot space at the San Fernando Campus. This space will become a 15-exam room primary care clinic under the newly repurposed 501 (c) 3 foundation named the San Fernando Community Health Center. This build-out is estimated to cost approximately \$1.5 million and be open for operations in October 2012.

## **Attachment 1:**

### Mission Community Hospital Charitable Care Policy and Procedure

#### 1. PURPOSE

To define the policy and procedures of Mission Community Hospital (“MCH”) for the processing of full and partial financial assistance for financially qualified patients, as defined below, and define the criteria for patient eligibility. Recognizing its charitable mission, it is the policy of MCH to provide a reasonable amount of services without charge, or at significantly discounted prices, to eligible Patients who cannot afford to pay for care.

#### 2. APPLICABILITY

This policy shall apply to all facilities owned and/or operated by MCH which accept patients for treatment

#### 3. CHARITY CARE /DISCOUNT POLICY

MCH recognizes its responsibility to the community to provide quality health care services with efficiency and commitment to human dignity and wellness of the individual, without regard to the individual’s race, creed, color, sex, national origin, sexual orientation, handicap, age or ability to meet the costs of health care and the quality of services we provide.

It is MCH’s policy to be fully compliant with applicable State and Federal Law and industry practices and to apply the general guidelines for full and partial financial assistance for financially qualified patients to patients who do not have or cannot obtain adequate financial resources to pay for all or part of their health care services, and who demonstrate an inability to pay through the financial screening process. Alternative means of funding to cover the cost of services will be explored in the manner provided in this policy and other MCH policies.

MCH staff will render every assistance in accomplishing the application process and shall not make a verbal determination of the appropriateness of the application, or deny any individual the right to request assistance.

The necessity for medical treatment of any patient will be based upon appropriate clinical judgment, without regard to the financial status of the patient.

#### 4. NOTICES

MCH provides the following notices regarding Full and Partial Charity Care for qualified patients:

- a. Posted Signage –Notice of MCH’s Charity Care Policy is posted in the following locations: the Emergency Department, the Admitting Department, centralized and decentralized registration areas and other outpatient settings as deemed appropriate. (See Attachment A).

#### 5. MCH WEBSITE

- i. The MCH website shall be updated to prominently provide information concerning MCH’s Charity Care and Collections policies.
- ii. All information on MCH’s website concerning the Charity Care and Collections policies shall be updated as necessary to reflect (a) any changes in the policies

themselves, and/or (b) changes to the examples provided (for instance, to reflect changes brought about by revisions of the Federal Poverty Level)

b. Notices Hand-Delivered to Patients –During the registration or admission process, patients are provided with the following:

- i. Notice of Financial Assistance containing the criteria for eligibility for MCH’s Charity Care policy;
- ii, Application for Financial Assistance and summary of the MCH Charity Care policy, including a summary of the appeals process for patients whose applications for financial assistance are denied;
- iii Notice of the Rosenthal Fair Debt Collection Act;
- iv, A list of easily accessible non-profit credit counseling services; and
- v. A summary of the MCH collections policy stating, among other things:
  1. MCH will not undertake extraordinary collections prior to a determination of eligibility for Charity Care, and patients attempting to qualify for Charity Care will not be referred to a collection agency;
  2. Standards for debt collection, including written notice provided to the patient prior to the commencement of debt collection, and MCH’s policy not to report adverse information less than 150 days after the initial billing;
  3. Extension of collection actions for patients in the appeals process; and
  4. The availability of interest-free extended payment plans.
  5. Notice to Self-Pay Patients
  6. Statements mailed to self-pay patients shall contain a summary of financial assistance available at MCH, and the method for applying.

c. All notices identified above shall be provided in English, Spanish, and in additional languages as required pursuant to a determination of their necessity which MCH will make in accordance with the procedures outlined in California Government Code sections 7290 *et seq.*

## 6. PROCEDURE

a. The care provided to patients by MCH may be categorized in whole or in part as Charity Care based on various criteria – as described below – depending on the patient’s status and how the patient’s account is processed through the hospital’s registration and accounting systems. All or part of the care provided to a patient may be categorized as charity for the following reasons:

- i. The patient applies and is approved for a Charity Care discount.
  - ii. The patient agrees to pay a portion of their bill, but is unable to pay the full cash price requested by the hospital. The patient is given a “low-income” discount in addition to the normal cash discount .
  - iii. Charges for services provided to patients eligible for Medi-Cal that are not paid for by Medi-Cal will be accounted for as Charity care. This includes charges related to denied stays, denied days of care and non-covered services. Treatment Authorization Request (TAR) denials and any lack of payment for non-covered services provided to patients eligible for or covered by Medi-Cal will be accounted for as Charity Care.
  - iv. Co-insurance and deductibles for Medicare patients who have Medi-Cal secondary coverage will be considered Charity Care to the extent that these co-insurance and deductible amounts are not covered by Medi-Cal and Medicare does not reimburse them as bad debts.
  - v. Patients without coverage are initially identified as potentially eligible for Medi-Cal, but are eventually determined to not be eligible.
- b. The MCH Admitting Department is responsible for compiling the information necessary for making a determination of a patient’s eligibility for charity assistance (discount). Because substantially more effort is required to compile this information after a patient has been discharged from the hospital, the Admitting Department will make every effort to evaluate the patient’s financial condition prior to discharge – or, in the case of emergency room patients and outpatients, as soon as practicable after discharge. The Financial Counselor will interview each patient who lacks adequate insurance coverage to determine (a) those patients potentially eligible for the Medi-Cal program, and (b) those patients potentially eligible for Charity Care. Patients who are initially identified as potentially eligible for the Medi-Cal program, but who are subsequently determined to be ineligible, will qualify for Charity Care without submitting an application.
- c. In-house patients not qualifying for public assistance will be asked to complete a financial statement application form.
- d. Post-discharge patients requiring financial assistance with the resolution of their hospital bill will be asked to complete a financial statement application form.
- e. The Admitting Department will make every effort to conduct a pre-admission interview with the patient, responsible party, and/or patient representative. If a pre-admission interview is not possible, the interview will take place on admission or as soon as possible thereafter. In the case of an emergency admission, MCH’s

evaluation of payment alternatives will not take place until the required medical care has been provided.

- f. The patient interview will ascertain the following information:
  - i. Routine and comprehensive demographic data;
  - ii. Complete information regarding all existing third-party insurance coverage;
  - iii. Eligibility and actual benefit coverage levels will be verified by MCH, at which point MCH will:
    - 1. Estimate actual patient liability based on the patient's anticipated length of stay;
    - 2. Conduct an interview with the patient, responsible party, and/or patient representative to determine ability to pay anticipated balances (see 5.g. below for details); and
    - 3. Identify and initiate the application for available programs as well as financing programs for which the patient may qualify.
  - iv. Based on the outcome of the above-described steps, patients who appear unable to meet their anticipated financial obligations will be assisted in applying for Charity Care.
- g. Application Process
  - i. MCH will assist the patient in completing the County of Los Angeles CHIP form, for which the following minimum information is required:
    - 1. Family size;
    - 2. Family income, as shown by a copy of income tax filing for the prior year;
    - 3. Source of wages, salary, etc. (e.g., Social Security);
    - 4. Maiden name of the patient's mother;
    - 5. Patient's place of birth;
    - 6. Patient's date of birth;
    - 7. Patient's Social Security Number;
    - 8. Patient's signature attesting to the accuracy of the information.
  - ii. Additional Information to be used in the Decision-Making Process. The responses to these questions can be used as an adjunct to family income criteria
    - 1. Is any member of the family unable to work due to illness or injury?
    - 2. Are there any other medical or financial problems within the family unit?
    - 3. What are the family assets, e.g., equity in home, equity in automobile? MCH will utilize external tools to assist in determining the existence of such assets, and the extent, if any, to which the assets are encumbered.
    - 4. Has the patient filed for bankruptcy recently?

- iii. Application for Discount
  - 1. For the purposes of determining eligibility for a discounted rate for high medical costs – as opposed to full charity coverage – MCH will base its determination of income *solely* on one or both of the following sources of information:
    - a. Recent Tax returns.
    - b. Recent pay stubs.
  - 2. Patients who receive a discount pursuant to this policy are also eligible for an interest-free extended payment plan, the terms of which may be negotiated with MCH upon determination of eligibility.
- h. Determination of Eligibility
  - i. The applicable guidelines and rates of discount are noted in Exhibit I.
  - ii. The guidelines are calculated at 200% –350% of the then current FPL.
  - iii. The Charity Care program does not cover:
    - 1. Physician charges
    - 2. Anesthesiologist, Radiologist, Pathologist interpretation charges
    - 3. Services covered by third-party payers, including Medicare and Medi-Cal.
  - iv. Full coverage of medical costs is available to MCH patients who:
    - 1. Do not possess third-party coverage from a health insurer, health care service plan, Medicare or Medi-Cal, Healthy Families or similar health benefit coverage, and whose injury is not a compensable injury for purposes of Workers' Compensation, automobile insurance, or other insurance;
    - 2. Have incomes at or below 200% of the then-current FPL; and
    - 3. Are unable to pay by other Assets, as defined below.
  - v. Partial coverage of medical costs (discount) is available to MCH patients with high medical costs and incomes at or below 350% of the then current FPL. As noted above (Section 5(g)(3)) determination of income for discounts is based solely on recent pay stubs or tax returns, and not on a consideration of assets.
  - vi. Assets
    - 1. The consideration of Assets in determining eligibility is limited to unencumbered assets. This includes assets that are readily convertible to cash, such as bank accounts and publicly traded stocks. Retirement plans, deferred compensation plans (both qualified and nonqualified under the IRS code) will not be

considered “Assets” for the purposes of determining eligibility.

2. The first \$10,000 of a patient’s assets will not be considered, and 50% of a patient’s monetary assets above \$10,000 will not be considered.
3. Fully encumbered assets are not factored in the determination of eligibility for Partial Financial Assistance.

vii. Income

1. Employment status shall be considered along with future earning capacity and expendable cash. The likelihood of future earnings sufficient to meet the obligation within a reasonable period of time shall be considered.

viii. Deductions

1. Financial obligations including living expenses and other items of reasonable and necessary nature will be considered.

ix. Patient Maximum Out-Of-Pocket Expense

1. Any payment from a patient pursuant to this policy is limited to the greater of the amount of payment MCH would receive from Medicare for providing services.

a. Uninsured Inpatient Maximum:

Patients that were treated on an inpatient basis and qualified for a charity discount less than 100% will not be financially responsible for more than the amount of the Medicare DRG. Any difference between the charity discount applied and the inpatient maximum will be treated as an additional financial assistance discount.

b. Uninsured Outpatient Maximum:

Patients that were treated on an outpatient basis and qualified for a charity discount less than 100% will not be financially responsible for more than our average outpatient Medicare reimbursement rate.

i. Reevaluation

- i. Upon notification, any determination for financial assistance may be reevaluated if any of the following occur:
  1. Income change.
  2. Family size change.
  3. A determination is made that any part of the patient’s application for assistance is false or misleading.

j. Timeframe for Application

- i. The application must be returned to the Admitting Department within five (5) working days of receipt by the applicant.
- ii. The Application is compiled by the Admitting Director and sent to the Business Office Director for final approval prior to adjusting the patient’s account. The Chief Financial Officer will review the Charity write-offs quarterly.

- k. Patients without insurance coverage are offered a discount from standard charges for payment in cash at the time of service. Patients who indicate that they are unable to pay the discounted amount are offered a further discount (“low-income discount”), which is also dependent on payment at the time of service. Because these patients are unable to pay the discounted cash price, they are presumed to be low-income patients eligible for charity discounts for a portion of their bill. Upon verification of income, the discounts provided to these patients are considered Charity Care.
- l. Patients Initially Identified as Potentially Eligible for the Medi-Cal Program
  - 1. Patients who do not have insurance coverage and indicate that they are unable to pay for their care are initially evaluated for potential eligibility for the Medi-Cal Program. Patients who are initially considered for potential Medi-Cal eligibility are assigned a “Pending” status. No attempts are made to either collect from these patients or to qualify them for Charity Care.
  - 2. The Hospital assists Pending patients to pursue Medi-Cal coverage. When efforts to qualify Pending patients for Medi-Cal coverage are exhausted without the patients becoming eligible, the patients are deemed to be qualified for Charity Care for 100% of the services they received, unless the denial was based on:
    - a. A fraudulent application; or
    - b. high income or financial resources .
  - 3. Patients denied Medi-Cal coverage for the reasons listed above may independently apply for a discount or full payment of their medical costs.

## 7. APPEAL PROCESS

- a. If a patient’s application is denied, the patient may appeal the denial.
- b. If the Patient appeals the denial and submits additional information within 15 working days from the date of the denial notice, this information will be evaluated within 30 working days.
- c. If the additional information results in the patient qualifying for assistance, the Patient is sent an Approval Letter.
- d. If the additional information does not change the denial, the patient is sent a letter of Denial After Appeal.
- e. A First Level Appeal review will be performed by the Business Office Director
- f. A Second Level Appeal, if appropriate, will be conducted by the MCH Chief Financial Officer

#### 8. RESPONSIBLE PERSONNEL

All questions, appeals, comments, or issues relating to the administration of MCH's Charity Care Policy should be directed to:

Director of Admitting  
Mission Community Hospital Admitting Department  
14850 Roscoe Blvd  
Panorama City, CA 91402  
Telephone Number: (818) 904-3594

## EXHIBIT I

### ELIGIBILITY STANDARDS AND CRITERIA applied to CHARITY CARE ASSISTANCE PROGRAMS

Eligibility for persons unable to pay the full cost of services are based on Table 4 below.

1. Persons who can pay part of the total charge.
2. The following criteria is set forth describing the family\* size with dependent children and the monthly net income with the dollar amount per family.

**Table 4: Federal Poverty Criteria**

Size of Family	Poverty Guideline (2009)	200% of Poverty Guidelines	350% of Poverty Guidelines
1	10,830	21,660	37,905
2	14,750	29,140	50,995
3	18,310	36,620	64,085
4	22,050	44,100	77,175
5	25,790	51,580	90,625
6	29,530	59,060	103,355
7	33,270	66,540	116,445
8	37,010	74,020	129,535
* add \$3,740 for each family member over 8	3,740	3,740	3,740

3. Persons who are unemployed at the time of needed service, or who are on temporary disability, have no income insurance, and for some reason are not eligible for Medi-Cal benefits.
4. Persons who may have suffered a loss of wages due to an extended illness and in case of insurance coverage the resources are less than anticipated or the costs of services are greater than anticipated.
5. Undocumented persons in the United States who would otherwise qualify for Medi-Cal. These persons are subject to the same application, review and approval process as other applicants.
6. Legal aliens on a non-immigrant status in the United States such as visitors, students, aliens in transit, etc., who are caught by sudden illness and are unable to pay in full or in part for needed services.
7. Persons unable to identify themselves and who need emergency service.

Applications for determining eligibility are available at the Admitting or Patient Financial Services Departments.

- **Note:** The definition of “family” also includes college students as follows:

Students, regardless of their residence, who are supported by their parents or others related by birth, marriage, or adoption.

Approved by the Board of Directors on September 13, 2010.

**Attachment 2:**

Community Outreach/Education Information/Community Groups

**Table 5: Project ALTO-D™ Community Events**

<b>Health Fairs</b>		<b>Total Screened</b>
<b>Date</b>	<b>Place</b>	
08/21/10	El Cariso Park, Sylmar	<b>50</b>
09/23/10	Noble Elementary School	<b>27</b>
09/25/10	St. Ferdinand Catholic Church	<b>57</b>
10/09/10	Hansen Dam Recreation Center	<b>96</b>
10/23/10	Japanese Gardens Sr. Health Fair	<b>82</b>
02/26/11	Plaza del Valle ~ PCNC Health Fair	<b>80</b>
05/20/11	L.A. Mission College	<b>57</b>
06/04/11	Vaughn Next Century Learning Center	<b>56</b>
06/11/11	Saticoy Elementary School	<b>37</b>
<b>Totals:</b>	<b>9</b>	<b>542</b>

**Table 6: Project ALTO-D™ 8-week Diabetes Classes**

<b>LOCATIONS</b>	<b>Rotations</b>	<b>Participants</b>
MEND	1	25
Mission Community Hospital-PC	6	68
Mission Community Hospital-SF	5	67
O'Melveny Elementary School	1	33
San Fernando Middle School	1	17
Bird Middle School	1	21
Vaughn Next Century Learning Center	1	23
Roscoe Elementary School	1	28
Dyer Elementary School	1	28
<b>Totals:</b>	<b>18</b>	<b>310</b>

**Table 7: Diabetes Teaching Kitchen Cooking Classes<sup>5</sup>**

<b>DATE BEGUN</b>	<b>ROTATIONS</b>	<b>PARTICIPANTS</b>
11/22/10	1	14
02/07/11	1	17
02/09/11	1	9
03/22/11	1	5
3/23/11	1	11
05/17/11	1	8
05/18/11	1	7
<b>TOTALS</b>	<b>7</b>	<b>71</b>

**Attachment 3:**

**Community Groups Using MCH meeting areas in FY- 2011**

*(weekly or monthly unless noted)*

Girl Scouts of America (2x weekly)

Panorama City Neighborhood Council (4x monthly)

Neighborhood Watch Meeting

Family to Family- NAMI (4x monthly)

Pierce College (daily)

West Coast University (daily)

Annenberg School of Nursing (daily)

Project ALTO Diabetes Class

Latinas in Action (1x)

First Time Homeowners Workshop (1 x)

CES College (daily)

Valley College of Allied Health (daily)

American Career College (daily)

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<sup>5</sup> Diabetes Teaching Kitchen opened November 18, 2010