

Effect of the Ministry Alignment Agreement between Dignity Health and Catholic Health Initiatives on the Availability and Accessibility of Healthcare Services to the Communities Served by Dignity Health’s Hospitals Located in Los Angeles County

Prepared for the Office of the California Attorney General

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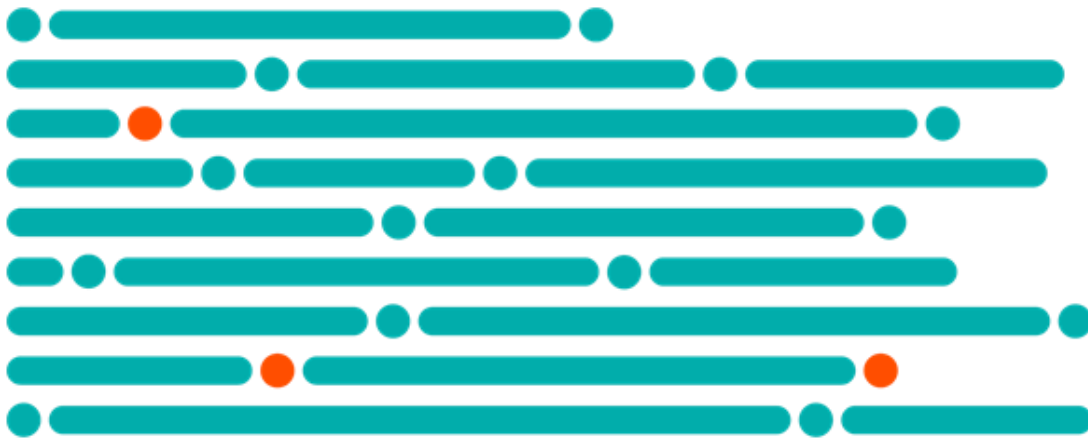


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Introduction & Purpose

JD Healthcare, Inc. and Vizient, Inc. were retained by the Office of the California Attorney General to prepare this healthcare impact statement to assess the potential impact of the proposed Ministry Alignment Agreement by and between Dignity Health, a California nonprofit public benefit corporation, and Catholic Health Initiatives, a Colorado nonprofit corporation (CHI), on the availability and accessibility of healthcare services to the communities served in Los Angeles County. Dignity Health owns and operates 31 general acute care hospitals in California, including four in Los Angeles County: California Hospital Medical Center, located in Los Angeles, Glendale Memorial Hospital and Health Center, located in Glendale, St. Mary Medical Center, located in Long Beach and Northridge Hospital Medical Center, located in Northridge.

CHI is the parent organization of several nonprofit corporations that own and/or operate over 100 hospitals in 18 states. CHI neither owns, nor controls any general acute care hospitals or other facilities in California. CHI is a Catholic organization.

Introduction

Catholic Health Care Federation (CHCF) is a public juridic person¹ within the meaning of Canon Law and the canonical sponsor² of CHI.

While Dignity Health is not a Catholic organization, its Catholic hospitals are sponsored by six congregations of Women Religious³. Dignity Health owns and operates 31 general acute care hospitals in California⁴. Nineteen of the 31 California hospitals are Catholic and 12 are non-Catholic hospitals (also referred to as community hospitals). Four of the 12 non-Catholic general acute care hospitals are owned by separately incorporated California nonprofit public benefit corporations that have Dignity Health as their sole corporate member⁵. Dignity Health also owns and operates five hospitals in Arizona and three hospitals in Nevada.

¹ A public juridic person is a group or persons approved by the Roman Catholic Church to oversee and ensure that the mission of its healthcare organization is carried out according to Catholic principles.

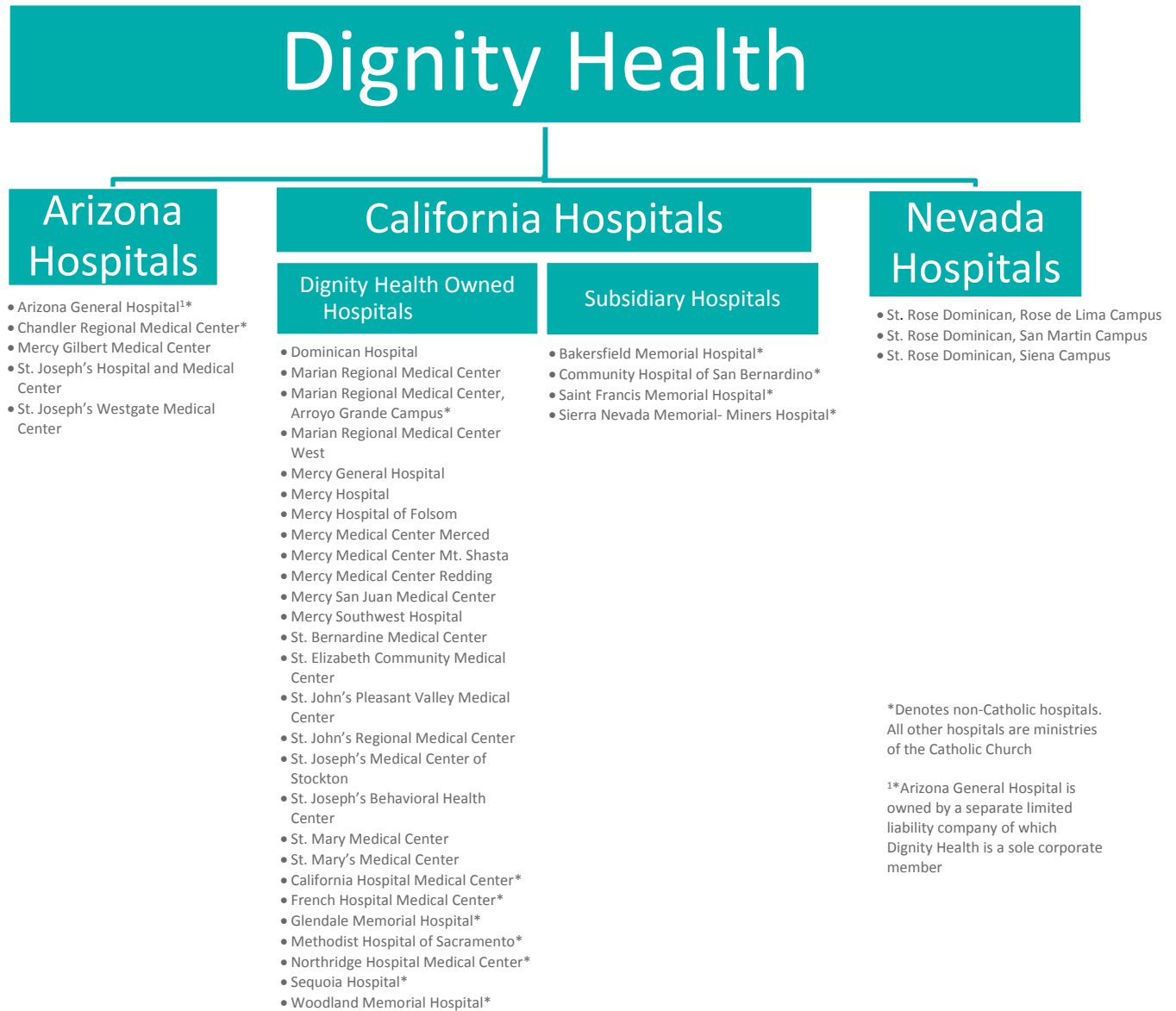
² The Catholic Health Association has defined canonical sponsorship of a healthcare ministry as a formal relationship between an authorized Catholic organization and a legally formed system, hospital, clinic, nursing home (or other institution) entered into for the sake of promoting and sustaining Christ's healing ministry to people in need.

³ A group of Roman Catholic women who dedicate their lives to the Gospel of Jesus Christ and take vows of poverty, chastity, obedience and service. The six congregations are: Sisters of Mercy of the Americas, Sister of Charity of the Incarnate Word, Dominican Sisters of San Rafael, Sisters of St. Francis of Penance and Christian Charity, Adrian Dominican Sisters and the Congregation of Sisters of St. Dominic of St. Catherine of Siena. Dignity Health's sponsorship council is comprised of one sister from each congregation.

⁴ The California Department of Public Health has issued twenty-eight general acute care hospital licenses with respect to these 31 facilities. Marian Regional Medical Center, Arroyo Grande campus and Marian Regional Medical Center West operates under a consolidated license issued to Marian Regional Medical Center, and Mercy Southwest Hospital operates under a consolidated license issued to Mercy Hospital (in Bakersfield).

⁵ The four facilities are Bakersfield Memorial Hospital, Community Hospital of San Bernardino, Saint Francis Memorial Hospital, and Sierra Nevada Memorial-Miners Hospital.

The following summary chart is a list of Dignity Health owned and operated hospitals⁶.



In addition to the hospitals listed above, Dignity Health has a management agreement with Mark Twain Medical Center Corporation, a California nonprofit public benefit corporation, to operate Mark Twain Medical Center, a 25-bed critical access hospital⁷ located at 768 Mountain Ranch Road, San Andreas, California. Mark Twain Medical Center is leased by Mark Twain Medical Center Corporation from the Mark Twain Healthcare District. The current lease

⁶ St. Joseph Medical Center of Stockton and St. Joseph Behavioral Health Center are owned by Port City Operating Company, LLC, a joint venture between Kaiser Foundation Hospitals and Dignity Health. Dignity Health owns 80% of Port City Operating Company, LLC, and Kaiser Foundation Hospitals owns the remaining 20%.

⁷ A critical access hospital is a designation given to eligible rural hospitals, or those grandfathered as rural, by the Centers for Medicare and Medicaid Services. Conditions to obtain a Critical Access Hospital designation include having less than or equal to 25 acute care beds, being located more than 35 miles from another hospital, maintaining an annual average length of stay of 96 hours or less for acute care patients, and providing 24-hour emergency care services.

agreement with the Mark Twain Healthcare District expires on December 31, 2019. On June 6, 2018, the voters in the Healthcare District approved Ballot Measure A to enter into a new 30-year lease for Mark Twain Medical Center.

Purpose

This healthcare impact statement describes the potential effects that the proposed transaction may have on the availability and accessibility of healthcare services to the residents served by California Hospital Medical Center, Glendale Memorial Hospital and Health Center, St. Mary Medical Center and Northridge Hospital Medical Center.

In preparation of this report, JD Healthcare, Inc. and Vizient, Inc. performed the following:

- A review of the written notice delivered to the California Attorney General on March 29, 2018 and supplemental information subsequently provided by Dignity Health;
- A review of press releases and articles related to this and other hospital transactions;
- Interviews with representatives of Dignity Health;
- An analysis of financial, utilization, and service information provided by Dignity Health and the California Office of Statewide Health Planning and Development (OSHPD); and
- An analysis of publicly available data related to service areas for California Hospital Medical Center, Glendale Memorial Hospital and Health Center, St. Mary Medical Center and Northridge Hospital Medical Center including hospital utilization rates and trends and hospital inpatient market share.

Background & Description of the Transaction

Background

Dignity Health was formerly known as Catholic Healthcare West. Catholic Healthcare West was founded in 1986 when the Sisters of Mercy Burlingame Regional Community and the Sisters of Mercy Auburn Regional Community merged their healthcare ministries. In 2009, the United States Conference of Catholic Bishops changed the Ethical and Religious Directives⁸ (ERDs) regarding partnerships between community and Catholic organizations. As a result of the changes to the ERDs, Catholic Healthcare West went through a process, between 2009 and 2011, to review its governance structure and its relationship to its owned and controlled non-Catholic community hospitals. In 2012, as a result of this review and based on discussions with its canonical sponsors, Catholic Healthcare West reorganized its governance structure and changed its name to Dignity Health. Dignity Health was no longer recognized as a Catholic organization, although many of its hospitals are Catholic. The restructure was designed to satisfy the requirements of the United States Conference of Catholic Bishops regarding partnerships with non-Catholic community hospitals while allowing Dignity Health to maintain its Catholic and non-Catholic hospitals under a single organization.

Following the 2012 reorganization, the six congregations of Women Religious began the exploration of alternative models for sponsorship of Dignity Health's Catholic hospitals, including the possibility for Dignity Health being recognized as a Catholic ministry. To facilitate this process, the Sponsors engaged a canon lawyer⁹ to help explore all of the options, such as the creation of a new public juridic person or a merger with a Catholic healthcare system sponsored by an existing public juridic person. As further described below, the alignment discussions between Dignity Health and CHI revealed many significant potential strategic benefits for both organizations, including CHI's current sponsorship by a public juridic person known as Catholic Health Care Federation.

Strategic Rationale, Transaction Process & Timing

The leadership of Dignity Health and CHI had numerous partnership discussions over the previous ten years. In 2013, they explored potential affiliations between the two health systems. Dignity Health and CHI identified several opportunities to collaborate on programs and services, including telehealth, micro-hospitals, and precision medicine¹⁰. In September 2016, they formed a joint-venture named the Precision Medicine Alliance, LLC to create a large precision medicine program.

⁸ The Ethical and Religious Directives for Catholic Healthcare Services is a national code that guides Catholic healthcare providers on conformance with Christian theology.

⁹ A canon lawyer is a lawyer who is knowledgeable of the ordinances and regulations made by ecclesiastical authority.

¹⁰ Precision medicine is an emerging approach for disease treatment and prevention that uses extensive databases and takes into account individual variability in genes, environment, and lifestyle for each person.

In the spring of 2016, the executive leadership of Dignity Health and CHI began jointly exploring the potential for an alignment of their ministries. In March 2016, an outside advisor prepared a white paper¹¹ that analyzed the potential for an affiliation between Dignity Health and CHI that was shared with the boards of directors of Dignity Health and CHI in June 2016. The boards of directors of Dignity Health and CHI concluded that they:

- Share a vision of transformation for themselves and for the industry;
- Have highly complementary organizational missions, visions, and values;
- Serve complementary communities;
- Share strategic objectives in areas such as population health, quality, consumer focus, growth, and others; and
- Have multiple key complementary strengths – for example, CHI’s clinical excellence and Dignity Health’s operating model.

As a result, the boards of directors of Dignity Health and CHI requested that a business analysis for the aligned ministry be developed. That analysis identified the following potential synergies of aligned ministries:

- Enhancing clinical excellence;
- Improving patient experience;
- Ensuring care for the vulnerable and underserved;
- Developing talent and creating a learning organization;
- Improving access to care;
- Accelerating innovation and research; and
- Expanding the capabilities that support the health system of the future.

In addition, the white paper identified high level economic implications and synergies of an alignment that have the potential to:

- Provide the financial resources and complementary strengths to support the capabilities needed for a changing health system;

¹¹ The white paper is entitled “Creating a Transformative Ministry in Response to the Signs of the Times, Cultural, Strategic, Business and Financial Planning for an Aligned Ministry.”

- Extend the mission of social justice through a national platform for care that is accessible and equitable to all people, with particular attention to the vulnerable and underserved; and
- Develop new models for integrated, community focused care that combine clinical excellence, health improvement and innovation.

On October 24, 2016, the boards of directors of Dignity Health and CHI announced the signing of a non-binding letter of intent to explore aligning the organizations. After the signing of the letter of intent, independent advisors from Kaufman Hall Associates, PricewaterhouseCoopers, McKinsey & Company, and Dentons US LLP provided analyses regarding the strategic, cultural, financial, legal, operational, and structural aspects of the alignment of the organizations. A steering committee, comprised of executives from both organizations, was formed to negotiate the terms of the Ministry Alignment Agreement. In March 2017, Dignity Health and CHI sought a moral analysis¹² from several Catholic theologians for the purposes of obtaining a *nihil obstat*¹³ from Archbishop Aquila of the Denver Archdiocese and Archbishop Cordileone of the San Francisco Archdiocese. On April 20, 2017, the boards of directors of Dignity Health passed a resolution authorizing and approving the execution of the Ministry Alignment Agreement subject to the moral analysis. The resolution cited the intention to combine Dignity Health and CHI into a new nationwide health system that would:

- Serve as an unprecedented platform to further Catholic identity and the Catholic health ministry;
- Provide an opportunity for Dignity Health and CHI’s employees, physicians, partners and people in the communities served by Dignity Health and CHI to experience and participate in the enhanced Catholic health ministry;
- Enhance and expand access to care and the healthcare services performed for the poor and underserved;
- Possess a strong voice for social justice and promote advocacy at local, state and national levels;
- Be a leader in healthcare’s transformation;
- Promote clinical efficiency and effectiveness in the delivery of healthcare and medical services;
- Provide a platform to accomplish other goals, objectives, and benefits for the communities served by the CHI and Dignity Health;

¹² A formal report by a Catholic theologian on the appropriate application of Catholic moral teachings.

¹³A Roman Catholic Church certification by an official censor that something is not objectionable on doctrinal or moral grounds.

The *nihil obstats* were received in October 2017. The Ministry Alignment Agreement was signed by Dignity Health and CHI on December 6, 2017. On March 29, 2018, Dignity Health submitted the written notice to the California Attorney General's Office and requested the California Attorney General's consent to the Ministry Alignment Agreement.

Summary of the Ministry Alignment Agreement

The Ministry Alignment Agreement will be implemented primarily through the reorganization and renaming of CHI's current corporation. This reorganized entity will become the parent organization (henceforth referred to as "System Corporation") over the new health system and will be renamed before the Closing Date¹⁴ of the transaction. The governing board of the System Corporation will initially be comprised of six directors each from the legacy boards of directors of Dignity Health and CHI, and the Chief Executive Officers from each organization (i.e., a total of 14 directors).

As part of the transaction, Dignity Health formed a separate Colorado nonprofit corporation named Integrated Healthcare Operations (IHO). As of the Effective Date¹⁵ of the transaction, Dignity Health will transfer the assets of its eight non-Catholic owned hospitals (seven of which are in California and one in Arizona) to IHO. IHO will also become the sole corporate member of Dignity Health's four subsidiary hospitals in California for a total of 12 hospitals. The System Corporation is not a member of IHO. However, the System Corporation approves the majority of the IHO board from nominees selected by the IHO board and holds reserve powers over certain actions to be taken by IHO. IHO will not be Catholic, and the eleven California non-Catholic hospitals¹⁶ transferred to IHO from Dignity Health and one Arizona non-Catholic hospital will remain non-Catholic and not subject to the ERDs. The 12 non-Catholic Dignity Health hospitals are not obligated to alter, restrict, or terminate any clinical medical service or program that was permitted on the effective date of the transaction by reason of Catholic doctrine or theology or any amendments to the Statement of Common Values¹⁷ or Designated Procedures¹⁸ that increases or expands prohibited services. The 12 non-Catholic Dignity Health hospitals will be provided with the same benefits, systems, services, and programs, and on the same terms as all other hospitals in System Corporation. The 12 non-Catholic Dignity Health hospitals will retain or adopt Dignity Health's Statement of Common Values.

¹⁴ The Closing Date is the date the parties exchange all signed documents pursuant to the conditions precedent set forth in the Ministry Alignment Agreement. One of those conditions precedent requires the Attorney General's consent.

¹⁵ As of 12:00:01am on the day immediately after the "Closing Date".

¹⁶ Marian Regional Medical Center, Arroyo Grande Campus is and will remain a non-Catholic general acute care hospital. It operates under a consolidated license issued to a Catholic general acute care hospital, Marian Regional Medical Center. Marian Regional Medical Center, Arroyo Grande Campus will not be transferred to IHO.

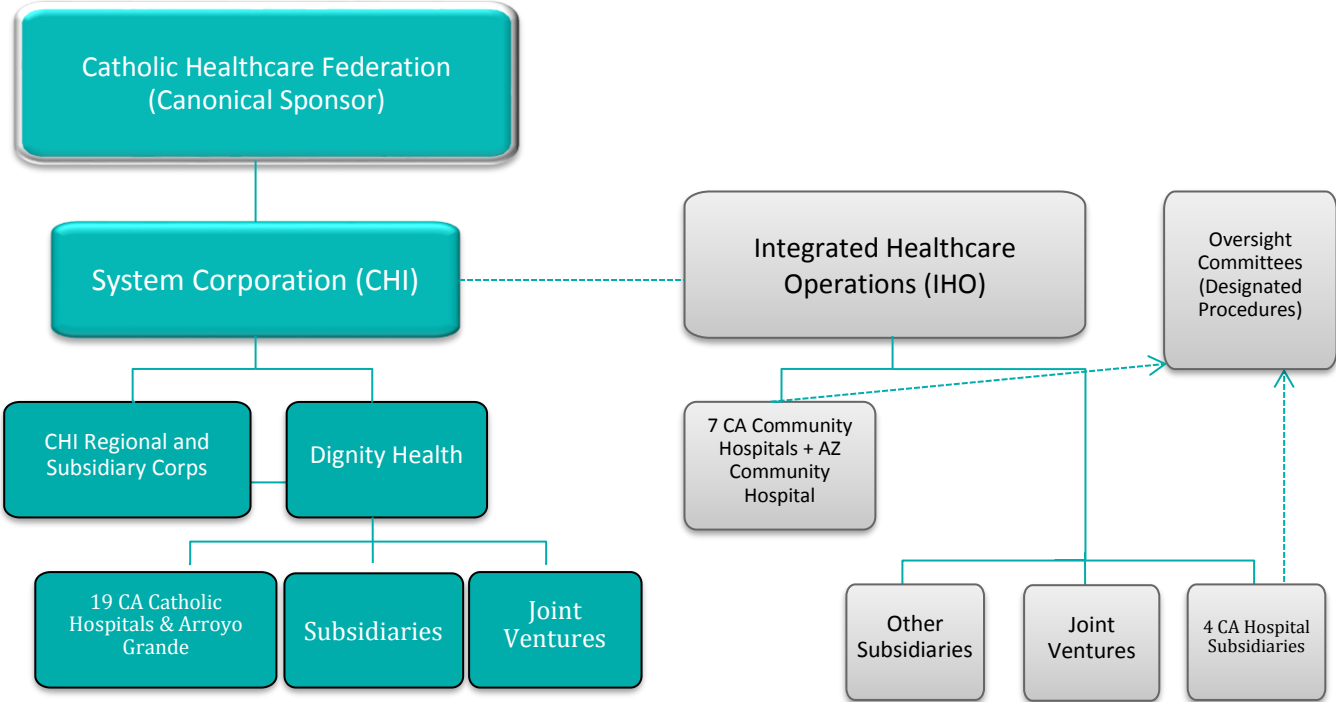
¹⁷ Dignity Health's Statement of Common Values prohibits direct abortions, in-vitro fertilizations, and provider or physician-assisted suicide or aid in dying. The most common medical procedure performed in hospitals that is prohibited by the ERDs is tubal ligation (a surgical procedure for female sterilization that involves severing and tying the fallopian tubes). Tubal ligations are not prohibited by Dignity Health's Statement of Common Values.

¹⁸ Designated Procedures means "direct sterilizations" that consist of an elective procedure, the primary purpose of which is to render the patient permanently incapable of reproducing; provided, however, that procedures that induce sterility do not constitute a "Designated Procedure" when their effect is the cure or alleviation of a present and serious pathology, and a simpler treatment is not available.

On the Effective Date, the System Corporation will become the sole corporate member of Dignity Health and the board of directors of Dignity Health will be comprised of the same persons who comprise the board of directors of the System Corporation. On the Closing Date, Catholic Healthcare Federation becomes the sponsor of all Catholic activities, including Dignity Health’s Catholic hospitals. The board members of System Corporation and Dignity Health will be identical. A single executive management team will manage the System Corporation, Dignity Health, and CHI Regional and Subsidiary Corporations¹⁹.

System Corporation Post the Effective Date of the Ministry Alignment Agreement

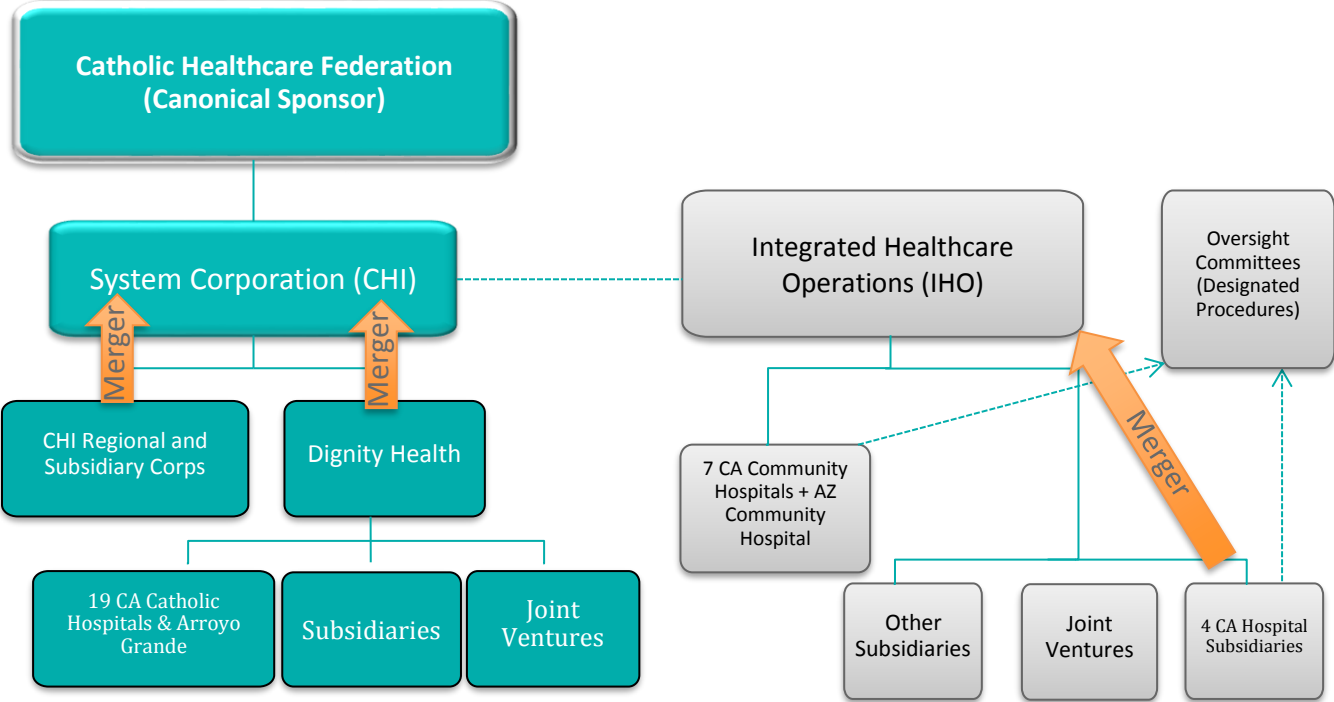
The following chart shows the organization of System Corporation after the Closing Date of the Ministry Alignment Agreement. System Corporation would be the sole member of Dignity Health and the CHI Regional and Subsidiary Corporations²⁰. System Corporation would not be a member of IHO, however, a majority of the nominees to IHO’s board of directors will be subject to approval by System Corporation and IHO’s hospitals will retain or adopt Dignity Health’s Statement of Common Values.



¹⁹ Both Dignity Health’s and IHO’s local hospital community boards associated with each owned hospital, as well as the boards associated with the four subsidiary hospitals, will continue to exist.
²⁰The majority of CHI hospitals are organized into eight regional corporations.

System Corporation Post Debt Consolidation (Within 36 Months)

After the Closing Date and after the restructuring and consolidation of the existing tax-exempt bonds and other debt of CHI and Dignity Health, Dignity Health and the CHI Regional and Subsidiary Corporations will merge into System Corporation, and the four non-Catholic separately-incorporated hospitals will merge into IHO.



Major Provisions of the Ministry Alignment Agreement

The major provisions of the Ministry Alignment Agreement, dated December 6, 2017, include the following:

Structures and Responsibilities

- Catholic Health Care Federation (CHCF)
 - CHCF, as a public juridic person, shall be the Catholic canonical sponsor of System Corporation, and shall serve as the canonical sponsor of all of the Catholic ministries that are a part of the Ministry Alignment Agreement;
 - CHCF's governance composition will be reconstituted after the Effective Date of the Ministry Alignment Agreement:
 - Dignity Health and CHI shall each select six individuals from their existing governing bodies to serve as the initial CHCF members. In addition, the members of CHCF shall also include the current president and CEO of Dignity Health, and the current CEO of CHI, for a total of fourteen members. No later than twelve months after the Effective Date, CHCF shall approve and appoint one individual who was previously neither a member of CHCF, nor the board of directors of Dignity Health or CHI to serve as the fifteenth CHCF member;
 - CHCF shall continue to provide for the participation of its congregations, and shall admit the six congregations of Women's Religious as additional participating congregations; and
 - CHCF reserves the rights to approve or remove any member of the Board of Stewardship Trustees and veto any amendments or changes to Dignity Health's Statement of Common Values.
- System Corporation
 - System Corporation, formerly known as Catholic Health Initiatives, shall become the parent entity and the surviving corporation;
 - System Corporation shall be a ministry of the Catholic Church and shall be subject to the ERDs;

- System Corporation shall be governed by a board called the Board of Stewardship Trustee that shall consist of the same persons who serve as the CHCF members; and
- Under the supervision of the CHCF, the Board of Stewardship Trustee reserves the rights to control or manage the property, affairs and activities of System Corporation. Responsibilities include approving the policies of System Corporation, developing System Corporation’s strategic plan, and approving the System Corporation’s articles of incorporation and bylaws.
- Dignity Health
 - Dignity Health shall continue to be a California nonprofit corporation with federal tax-exempt 501 (c)(3) status until after debt consolidation between Dignity Health and CHI, at which point Dignity Health will merge into System Corporation;
 - As of the Effective Date:
 - Dignity Health shall transfer all of the assets and liabilities associated with the Dignity Health businesses and operations of the following California non-Catholic hospitals to IHO:
 - California Hospital Medical Center;
 - French Hospital Medical Center;
 - Glendale Memorial Hospital and Health Center;
 - Methodist Hospital of Sacramento;
 - Northridge Hospital Medical Center;
 - Sequoia Hospital; and
 - Woodland Memorial Hospital.
 - Dignity Health shall cause the four subsidiary hospitals that are separately incorporated, Bakersfield Memorial Hospital, Community Hospital of San Bernardino, Saint Francis Memorial Hospital, and Sierra Nevada Memorial-Miners Hospital, to first substitute its membership from Dignity Health to IHO, until after debt consolidation between Dignity Health and CHI, at which point these four subsidiary hospitals will merge into IHO; and

- Marian Regional Medical Center, Arroyo Grande Campus, a non-Catholic hospital, will remain with Dignity Health under a consolidated license with Marian Regional Medical Center, a Catholic hospital. Marian Regional Medical Center, Arroyo Grande Campus will not adhere to the ERDs. It will adopt or retain Dignity Health’s Statement of Common Values. It does not offer obstetrics or women’s healthcare services.
 - Dignity Health’s nineteen Catholic hospitals shall remain a ministry of the Catholic Church and subject to the ERDs;
 - System Corporation (after the transfers of the community hospitals to IHO) shall become the sole corporate member of Dignity Health; and
 - Dignity Health shall be governed by a board consisting of the same individuals who are serving as the board for System Corporation and are also the members of CHCF.
- Integrated Healthcare Operations
 - IHO was formed by Dignity Health prior to the signing date without involvement, input, or direction from CHI. IHO shall continue to be a Colorado nonprofit corporation;
 - IHO and its subsidiaries shall not become ministries of the Catholic Church, shall not use the name “Catholic” for their respective public businesses, shall not be subject to the ERDs, and shall operate consistent with Dignity Health’s Statement of Common Values;
 - IHO shall be governed by a board of directors consisting of individuals who shall:
 - Be initially appointed by Dignity Health and then nominated by the board of directors of IHO or a committee thereof;
 - Serve in their individual capacities and not in any manner as a representative of System Corporation; and
 - Not contemporaneously serve; as a CHCF Member, or on the board of System Corporation, Dignity Health, nor any other subsidiary of System Corporation;
 - After the Effective Date, a majority of the members of the IHO Board who are subject to nomination or re-appointment shall be nominated by the IHO Board

then in effect, subject to the acceptance (or rejection) of a majority of such nominees by the board of System Corporation;

- IHO is anticipated to operate on a collaborative basis with System Corporation. Neither CHCF, System Corporation, Dignity Health, or any other subsidiary of System Corporation shall be the corporate member of IHO; and
 - Prior to the Effective Date of the contemplated merger, Dignity Health shall require IHO and each of its subsidiary operating hospitals to create a Community Hospital Oversight Committee for each hospital. These committees will act as a separate governance body to oversee the operations, management, and financial results related to the Designated Procedures performed in each community hospital.
 - With respect to the Designated Procedures performed at each community hospital:
 - Such community hospital shall separately account for and regularly report to the Community Hospital Oversight Committee on the net revenues and expenses reasonably allocated to such Designated Procedures together with the net financial results (i.e. either a net profit or net loss);
 - The Community Hospital Oversight Committee shall donate any net profits to one or more healthcare related tax-exempt charities that provide or advocate for activities, services, or procedures benefitting the communities served by the hospital and that are not inconsistent with the ERDs.
 - On an annual basis, and not more than four months following the end of each fiscal year of IHO, each Community Hospital Oversight Committee shall prepare and deliver a written certification to the IHO Board and to the Local Hospital Community Board or the applicable board of one of the four subsidiaries:
 - The Community Hospital Oversight Committee has not amended its charter in any manner that violates or otherwise modifies the structure or authorities contained in the IHO bylaws;
 - The composition of the Community Hospital Oversight Committee complies with the requirements; and

- All donations or grants (if any) of the net profits from the performance of the Designated Procedures were contributed to one or more healthcare related tax-exempt charities.
- IHO reserves the right to approve changes of non-Catholic hospitals, its subsidiaries and its joint ventures. Changes include changing the mission or philosophical direction of entities, and approval or removal of entities under IHO. Modifications to Dignity Health’s Statement of Common Values must be approved by the board of System Corporation and can be vetoed by CHCF.
- Port City Operating Company, LLC
 - St. Joseph Medical Center of Stockton and St. Joseph Behavioral Health Center are owned by Port City Operating Company, LLC, a joint venture between Kaiser Foundation Hospitals and Dignity Health. Dignity Health owns 80% of Port City Operating Company, LLC and Kaiser Foundation Hospitals owns the remaining 20%. Dignity Health’s continued ownership in Port City Operating Company, LLC after a change of control of Dignity Health will be subject to Kaiser Foundation Hospitals’ consent; and
 - Dignity Health’s ownership interest of Port City Operating Company, LLC will transfer to System Corporation.
- CHI Regional Corporations
 - Each of the CHI Regional Corporations shall continue to be nonprofit corporations organized in their respective states of incorporation until Dignity Health and CHI consolidate debt. Afterwards, the CHI Regional Corporations will merge into System Corporation.
- Mark Twain Medical Center
 - Dignity Health and CHI acknowledge that the continued management of Mark Twain Medical Center by Dignity Health after a change of control of Dignity Health may be subject to consent from outside parties.

Dignity Health Commitments

- Licensed Acute Care Hospital Commitments
 - For a period of five years from the Effective Date of the transaction:
 - The System Corporation and Dignity Health shall continue to operate and maintain each Dignity Health owned hospital as a licensed general acute care hospital;
 - IHO shall continue to operate and maintain each IHO owned hospital as a licensed general acute care hospital; and
 - IHO and each IHO subsidiary shall continue to operate and maintain the IHO subsidiary hospital as a licensed general acute care hospital.

- Licensed Specialty Service Commitments and Additional Specialty Services Commitments
 - For a period of five years from the Effective Date of the transaction:
 - System Corporation and Dignity Health, with respect to the Dignity Health owned hospitals, IHO owned hospitals, and the IHO subsidiary hospitals shall continue to operate, provide and maintain the following services at each California hospital:
 - Twenty-four-hour emergency medical services at current licensure, with the current number of emergency treatment stations, the current types and levels of emergency medical services, and the current designations or certifications associated with such emergency medical services;
 - Core specialty and additional specialty healthcare services at current licensure and designation with current minimum types and/or levels of services²¹; and
 - Additional specialty healthcare services at current licensure and designation with current types and/or levels of services.

²¹ See the “Assessment of Potential Issues Associated with the Availability or Accessibility of Healthcare Services” for a complete listing of commitments made by Dignity Health for California Hospital Medical Center, Glendale Memorial Hospital and Health Center, St. Mary Medical Center and Northridge Hospital Medical Center

- Women's Healthcare Services Commitments
 - For a period of five years from the Effective Date:
 - System Corporation and Dignity Health, with respect to the Dignity Health owned hospitals, IHO owned hospitals, and the IHO subsidiary hospitals, shall continue to provide women's healthcare services.
 - Those Dignity Health California hospitals that are non-Catholic shall retain their identity as community hospitals and shall not become ministries of the Catholic Church, nor be subject to the ERDs. In addition, they will retain or adopt Dignity Health's Statement of Common Values.

- Medicare & Medi-Cal Commitment
 - For a period of five years from the Effective Date of the transaction:
 - System Corporation and Dignity Health, with respect to the Dignity Health owned hospitals, IHO owned hospitals, and the IHO subsidiary hospitals, shall:
 - Continue to be certified to participate in the Medicare program;
 - Continue to be certified to participate in the Medi-Cal program; and
 - Continue to have and maintain their respective Medi-Cal Managed Care contracts in effect as of the signing date.

- City/County Contract Commitment:
 - For a period of five years from the Effective Date of the transaction:
 - System Corporation and Dignity Health, with respect to the Dignity Health owned hospitals, IHO owned hospitals, and the IHO subsidiary hospitals, shall maintain healthcare-related services contracts, with any city or county in the State of California as of the signing date.

- Charity Care Commitment
 - For the six fiscal years from the Effective Date, System Corporation and Dignity Health, with respect to the Dignity Health owned hospitals, IHO owned hospitals, and the IHO subsidiary hospitals, in California shall:

- Provide an annual amount of charity care at each hospital equal to or greater than the average annual amount of charity care provided by such hospital during the three fiscal years prior to the signing date and adjusted for cost-of-living-adjustments.
- Community Benefit Program Commitment
 - For a period of six fiscal years from the Effective Date, System Corporation and Dignity Health, with respect to the Dignity Health owned hospitals, IHO owned hospitals, and the IHO subsidiary hospitals in California, shall provide an annual amount of community benefit services at each such Dignity Health California Hospital equal to or greater than the average annual amount of community benefit services provided by hospital during the three fiscal years prior to the signing date and adjusted for cost-of-living adjustments.
- Medical Staff and Related Commitments
 - System Corporation and Dignity Health, with respect to the Dignity Health owned hospitals, IHO owned hospitals, and the IHO subsidiary hospitals in California, shall maintain privileges for the current medical staff members of each such hospital who are in good standing as of the Effective Date.
- LGBT Non-Discrimination Commitments
 - There shall be no discrimination against any lesbian, gay, bisexual, or transgender individuals at any Dignity Health California hospitals. System Corporation and Dignity Health, with respect to the Dignity Health owned hospitals, and IHO with respect to the IHO owned hospitals and the IHO subsidiary hospitals, shall cause this prohibition to be explicitly set forth in the written policies applicable to such hospitals, adhered to and strictly enforced.
- Seismic Compliance Commitments
 - System Corporation, Dignity Health and IHO shall commit the necessary investments required to meet and maintain OSHPD seismic compliance requirements at each Dignity Health California hospital until January 1, 2030
- Union Commitments
 - Dignity Health and CHI agree that the collective bargaining agreements in effect as of the Effective Date shall remain in full force and effect following the Effective Date in accordance with their respective terms.
- Hospital Quality Assurance Fee Program Participation

- System Corporation, Dignity Health and IHO commit to continue participation in the California Department of Health Care Services' Hospital Quality Assurance Fee Program for five years for all California hospitals.

Use of Net Sale Proceeds

There will be no net proceeds as a result of the proposed transaction.

Profile of Catholic Health Initiatives

Overview

CHI is a nonprofit, faith-based health system that formed in 1996 through the consolidation of three Catholic health systems: Catholic Health Corporation, Franciscan Health System, and Sisters of Charity Health System.

CHI, headquartered in Englewood, Colorado, has a service area that covers approximately 54 million people and operates acute care facilities in 13 states. CHI’s network consists of 97 acute care facilities, academic health centers and major teaching hospitals, critical-access facilities, community health-service organizations, nursing colleges, and senior living communities. The health system has more than 95,000 employees, including approximately 4,700 employed physicians and advanced practice clinicians.

CHI Acute Care Facilities	
REGION	ACUTE CARE FACILITIES
Arkansas	4
Colorado and Kansas	12
Iowa and Nebraska	21
Kentucky	13
Minnesota	4
North Dakota	10
Ohio	5
Tennessee	2
Texas	16
Oregon and Washington	10

Source: 2017 CHI Annual Report

CHI OPERATIONS	
Acute Care Facilities	97
Home Services Location	52
Critical- Access Hospitals	30
Long-Term Facilities	16
Clinical Integrated Networks	11
Academic Medical Centers a Major Teaching Hospital	3
Community Health Services Organizations	2

Source: 2017 CHI Annual Report

Key Statistics

In Fiscal Year (FY) 2017, CHI reported growth in the number of admissions, outpatient emergency visits, outpatient non-emergency visits, physician office visits, the number of full-time equivalent employees, and total employees overall compared to FY 2016. CHI reported a decrease in acute patient days, average daily census, residential days, and long-term care days.

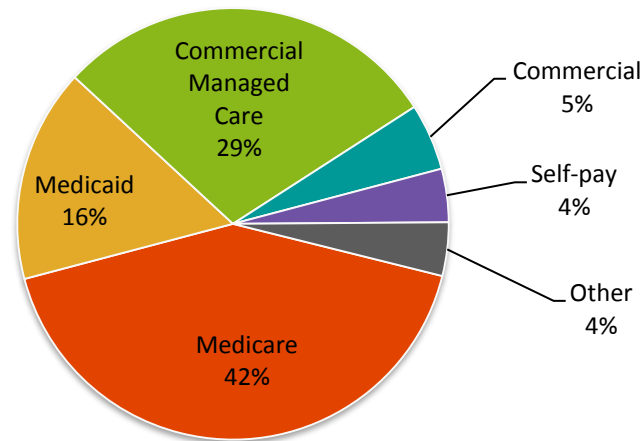
CHI STATISTICAL HIGHLIGHTS FY 2016 – FY 2017			
<i>Fiscal Year ended June 30, 2017</i>	FY 2016	FY 2017	Change
Acute Patient Days	2,382,402	2,366,980	-0.6%
Acute Average Daily Census	6,527	6,485	-0.6%
Acute Admissions	498,464	504,593	1.2%
Acute Average Length of stay, in days	4.8	4.7	-2.1%
Outpatient emergency visits	1,951,714	1,966,342	0.7%
Outpatient non-emergency visits	5,557,647	5,804,586	4.4%
Physician office visits	9,635,875	10,540,482	9.4%
Residential days	751,072	665,885	-11.3%
Long-term care days	503,450	483,151	-4.0%
Full-time equivalent employees	79,194	84,463	6.7%
Employees	93,697	95,968	2.4%
Acute inpatient revenues as a percentage of total	44.70%	44.70%	-

Source: CHI 2017 Annual Report

Payer Mix

The following chart represents the gross revenue by payer for CHI's consolidated operations for the FY 2017.

Gross Revenue By Payer



Source: CHI Annual Report

Financial Profile

CHI's audited consolidated financial statements show the following system-wide performance of CHI and its affiliates:

CHI COMBINED STATEMENT OF OPERATIONS		
FY 2016 – FY 2017 (In Thousands)		
Unrestricted Revenues and Support	FY 2016	FY 2017
Net Patient Service Revenue Less Bad Debt Provision	\$13,847,027	\$14,450,868
Donations	\$36,983	\$30,954
Changes in Equity of Unconsolidated Organizations	\$133,375	\$48,404
Gains on Business Combinations	\$223,036	-
Hospital Ancillary Revenues	\$351,509	\$339,072
Other	\$597,657	\$678,166
Total Operating Revenues	\$15,189,587	\$15,547,464
Expenses		
Salaries and Wages	\$6,117,712	\$6,294,834
Employee Benefits	\$1,182,203	\$1,201,044
Purchased Services, Medical Professional Fees, Medical Claims and Consulting	\$2,232,689	\$2,402,478
Supplies	\$2,490,524	\$2,550,328
Utilities	\$212,732	\$210,285
Rentals, Leases, Maintenance and Insurance	\$898,020	\$901,272
Depreciation and Amortization	\$833,394	\$846,291
Interest	\$281,581	\$295,476
Other	\$1,019,385	\$1,056,536
Restructuring, Impairment and Other Losses	\$292,758	\$374,167
Total Expenses	\$15,560,998	\$16,132,711
Income From Operations	(\$371,411)	(\$585,247)
Non-operating Income (Loss)		
Investment Income (Loss), net	(\$3,384)	\$638,519
Loss on early extinguishment of debt	(\$29,469)	(\$19,586)
Realized and Unrealized Gains (Losses) on Interest Rate Swaps	(\$154,816)	\$92,698
Other Non-operating Gains (Losses)	(\$16,491)	\$2,006
Total Non-operating Income (Loss)	(\$204,160)	\$713,637
Excess of revenues over Expenses	(\$575,571)	\$128,390

Source: CHI Audited Financial Statements

- Net Patient Service Revenue (less provision for bad debts) of \$14.5 billion in FY 2017 represents a net increase of approximately \$600 million, or 4.4%, as compared to FY 2016. Total operating revenues increased by \$358 million, or 2.4%, from \$15.2 billion in FY 2016 to \$15.5 billion in FY 2017;

Total expenses increased by 3.7% from \$15.6 billion in FY 2016 to \$16.1 billion in FY 2017. CHI's salaries, wages and employee benefits expense accounted for 46% of total expenses;

- In FY 2017, CHI realized a non-operating gain of approximately \$714 million, a substantial increase from the non-operating loss of \$204 million loss in FY 2016; and
- Excess revenue over expenses increased from a loss of approximately \$576 million in FY 2016 to a gain of approximately \$128 million in FY 2017. This is mainly due to an increase in non-operating revenue.

Profile of Dignity Health

Dignity Health is a California nonprofit public benefit corporation that traces its history to the Sisters of Mercy, founded by Catherine McAuley in Dublin, Ireland in 1831. On December 8, 1854, eight Sisters of Mercy left Ireland and arrived in San Francisco, California to begin caring for residents struck by influenza, cholera and typhoid. The Sisters of Mercy opened St. Mary's Hospital, the oldest operating hospital in San Francisco, on July 27, 1857.

Today, Dignity Health has grown to be one of the largest health systems in the United States. Dignity Health provides healthcare services in California, Arizona and Nevada. In California, Dignity Health owns and operates 31 hospitals across 17 counties with an estimated 11,500 physicians on its hospitals' medical staff. Dignity Health also operates five general acute care hospitals in Arizona and three in Nevada.



Payer Mix

The following chart shows inpatient discharges by payer for Dignity Health’s consolidated California operations for FY 2016.

DIGNITY HEALTH TOTAL PAYER MIX COMPARISON FY 2016²²				
	Dignity Health FY 2016		California FY 2016 ¹	
	Discharges	% of Total	Discharges	% of Total
Medi-Cal Traditional	42,492	15.20%	441,300	14.70%
Medi-Cal Managed Care	65,590	23.40%	590,581	19.70%
Medi-Cal Total	108,082	38.60%	1,031,881	34.40%
Medicare Traditional	88,052	31.40%	829,621	27.60%
Medicare Managed Care	27,196	9.70%	315,579	10.50%
Medicare Total	115,248	41.10%	1,145,200	38.10%
Third-Party Managed Care	47,682	17.00%	648,533	21.60%
Third-Party Managed Care Total	47,682	17.00%	648,533	21.60%
Third-Party Traditional	5,245	1.90%	100,382	3.30%
Other Payers	2,495	0.90%	44,809	1.50%
Other Indigent	1,344	0.50%	17,246	0.60%
County Indigent	76	0.00%	15,160	0.50%
Other Total	9,160	3.30%	177,597	5.90%
Total	280,172	100%	3,003,211	100%

Source: OSHPD Disclosure Reports, FY 2016

¹ FY 2017 California data was not available when the data was collected to prepare this report.

- Dignity Health’s largest payer in California by percentage of inpatient discharges is Medicare (41.1%), followed by Medi-Cal (38.6%), and Third-Party Managed Care (17.0%);
- Dignity Health’s California hospitals care for 10.5% of all California Medi-Cal inpatient discharges;
- Dignity Health’s California hospitals had 10.1% of all California Medicare inpatient discharges; and
- In FY 2016, Dignity Health’s California hospitals cared for 9.3% of all inpatient discharges in California.

²² Fiscal Year from July 1 through June 30.

Financial Profile

Dignity Health’s audited consolidated financial statements show the following system-wide performance of Dignity Health and its affiliates.

DIGNITY HEALTH COMBINED STATEMENT OF OPERATIONS FY 2016 - FY 2017 (In Thousands)		
Unrestricted Revenues and Support	FY 2016	FY 2017
Net Patient Service Revenue Less Bad Debt Provision	\$11,542,262	\$11,572,387
Premium Revenue	\$633,395	\$755,427
Revenue from health-related activities, net	\$66,586	\$139,013
Other Revenue	\$376,580	\$364,631
Contributions	\$17,452	\$18,649
Total Unrestricted Revenues And Support	\$12,636,275	\$12,850,107
Expenses	FY 2016	FY 2017
Salaries and Benefits	\$6,581,323	\$6,883,671
Supplies	\$1,769,212	\$1,850,519
Purchased Services and Other	\$3,497,502	\$3,454,313
Depreciation and Amortization	\$581,624	\$606,370
Interest Expense, net	\$270,034	\$122,018
Total Expenses	\$12,699,695	\$12,916,891
Income From Operations	(\$63,420)	(\$66,784)
Non-operating Income (Loss)	FY 2016	FY 2017
Investment Income (Loss), net	(\$123,869)	\$555,538
Loss on early extinguishment of debt	-	(\$48,012)
Income Tax Expense	(\$14,189)	(\$15,024)
Total Non-operating Income (Loss)	(\$138,058)	\$492,502
Excess of Revenues over Expenses	(\$201,478)	\$425,718

Source: Dignity Health Audited Financial Statements

- Net patient service revenue, less bad debt provision, increased slightly to \$11.6 billion in FY 2017. Total unrestricted revenues and support increased by \$214 million from \$12.6 billion in FY 2016 to \$12.9 billion in FY 2017;
- Total expenses increased by 1.7% from \$12.7 billion in FY 2016 to \$12.9 billion in FY 2017. Dignity Health’s salaries, wages and benefits expense accounted for approximately 53% of total expenses;
- In FY 2017, Dignity Health realized a net non-operating gain of \$493 million, representing a substantial increase from the net non-operating loss of \$138 million in FY 2016; and
- Excess revenue over expenses increased from a loss of \$201 million in FY 2016 to a gain of \$426 million in FY 2017, mainly due to an increase in investment income in FY 2017.

Dignity Health's California Hospitals Overview

The following table lists the location of each Dignity Health owned and managed hospital in California.

DIGNITY HEALTH'S OWNED & OPERATED CALIFORNIA HOSPITALS		
Hospital	County	City
Memorial Hospital Bakersfield	Kern County	Bakersfield
Mercy Hospital Downtown	Kern County	Bakersfield
Mercy Hospital Southwest	Kern County	Bakersfield
California Hospital Medical Center	Los Angeles	Los Angeles
Glendale Memorial Hospital	Los Angeles	Glendale
Northridge Hospital Medical Center	Los Angeles	Northridge
St. Mary Medical Center	Los Angeles	Long Beach
Mercy Medical Center Merced	Merced County	Merced
Sierra Nevada Memorial Hospital	Nevada County	Grass Valley
Marian Regional Medical Center, Arroyo Grande	San Luis Obispo County	Arroyo Grande
French Hospital Medical Center	San Luis Obispo County	San Luis Obispo
Mercy General Hospital	Sacramento County	Sacramento
Mercy Hospital of Folsom	Sacramento County	Folsom
Mercy San Juan Medical Center	Sacramento County	Carmichael
Methodist Hospital of Sacramento	Sacramento County	Sacramento
Community Hospital of San Bernardino	San Bernardino	San Bernardino
St. Bernardine Medical Center	San Bernardino	San Bernardino
Saint Francis Memorial Hospital	San Francisco County	San Francisco
St. Mary's Medical Center	San Francisco County	San Francisco
St. Joseph's Behavioral Health Center	San Joaquin County	Stockton
Sequoia Hospital	San Mateo County	Redwood City
St. Joseph's Medical Center	San Joaquin County	Stockton
Marian Regional Medical Center	Santa Barbara County	Santa Maria
Marian Regional Medical Center West	Santa Barbara County	Santa Maria
Dominican Hospital	Santa Cruz County	Santa Cruz
Mercy Medical Center Redding	Shasta County	Redding
Mercy Medical Center Mt Shasta	Siskiyou County	Mt. Shasta
St. Elizabeth Community Hospital	Tehama County	Red Bluff
St. John's Pleasant Valley Hospital	Ventura County	Camarillo
St. John's Regional Medical Center	Ventura County	Oxnard
Woodland Memorial Hospital	Yolo County	Woodland

Source: Dignity Health

Analysis of Dignity Health’s Los Angeles County Hospital Market Share

Los Angeles County has over 10 million residents and encompasses over 4,000 square miles. The map below depicts the location of the four Dignity Health general acute care facilities located in Los Angeles County and their respective primary service areas.



There are 105 general acute care hospitals located within Los Angeles County, four of which are Dignity Health hospitals. California Hospital Medical Center, Glendale Memorial Hospital and Health Center, St. Mary Medical Center and Northridge Hospital Medical Center. The Hospitals have a combined 5.5% market share of inpatient discharges in Los Angeles County. The following table shows Los Angeles County’s inpatient market share for calendar year (CY) 2016, the most recent data available from OSHPD. A profile for each Dignity Health Hospital located in Los Angeles County is described in the following sections.

LOS ANGELES COUNTY MARKET SHARE BY HOSPITAL CY 2016		
Hospital	CY 2016 Discharges	Market Share
Cedars Sinai Medical Center	43,051	4.5%
Huntington Memorial Hospital	27,889	2.9%
LAC+USC Medical Center	26,984	2.8%
Torrance Memorial Medical Center	25,680	2.7%
Kaiser Foundation Hospital - Los Angeles	22,093	2.3%
Adventist Health Glendale	20,776	2.2%
Providence Little Company of Mary Medical Center Torrance	20,292	2.1%
St. Francis Medical Center	20,147	2.1%
Adventist Health White Memorial	18,593	1.9%
California Hospital Medical Center	18,215	1.9%
Providence Holy Cross Medical Center	17,769	1.9%
Antelope Valley Hospital	17,464	1.8%
Long Beach Memorial Medical Center	17,104	1.8%
LAC/Harbor-UCLA Medical Center	16,960	1.8%
Ronald Reagan UCLA Medical Center	16,945	1.8%
Northridge Hospital Medical Center	13,068	1.4%
St. Mary Medical Center Long Beach	10,553	1.1%
Glendale Memorial Medical Center	9,526	1.0%
All Other Dignity Health Hospitals in California	819	0.1%
All Other	592,756	62.0%
Total Discharges	956,684	100%
Total Dignity Health Discharges	52,181	5.5%

Source: CY 2016 OSHPD Discharge Database

Note: Excludes normal newborns

- California Hospital Medical Center has the largest market share (1.9%) of Los Angeles County’s inpatient discharges among Dignity Health Hospitals;
- Cedars Sinai Medical Center is the inpatient leader in Los Angeles County with 4.5% market share; and

- “All Other Dignity Health Hospitals in California” includes Los Angeles County residents that received inpatient care at Dignity Health Hospitals located outside of Los Angeles County.

Profile of California Hospital Medical Center

Overview

California Hospital Medical Center is a general acute care hospital located at 1401 South Grand Avenue in downtown Los Angeles, California. It was founded in 1887 by Dr. Walter Lindley and operated as a physician-owned hospital.

Today, California Hospital Medical Center offers a range of services including a Level II Trauma Center, a Primary Stroke Center, cardiac catheterization, a birthing center, and a Level III Neonatal Intensive Care Unit. The Hospital is recognized as the busiest private trauma center in Los Angeles County. The Hospital has seven surgical operating rooms and a “basic” emergency department²³ with 35 emergency treatment stations. According to California Hospital Medical Center’s current hospital license, it is licensed for 318 beds as shown below.

CALIFORNIA HOSPITAL MEDICAL CENTER LICENSED BED DISTRIBUTION 2018	
Licensed Bed Type	Number of Beds ¹
General Acute Care Beds	
Neonatal Intensive Care	26
Perinatal	37
Intensive Care	28
Pediatric	12
Coronary Care	8
Unspecified General Acute Care	207
Total General Acute Care Beds	318
Total Licensed Beds	318

¹ 2018 Hospital License

²³ A “basic” emergency department provides emergency medical care in a specifically designated part of a hospital that is staffed and equipped at all times to provide prompt care for any patient presenting urgent medical problems.

Key Statistics

California Hospital Medical Center reported 17,799 inpatient discharges, 74,435 patient days, and an average daily census of 204 patients (approximately 64% occupancy) for FY 2017.

CALIFORNIA HOSPITAL MEDICAL CENTER KEY STATISTICS FY 2015 - FY 2017 ¹			
	FY 2015	FY 2016	FY 2017
Inpatient Discharges	17,329	18,255	17,799
Licensed Beds	318	318	318
Patient Days	77,452	84,759	74,435
Average Daily Census	212	232	204
Occupancy	66.7%	73.0%	64.1%
Average Length of Stay	4.5	4.6	4.2
Cardiac Catheterization Procedures	1,396	1,857	3,962
Emergency Service Visits	84,416	79,303	80,607
Total Live Births	3,612	3,788	3,657

Sources: OSHPD Disclosure Reports, FY 2015 - FY 2017

¹ FY 2015 and FY 2016 data is from audited OSHPD Disclosure Reports whereas FY 2017 data is from unaudited.

- Since FY 2015, inpatient discharges increased by 3%, while patient days decreased by 4%;
- In FY 2017, 80,607 emergency service visits were reported, a 5% decrease from FY 2015;
- In FY 2017, 3,962 cardiac catheterization procedures were reported; and
- Between FY 2015 and FY 2017, total live births remained relatively constant, with an average of 3,686 births annually.

Patient Utilization Trends

The following table shows FY 2013 - FY 2017 patient volume trends at California Hospital Medical Center.

CALIFORNIA HOSPITAL MEDICAL CENTER SERVICE VOLUMES FY 2013 - FY 2017 ¹					
PATIENT DAYS	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
Medical/Surgical ²	35,472	34,757	39,835	46,849	45,697
Neonatal Intensive Care	7,648	7,805	7,142	6,616	6,393
Intensive Care	6,844	7,625	9,192	9,387	9,100
Obstetrics	11,578	10,509	12,448	9,587	8,491
Pediatrics Acute	2,099	2,153	2,140	2,119	1,767
Skilled Nursing	5,321	3,635	3,585	3,855	1,220
Sub-Acute Care	-	-	3,110	6,346	1,767
Total	68,962	66,484	77,452	84,759	74,435
DISCHARGES					
Medical/Surgical ²	9,643	8,645	9,864	10,948	10,320
Neonatal Intensive Care	605	491	573	484	545
Intensive Care	2,029	797	1,048	372	1,077
Obstetrics	3,824	4,200	3,565	3,957	3,730
Pediatrics Acute	637	1,697	1,969	2,185	2,060
Skilled Nursing	389	318	166	148	27
Sub-Acute Care	-	-	144	161	20
Total	17,127	16,148	17,329	18,255	17,779
AVERAGE LENGTH OF STAY					
Medical/Surgical ²	3.7	4.0	4.0	4.3	4.4
Neonatal Intensive Care	12.6	15.9	12.5	13.7	11.7
Intensive Care	3.4	9.6	8.8	25.2	8.4
Obstetrics	3.0	2.5	3.5	2.4	2.3
Pediatrics Acute	3.3	1.3	1.1	1.0	.9
Skilled Nursing	13.7	11.4	21.6	26.0	45.2
Sub-Acute Care	-	-	21.6	39.4	88.4
Total	4.0	4.1	4.5	4.6	4.2
AVERAGE DAILY CENSUS					
Medical/Surgical ²	97.2	95.2	109.1	128.4	125.2
Neonatal Intensive Care	21.0	21.4	19.6	18.1	17.5
Intensive Care	18.8	20.9	25.2	25.7	24.9
Obstetrics	31.7	28.8	34.1	26.3	23.3
Pediatrics Acute	5.8	5.9	5.9	5.8	4.8
Skilled Nursing	14.6	10.0	9.8	10.6	3.3
Sub-Acute Care	-	-	8.5	17.4	4.8
Total	189	182	212	232	204
OTHER SERVICES					
Inpatient Surgeries	5,920	6,393	3,327	3,374	3,538
Outpatient Surgeries	7,351	7,826	3,873	3,769	3,601
Emergency Service Visits	68,991	72,916	84,416	79,303	80,607
Total Live Births	4,425	4,425	3,612	3,788	3,657

Sources: OSHPD Disclosure Reports, FY 2013 - FY 2017

¹ FY 2013 to FY 2016 data is from audited OSHPD Disclosure Reports whereas FY 2017 is from unaudited.

² Includes Definitive Observation Beds

A review of California Hospital Medical Center’s historical utilization trends between FY 2013 and FY 2017 supports the following conclusions:

- Total patient days increased by 8% but decreased the last three years by 4%;
- Inpatient discharges increased by 4%;

- The average daily census increased by 8% from 189 patients in FY 2013 to 204 patients in FY 2017;
- Between FY 2013 and FY 2017, total live births decreased by 17% from 4,425 in FY 2013 to 3,657 in FY 2017; and
- Emergency service visits have increased by 17% to 80,607 visits in FY 2017.

Financial Profile

Over the last five fiscal years, California Hospital Medical Center’s net income has fluctuated from a loss of \$8.3 million in FY 2014 to a gain of \$27.3 million in FY 2017. Between FY 2013 and FY 2017, net patient revenue and total operating revenue increased by 28% and 29% respectively. Over the same period, the Hospital’s operating expenses increased by 24% from \$331.0 million in FY 2013 to \$408.8 million in FY 2017. Other operating revenue²⁴ increased by 53% over the five-year period from \$15.8 million in FY 2013 to \$24.2 million in FY 2017.

The Hospital’s current ratio²⁵ has decreased over the last five years from 3.29 in FY 2013 to 2.58 in FY 2017. The California current ratio in FY 2016 was 1.56. The Hospital’s FY 2017 percentage of bad debt is 1.1% and higher than the State average of 0.8%.

CALIFORNIA HOSPITAL MEDICAL CENTER					
FINANCIAL AND RATIO ANALYSIS FY 2013 - FY 2017 ¹					
	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
Patient Days	68,962	66,484	77,452	84,759	74,435
Discharges	17,127	16,148	17,329	18,255	17,425
ALOS	4.0	4.1	4.5	4.6	4.3
Net Patient Revenue	\$324,345,736	\$300,758,211	\$445,878,662	\$428,387,392	\$414,549,348
Other Operating Revenue	\$15,802,481	\$15,494,107	\$21,503,454	\$23,010,964	\$24,195,223
Total Operating Revenue	\$340,148,217	\$316,252,318	\$467,382,116	\$451,398,356	\$438,744,571
Operating Expenses	\$331,006,165	\$327,098,283	\$404,650,357	\$415,738,707	\$408,815,484
Net from Operations	\$9,142,052	(\$10,845,965)	\$62,731,759	\$35,659,649	\$29,929,087
Net Non-Operating Revenues and Expenses	\$2,520,603	\$2,500,849	\$618,022	\$1,515,521	(\$2,668,410)
Net Income	\$11,662,655	(\$8,345,116)	\$63,349,781	\$37,175,170	\$27,260,677
					2016 California Average ²
Current Ratio	3.29	3.61	3.43	2.44	2.58
Days in A/R	48.5	75.0	46.1	49.2	45.1
Bad Debt Rate	3.5%	1.8%	0.7%	0.9%	1.1%
Operating Margin	2.69%	-3.43%	13.42%	7.90%	6.82%
					2.74%

Source: OSHPD Disclosure Reports, FY 2013 - FY 2017

¹ FY 2013 to FY 2016 data is from audited OSHPD Disclosure Reports whereas FY 2017 is from unaudited.

² FY 2017 California data was not available when the data was collected to prepare this report.

²⁴ Other operating revenue represents amounts received for services that are central to the provision of healthcare services but are not directly related to patient care.

²⁵ The current ratio compares a company’s total current assets to its current liabilities to measure its ability to pay short-term and long-term debt obligations. A low current ratio of less than 1.0 could indicate that a company may have difficulty meeting its current obligations. The higher the current ratio, the more capable the company is of paying its obligations as it has a larger proportion of assets relative to its liabilities.

Cost of Hospital Services

California Hospital Medical Center’s operating cost of services includes both inpatient and outpatient care. In FY 2017, 74% of total costs were associated with Medi-Cal, 16% with Medicare and 7% with Third-Party.

CALIFORNIA HOSPITAL MEDICAL CENTER OPERATING EXPENSES BY PAYER CATEGORY FY 2013 - FY 2017 ¹					
	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
Operating Expenses	\$331,006,165	\$327,098,283	\$404,650,357	\$415,738,707	\$408,815,484
Cost of Services By Payer:					
Medicare	\$50,492,140	\$55,823,894	\$65,958,299	\$57,948,546	\$67,431,424
Medi-Cal	\$189,092,630	\$210,279,105	\$286,872,058	\$301,736,436	\$304,317,796
County Indigent	\$6,178,311	\$10,387,800	\$1,474,446	\$1,352,973	\$0
Third-Party	\$34,501,641	\$17,815,430	\$29,890,630	\$29,841,099	\$28,105,354
Other Indigent	\$35,262,044	\$23,838,710	\$14,771,004	\$18,935,755	\$4,411,836
All Other Payers	\$15,479,400	\$8,953,344	\$5,683,921	\$5,923,898	\$4,549,073

Source: OSHPD Disclosure Reports, FY 2013 - 2017

¹ FY 2013 to FY 2016 data is from audited OSHPD Disclosure Reports whereas FY 2017 is from unaudited.

Charity Care

The following table shows a comparison of charity care and bad debt for California Hospital Medical Center to all general acute care hospitals in the State of California. The five-year (FY 2013 – FY 2017) average of charity care and bad debt, as a percentage of gross patient revenue, was 8.1% and greater than the four-year statewide average of 2.5%. According to OSHPD, “...the determination of what is classified as charity care can be made by establishing whether or not the patient has the ability to pay. The patient’s accounts receivable must be written off as bad debt if the patient has the ability but is unwilling to pay off the account.”

CALIFORNIA HOSPITAL MEDICAL CENTER CHARITY CARE COMPARISON FY 2013 - FY 2017 ¹ (In Thousands)										
	FY 2013		FY 2014		FY 2015		FY 2016		FY 2017	
	Hospital	CA	Hospital	CA	Hospital	CA	Hospital	CA	Hospital	CA ²
Gross Patient Revenue	\$1,027,686	\$320,382,471	\$1,114,009	\$338,322,364	\$1,285,261	\$365,501,463	\$1,372,388	\$396,427,743	\$1,450,997	-
Charity	\$121,396	\$6,563,487	\$91,975	\$5,113,965	\$58,613	\$3,441,227	\$79,644	\$3,457,868	\$26,276	-
Bad Debt	\$36,394	\$5,891,632	\$19,643	\$4,365,936	\$9,294	\$3,262,642	\$12,434	\$3,108,971	\$16,299	-
Total Charity & Bad Debt	\$157,790	\$12,455,119	\$111,617	\$9,479,902	\$67,907	\$6,703,869	\$92,078	\$6,566,839	\$42,575	-
Charity Care as a % of Gross Patient Revenue	11.8%	2.0%	8.3%	1.5%	4.6%	0.9%	5.8%	0.9%	1.8%	-
Bad Debt as a % of Gross Patient Revenue	3.5%	1.8%	1.8%	1.3%	0.7%	0.9%	0.9%	0.8%	1.1%	-
Total as a % of Gross Patient Revenue	15.4%	3.9%	10.0%	2.8%	5.3%	1.8%	6.7%	1.7%	2.9%	-
Uncompensated Care										
Cost to Charge Ratio	30.7%	24.5%	28.0%	23.6%	29.8%	24.1%	28.6%	23.8%	26.5%	-
Charity	\$37,234	\$1,608,711	\$25,727	\$1,207,919	\$17,473	\$828,647	\$22,791	\$822,627	\$6,965	-
Bad Debt	\$11,162	\$1,444,039	\$5,494	\$1,031,234	\$2,771	\$785,644	\$3,558	\$739,624	\$4,321	-
Total	\$48,396	\$3,052,750	\$31,221	\$2,239,153	\$20,244	\$1,614,292	\$26,349	\$1,562,251	\$11,286	-

Source: OSHPD Disclosure Reports FY 2013 - FY 2017

¹ FY 2013 to FY 2016 data is from audited OSHPD Disclosure Reports whereas FY 2017 is from unaudited.

² FY 2017 California data was not available when the data was collected to prepare this report.

The following table shows the Hospital’s historical costs for charity care as reported to OSHPD. Charity care costs have decreased from \$37.2 million in FY 2013 to \$7.0 million in FY 2017. The average cost of charity care for the last five-year period was \$22.0 million, while the three-year average, the cost of charity care was \$15.7 million.

CALIFORNIA HOSPITAL MEDICAL CENTER COST OF CHARITY CARE FY 2013 - FY 2017 ¹			
Year	Charity Care Charges	Cost to Charge Ratio	Cost of Charity Care to the Hospital
FY 2017	\$26,275,979	26.5%	\$6,965,054
FY 2016	\$79,643,916	28.6%	\$22,791,209
FY 2015	\$58,612,893	29.8%	\$17,472,988
FY 2014	\$91,974,595	28.0%	\$25,726,603
FY 2013	\$121,396,051	30.7%	\$37,233,631
FY 2015 - FY 2017 Average			\$15,743,084
FY 2013 - FY 2017 Average			\$22,037,897

Source: OSHPD Disclosure Reports FY 2013 - FY 2017

¹ FY 2013 to FY 2016 data is from audited OSHPD Disclosure Reports whereas FY 2017 is from unaudited.

In the application to the California Attorney General, Dignity Health reported the following combined distribution of charity care costs by inpatient, outpatient, and emergency room costs in the table below.

CALIFORNIA HOSPITAL MEDICAL CENTER COST OF CHARITY CARE BY SERVICE FY 2013 - FY 2017				
	Inpatient	Outpatient	Emergency Room	Total Costs
FY 2017:				
Cost of Charity	\$2,599,213	\$1,785,739	\$2,063,124	\$6,448,076
Visits/Discharges	190	965	2,525	
FY 2016:				
Cost of Charity	\$5,486,986	\$2,797,450	\$3,213,078	\$11,497,514
Visits/Discharges	444	1,681	4,364	
FY 2015:				
Cost of Charity	\$6,831,783	\$5,725,557	\$6,217,442	\$18,774,782
Visits/Discharges	531	3,264	8,475	
FY 2014:				
Cost of Charity	\$15,685,253	\$3,747,615	\$4,013,459	\$23,446,327
Visits/Discharges	1,401	2,398	6,060	
FY 2013:				
Cost of Charity	\$25,168,701	\$3,458,853	\$4,207,495	\$32,835,049
Visits/Discharges	2,554	2,645	6,439	

Source: Dignity Health

Note that these totals are different than what Dignity Health reported to OSHPD. However, after discussions with JD Healthcare Inc and Vizient Inc, Dignity Health has acknowledged that an error was made in its calculation of charity care cost. Dignity Health has stated that they will comply with the charity care cost amounts determined in the manner above.

Community Benefit Services

In the last five years, California Hospital Medical Center has provided a significant contribution for community benefit services. As shown in the table below, the average annual cost of community benefit services over the last three years has been \$14.7 million. The average annual cost of community benefit services over the last five years has been \$17.2 million.

CALIFORNIA HOSPITAL MEDICAL CENTER COMMUNITY BENEFIT SERVICES FY 2013 - FY 2017							
Community Benefit Programs	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2015 - FY 2017 Average	FY 2013 - FY 2017 Average
Benefits for Living in Poverty	\$20,586,076	\$8,558,389	\$24,666,333	\$5,785,797	\$4,737,333	\$11,729,821	\$12,866,786
Benefits for Broader Community	\$7,135,546	\$2,580,447	\$4,512,169	\$5,355,684	\$6,348,941	\$5,405,598	\$5,186,557
Totals	\$27,721,622	\$11,138,836	\$29,178,502	\$11,141,481	\$11,086,274	\$16,065,005	\$18,316,644
Medi-Cal Provider Fee CHFT Grant Expense	(\$1,063,251)	(\$486,136)	(\$2,474,039)	(\$736,278)	(\$1,014,852)	-	-
Adjusted Totals	\$26,658,371	\$10,652,700	\$26,704,463	\$10,405,203	\$10,071,422	\$14,656,615	\$17,161,733

Source: Dignity Health, California Hospital Medical Center's Community Benefit Reports and Plans

- The Hospital's five-year average cost of community benefit services for persons living in poverty is \$12.9 million per year;
- The Hospital's five-year average cost of community benefit services for the broader community is \$5.2 million per year; and
- Over the five-year period, the Hospital's adjusted total cost of community benefit services decreased from \$26.7 million per year in FY 2013 to \$10 million per year in FY 2017.

The Hospital’s community benefit services over the past five fiscal years included the following programs with costs \$10,000 in FY 2017:

CALIFORNIA HOSPITAL MEDICAL CENTER COST OF COMMUNITY BENEFIT SERVICES FY 2013 - FY 2017					
Services over \$10,000 in cost in FY 2017:	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
Community Benefit Programs Development	\$160,200	\$159,125	\$157,234	\$158,260	\$151,216
Community Benefit Programs Management	\$144,342	\$149,152	\$129,502	\$125,575	\$119,024
Community Dental Partnership - Oral Hygiene Class	\$9,028	\$13,549	\$8,173	\$8,127	\$5,683
Community Dental Partnership - Care Coordination	\$29,997	\$55,115	\$67,773	\$52,028	\$30,223
Dignity Health Community Grants Program	-	-	-	\$158,332	\$340,857
Grants on Community Education for Children and Families (incl. Hope Street Family Center programs)	\$2,953,818	\$3,563,887	\$3,771,492	\$4,370,060	\$2,888,412
Health Education - Korean Health Education Program Coordination	-	-	-	-	\$32,121
Health Ministry - Blood Pressure Screening	\$10,917	\$10,593	\$10,084	\$10,359	\$10,912
Health Ministry - Cholesterol Screening ¹	\$9,535	\$10,593	\$10,128	\$10,359	\$8,162
Health Ministry - Comm Health Education Coordination	\$98,830	\$120,807	\$116,775	\$138,573	\$133,196
Health Ministry - Diabetes Glucose Screening	\$10,400	\$10,593	\$10,276	\$10,359	\$10,912
Health Ministry - Hemoglobin Screening	\$9,107	\$10,593	\$10,128	\$10,359	\$10,842
Health Ministry - Parish Nurse Health Ministry Coordinator	\$42,354	\$24,127	\$14,440	\$20,592	\$24,152
Health Ministry - Your Body Weight and Body Mass Index	\$8,784	\$10,593	\$10,128	\$10,359	\$10,912
Heart HELP - Initial and Follow Up Screenings	\$8,794	\$10,050	\$8,425	\$11,901	\$14,519
Heart HELP CVD - Program Implementation	\$90,448	\$74,390	\$90,692	\$72,765	\$81,301
LTIP 2013 - Heart HELP (CVD)	\$13,655	\$16,337	\$15,722	\$17,078	\$17,542
Residency Program	\$3,286,475	\$3,657,158	\$3,545,731	\$4,535,780	\$5,965,674
Transportation-Vans, & Bus Tokens	-	-	-	\$256,026	\$196,790
Type 2 Diabetes Intake-A1c hemoglobin and total cholesterol	\$8,948	\$10,593	\$10,128	\$10,359	\$10,659

Source: Dignity Health

¹ Program commitment under \$10,000 in cost in FY 2017

- Community Benefit Programs Development: Expenses incurred by contracting with outside consultants for triannual Community Health Needs Assessment and/or grant-writing services;
- Community Benefit Programs Management: Funding for community health operations staff that includes the community health manager, parish nurse, and two promotoras;
- Community Dental Partnership - Care Coordination: As part of the Community Dental Partnership grant that ended 6/30/17, provided care coordination for uninsured patients who had medication-dependent type 2 diabetes and who were referred to the program by their medical home for free basic dental and periodontal services;
- Grants on Community Education for Children and Families (including Hope Street Family Center programs): The Hospital actively partners with nonprofit organizations to improve health status and quality of life in the communities served. Grant funds are used to deliver services and strengthen service systems, to improve the health and well-being of vulnerable populations and reduce disparities, guided by significant needs identified in the hospital's community health needs assessment;

- Health Education – Korean Health Education Program: Grant-funded program to provide health education services for the Korean-speaking community in California Hospital Medical Center’s service area;
- Health Ministry – Blood Pressure Screening: Parish nurse screens for chronic hypertension at over 60 locations in the service area;
- Health Ministry – Cholesterol Screening: Parish nurse screens for hyperlipidemia at over 60 sites in the service area;
- Health Ministry – Community Health Education Coordination: Parish nurse from the Health Ministry program refers people with a variety of chronic conditions to California Hospital Medical Center’s health education programs as well as those of community partners;
- Health Ministry - Diabetes Glucose Screening: Parish nurse from the Health Ministry program screens for type 2 diabetes in over 60 sites in California Hospital Medical Center’s service area;
- Health Ministry – Hemoglobin Screening: A parish nurse from the Health Ministry program screens for anemia in over 60 sites in California Hospital Medical Center’s service area;
- Health Ministry - Parish Nurse Health Ministry Coordinator: A parish nurse from the Health Ministry program works with the Health Cabinetes of various congregations in California Hospital Medical Center’s service area;
- Health Ministry - Your Body Weight and Body Mass Index: A parish nurse from the Health Ministry program screens for overweight/obesity;
- Heart HELP - Initial and Follow Up Screenings: A promotoras offers a series of weekly workshops on cardiovascular disease, and the parish nurse from the Health Ministry program performs initial and follow-up health screens before and after the workshop series to assess the outcome of this intervention program;
- Heart HELP CVD - Program Implementation: Provides a series of weekly workshops on cardiovascular disease, including heart failure;
- Residency Program: A Family Medicine Residency program;

- Transportation – Vans & Bus Tokens: A service that provides vans, bus tokens and taxi vouchers for vulnerable clients requiring a ride home from the Hospital or emergency department; and
- Type 2 Diabetes Intake-A1c hemoglobin and total cholesterol: A Parish Nurses performs initial and follow up health screens for participants.

Reproductive Health

For CY 2016, California Hospital Medical Center reported 130 inpatient discharges related to reproductive health services²⁶. The following table lists reproductive services by diagnostic related group discharges (DRG) for CY 2016.

CALIFORNIA HOSPITAL MEDICAL CENTER CY 2016 REPRODUCTIVE SERVICE BY DIAGNOSTIC RELATED GROUP	
	Discharges
778-Threatened Abortion	46
777-Ectopic Pregnancy	25
770-Abortion W D&C ¹ , Aspiration Curettage or Hysterotomy	21
779-Abortion W/O D&C ¹	21
767-Vaginal Delivery W Sterilization &/Or D&C ¹	17
Total Discharges:	130

Source: CY 2016 OSHPD Patient Discharge Database
¹D&C is an abbreviation for Dilation and Curettage

- Out of the five diagnostic related groups, DRG 778-Threatened Abortion has the highest number of reproductive service inpatient discharges.

²⁶ California Hospital Medical Center is not a Catholic hospital and is not subject to the Catholic ERDs.

According to Dignity Health representatives, the table indicates whether the Hospital performs the following women’s reproductive health services.

CALIFORNIA HOSPITAL MEDICAL CENTER REPRODUCTIVE SERVICES	
Procedure	Currently Performed? (Y/N)
Caesarean delivery with sterilization	Yes
Terminate pregnancy when:	
A. Placenta previa	No
B. Premature rupture of membranes	No (It's done when the Mother's life/safety is compromised such as infection)
C. Second trimester bleeding with previable fetus	No (It's done when the Mother's life/safety is compromised)
Placement of an IUD at time of other gynecological surgery	No
Postpartum placement of IUD	No
Gender affirming surgery	No
Emergency contraception as emergency room or inpatient service	No
Ectopic pregnancy treatment with methotrexate (medication in lieu of surgery)	Yes, it's done in the emergency department

Source: Dignity Health

Analysis of California Hospital Medical Center

Service Area Definition

California Hospital Medical Center’s service area is comprised of 33 ZIP Codes from which 76% of its discharges originated in CY 2016. Approximately 50% of the Hospital’s discharges originated from the top nine ZIP Codes, all of which are in the City of Los Angeles. In CY 2016, the Hospital’s market share in the service area was 9.3%.

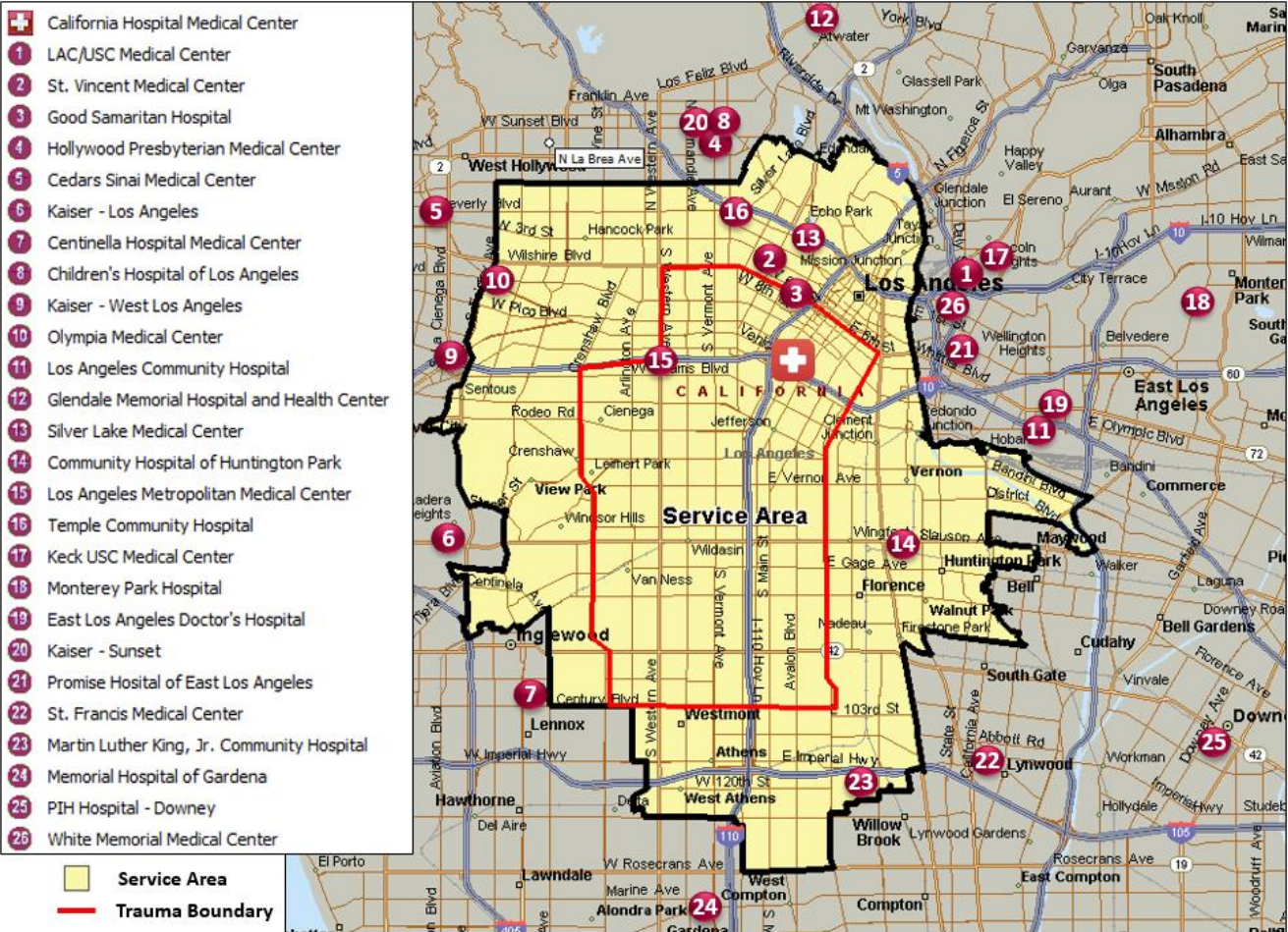
CALIFORNIA HOSPITAL MEDICAL CENTER PATIENT ORIGIN CY 2016						
ZIP Codes	Community	Total Discharges	% of Discharges	Cumulative % of Discharges	Total Area Discharges	Market Share
90011	Los Angeles	2,219	11.7%	11.7%	10,289	21.6%
90037	Los Angeles	1,890	10.0%	21.7%	7,546	25.0%
90044	Los Angeles	1,095	5.8%	27.4%	12,188	9.0%
90003	Los Angeles	1,009	5.3%	32.7%	8,307	12.1%
90018	Los Angeles	773	4.1%	36.8%	6,081	12.7%
90062	Los Angeles	701	3.7%	40.5%	3,935	17.8%
90007	Los Angeles	694	3.7%	44.2%	3,146	22.1%
90006	Los Angeles	668	3.5%	47.7%	5,484	12.2%
90047	Los Angeles	455	2.4%	50.1%	6,944	6.6%
90015	Los Angeles	452	2.4%	52.5%	1,917	23.6%
90043	Los Angeles	431	2.3%	54.7%	6,403	6.7%
90001	Los Angeles	426	2.2%	57.0%	6,129	7.0%
90016	Los Angeles	392	2.1%	59.0%	5,956	6.6%
90002	Los Angeles	383	2.0%	61.1%	5,983	6.4%
90019	Los Angeles	340	1.8%	62.9%	6,177	5.5%
90008	Los Angeles	298	1.6%	64.4%	4,261	7.0%
90013	Los Angeles	281	1.5%	65.9%	3,014	9.3%
90059	Los Angeles	204	1.1%	67.0%	5,717	3.6%
90057	Los Angeles	192	1.0%	68.0%	5,687	3.4%
90061	Los Angeles	186	1.0%	69.0%	3,777	4.9%
90255	Huntington Park	183	1.0%	69.9%	6,210	2.9%
90026	Los Angeles	178	0.9%	70.9%	4,948	3.6%
90004	Los Angeles	150	0.8%	71.7%	4,911	3.1%
90014	Los Angeles	147	0.8%	72.4%	1,426	10.3%
90302	Inglewood	121	0.6%	73.1%	3,219	3.8%
90017	Los Angeles	121	0.6%	73.7%	2,261	5.4%
90005	Los Angeles	101	0.5%	74.2%	2,763	3.7%
90020	Los Angeles	99	0.5%	74.8%	2,779	3.6%
90021	Los Angeles	55	0.3%	75.1%	547	10.1%
90058	Los Angeles	53	0.3%	75.3%	419	12.6%
90305	Inglewood	47	0.2%	75.6%	1,844	2.5%
90012	Los Angeles	42	0.2%	75.8%	3,368	1.2%
90036	Los Angeles	34	0.2%	76.0%	3,178	1.1%
Subtotal		14,420	76.0%	76.0%	156,814	9.2%
Other ZIP Codes		4,557	24.0%	100.0%		
Total Discharges		18,977	100.0%			

Note: Excludes normal newborns

Source: CY 2016 OSHPD Patient Discharge Database

Service Area Map

California Hospital Medical Center’s service area has approximately 1.5 million residents. There are eight other hospitals located within California Hospital Medical Center’s service area: Good Samaritan Hospital, St. Vincent Medical Center, Silver Lake Medical Center, Temple Community Hospital, Los Angeles Metropolitan Medical Center, Olympia Medical Center, Community Hospital of Huntington Park, and Martin Luther King Jr. Community Hospital. There are 18 other hospitals located within approximately 15 miles from California Hospital Medical Center. California Hospital Medical Center is the inpatient market share leader in the service area.



Hospital Market Share

The table below provides the market share of inpatient discharges by individual hospital within California Hospital Medical Center’s service area from CY 2013 to CY 2016.

CALIFORNIA HOSPITAL MEDICAL CENTER SERVICE AREA MARKET SHARE BY HOSPITAL CY 2013 – CY 2016					
Hospital	CY 2013	CY 2014	CY 2015	CY 2016	Trend
California Hospital Medical Center	9.0%	9.0%	9.3%	9.3%	↗
LAC+USC Medical Center	7.1%	7.4%	6.7%	7.2%	→
Cedars Sinai Medical Center	6.6%	6.2%	6.6%	6.7%	→
Centinel Hospital Medical Center	6.9%	7.2%	6.5%	6.1%	↘
Good Samaritan Hospital-Los Angeles	5.8%	5.9%	5.4%	4.9%	↘
St. Francis Medical Center	4.5%	4.6%	4.4%	4.4%	→
St. Vincent Medical Center	3.1%	3.1%	3.7%	4.2%	↗
Hollywood Presbyterian Medical Center	4.4%	4.3%	4.2%	4.1%	↘
Adventist Health White Memorial	3.4%	3.3%	3.2%	3.2%	↘
Kaiser Foundation Hospital - Los Angeles	3.2%	3.2%	3.1%	3.1%	→
LAC/Harbor-UCLA Medical Center	3.5%	3.3%	3.0%	3.0%	↘
Martin Luther King, Jr. Community Hospital	0.0%	0.0%	0.7%	3.0%	↗
Kaiser Foundation Hospital - West LA	4.0%	4.0%	3.9%	2.8%	↘
Children's Hospital of Los Angeles	2.4%	2.5%	2.6%	2.6%	→
Southern California Hospital at Culver City	2.4%	2.7%	2.6%	2.3%	↘
Olympia Medical Center	1.7%	1.6%	2.4%	2.3%	↗
Pacific Alliance Medical Center ¹	2.6%	2.6%	2.5%	2.1%	↘
Community Hospital of Huntington Park	1.8%	1.5%	1.4%	1.4%	↘
Silver Lake Medical Center	0.6%	0.6%	0.9%	1.4%	↗
Memorial Hospital of Gardena	1.3%	1.5%	1.4%	1.4%	→
All Other	25.7%	25.6%	25.5%	24.6%	↘
Total Percentage	100%	100%	100%	100%	
Total Discharges	150,693	150,246	153,229	156,814	↗

Source: OSHPD Discharge Database, CY 2013 – CY 2016

Note: Excludes normal newborns

¹ Pacific Alliance Medical Center closed on 12/31/2017

- The number of discharges in California Hospital Medical Center’s service area has increased by 4.1% from approximately 151,000 inpatient discharges in CY 2013 to nearly 157,000 discharges in CY 2016;
- From CY 2013 to CY 2016, California Hospital Medical Center consistently ranked first in terms of overall market share for its service area based on inpatient discharges (9.3% in 2016); and
- In CY 2016, LAC + USC Medical Center ranked second in market share (7.2%) followed by Cedars Sinai Medical Center (6.7%).

Market Share by Payer Type

The following table illustrates the service area’s hospital inpatient market share by payer type as reported by OSHPD for CY 2016.

CALIFORNIA HOSPITAL MEDICAL CENTER HOSPITAL MARKET SHARE BY PAYER TYPE CY 2016											
Payer Type	Total Discharges	California Hospital Medical Center	LAC+USC Medical Center	Cedars Sinai Medical Center	Centinela Hospital Medical Center	Good Samaritan Hospital- Los Angeles	St. Francis Medical Center	St. Vincent Medical Center	Hollywood Presbyterian Medical Center	All Others	Total
Medi-Cal	80,020	14.5%	11.6%	3.0%	5.8%	4.1%	5.6%	0.7%	5.3%	49.5%	100%
Medicare	45,122	4.9%	3.1%	9.7%	9.6%	4.7%	3.8%	7.0%	3.5%	53.8%	100%
Private Coverage	25,608	2.1%	0.8%	14.0%	1.6%	8.0%	1.4%	10.4%	1.7%	60.0%	100%
All Other	3,489	3.7%	10.1%	2.4%	0.0%	5.9%	0.3%	3.7%	0.3%	73.5%	100%
Self-Pay	2,575	6.6%	5.2%	3.6%	8.2%	1.7%	10.2%	0.9%	7.0%	56.6%	100%
Total Percentage		9.3%	7.2%	6.7%	6.1%	4.9%	4.4%	4.2%	4.1%	53.1%	100%
Total Discharges	156,814	14,608	11,331	10,567	9,579	7,753	6,824	6,519	6,384	83,249	

Note: Excludes normal newborns
Source: CY 2016 OSHPD Patient Discharge Database

- The largest payer category of service area inpatient discharges is Medi-Cal with 80,020 discharges (51%), Medicare at over 45,100 discharges (29%), and Private Coverage at approximately 25,600 discharges (16%);
- California Hospital Medical Center is the inpatient market share leader for Medi-Cal with 14.5% market share;
- Cedars Sinai Medical Center is the inpatient market share leader for Medicare (9.7%), and Private Coverage (14%); and
- St. Francis Medical Center is the market share leader for Self-Pay (10.2%).

Market Share by Service Line

The following table provides the service area’s inpatient market share for CY 2016.

CALIFORNIA HOSPITAL MEDICAL CENTER HOSPITAL MARKET SHARE BY SERVICE LINE CY 2016											
Service Line	Total Discharges	California Hospital Medical Center	LAC+USC Medical Center	Cedars Sinai Medical Center	Centinela Hospital Medical Center	Good Samaritan Hospital- Los Angeles	St. Francis Medical Center	St. Vincent Medical Center	Hollywood Presbyterian Medical Center	All Others	Total
General Medicine	50,633	8.2%	7.8%	6.0%	9.6%	4.2%	3.0%	5.8%	2.8%	52.6%	100%
Obstetrics	22,058	15.8%	2.5%	7.5%	1.6%	10.1%	8.7%	0.0%	11.1%	42.6%	100%
Cardiac Services	17,156	8.9%	7.2%	6.9%	11.1%	6.0%	4.3%	6.7%	3.3%	45.6%	100%
Behavioral Health	13,377	0.9%	4.7%	0.5%	0.7%	0.3%	4.7%	0.2%	0.2%	87.8%	100%
General Surgery	11,915	9.1%	11.8%	8.0%	3.0%	4.0%	3.0%	4.1%	2.8%	54.3%	100%
Neurology	8,262	7.3%	5.9%	6.1%	10.5%	4.7%	4.2%	5.3%	2.8%	53.0%	100%
Neonatology	7,401	20.1%	4.1%	12.3%	1.0%	6.9%	5.4%	0.0%	8.5%	41.5%	100%
Orthopedics	6,970	7.9%	7.6%	9.6%	3.0%	4.0%	2.9%	9.1%	3.0%	52.9%	100%
Oncology/Hematology	5,497	6.3%	12.7%	7.1%	4.6%	3.4%	3.3%	5.9%	2.5%	54.2%	100%
Vascular Services	2,264	7.2%	4.8%	8.4%	9.9%	6.1%	5.2%	6.2%	2.9%	49.2%	100%
Gynecology	2,192	11.9%	11.4%	7.5%	2.3%	3.4%	4.1%	1.9%	3.0%	54.5%	100%
ENT	2,153	10.0%	13.3%	6.3%	1.7%	2.4%	3.3%	2.6%	1.7%	58.7%	100%
Other	2,142	13.4%	14.5%	10.5%	3.1%	3.3%	5.6%	3.2%	1.9%	44.4%	100%
Spine	1,575	6.2%	4.3%	12.0%	6.3%	4.5%	1.9%	5.6%	4.3%	54.9%	100%
Urology	1,540	8.5%	14.4%	8.4%	2.8%	2.7%	3.5%	3.1%	4.4%	52.3%	100%
Neurosurgery	895	5.3%	13.6%	14.9%	2.6%	4.1%	2.2%	3.2%	2.2%	51.8%	100%
Ophthalmology	378	10.3%	33.6%	3.2%	5.8%	0.8%	2.4%	2.4%	2.6%	38.9%	100%
All Other	406	4.4%	5.2%	4.7%	3.9%	1.0%	1.7%	11.3%	2.0%	65.8%	100%
Total Percentage		9.3%	7.2%	6.7%	6.1%	4.9%	4.4%	4.2%	4.1%	53.1%	100%
Total Discharges	156,814	14,608	11,331	10,567	9,579	7,753	6,824	6,519	6,384	83,249	

Note: Excludes normal newborns

Source: CY 2016 OSHPD Patient Discharge Database

- California Hospital Medical Center is the service line leader in three of 18 service lines: obstetrics (16%), neonatology (20%), and gynecology (12%);
- California Hospital Medical Center also has a significant service line market share in general medicine (8%), cardiac services (9%), general surgery (9%), and vascular services (7%);
- LAC + USC Medical Center is the service area inpatient market share leader in seven of 18 service lines: behavioral health (5%), general surgery (12%), oncology (13%), ENT (13%), other services (15%), urology (14%), and ophthalmology (34%); and
- Cedars Sinai Medical Center is the market share leader for three service lines: orthopedics (10%), spine (12%), and neurosurgery (15%).

Market Share by ZIP Code

The following table illustrates the service area’s hospital market share by ZIP Code for CY 2016.

CALIFORNIA HOSPITAL MEDICAL CENTER HOSPITAL MARKET SHARE BY ZIP CODE CY 2016												
ZIP Code	Community	Total Discharges	California Hospital Medical Center	LAC+USC Medical Center	Cedars Sinai Medical Center	Centinela Hospital Medical Center	Good Samaritan Hospital	St. Francis Medical Center	St. Vincent Medical Center	Hollywood Presbyterian Medical Center	All Others	Total
90044	Los Angeles	12,188	9.1%	3.7%	2.8%	19.4%	1.9%	4.0%	0.9%	2.4%	55.6%	100%
90011	Los Angeles	10,289	22.1%	14.1%	1.7%	1.2%	4.6%	2.5%	2.0%	2.6%	49.3%	100%
90003	Los Angeles	8,307	12.4%	5.8%	1.9%	7.3%	2.6%	7.1%	1.1%	2.3%	59.6%	100%
90037	Los Angeles	7,546	25.4%	9.2%	3.4%	4.0%	6.1%	1.4%	3.8%	4.3%	42.4%	100%
90047	Los Angeles	6,944	6.6%	2.4%	5.2%	24.0%	1.4%	2.2%	0.9%	1.1%	56.2%	100%
90043	Los Angeles	6,403	6.7%	2.4%	9.7%	20.2%	2.0%	1.6%	1.7%	1.4%	54.3%	100%
90255	Huntington Park	6,210	3.0%	7.9%	0.8%	0.4%	1.4%	16.8%	0.7%	0.4%	68.7%	100%
90019	Los Angeles	6,177	5.6%	4.2%	19.6%	0.9%	3.4%	0.5%	4.6%	5.0%	56.0%	100%
90001	Los Angeles	6,129	7.0%	5.8%	1.7%	2.9%	1.4%	14.7%	1.0%	1.5%	64.0%	100%
90018	Los Angeles	6,081	12.8%	5.8%	9.6%	1.9%	4.8%	0.6%	4.5%	3.9%	56.0%	100%
90002	Los Angeles	5,983	6.4%	3.5%	1.3%	2.2%	1.0%	21.5%	0.6%	0.7%	62.9%	100%
90016	Los Angeles	5,956	6.6%	3.9%	16.5%	2.7%	2.0%	1.0%	2.2%	2.7%	62.2%	100%
90059	Los Angeles	5,717	3.6%	4.0%	1.1%	1.9%	0.7%	16.2%	0.5%	0.8%	71.2%	100%
90057	Los Angeles	5,687	3.4%	8.8%	2.8%	0.4%	16.6%	0.6%	19.1%	8.0%	40.1%	100%
90006	Los Angeles	5,484	12.3%	7.8%	4.7%	0.4%	13.0%	0.6%	12.5%	8.9%	39.9%	100%
90026	Los Angeles	4,948	3.6%	8.0%	6.7%	0.3%	9.8%	0.4%	11.4%	10.2%	49.7%	100%
90004	Los Angeles	4,911	3.1%	6.9%	13.0%	0.4%	5.4%	0.7%	8.1%	22.1%	40.3%	100%
90008	Los Angeles	4,261	7.1%	3.1%	15.2%	7.2%	2.2%	1.1%	2.2%	2.0%	59.9%	100%
90062	Los Angeles	3,935	18.1%	4.7%	7.8%	10.8%	4.0%	1.3%	2.4%	2.8%	48.3%	100%
90061	Los Angeles	3,777	4.9%	2.3%	1.9%	4.0%	0.7%	10.0%	0.7%	0.7%	74.9%	100%
90012	Los Angeles	3,368	1.2%	35.2%	3.4%	0.2%	8.0%	0.2%	4.8%	2.5%	44.5%	100%
90302	Inglewood	3,219	3.9%	2.1%	8.0%	25.9%	0.9%	1.8%	0.3%	0.9%	56.2%	100%
90036	Los Angeles	3,178	1.1%	0.8%	49.9%	0.3%	1.5%	0.2%	1.3%	1.9%	43.0%	100%
90007	Los Angeles	3,146	22.3%	8.7%	4.1%	1.4%	8.7%	1.0%	5.6%	4.3%	43.9%	100%
90013	Los Angeles	3,014	9.3%	29.4%	2.9%	0.7%	5.9%	1.2%	3.6%	2.0%	44.9%	100%
90020	Los Angeles	2,779	3.6%	6.8%	11.2%	0.1%	9.2%	0.3%	12.1%	16.7%	39.9%	100%
90005	Los Angeles	2,763	3.7%	7.4%	9.2%	0.3%	16.2%	0.4%	16.6%	12.9%	33.5%	100%
90017	Los Angeles	2,261	5.4%	10.1%	4.2%	0.4%	26.7%	0.6%	11.6%	5.3%	35.7%	100%
90015	Los Angeles	1,917	23.7%	8.4%	5.4%	0.3%	14.1%	0.6%	7.1%	4.2%	36.2%	100%
90305	Inglewood	1,844	2.5%	1.1%	7.9%	27.9%	1.2%	1.6%	0.7%	0.3%	56.8%	100%
90014	Los Angeles	1,426	10.3%	23.6%	4.6%	0.6%	9.5%	0.6%	8.1%	4.1%	38.6%	100%
90021	Los Angeles	547	10.1%	24.7%	2.9%	1.1%	5.7%	2.2%	2.0%	2.4%	49.0%	100%
90058	Los Angeles	419	12.6%	7.6%	2.1%	1.4%	1.7%	4.8%	1.0%	1.7%	67.1%	100%
Total Percentage			9.3%	7.2%	6.7%	6.1%	4.9%	4.4%	4.2%	4.1%	53.1%	100%
Total Discharges		156,814	14,610	11,331	10,567	9,579	7,753	6,824	6,517	6,384	83,249	

Note: Excludes normal newborns

Source: CY 2016 OSHPD Patient Discharge Database

- California Hospital Medical Center is the inpatient market share leader in eight of the 33 service area ZIP Codes, all of which are within the City of Los Angeles; and
- Centinela Hospital Medical Center is the inpatient market share leader in five service area ZIP Codes also located within the City of Los Angeles; and
- St. Francis Medical Center is the inpatient market share leader in five service area ZIP Codes located within the Cities of Los Angeles and Huntington Park.

Profile of Glendale Memorial Hospital and Health Center

Overview

Glendale Memorial Hospital and Health Center, located at 1420 South Central Avenue in Glendale, California, serves the residents of Glendale, La Crescenta, La Cañada, Burbank, and the eastern portion of the San Fernando Valley corridor. Six Glendale community members opened Glendale Memorial Hospital and Health Center (originally Physicians and Surgeons Hospital) as a 47 licensed bed hospital in 1926.

Today, Glendale Memorial Hospital and Health Center offers a range of services including: Nine surgical operating rooms and a basic emergency department with 21 emergency treatment stations, six of which are fast track²⁷ treatment stations. According to Glendale Memorial Hospital and Health Center’s current hospital license, it is licensed for 334 beds as shown below, however, 19 beds are in suspense

GLENDALE MEMORIAL HOSPITAL AND HEALTH CENTER LICENSED BED DISTRIBUTION	
Licensed Bed Type	Number of Beds ¹
General Acute Care Beds	
Perinatal ²	24
Rehabilitation	14
Neonatal Intensive Care	13
Coronary Care	12
Intensive Care	12
Unspecified General Acute Care	180
Total General Acute Care Beds	255
Acute Psychiatric (D/P) ²⁸	49 ³
Skilled Nursing (D/P)	30
Total Licensed Beds	334

¹ 2018 Hospital License

² 6 Perinatal beds are being utilized as LDRP rooms

³ 19 of the 49 Acute Psychiatric beds are in suspense

²⁷ Provides emergency level medical care for patients aged two and older who have minor illnesses and injuries.

²⁸ The Hospital is Lanterman-Petris-Short Act designated 24-hour facility to receive Welfare and Institutions Code section 5150 patients. This designation allows medical personnel to place an involuntary 72-hour hold on a person who is: a danger to themselves, a danger to others, or gravely disabled.

Key Statistics

For FY 2017, Glendale Memorial Hospital and Health Center reported 10,030 inpatient discharges, 47,417 patient days, and an average daily census of 130 patients (approximately 39% occupancy).

GLENDALE MEMORIAL HOSPITAL AND HEALTH CENTER KEY STATISTICS FY 2015 - FY 2017 ¹			
	FY 2015	FY 2016	FY 2017
Inpatient Discharges	12,026	10,167	10,030
Licensed Beds	334	334	334
Patient Days	51,541	53,644	47,417
Average Daily Census	141	147	130
Occupancy	42.3%	44.0%	38.9%
Average Length of Stay	4.3	5.3	4.7
Cardiac Catheterization Procedures	3,174	3,595	3,904
Emergency Service Visits	39,258	39,896	38,514
Total Live Births	1,997	1,757	1,718

Sources: OSHPD Disclosure Reports, FY 2015 - FY 2017

¹ FY 2015 and FY 2016 data is from audited OSHPD Disclosure Reports whereas FY 2017 data is from unaudited.

- Since FY 2015, both inpatient discharges and patient days have decreased by approximately 17% and 8% respectively;
- Between FY 2015 and FY 2017, emergency service visits have remained relatively stable;
- In FY 2017, there were 3,904 cardiac catheterization procedures reported; and
- Between FY 2015 and FY 2017, total live births decreased by 14%, with an average of 1,824 births annually.

Patient Utilization Trends

The following table shows FY 2013-FY 2017 volume trends at Glendale Memorial Hospital and Health Center.

GLENDALE MEMORIAL HOSPITAL AND HEALTH CENTER SERVICE VOLUMES FY 2013 - FY 2017¹					
PATIENT DAYS	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
Medical/Surgical ²	31,846	34,925	34,650	36,976	32,191
Neonatal Intensive Care	3,078	3,394	2,814	2,395	2,602
Intensive Care	5,467	4,183	5,216	5,051	4,142
Obstetrics	5,587	5,760	5,592	5,588	5,040
Physical Rehabilitation Care	2,471	2,009	3,269	3,634	3,442
Total	48,449	50,271	51,541	53,644	47,417
DISCHARGES					
Medical/Surgical ²	7,245	7,051	9,265	7,483	7,540
Neonatal Intensive Care	301	254	249	252	245
Intensive Care	300	508	258	266	226
Obstetrics	1,990	1,873	1,985	1,853	1,734
Physical Rehabilitation Care	178	163	269	313	285
Total	10,014	9,849	12,026	10,167	10,030
AVERAGE LENGTH OF STAY					
Medical/Surgical ²	4.4	5.0	3.7	4.9	4.3
Neonatal Intensive Care	10.2	13.4	11.3	9.5	10.6
Intensive Care	18.2	8.2	20.2	19.0	18.3
Obstetrics	2.8	3.1	2.8	3.0	2.9
Physical Rehabilitation Care	13.9	12.3	12.2	11.6	12.1
Total	4.8	5.1	4.3	5.3	4.7
AVERAGE DAILY CENSUS					
Medical/Surgical ²	87.2	95.7	94.9	101.3	88.2
Neonatal Intensive Care	8.4	9.3	7.7	6.6	7.1
Intensive Care	15.0	11.5	14.3	13.8	11.3
Obstetrics	15.3	15.8	15.3	15.3	13.8
Physical Rehabilitation Care	6.8	5.5	9.0	10.0	9.4
Total	133	138	141	147	130
OTHER SERVICES					
Inpatient Surgeries	1,864	2,046	1,950	1,859	3,538
Outpatient Surgeries	3,026	2,950	2,643	2,509	3,601
Emergency Service Visits	23,078	22,503	31,956	32,635	31,928
Total Live Births	2,034	2,034	1,997	1,757	1,718

Sources: OSHPD Disclosure Reports, FY 2013 - FY 2017

¹ FY 2013 to FY 2016 data is from audited OSHPD Disclosure Reports whereas FY 2017 is from unaudited.

² Includes Definitive Observation Beds

A review of Glendale Memorial Hospital and Health Center’s historical utilization trends between FY 2013 and FY 2017 supports the following conclusions:

- Total patient days have decreased by 2%;
- Inpatient discharges have remained relatively unchanged with the exception of FY 2015 (approximately 12,000 inpatient discharges);
- Total live births have decreased by 16% from 2,034 in FY 2013 to 1,718 in FY 2017; and
- Emergency service visits increased by nearly 27% over the five-year period to 31,928 visits in FY 2017.

Financial Profile

Over the last five fiscal years, Glendale Memorial Hospital and Health Center has had a negative net income ranging from a loss of \$25.1 million in FY 2013 to a loss of \$43.1 million in FY 2017. Between FY 2013 and FY 2017, net patient revenue and total operating revenue decreased by 4% and 7%, respectively. Over the same period, the Hospital's operating expenses increased by 2% from \$232.6 million in FY 2013 to \$236.7 million in FY 2017. Other operating revenue decreased 82% over the five-year period from \$6.4 million in FY 2013 to \$1.2 million in FY 2017.

The Hospital's current-ratio has fluctuated over the last five years from 1.08 in FY 2013 to 1.25 in FY 2017. The California current ratio in FY 2016 was 1.56. The Hospital's percentage of bad debt is equal to that of the state average of 0.8%.

GLENDALE MEMORIAL HOSPITAL AND HEALTH CENTER FINANCIAL AND RATIO ANALYSIS FY 2013 - FY 2017 ¹						
	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	
Patient Days	48,449	50,271	51,541	53,644	47,417	-
Discharges	10,014	9,849	12,026	10,167	10,030	-
ALOS	4.8	5.1	4.3	5.3	4.7	-
Net Patient Revenue	\$200,252,912	\$173,384,636	\$234,606,133	\$222,702,205	\$191,345,798	-
Other Operating Revenue	\$6,433,643	\$3,360,266	\$2,584,065	\$2,967,117	\$1,189,406	-
Total Operating Revenue	\$206,686,555	\$176,744,902	\$237,190,198	\$225,669,322	\$192,535,204	-
Operating Expenses	\$232,602,871	\$211,860,389	\$252,051,087	\$252,752,883	\$236,662,171	-
Net from Operations	(\$25,916,316)	(\$35,115,487)	(\$14,860,889)	(\$27,083,561)	(\$44,126,967)	-
Net Non-Operating Revenues and Expenses	\$805,653	\$279,639	(\$8,628,747)	\$466,292	\$997,561	-
Net Income	(\$25,110,663)	(\$34,835,848)	(\$23,489,636)	(\$26,617,269)	(\$43,129,406)	-
						2016 California Average ²
Current Ratio	1.08	1.43	1.74	1.32	1.25	1.56
Days in A/R	53.8	74.5	50.5	60.6	59.6	57.1
Bad Debt Rate	3.1%	2.6%	-0.3%	1.0%	0.8%	0.8%
Operating Margin	-12.54%	-19.87%	-6.27%	-12.00%	-22.92%	2.74%

Source: OSHPD Disclosure Reports, FY 2013 - FY 2017

¹ FY 2013 to FY 2016 data is from audited OSHPD Disclosure Reports whereas FY 2017 is from unaudited.

² FY 2017 California data was not available when the data was collected to prepare this report.

Cost of Hospital Services

Glendale Memorial Hospital and Health Center’s operating cost of services includes both inpatient and outpatient care. In FY 2017, 50% of total costs were associated with Medicare, 36% with Medi-Cal, and 12% with Third-Party.

GLENDALE MEMORIAL HOSPITAL AND HEALTH CENTER OPERATING EXPENSES BY PAYER CATEGORY FY 2013 - FY 2017 ¹					
	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
Operating Expenses	\$232,602,871	\$211,860,389	\$252,051,087	\$252,752,883	\$236,662,171
Cost of Services By Payer:					
Medicare	\$101,911,882	\$105,331,599	\$127,126,955	\$125,056,802	\$117,538,307
Medi-Cal	\$69,483,101	\$71,919,484	\$88,725,727	\$98,192,324	\$85,780,886
County Indigent	\$0	\$0	\$0	\$0	\$0
Third-Party	\$48,274,818	\$24,839,724	\$30,785,099	\$21,979,778	\$29,339,247
Other Indigent	\$983,706	\$2,603,382	\$2,909,925	\$1,866,483	\$781,092
All Other Payers	\$11,949,363	\$7,166,199	\$2,503,381	\$5,657,495	\$3,222,638

Source: OSHPD Disclosure Reports, FY 2013 - FY 2017

¹ FY 2013 to FY 2016 data is from audited OSHPD Disclosure Reports whereas FY 2017 is from unaudited.

Charity Care

The following table shows a comparison of charity care and bad debt for Glendale Memorial Hospital and Health Center and all general acute care hospitals in the State of California. The five-year (FY 2013 – FY 2017) average of charity care and bad debt, as a percentage of gross patient revenue, was 3.4% and higher than the four-year statewide average of 2.5%. According to OSHPD, “...the determination of what is classified as charity care can be made by establishing whether or not the patient has the ability to pay. The patient’s accounts receivable must be written off as bad debt if the patient has the ability but is unwilling to pay off the account.”

GLENDALE MEMORIAL HOSPITAL AND HEALTH CENTER CHARITY CARE COMPARISON FY 2013 - FY 2017 ¹ (In Thousands)										
	FY 2013		FY 2014		FY 2015		FY 2016		FY 2017	
	Hospital	CA	Hospital	CA	Hospital	CA	Hospital	CA	Hospital	CA ²
Gross Patient Revenue	\$942,833	\$320,382,471	\$975,478	\$338,322,364	\$1,010,250	\$365,501,463	\$1,030,178	\$396,427,743	\$965,496	-
Charity	\$25,047	\$6,563,487	\$15,785	\$5,113,965	\$28,837	\$3,441,227	\$24,350	\$3,457,868	\$5,587	-
Bad Debt	\$29,695	\$5,891,632	\$24,892	\$4,365,936	(\$3,486)	\$3,262,642	\$10,001	\$3,108,971	\$8,156	-
Total Charity & Bad Debt	\$54,741	\$12,455,119	\$40,677	\$9,479,902	\$25,351	\$6,703,869	\$34,351	\$6,566,839	\$13,743	-
Charity Care as a % of Gross Patient Revenue	2.7%	2.0%	1.6%	1.5%	2.9%	0.9%	2.4%	0.9%	0.6%	-
Bad Debt as a % of Gross Patient Revenue	3.1%	1.8%	2.6%	1.3%	-0.3%	0.9%	1.0%	0.8%	0.8%	-
Total as a % of Gross Patient Revenue	5.8%	3.9%	4.2%	2.8%	2.5%	1.8%	3.3%	1.7%	1.4%	-
Uncompensated Care										
Cost to Charge Ratio	24.0%	24.5%	21.4%	23.6%	24.7%	24.1%	24.2%	23.8%	24.4%	-
Charity	\$6,008	\$1,608,711	\$3,374	\$1,207,919	\$7,121	\$828,647	\$5,904	\$822,627	\$1,363	-
Bad Debt	\$7,123	\$1,444,039	\$5,320	\$1,031,234	(\$861)	\$785,644	\$2,425	\$739,624	\$1,989	-
Total	\$13,131	\$3,052,750	\$8,694	\$2,239,153	\$6,260	\$1,614,292	\$8,329	\$1,562,251	\$3,352	-

Source: OSHPD Disclosure Reports FY 2013 - FY 2017

¹ FY 2013 to FY 2016 data is from audited OSHPD Disclosure Reports whereas FY 2017 is from unaudited.

² FY 2017 California data was not available when the data was collected to prepare this report.

The following table shows the Hospital’s historical costs for charity care as reported to OSHPD. Charity care costs have decreased from approximately \$6.0 million in FY 2013 to \$1.4 million in FY 2017. The average cost of charity care for the last three-year and five-year periods was both \$4.8 million.

GLENDALE MEMORIAL HOSPITAL AND HEALTH CENTER COST OF CHARITY CARE FY 2013 - FY 2017 ¹			
Year	Charity Care Charges	Cost to Charge Ratio	Cost of Charity Care to the Hospital
FY 2017	\$5,587,190	24.4%	\$1,362,648
FY 2016	\$24,349,949	24.2%	\$5,904,095
FY 2015	\$28,837,088	24.7%	\$7,120,911
FY 2014	\$15,785,073	21.4%	\$3,373,925
FY 2013	\$25,046,765	24.0%	\$6,008,281
FY 2015 - FY 2017 Average			\$4,795,885
FY 2013 - FY 2017 Average			\$4,753,972

Source: OSHPD Disclosure Reports FY 2013 - FY 2017

¹ FY 2013 to FY 2016 data is from audited OSHPD Disclosure Reports whereas FY 2017 is from unaudited.

In the application to the California Attorney General, Dignity Health reported the following combined distribution of charity care costs by inpatient, outpatient, and emergency room costs in the table below. Note that these totals are different than what Dignity Health reported to OSHPD.

GLENDALE MEMORIAL HOSPITAL AND HEALTH CENTER COST OF CHARITY CARE BY SERVICE FY 2013 - FY 2017				
	Inpatient	Outpatient	Emergency Room	Total Costs
FY 2017:				
Cost of Charity	\$803,033	\$305,837	\$137,393	\$1,246,263
Visits/Discharges	60	247	243	
FY 2016:				
Cost of Charity	\$838,900	\$508,898	\$210,679	\$1,558,477
Visits/Discharges	63	498	396	
FY 2015:				
Cost of Charity	\$1,889,089	\$1,152,766	\$457,732	\$3,499,587
Visits/Discharges	154	1,153	865	
FY 2014:				
Cost of Charity	\$1,213,941	\$1,313,767	\$488,270	\$3,015,978
Visits/Discharges	91	1,431	841	
FY 2013:				
Cost of Charity	\$2,753,731	\$1,339,904	\$444,756	\$4,538,391
Visits/Discharges	238	1,531	825	

Source: Dignity Health

Note that these totals are different than what Dignity Health reported to OSHPD. However, after discussion with JD Healthcare Inc. and Vizient Inc., Dignity Health has acknowledged that

an error was made in its calculation of charity care costs. Dignity Health has stated that they will comply with the charity care cost amounts determined in the manner described above.

Community Benefit Services

In the last five years, Glendale Memorial Hospital and Health Center has spent a significant amount on community benefit services. As shown in the table below, the average annual cost of community benefit services over the last three years has been \$1.1 million. The average annual cost of community benefit services over the last five years has been \$1.6 million.

GLENDALE MEMORIAL HOSPITAL AND HEALTH CENTER COMMUNITY BENEFIT SERVICES FY 2013 - FY 2017							
Community Benefit Programs	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2015- FY 2017 AVERAGE	FY 2013- FY 2017 AVERAGE
Benefits for Living in Poverty	\$988,126	\$480,040	\$922,595	\$311,300	\$410,522	\$548,139	\$622,517
Benefits for Broader Community	\$2,304,075	\$2,068,264	\$2,051,370	\$235,193	\$672,896	\$986,486	\$1,466,360
Totals	\$3,292,201	\$2,548,304	\$2,973,965	\$546,493	\$1,083,418	\$1,534,625	\$2,088,876
Non-Community Benefit Programs							
Medi-Cal Provider Fee CHFT Grant Expense	(\$817,633)	(\$343,287)	(\$788,695)	(\$205,577)	(\$285,522)	-	-
Adjusted Totals	\$2,474,568	\$2,205,017	\$2,185,270	\$340,916	\$797,896	\$1,108,027	\$1,600,733

Source: Dignity Health, Dignity Health Glendale Memorial Hospital and Health Center Community Benefit Reports and Plans

- The Hospital’s five-year average cost of community benefit services for persons living in poverty is \$623,000 per year;
- The Hospital’s five-year average cost of community benefit services for the broader community is \$1.5 million per year; and
- Over the five-year period, the Hospital’s adjusted total cost of community benefit services decreased from \$2.5 million per year in FY 2013 to \$798,000 per year in FY 2017.

Glendale Memorial Hospital and Health Center’s community benefit services over the past five fiscal years include the following programs with costs over \$10,000 in FY 2017:

GLENDALE MEMORIAL HOSPITAL AND HEALTH CENTER COST OF COMMUNITY BENEFIT SERVICES FY 2013 - FY 2017					
Services over \$10,000 in cost in FY 2017:	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
50Plus Senior Services	\$14,322	\$17,231	\$23,367	\$11,757	\$30,549
Breastfeeding Resource Center (BFRC) - Support Group	\$8,491	\$13,283	\$10,372	-	\$12,147
Breastfeeding Resource Center (BFRC) - Telephone Warm Line	\$11,498	\$12,984	\$13,380	-	\$14,372
Clinical Rotation for Ultrasound Students (AMSC and CBD)	\$114,434	\$328,143	\$276,304	\$80,503	\$374,955
Clinical Rotation for X-Ray Students	\$150,990	\$217,102	\$136,660	\$31,043	\$178,947
Community Benefit Package	\$72,715	\$56,045	-	-	\$33,678
Dignity Health Community Grants Program	\$156,554	\$117,989	\$119,171	\$105,242	\$125,000
Community Health Fair	-	\$32,501	\$29,056	\$9,430	\$10,862
Community Health Needs Assessment	-	-	-	-	\$13,308

Source: Dignity Health

- 50Plus Senior Services: A program provided for adults 50 years and older. This program includes health education, health activities, and community resources to improve the participants' overall health and well-being;
- Breastfeeding Resource Center (BFRC) – Support Group: Weekly support group for breastfeeding mothers and pregnant mothers to address breastfeeding questions, assess breastfeeding issues, provide resources and for mothers to network;
- Breastfeeding Resource Center (BFRC) – Telephone Warm Line: Telephone support for breastfeeding mothers in the community with questions and concerns regarding breastfeeding;
- Clinical Rotation for Ultrasound Students (AMCS and CBD): Clinical rotation for ultrasound students from American Medical Science Center and Community Based Education;
- Clinical Rotation for X-Ray Students: Clinical rotation for X-Ray students from Pasadena City College;
- Community Benefit Package: Include costs associated with assigned staff not allocated to specific programs, as well as other costs associated with community benefit strategy and operations;
- Dignity Health Community Grants Program: Grant funding to nonprofit organizations working to improve the health and well-being of vulnerable and underserved populations and reduce disparities;
- Community Health Fair: Provide health screenings, education and information at community events; and
- Community Health Needs Assessment: Costs related to conducting a community health needs assessment, creating an implementation strategy and preparing community benefit reports.

Reproductive Health

For CY 2016, Glendale Memorial Hospital and Medical Center reported 88 inpatient discharges related to reproductive health services²⁹. The table below lists inpatient reproductive services by diagnostic related group (DRG) discharges for CY 2016.

GLENDALE MEMORIAL HOSPITAL AND HEALTH CENTER CY 2016 REPRODUCTIVE SERVICE BY DIAGNOSTIC RELATED GROUP	
	Discharges
767-Vaginal Delivery W Sterilization &/Or D&C ¹	45
778-Threatened Abortion	21
777-Ectopic Pregnancy	11
770-Abortion W D&C ¹ , Aspiration Curettage Or Hysterotomy	7
779-Abortion W/O D&C ¹	4
Total Discharges:	88

Source: CY 2016 OSHPD Patient Discharge Database

¹D&C is an abbreviation for Dilation and Curettage

- Out of the five diagnostic related groups, 767-Vaginal delivery with sterilization has the highest number of reproductive service inpatient discharges.

According to Dignity Health representatives, the table indicates whether the Hospital performs the following women’s reproductive health services.

GLENDALE MEMORIAL HOSPITAL & MEDICAL CENTER REPRODUCTIVE SERVICES	
Procedure	Currently Performed? (Y/N)
Caesarean delivery with sterilization	Yes
Terminate pregnancy when:	
A. Placenta previa	No
B. Premature rupture of membranes	Yes, if medically indicated
C. Second trimester bleeding with previable fetus	Yes, if medically indicated
Placement of an IUD at time of other gynecological surgery	No, placement done in our outpatient clinics
Postpartum placement of IUD	No, not in the hospital
Gender affirming surgery	No, in the planning stages
Emergency contraception as emergency room or inpatient service	Yes, if indicated, in cases of rape in the ED.
Ectopic pregnancy treatment with methotrexate (medication in lieu of surgery)	Yes

Source: Dignity Health

²⁹ Glendale Memorial Hospital is not a Catholic hospital and is not subject to the Catholic ERDs.

Analysis of Glendale Memorial Hospital and Health Center

Service Area Definition

Glendale Memorial Hospital and Health Center’s primary service area and secondary service area are comprised of 60 ZIP Codes from which 76.5% of its discharges originated in CY 2016. Twenty of the 60 ZIP Codes constitute the Hospital’s primary service area (56.9% of inpatient discharges) and the remaining originate from the Hospital’s secondary service area.

Approximately 50% of the Hospital’s discharges originated from the top 11 ZIP Codes, including the cities of Glendale and Los Angeles. In CY 2016, market share in the Hospital’s primary service and secondary service area was 4.1%.

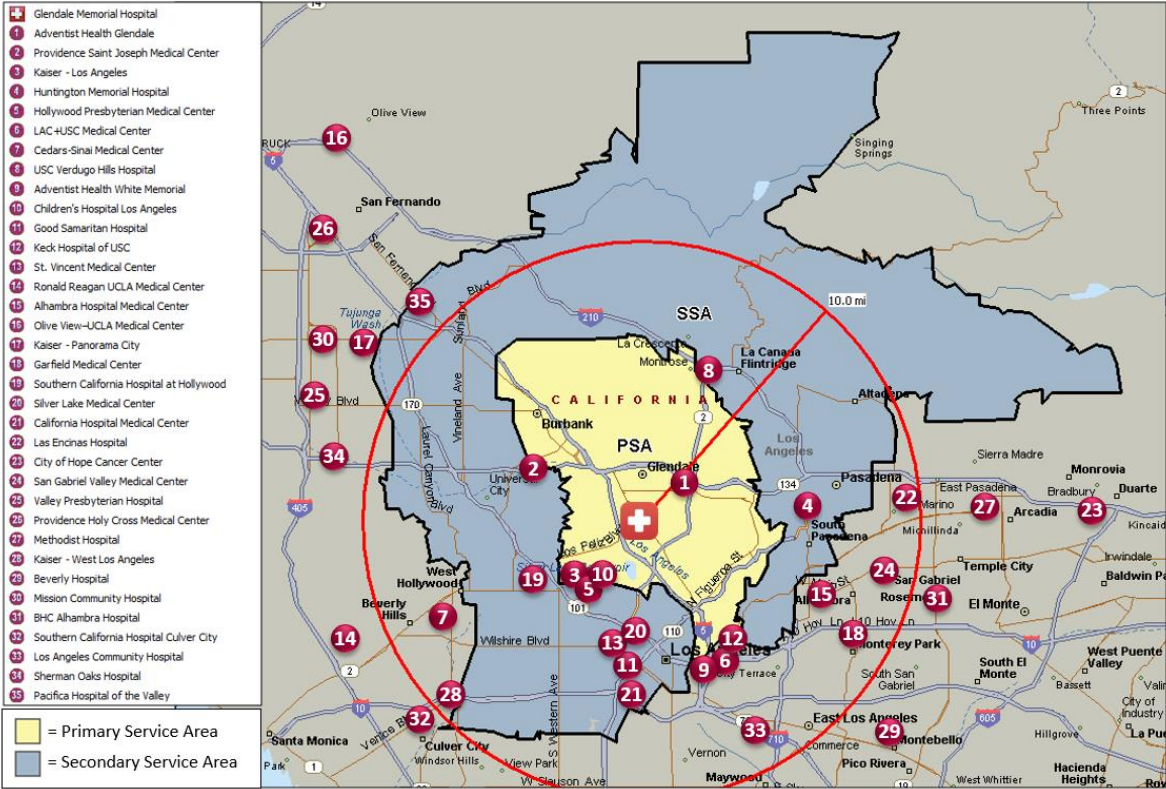
GLENDALE MEMORIAL HOSPITAL AND HEALTH CENTER PATIENT ORIGIN CY 2016							
	ZIP Codes	Community	Total Discharges	% of Discharges	Cumulative % of Discharges	Total Area Discharges	Market Share
Primary Service Area	91205	Glendale	1,166	11.6%	11.6%	4,666	25.0%
	91204	Glendale	755	7.5%	19.0%	2,141	35.3%
	90065	Los Angeles	700	6.9%	26.0%	4,150	16.9%
	90039	Los Angeles	526	5.2%	31.2%	2,387	22.0%
	90027	Los Angeles	351	3.5%	34.7%	4,438	7.9%
	91206	Glendale	340	3.4%	38.0%	3,760	9.0%
	91202	Glendale	339	3.4%	41.4%	2,367	14.3%
	90042	Los Angeles	335	3.3%	44.7%	5,348	6.3%
	91203	Glendale	269	2.7%	47.4%	1,513	17.8%
	91201	Glendale	223	2.2%	49.6%	2,462	9.1%
	90041	Los Angeles	173	1.7%	51.3%	2,636	6.6%
	90031	Los Angeles	127	1.3%	52.6%	3,201	4.0%
	91504	Burbank	87	0.9%	53.4%	2,153	4.0%
	91501	Burbank	87	0.9%	54.3%	1,780	4.9%
	91207	Glendale	82	0.8%	55.1%	1,061	7.7%
	91502	Burbank	76	0.8%	55.8%	1,315	5.8%
	91208	Glendale	46	0.5%	56.3%	1,439	3.2%
	91020	Montrose	31	0.3%	56.6%	1,022	3.0%
	91506	Burbank	20	0.2%	56.9%	1,778	1.1%
	91210	Glendale	10	0.1%	56.7%	57	17.5%
Primary Service Area Sub-Total			5,743	56.9%	56.9%	49,674	11.6%
Secondary Service Area Sub-Total			1,982	19.6%	76.5%	136,716	1.4%
SSA+PSA			7,725	76.5%	76.5%	186,390	4.1%
Other ZIPs			2,368	23.5%	100.0%		
Total Discharges			10,093	100.0%			

Note: Excludes normal newborns

Source: CY 2016 OSHPD Patient Discharge Database

Service Area Map

Glendale Memorial Hospital and Health Center’s primary service area and secondary service areas have approximately 2 million residents. There are five other hospitals located within Glendale Memorial Hospital and Health Center’s primary service area and nine other hospitals within the secondary service area. There are 21 other hospitals located within approximately 15 miles from Glendale Memorial Hospital and Health Center. Glendale Memorial Hospital and Health Center has second-largest inpatient market share in the primary service area.



Hospital Market Share

The table below provides the market share of inpatient discharges by individual hospital within Glendale Memorial Hospital and Health Center’s primary service area from CY 2013 to CY 2016.

GLENDALE MEMORIAL HOSPITAL AND HEALTH CENTER PRIMARY SERVICE AREA MARKET SHARE BY HOSPITAL CY 2013 – CY 2016					
Hospital	CY 2013	CY 2014	CY 2015	CY 2016	Trend
Adventist Health Glendale	25.1%	25.2%	25.6%	26.6%	↗
Glendale Memorial Hospital and Health Center	12.7%	12.8%	12.6%	11.6%	↘
Providence Saint Joseph Medical Center	9.0%	9.1%	9.4%	9.3%	↗
Kaiser Foundation Hospital - Los Angeles	6.9%	6.7%	7.1%	7.4%	↗
Huntington Memorial Hospital	5.3%	5.6%	5.9%	6.3%	↗
Hollywood Presbyterian Medical Center	3.5%	3.7%	3.5%	3.4%	↘
LAC+USC Medical Center	3.8%	3.9%	3.4%	3.4%	↘
Cedars Sinai Medical Center	3.2%	3.0%	3.3%	3.3%	→
USC Verdugo Hills Hospital	3.2%	3.2%	3.1%	3.2%	→
Adventist Health White Memorial	2.3%	2.1%	2.1%	2.0%	↘
Children's Hospital of Los Angeles	1.7%	2.0%	1.9%	1.9%	→
Pacific Alliance Medical Center	1.3%	1.5%	1.3%	1.4%	→
Good Samaritan Hospital-Los Angeles	1.2%	1.3%	1.2%	1.2%	→
Keck Hospital of USC	1.0%	1.3%	1.2%	1.2%	→
St. Vincent Medical Center	1.2%	1.0%	1.0%	1.1%	→
Ronald Reagan UCLA Medical Center	0.8%	0.8%	1.0%	0.9%	→
Alhambra Hospital Medical Center	0.7%	0.9%	0.8%	0.9%	→
Los Angeles County Olive View-UCLA Medical Center	1.2%	1.0%	0.8%	0.8%	↘
Kaiser Foundation Hospital- Panorama City	0.8%	0.7%	0.8%	0.7%	→
Garfield Medical Center	0.8%	0.6%	0.7%	0.7%	→
Southern California Hospital at Hollywood	0.9%	0.8%	0.7%	0.6%	↘
Silver Lake Medical Center - Downtown Campus	0.3%	0.2%	0.4%	0.6%	↗
California Hospital Medical Center	0.4%	0.5%	0.5%	0.6%	↗
All Other	12.6%	11.8%	11.5%	11.0%	↘
Total Percentage	100%	100%	100%	100%	
Total Discharges	50,734	49,269	48,813	49,674	↘

Source: OSHPD Discharge Database, CY 2013 – CY 2016

Note: Excludes normal newborns

- The number of discharges in Glendale Memorial Hospital and Health Center’s primary service area decreased by 2%;
- Since CY 2013, Adventist Health Glendale has consistently ranked first in market share for the primary service area (26.6% of inpatient discharges in CY 2016); and

Market Share by Payer Type

The following table illustrates the service area’s hospital inpatient market share by payer type as reported by OSHPD for CY 2016.

GLENDALE MEMORIAL HOSPITAL AND HEALTH CENTER HOSPITAL MARKET SHARE BY PAYER CY 2016											
Payer Type	Total Discharges	Adventist Health Glendale	Glendale Memorial Hospital And Health Center	Providence Saint Joseph Medical Center	Kaiser Foundation Hospital - Los Angeles	Huntington Memorial Hospital	Hollywood Presbyterian Medical Center	LAC+USC Medical Center	Cedars Sinai Medical Center	All Others	Total
Medicare	21,225	32.5%	14.2%	10.9%	7.2%	4.6%	3.4%	1.4%	2.2%	23.6%	100%
Medi-Cal	14,147	26.9%	14.5%	5.7%	1.6%	3.3%	5.7%	8.5%	1.0%	32.8%	100%
Private Coverage	12,753	17.6%	4.9%	10.6%	14.7%	12.1%	1.1%	0.7%	7.8%	30.5%	100%
All Other	832	12.5%	2.2%	4.3%	1.1%	9.4%	0.5%	7.7%	1.3%	61.1%	100%
Self-Pay	717	25.8%	6.0%	15.3%	4.0%	9.3%	5.7%	3.9%	1.1%	28.7%	100%
Total Percentage		26.6%	11.6%	9.3%	7.4%	6.3%	3.4%	3.4%	3.3%	28.7%	100%
Total Discharges	49,674	13,233	5,743	4,633	3,663	3,121	1,712	1,688	1,627	14,254	

Note: Excludes normal newborns

Source: CY 2016 OSHPD Patient Discharge Database

- The largest payer type for inpatient discharges is Medicare with approximately 21,200 discharges (43%), followed by Medi-Cal with approximately 14,100 discharges (28%), and Private Coverage with nearly 12,800 discharges (26%);
- Adventist Health Glendale is the market share leader for all payer types listed: Medicare (33%), Medi-Cal (27%), Self-Pay (26%), and Private Coverage (18%); and
- Glendale Memorial Hospital and Health Center ranks second-largest market share leader in both inpatient Medicare (14%) and Medi-Cal (15%).

Market Share by Service Line

The following table provides the service area’s inpatient market share for CY 2016.

CY 2016 GLENDALE MEMORIAL HOSPITAL AND HEALTH CENTER HOSPITAL MARKET SHARE BY SERVICE LINE											
Service Line	Total Discharges	Adventist Health Glendale	Glendale Memorial Hospital And Health Center	Providence Saint Joseph Medical Center	Kaiser Foundation Hospital – Los Angeles	Huntington Memorial Hospital	Hollywood Presbyterian Medical Center	LAC+USC Medical Center	Cedars Sinai Medical Center	All Others	Total
General Medicine	15,669	27.5%	12.6%	9.7%	6.3%	5.3%	4.5%	3.4%	2.2%	28.5%	100%
Cardiac Services	6,339	35.4%	14.7%	10.3%	6.9%	3.7%	4.4%	2.6%	2.2%	19.8%	100%
Obstetrics	5,456	23.1%	15.4%	9.8%	12.0%	8.0%	3.6%	1.6%	7.1%	19.4%	100%
General Surgery	4,011	20.3%	9.8%	11.1%	7.1%	7.4%	2.6%	5.0%	4.0%	32.6%	100%
Behavioral Health	3,522	29.0%	5.3%	0.7%	3.6%	4.5%	0.7%	2.2%	0.2%	53.8%	100%
Orthopedics	3,387	25.1%	9.9%	9.1%	7.3%	7.6%	2.8%	3.5%	3.2%	31.6%	100%
Neurology	2,566	29.8%	10.8%	10.2%	7.1%	6.2%	3.3%	3.1%	1.7%	27.7%	100%
Neonatology	1,947	19.9%	12.8%	10.0%	12.4%	11.0%	2.8%	3.1%	9.6%	18.3%	100%
Oncology/Hematology	1,752	26.4%	7.4%	10.6%	7.3%	4.5%	2.7%	5.9%	3.3%	31.9%	100%
Urology	856	26.1%	9.6%	12.0%	7.9%	6.7%	2.1%	2.5%	2.7%	30.5%	100%
Spine	840	24.8%	7.9%	8.9%	6.3%	15.2%	1.1%	2.3%	5.4%	28.2%	100%
Gynecology	802	19.7%	6.0%	14.7%	6.0%	8.5%	2.2%	5.0%	5.2%	32.7%	100%
Other	710	18.3%	7.6%	8.5%	10.0%	10.3%	2.1%	10.6%	3.8%	28.9%	100%
Vascular Services	637	24.2%	16.3%	11.3%	5.5%	4.6%	6.3%	1.7%	2.8%	27.3%	100%
ENT	618	24.3%	7.0%	7.3%	7.4%	7.9%	1.9%	6.8%	2.1%	35.3%	100%
Neurosurgery	379	18.7%	5.0%	5.3%	13.2%	7.7%	1.1%	7.1%	6.3%	35.6%	100%
Ophthalmology	88	10.2%	5.7%	5.7%	5.7%	11.4%	4.5%	21.6%	2.3%	33.0%	100%
No-match-found	70	7.1%	0.0%	5.7%	10.0%	10.0%	2.9%	7.1%	8.6%	48.6%	100%
Total Percentage		26.7%	11.6%	9.3%	7.4%	6.3%	3.4%	3.4%	3.3%	28.7%	100%
Total Discharges	49,649	13,233	5,743	4,629	3,663	3,118	1,712	1,688	1,627	14,236	

Note: Excludes normal newborns
Source: CY 2016 OSHPD Patient Discharge Database

- Glendale Memorial Hospital and Health Center is not a service line leader in its primary service area for any of the service lines but does have significant inpatient market share in general medicine (13%), cardiac services (15%), obstetrics (15%), neurology (11%), neonatology (13%), urology (10%) and vascular services (16%); and
- Adventist Health Glendale is the primary service area inpatient market share leader for 16 service lines with market share ranging from (18.7%) neurosurgery to (35.4%) cardiac services.

Market Share by ZIP Code

The following table illustrates the service area’s hospital market share by ZIP Code for CY 2016.

GLENDALE MEMORIAL HOSPITAL AND HEALTH CENTER HOSPITAL MARKET SHARE BY ZIP CODE CY 2016												
ZIP Code	Community	Total Discharges	Adventist Health Glendale	Glendale Memorial Hospital And Health Center	Providence Saint Joseph Medical Center	Kaiser Foundation Hospital - Los Angeles	Huntington Memorial Hospital	Hollywood Presbyterian Medical Center	LAC+USC Medical Center	Cedars Sinai Medical Center	All Others	Total
90042	Los Angeles	5,348	22.4%	6.3%	0.8%	8.9%	20.7%	0.8%	4.9%	1.9%	33.4%	100%
91205	Glendale	4,666	44.8%	25.0%	1.8%	4.6%	1.8%	1.2%	1.6%	1.5%	17.6%	100%
90027	Los Angeles	4,438	5.8%	7.9%	2.2%	11.8%	1.3%	28.8%	2.3%	9.9%	30.0%	100%
90065	Los Angeles	4,150	21.1%	16.9%	1.1%	10.6%	8.5%	1.2%	6.7%	3.3%	30.7%	100%
91206	Glendale	3,760	55.4%	9.0%	2.7%	5.9%	4.4%	0.8%	0.9%	1.7%	19.2%	100%
90031	Los Angeles	3,201	7.3%	4.0%	0.4%	7.7%	5.4%	1.1%	18.2%	1.2%	54.7%	100%
90041	Los Angeles	2,636	39.2%	6.6%	1.8%	10.4%	13.9%	0.6%	2.2%	2.7%	22.8%	100%
91201	Glendale	2,462	31.5%	9.1%	22.8%	5.1%	2.5%	0.7%	1.1%	2.6%	24.7%	100%
90039	Los Angeles	2,387	10.8%	22.0%	3.1%	14.6%	3.7%	3.4%	3.1%	7.8%	31.4%	100%
91202	Glendale	2,367	47.7%	14.3%	7.6%	4.0%	4.6%	0.5%	0.9%	2.7%	17.7%	100%
91504	Burbank	2,153	10.4%	4.0%	44.9%	4.4%	2.4%	0.7%	0.8%	3.4%	29.0%	100%
91204	Glendale	2,141	27.9%	35.3%	2.7%	4.2%	1.5%	1.1%	3.0%	1.6%	22.7%	100%
91501	Burbank	1,780	15.9%	4.9%	40.8%	5.3%	2.4%	0.7%	0.7%	3.6%	25.7%	100%
91506	Burbank	1,778	5.4%	1.1%	52.9%	4.9%	2.2%	0.2%	1.6%	3.3%	28.5%	100%
91203	Glendale	1,513	45.0%	17.8%	4.0%	5.5%	4.3%	0.7%	2.0%	2.5%	18.2%	100%
91208	Glendale	1,439	32.0%	3.2%	2.8%	6.4%	10.1%	0.3%	0.4%	2.2%	42.7%	100%
91502	Burbank	1,315	18.3%	5.8%	39.2%	3.0%	1.3%	0.9%	0.8%	2.4%	28.4%	100%
91207	Glendale	1,061	46.8%	7.7%	6.2%	6.0%	7.4%	0.2%	0.7%	3.3%	21.6%	100%
91020	Montrose	1,022	20.8%	3.0%	0.9%	5.2%	7.9%	0.6%	0.3%	1.6%	59.7%	100%
91210	Glendale	57	19.3%	17.5%	0.0%	7.0%	0.0%	3.5%	0.0%	15.8%	36.8%	100%
Total Percentage			26.6%	11.6%	9.3%	7.4%	6.3%	3.4%	3.4%	3.3%	28.7%	100%
Total Discharges		49,674	13,233	5,743	4,633	3,663	3,121	1,712	1,688	1,627	14,254	

Note: Excludes normal newborns

Source: CY 2016 OSHPD Patient Discharge Database

- Glendale Memorial Hospital and Health Center is the inpatient market share leader in two of the 20 ZIP Codes within the primary service area; and
- Adventist Health Glendale is the inpatient market share leader in 12 of the 20 ZIP Codes within the primary service area.

Profile of St. Mary Medical Center

Overview

St. Mary Medical Center is located at 1050 Linden Avenue in Long Beach, California. St. Mary Medical Center was founded by the Sisters of Charity of the Incarnate Word in 1923. After an earthquake struck St. Mary Medical Center in 1933, the Sisters of Charity rebuilt the Hospital and continued to expand its services thereafter.

Today, St. Mary Medical Center offers a range of services including: Nine surgical operating rooms and operates a Level II Trauma Center and a basic emergency department with 26 emergency treatment stations. According to the Hospital’s current hospital license, St. Mary Medical Center is licensed for 389 beds; however, 12 rehabilitation, six intensive care, 16 pediatric, and 19 unspecified general acute care beds are currently in suspense.

ST. MARY MEDICAL CENTER LICENSED BED DISTRIBUTION	
Licensed Bed Type	Number of Beds ¹
General Acute Care Beds	
Rehabilitation	46
Intensive Care ³	39
Pediatric ⁴	28
Neonatal Intensive Care	25
Perinatal	25
Coronary Care	8
Unspecified General Acute Care ⁵	218
Total General Acute Care Beds²	389

¹ 2018 Hospital License

² 12 rehabilitation beds suspended from 01/01/2018 to 12/31/2018

³ 6 intensive care beds suspended from 01/01/2018 to 12/31/2018

⁴ 16 pediatric beds suspended from 01/01/2018 to 12/31/2018

⁵ 19 Unspecified general acute care beds suspended from 01/01/2018 to 12/31/2018

Key Statistics

For FY 2017, St. Mary Medical Center reported 11,222 inpatient discharges, 54,632 patient days, and an average daily census of 150 patients (approximately 50% occupied based on 389 available beds).

ST. MARY MEDICAL CENTER KEY STATISTICS FY 2015 - FY 2017 ¹			
	FY 2015	FY 2016	FY 2017
Inpatient Discharges	10,943	11,249	11,222
Licensed Beds	389	389	389
Patient Days	49,296	54,433	54,632
Average Daily Census	135	149	150
Occupancy	34.7%	38.3%	38.5%
Average Length of Stay	4.5	4.8	4.9
Emergency Service Visits	56,001	54,234	54,745
Total Live Births	2,412	2,314	2,489

Sources: OSHPD Disclosure Reports, FY 2015 - FY 2017

¹ FY 2015 and FY 2016 data is from audited OSHPD Disclosure Reports whereas FY 2017 data is from unaudited.

- Inpatient discharges have increased by 3%;
- Between FY 2015 and FY 2017, emergency service visits decreased by 2%;
- Between FY 2015 and FY 2017, total live births have remained relatively constant, with an average of 2,405 births annually.

Patient Utilization Trends

The following table shows FY 2013 – FY 2017 volume trends at St. Mary Medical Center.

ST. MARY MEDICAL CENTER SERVICE VOLUMES FY 2013 - FY 2017¹					
PATIENT DAYS	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
Medical/Surgical ²	24,125	24,871	26,174	31,340	29,500
Neonatal Intensive Care	2,605	2,739	2,831	2,741	2,644
Intensive Care	5,674	6,008	5,824	6,635	7,893
Obstetrics	8,583	8,746	7,874	6,989	7,911
Physical Rehabilitation Care	5,224	5,350	4,985	5,513	5,606
Pediatrics Acute	1,407	1,596	1,608	1,215	1,078
Total	47,618	49,310	49,296	54,433	54,632
DISCHARGES					
Medical/Surgical ²	5,452	5,911	6,670	7,079	7,506
Neonatal Intensive Care	152	191	200	201	218
Intensive Care	1,345	1,452	1,517	1,699	1,764
Obstetrics	2,927	2,968	2,832	2,596	2,687
Physical Rehabilitation Care	376	339	389	451	429
Pediatric Acute	454	243	499	428	413
Total	10,706	11,104	10,943	11,249	11,222
AVERAGE LENGTH OF STAY					
Medical/Surgical ²	4.4	4.2	3.9	4.4	3.9
Neonatal Intensive Care	17.1	14.3	14.2	13.6	12.1
Intensive Care	4.2	4.1	3.8	3.9	4.5
Obstetrics	2.9	2.9	2.8	2.7	2.9
Physical Rehabilitation Care	13.9	15.8	12.8	12.2	13.1
Pediatrics Acute	3.1	6.6	3.2	2.8	2.6
Total	4.4	4.4	4.5	4.8	4.9
AVERAGE DAILY CENSUS					
Medical/Surgical ²	66.1	68.1	71.7	85.9	80.8
Neonatal Intensive Care	7.1	7.5	7.8	7.5	7.2
Intensive Care	15.5	16.5	16.0	18.2	21.6
Obstetrics	23.5	24.0	21.6	19.1	21.7
Physical Rehabilitation Care	14.3	14.7	13.7	15.1	15.4
Pediatrics Acute	3.9	4.4	4.4	3.3	3.0
Total	130	135	135	149	150
OTHER SERVICES					
Inpatient Surgeries	1,111	1,414	1,416	1,651	1,726
Outpatient Surgeries	3,607	4,284	1,936	2,239	2,794
Emergency Service Visits	55,919	54,012	56,001	54,234	54,745
Total Live Births	2,584	2,743	2,412	2,314	2,489

Sources: OSHPD Disclosure Reports, FY 2013 - FY 2017

¹ FY 2013 to FY 2016 data is from audited OSHPD Disclosure Reports whereas FY 2017 is from unaudited.

² Includes Definitive Observation Beds

A review of St. Mary Medical Center’s historical utilization trends between FY 2013 and FY 2017 supports the following conclusions:

- Total patient days have increased by approximately 15% over the five-year period;
- Inpatient discharges have increased by 5% from 10,706 inpatient discharges in FY 2013 to 11,222 in FY 2017;

- The average daily census has increased by 15% from 130 patients in FY 2013 to 150 patients in FY 2017;
- Total live births decreased by 4%; and
- Emergency service visits have decreased by 2%.

Financial Profile

Over the last five fiscal years, St. Mary Medical Center has had a negative net income, with the exception of a \$13.9 million gain in FY 2015. Between FY 2013 and FY 2017, net patient revenue and total operating revenue increased by nearly 19% and 22% respectively, while operating expenses have increased by 32%. Other operating revenue, totaling more than \$59 million over the course of the five-year period, has served to offset some of these increased operating expenses.

The Hospital's current ratio has fluctuated over the last five years but increased from of 1.42 in FY 2013 to a high of 1.54 in FY 2017. The California current ratio in FY 2016 was 1.56. The Hospital's percentage of bad debt of 0.9% is similar to the state average of 0.8%.

ST. MARY MEDICAL CENTER FINANCIAL AND RATIO ANALYSIS FY 2013 - FY 2017 ¹						
	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	
Patient Days	47,618	49,310	49,296	54,433	54,632	-
Discharges	10,706	11,104	10,943	11,249	11,222	-
ALOS	4.4	4.4	4.5	4.8	4.9	-
Net Patient Revenue	\$218,161,618	\$204,244,775	\$273,533,650	\$272,869,849	\$258,998,730	-
Other Operating Revenue	\$7,777,634	\$8,889,050	\$13,126,241	\$12,149,069	\$17,186,795	-
Total Operating Revenue	\$225,939,252	\$213,133,825	\$286,659,891	\$285,018,918	\$276,185,525	-
Operating Expenses	\$232,824,696	\$228,117,723	\$270,784,805	\$296,611,110	\$307,928,584	-
Net from Operations	(\$6,885,444)	(\$14,983,898)	\$15,875,086	(\$11,592,192)	(\$31,743,059)	-
Net Non-Operating Revenues and Expenses	\$113,792	(\$1,699,508)	(\$1,998,948)	(\$6,941,514)	(\$6,448,250)	-
Net Income	(\$6,771,652)	(\$16,683,406)	\$13,876,138	(\$18,533,706)	(\$38,191,309)	-
						2016 California Average ²
Current Ratio	1.42	1.82	2.66	1.47	1.54	1.56
Days in A/R	48.9	75.8	53.8	58.7	58.8	57.1
Bad Debt Rate	3.6%	1.2%	0.7%	1.7%	0.9%	0.8%
Operating Margin	-3.05%	-7.03%	5.54%	-4.07%	-11.49%	2.74%

Source: OSHPD Disclosure Reports, FY 2013 - FY 2017

¹ FY 2013 to FY 2016 data is from audited OSHPD Disclosure Reports whereas FY 2017 is from unaudited.

² FY 2017 California data was not available when the data was collected to prepare this report.

Cost of Hospital Services

St. Mary Medical Center’s operating cost of services includes both inpatient and outpatient care. In FY 2017, 50% of total costs were associated with Medi-Cal, 34% with Medicare, and 13% with Third-Party.

ST. MARY MEDICAL CENTER OPERATING EXPENSES BY PAYER CATEGORY FY 2013 - FY 2017 ¹					
	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
Operating Expenses	\$232,824,696	\$228,117,723	\$270,784,805	\$296,611,110	\$307,928,584
Cost of Services By Payer:					
Medicare	\$85,074,379	\$79,652,121	\$93,568,735	\$109,500,300	\$105,078,711
Medi-Cal	\$93,168,797	\$100,171,524	\$127,764,518	\$138,898,323	\$152,706,636
County Indigent	\$6,549,823	\$4,218,231	\$349,739	\$342,245	\$131,677
Third-Party	\$25,845,564	\$28,971,363	\$40,448,575	\$33,977,445	\$39,280,215
Other Indigent	\$12,365,736	\$10,762,209	\$2,316,175	\$5,512,570	\$2,724,785
All Other Payers	\$9,820,397	\$4,342,274	\$6,337,062	\$8,380,227	\$8,006,561

Source: OSHPD Disclosure Reports, FY 2013 - FY 2017

¹ FY 2013 to FY 2016 data is from audited OSHPD Disclosure Reports whereas FY 2017 is from unaudited.

Charity Care

The following table shows a comparison of charity care and bad debt for St. Mary Medical Center and all general acute care hospitals in the State of California. The five-year (FY 2013 – FY 2017) average of charity care and bad debt, as a percentage of gross patient revenue, was 5.0% and higher than the four-year statewide average of 2.5%. According to OSHPD, “...the determination of what is classified as charity care can be made by establishing whether or not the patient has the ability to pay. The patient’s accounts receivable must be written off as bad debt if the patient has the ability but is unwilling to pay off the account.”

ST. MARY MEDICAL CENTER CHARITY CARE COMPARISON FY 2013 - FY 2017 ¹ (In Thousands)										
	FY 2013		FY 2014		FY 2015		FY 2016		FY 2017	
	Hospital	CA	Hospital	CA	Hospital	CA	Hospital	CA	Hospital	CA ²
Gross Patient Revenue	\$803,592	\$320,382,471	\$857,596	\$338,322,364	\$826,408	\$365,501,463	\$904,392	\$396,427,743	\$942,308	-
Charity	\$51,490	\$6,563,487	\$47,012	\$5,113,965	\$12,072	\$3,441,227	\$25,055	\$3,457,868	\$10,217	-
Bad Debt	\$28,760	\$5,891,632	\$9,887	\$4,365,936	\$5,904	\$3,262,642	\$15,351	\$3,108,971	\$8,064	-
Total Charity & Bad Debt	\$80,250	\$12,455,119	\$56,898	\$9,479,902	\$17,976	\$6,703,869	\$40,406	\$6,566,839	\$18,280	-
Charity Care as a % of Gross Patient Revenue	6.4%	2.0%	5.5%	1.5%	1.5%	0.9%	2.8%	0.9%	1.1%	-
Bad Debt as a % of Gross Patient Revenue	3.6%	1.8%	1.2%	1.3%	0.7%	0.9%	1.7%	0.8%	0.9%	-
Total as a % of Gross Patient Revenue	10.0%	3.9%	6.6%	2.8%	2.2%	1.8%	4.5%	1.7%	1.9%	-
Uncompensated Care										
Cost to Charge Ratio	28.0%	24.5%	25.6%	23.6%	31.2%	24.1%	31.5%	23.8%	30.9%	-
Charity	\$14,420	\$1,608,711	\$12,018	\$1,207,919	\$3,764	\$828,647	\$7,881	\$822,627	\$3,152	-
Bad Debt	\$8,054	\$1,444,039	\$2,527	\$1,031,234	\$1,841	\$785,644	\$4,828	\$739,624	\$2,488	-
Total	\$22,474	\$3,052,750	\$14,545	\$2,239,153	\$5,605	\$1,614,292	\$12,709	\$1,562,251	\$5,640	-

Source: OSHPD Disclosure Reports FY 2013 - FY 2017

¹ FY 2013 to FY 2016 Hospital data is from audited OSHPD Disclosure Reports whereas FY 2017 data is from unaudited.

² FY 2017 California data was not available when the data was collected to prepare this report.

The following table shows St. Mary Medical Center’s historical costs for charity care as reported to OSHPD. St. Mary Medical Center’s charity care costs have decreased from approximately \$14.4 million in FY 2013 to \$3.2 million in FY 2017. The average cost of charity care for the last five-year period was approximately \$8.2 million, while the three-year average cost of charity care was approximately \$4.9 million.

ST. MARY MEDICAL CENTER COST OF CHARITY CARE FY 2013 - FY 2017 ¹			
Year	Charity Care Charges	Cost to Charge Ratio	Cost of Charity Care to the Hospital
FY 2017	\$10,216,671	30.9%	\$3,152,276
FY 2016	\$25,054,743	31.5%	\$7,880,567
FY 2015	\$12,071,945	31.2%	\$3,763,805
FY 2014	\$47,011,509	25.6%	\$12,017,630
FY 2013	\$51,489,848	28.0%	\$14,419,800
FY 2015 - FY 2017 Average			\$4,932,216
FY 2013 - FY 2017 Average			\$8,246,816

Source: OSHPD Disclosure Reports FY 2013 - FY 2017

¹ FY 2013 to FY 2016 data is from audited OSHPD Disclosure Reports whereas FY 2017 is from unaudited.

In the application to the California Attorney General, Dignity Health reported the following combined distribution of charity care costs by inpatient, outpatient, and emergency room costs in the table below.

ST. MARY MEDICAL CENTER COST OF CHARITY CARE BY SERVICE FY 2013 – FY 2017				
	Inpatient	Outpatient	Emergency Room	Total Costs
FY 2017:				
Cost of Charity	\$1,162,217	\$1,240,621	\$952,115	\$3,354,953
Visits/Discharges	76	1,133	1,306	
FY 2016:				
Cost of Charity	\$1,894,149	\$1,474,994	\$1,181,313	\$4,550,456
Visits/Discharges	136	1,459	1,935	
FY 2015:				
Cost of Charity	\$2,166,407	\$2,970,405	\$2,278,301	\$7,415,113
Visits/Discharges	195	2,896	4,467	
FY 2014:				
Cost of Charity	\$6,490,443	\$2,910,846	\$2,172,530	\$11,573,819
Visits/Discharges	584	4,044	4,267	
FY 2013:				
Cost of Charity	\$7,874,693	\$3,393,721	\$2,603,042	\$13,871,456
Visits/Discharges	734	4,756	5,073	

Source: Dignity Health

Note that these totals are different than what Dignity Health reported to OSHPD. However, after discussion with JD Healthcare Inc and Vizient Inc, Dignity Health has acknowledged that an error was made in its calculation of charity care cost. Dignity Health has stated that they will comply with the charity care cost amounts determined in the manner above.

Community Benefit Services

In the last five years, St. Mary Medical Center has spent a significant amount on community benefit services. As shown in the table below, the average annual cost of community benefit services over the last three years has been \$12.1 million. The average annual cost of community benefit services over the last five years has been \$11.8 million.

ST. MARY MEDICAL CENTER COMMUNITY BENEFIT SERVICES FY 2013 - FY 2017							
Community Benefit Programs	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2015- FY 2017 AVERAGE	FY 2013- FY 2017 AVERAGE
Benefits for Living in Poverty	\$7,717,838	\$3,508,923	\$6,182,461	\$3,420,735	\$3,519,450	\$4,374,215	\$4,869,881
Benefits for Broader Community	\$8,281,324	\$6,532,530	\$8,602,123	\$8,178,597	\$8,968,944	\$8,583,221	\$8,112,704
Totals	\$15,999,162	\$10,041,453	\$14,784,584	\$11,599,332	\$12,488,394	\$12,957,437	\$12,982,585
Non-Community Benefit Programs							
Medi-Cal Provider Fee CHFT Grant Expense	(\$2,401,619)	(\$937,679)	(\$1,630,954)	(\$251,679)	(\$628,332)	-	-
Adjusted Totals	\$13,597,543	\$9,103,774	\$13,153,630	\$11,347,653	\$11,860,062	\$12,120,448	\$11,812,532

Source: Dignity Health, St. Mary Medical Center Community Benefit Reports and Plans

- The Hospital’s five-year average cost of community benefit services for persons living in poverty is \$4.9 million per year;
- The Hospital’s five-year average cost of community benefit services for the broader community is \$8.1 million per year; and
- Over the five-year period, the Hospital’s adjusted total cost of community benefit services decreased from \$13.6 million per year in FY 2013 to \$11.9 million per year in FY 2017.

St. Mary Medical Center’s community benefit services over the past five fiscal years include the following programs with costs over \$10,000 in FY 2017:

ST. MARY MEDICAL CENTER					
COST OF COMMUNITY BENEFIT SERVICES FY 2013 - FY 2017					
Services over \$10,000 in cost in FY 2017:	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
Car Seat Program	\$67,494	-	\$64,782	\$87,866	-
Diabetes Outpatient Self-Management	\$84,077	-	-	-	\$11,528
Dignity Health Community Grants	\$109,760	\$120,660	\$111,900	\$110,761	\$131,000
Disaster Resource Center	\$485,169	\$137,564	\$400,720	\$166,831	\$202,820
Events Financially Supported	\$25,655	\$58,856	\$45,111	\$22,041	\$42,816
Families in Good Health: Multiple Programs	\$1,523,585	\$1,148,419	\$2,635,342	\$1,549,159	\$1,434,166
GME Medical Education	\$6,682,508	\$6,036,399	\$7,838,169	\$7,664,399	\$8,316,458
Health Workforce Transformation: Clinical Care Extender, Red Shirt	\$232,548	\$266,642	\$295,114	\$273,393	\$371,042
Helping Hands Christmas Give Away	\$15,000	-	\$15,000	\$25,950	\$14,178
Low Vision Center Program	\$479,253	\$185,134	\$326,548	\$172,496	\$160,329
Mobile Care Van Clinic	\$427,713	\$620,890	\$718,253	\$401,771	\$160,787
Radiology Education Program (Students)	\$70,917	\$70,375	\$68,120	\$73,974	\$78,624
Senior Center Programs (Bazzeni Wellness Center)	\$355,175	\$138,793	\$316,328	\$365,583	\$547,700
Transportation Program Indigent	\$370,853	\$289,173	\$317,218	\$405,661	\$386,950

Source: Dignity Health

- Car Seat Program: Program provides car seats to low-income patients who cannot provide their own and whose infant(s) are born or cared for at the facility;
- Diabetes Outpatient Self-Management: Diabetics learn the tools to manage their diabetes by improving A1C, controlling weight, making lifestyle changes and improving their quality of life;
- Dignity Health Community Grants: Grant funding to nonprofit organizations working to improve the health and well-being of vulnerable and underserved populations and reduce disparities;
- Disaster Resource Center (DRC): Program coordinates, plans and implements effective regional hospital disaster response for the Long Beach community. The DRC also stockpiles disaster supplies;
- Events Financially Supported: Table sponsorships and cash donations to nonprofits;
- Families in Good Health (Multiple Programs): A multilingual, multicultural health and social education outpatient service center that helps the community make informed choices and gain access to health and social resources;
- GME Medical Education: Internal Medicine Residency Program for physician training;

- Health Workforce Transformation: Clinical Care Extender, Red Shirt: Program introducing high school and pre-health school professionals into the healthcare industry with a year-long clinical internship;
- Helping Hands Christmas Give Away: Food baskets and toys for needy families;
- Low Vision Center Program: Provides services that include: near and distance acuity testing, assistance in the selection of appropriate aids, training in the use of optical aids, training in the use of electronic video equipment, and lectures for public and private organizations;
- Mobile Care Van Clinic: Provides screening for identification of chronic diseases and provides health education and navigation;
- Radiology Education Program (Students): Provides a clinical site for various programs.
- Senior Center Programs (Bazzeni Wellness Center): Promotes healthy lifestyles to those 50 years of age or older. Ongoing services include: free health education classes and workshops, free health screenings, free transportation, low-cost exercise programs and a free resource center; and
- Transportation Program Indigent: Transportation services to the Hospital for the uninsured or underinsured.

Reproductive Health

For CY 2016, St. Mary Medical Center reported 136 inpatient discharges related to reproductive health services³⁰. The table below lists all reproductive services by diagnostic related group (DRG) discharges for CY 2016.

ST. MARY MEDICAL CENTER CY 2016 REPRODUCTIVE SERVICE BY DIAGNOSTIC RELATED GROUP	
	Discharges
778-Threatened Abortion	66
777-Ectopic Pregnancy	31
770-Abortion W D&C ¹ , Aspiration Curettage Or Hysterotomy	20
779-Abortion W/O D&C ¹	15
767-Vaginal Delivery W Sterilization &/Or D&C ¹	4
Total Discharges:	136

Source: CY 2016 OSHPD Patient Discharge Database

¹D&C is an abbreviation for Dilation and Curettage

- Out of the five diagnostic related groups, 778-Threatened Abortion has the highest number of reproductive service inpatient discharges.

According to Dignity Health representatives, the table indicates whether the Hospital performs the following women’s reproductive health services.

ST. MARY MEDICAL CENTER REPRODUCTIVE SERVICES	
Procedure	Currently Performed? (Y/N)
Caesarean delivery with sterilization	No
Terminate pregnancy when:	
A. Placenta previa	Yes
B. Premature rupture of membranes	Yes
C. Second trimester bleeding with previable fetus	Yes
Placement of an IUD at time of other gynecological surgery	No
Postpartum placement of IUD	No
Gender affirming surgery	No
Emergency contraception as emergency room or inpatient service	No
Ectopic pregnancy treatment with methotrexate (medication in lieu of surgery)	No

Source: Dignity Health

³⁰ St. Mary Medical Center is a Catholic hospital and is subject to the ERDs.

Analysis of St. Mary Medical Center

Service Area Definition

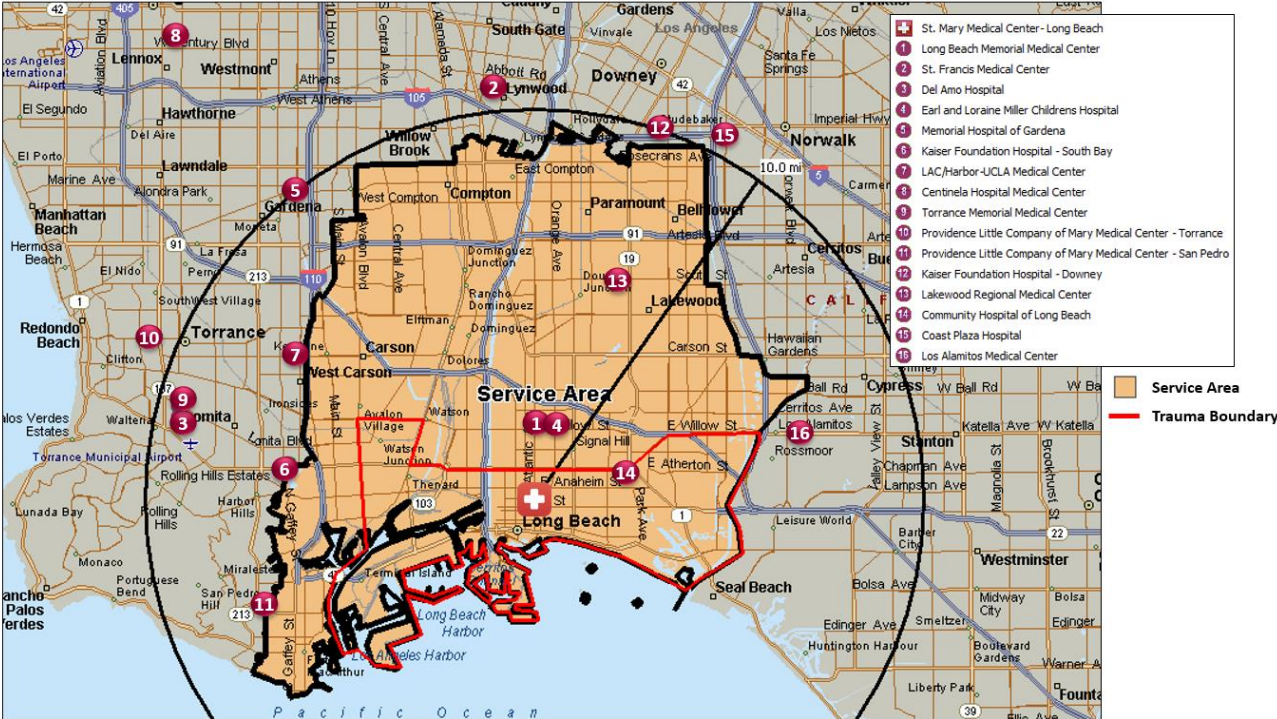
St. Mary Medical Center’s service area is comprised of 26 ZIP Codes from which 79.6% of its discharges originated in CY 2016. Approximately 50% of St. Mary Medical Center’s inpatient discharges originated from the top five ZIP Codes, including the cities of Long Beach and Wilmington. In CY 2016, St. Mary Medical Center’s market share in the service area was 8.8%.

ST. MARY MEDICAL CENTER PATIENT ORIGIN CY 2016						
ZIP Codes	Community	Total Discharges	% of Discharges	Cumulative % of Discharges	Total Area Discharges	Market Share
90813	Long Beach	2,427	21.8%	21.8%	7,155	33.9%
90802	Long Beach	1,091	9.8%	31.5%	4,197	26.0%
90806	Long Beach	681	6.1%	37.6%	5,149	13.2%
90804	Long Beach	624	5.6%	43.2%	3,795	16.4%
90744	Wilmington	603	5.4%	48.6%	5,188	11.6%
90805	Long Beach	575	5.2%	53.8%	9,994	5.8%
90810	Long Beach	412	3.7%	57.5%	3,986	10.3%
90803	Long Beach	266	2.4%	59.9%	2,509	10.6%
90723	Paramount	246	2.2%	62.1%	4,671	5.3%
90221	Compton	236	2.1%	64.2%	5,750	4.1%
90706	Bellflower	226	2.0%	66.2%	7,673	2.9%
90731	San Pedro	225	2.0%	68.2%	6,743	3.3%
90807	Long Beach	208	1.9%	70.1%	3,623	5.7%
90815	Long Beach	189	1.7%	71.8%	3,602	5.2%
90220	Compton	158	1.4%	73.2%	5,697	2.8%
90814	Long Beach	143	1.3%	74.5%	1,379	10.4%
90808	Long Beach	108	1.0%	75.5%	3,515	3.1%
90745	Carson	106	1.0%	76.4%	6,080	1.7%
90755	Signal Hill	92	0.8%	77.2%	1,042	8.8%
90712	Lakewood	70	0.6%	77.9%	2,686	2.6%
90713	Lakewood	68	0.6%	78.5%	2,391	2.8%
90801	Long Beach	47	0.4%	78.9%	277	17.0%
90746	Carson	37	0.3%	79.2%	2,894	1.3%
90704	Avalon	32	0.3%	79.5%	297	10.8%
90707	La Habra	5	0.0%	79.5%	67	7.5%
90809	Long Beach	4	0.0%	79.6%	50	8.0%
Subtotal		8,879	79.6%	79.6%	100,410	8.8%
Other ZIP Codes		2,278	20.4%	100.0%		
Total Discharges		11,157	100.0%			

Note: Excludes normal newborns
Source: CY 2016 OSHPD Patient Discharge Database

Service Area Map

St. Mary Medical Center’s service area has approximately one million residents. There are six other hospitals located within St. Mary Medical Center’s service area: Long Beach Memorial Medical Center, Earl and Loraine Miller Children’s Hospital, Community Hospital of Long Beach, Providence Little Company of Mary Medical Center – San Pedro, Lakewood Regional Medical Center, and Kaiser Foundation Hospital South Bay. There are ten other hospitals located within approximately 10 miles from St. Mary Medical Center. Long Beach Memorial Medical Center is the inpatient market share leader in the service area.



Hospital Market Share

The table below provides the market share of inpatient discharges from CY 2013 to CY 2016.

ST. MARY MEDICAL CENTER SERVICE AREA INPATIENT MARKET SHARE BY HOSPITAL CY 2013 – CY 2016					
Hospital	CY 2013	CY 2014	CY 2015	CY 2016	Trend
Long Beach Memorial Medical Center	14.7%	14.1%	13.8%	14.1%	→
Earl and Loraine Miller Children’s Hospital	9.4%	9.7%	9.3%	9.8%	↗
St. Mary Medical Center	9.1%	9.2%	9.2%	8.8%	↘
Torrance Memorial Medical Center	4.4%	4.6%	4.7%	5.2%	↗
Lakewood Regional Medical Center	5.1%	5.2%	5.2%	5.1%	→
LAC/Harbor-UCLA Medical Center	5.7%	5.4%	4.8%	5.0%	↘
Kaiser Foundation Hospital - South Bay	5.1%	5.0%	5.0%	4.7%	↘
Kaiser Foundation Hospital - Downey	4.9%	5.0%	4.8%	4.7%	↘
Community Hospital Long Beach ¹	3.2%	3.5%	3.7%	3.9%	↗
Providence Little Company - San Pedro	3.4%	3.4%	3.8%	3.5%	→
College Medical Center	3.7%	3.6%	4.5%	3.5%	→
St. Francis Medical Center	3.2%	3.3%	3.4%	3.5%	↗
Los Alamitos Medical Center	2.4%	2.6%	2.5%	2.4%	→
Providence Little Company - Torrance	2.0%	2.1%	2.3%	2.3%	↗
PIH Hospital - Downey	1.3%	1.0%	1.0%	0.9%	↘
Kaiser Foundation Hospital - Los Angeles	1.0%	1.0%	1.0%	0.9%	→
Del Amo Hospital	0.9%	0.9%	0.9%	0.9%	→
Memorial Hospital of Gardena	1.0%	1.0%	1.0%	0.9%	→
College Hospital	1.1%	1.1%	0.9%	0.9%	→
All Other	18.2%	18.1%	18.6%	18.9%	↗
Total Percentage	100%	100%	100%	100%	
Total Discharges	102,684	101,717	102,885	100,410	↘

Source: OSHPD Discharge Database, CY 2013 – CY 2016

Note: Excludes normal newborns

¹ Scheduled to close in July 2018

- The number of inpatient discharges in St. Mary Medical Center’s service area decreased by over 2% between CY 2013 and CY 2016;
- From CY 2013 to CY 2016, Long Beach Memorial Medical Center has consistently ranked first in market share for the service area based on inpatient discharges (14.1% in CY 2016); and
- St. Mary Medical Center’s service area market share has decreased from 9.1% in CY 2013 to 8.8% in CY 2016.

Market Share by Payer Type

The following table illustrates the service area’s hospital inpatient market share by payer type as reported by OSHPD for CY 2016.

ST. MARY MEDICAL CENTER HOSPITAL MARKET SHARE BY PAYER TYPE CY 2016											
Payer Type	Total Discharges	Long Beach Memorial Medical Center	Earl and Loraine Miller Children’s Hospital	St. Mary Medical Center	Torrance Memorial Medical Center	Lakewood Regional Medical Center	LAC/Harbor-UCLA Medical Center	Kaiser Foundation Hospital – South Bay	Kaiser Foundation Hospital – Downey	All Others	Total
Medi-Cal	38,263	11.2%	16.7%	13.3%	1.8%	3.5%	9.3%	1.2%	1.5%	41.5%	100%
Medicare	33,044	19.9%	0.1%	8.4%	6.7%	7.5%	2.3%	4.8%	4.9%	45.5%	100%
Private Coverage	25,523	11.7%	12.5%	3.3%	8.8%	4.6%	0.8%	10.2%	9.5%	38.4%	100%
All Other	1,803	8.8%	5.8%	3.8%	2.5%	2.8%	13.5%	0.2%	0.4%	62.2%	100%
Self-Pay	1,777	10.7%	5.4%	4.5%	2.7%	2.6%	15.7%	2.5%	3.6%	52.3%	100%
Total Percentage		14.1%	9.8%	8.8%	5.2%	5.1%	5.0%	4.7%	4.7%	42.6%	100%
Total Discharges	100,410	14,166	9,809	8,879	5,237	5,106	5,037	4,712	4,708	42,756	

Note: Excludes normal newborns
Source: CY 2016 OSHPD Patient Discharge Database

- The largest payer type for inpatient discharges is Medi-Cal with approximately 38,300 discharges (38%), followed by Medicare with over 33,000 discharges (33%) and Private Coverage with approximately 25,500 discharges (25%);
- Long Beach Memorial Medical Center is the market share leader for Medicare (19.9%);
- Earl and Loraine Miller Children’s Hospital is the market share leader for Medi-Cal (16.7%) and Private Coverage (12.5%); and
- LAC/Harbor-UCLA Medical Center is the market share leader for Self-Pay (15.7%).

Market Share by Service Line

The following table provides the service area’s inpatient market share for CY 2016.

ST. MARY MEDICAL CENTER MARKET SHARE BY SERVICE LINE CY 2016											
Service Line	Total Discharges	Long Beach Memorial Medical Center	Earl and Loraine Miller Children’s Hospital	St. Mary Medical Center	Torrance Memorial Medical Center	Lakewood Regional Medical Center	LAC/Harbor-UCLA Medical Center	Kaiser Foundation Hospital - South Bay	Kaiser Foundation Hospital - Downey	All Others	Total
General Medicine	30,289	16.4%	4.8%	9.7%	5.4%	7.7%	4.7%	4.4%	4.4%	42.6%	100%
Obstetrics	14,323	1.3%	34.7%	14.6%	5.5%	0.1%	2.2%	7.8%	7.3%	26.4%	100%
Cardiac Services	10,001	20.4%	0.6%	10.9%	7.1%	8.5%	4.7%	3.1%	3.8%	40.9%	100%
Behavioral Health	9,506	1.2%	0.2%	0.9%	0.2%	1.0%	1.6%	0.3%	0.3%	94.2%	100%
General Surgery	8,492	18.6%	4.3%	7.1%	7.2%	5.5%	9.1%	7.7%	4.5%	36.0%	100%
Orthopedics	5,720	19.6%	3.5%	6.8%	5.5%	5.6%	7.2%	5.2%	6.5%	40.1%	100%
Neurology	4,854	22.2%	4.1%	10.5%	4.8%	7.7%	4.0%	2.8%	4.0%	39.8%	100%
Neonatology	4,633	0.0%	41.7%	9.0%	5.4%	0.0%	3.8%	9.7%	9.6%	20.8%	100%
Oncology/Hematology	3,349	25.6%	7.1%	5.0%	5.0%	5.4%	9.4%	3.6%	4.4%	34.5%	100%
Gynecology	1,656	23.3%	1.3%	5.7%	8.8%	4.8%	10.7%	3.9%	5.2%	36.2%	100%
Other	1,494	23.0%	6.1%	9.2%	5.6%	6.9%	9.3%	2.3%	2.6%	35.1%	100%
ENT	1,347	26.6%	13.1%	5.6%	4.5%	3.7%	10.2%	2.2%	1.7%	32.4%	100%
Spine	1,277	26.8%	2.2%	6.1%	4.9%	3.1%	3.8%	0.6%	5.9%	46.6%	100%
Urology	1,210	19.0%	2.5%	4.5%	6.3%	5.3%	7.8%	2.9%	7.0%	44.8%	100%
Vascular Services	1,186	23.7%	0.2%	7.3%	4.4%	8.5%	9.4%	7.1%	3.7%	35.8%	100%
Neurosurgery	655	28.1%	5.6%	5.3%	2.6%	3.2%	5.5%	0.9%	0.6%	48.1%	100%
Ophthalmology	177	27.7%	4.0%	13.0%	4.0%	2.3%	16.9%	2.8%	1.1%	28.2%	100%
All others	241	18.7%	0.8%	3.7%	3.3%	3.7%	7.1%	0.4%	1.2%	61.0%	100%
Total Percentage		14.1%	9.8%	8.8%	5.2%	5.1%	5.0%	4.7%	4.7%	42.6%	100%
Total Discharges	100,410	14,166	9,809	8,879	5,237	5,106	5,037	4,712	4,708	42,756	

Note: Excludes normal newborns

Source: CY 2016 OSHPD Patient Discharge Database

- St. Mary Medical Center is not a leader for any of the service lines but has significant inpatient market share in obstetrics (14.6%), cardiac services (10.9%), neurology (10.5%), and ophthalmology (13%);
- Long Beach Memorial Medical Center is the inpatient market share leader for 15 service lines, including cardiac services (20.4%), neurology (22.2%), oncology/ hematology (25.6%), spine (26.8%), vascular services (23.7%), and neurosurgery (28.1%); and
- Earl and Loraine Miller Children’s Hospital is the inpatient market share leader in obstetrics (34.7%) and neonatology (41.7%).

Market Share by ZIP Code

The following table illustrates service area’s hospital market share by ZIP Code for CY 2016.

ST. MARY MEDICAL CENTER HOSPITAL MARKET SHARE BY ZIP CODE CY 2016												
ZIP Code	Community	Total Discharges	Long Beach Memorial Medical Center	Earl and Loraine Miller Children's Hospital	St. Mary Medical Center - Long Beach	Torrance Memorial Medical Center	Lakewood Regional Medical Center	LAC/Harbor-UCLA Medical Center	Kaiser Foundation Hospital - South Bay	Kaiser Foundation Hospital - Downey	All Others	Total
90805	Long Beach	9,994	21.2%	14.9%	5.8%	1.3%	11.8%	3.3%	1.7%	6.0%	34.1%	100%
90706	Bellflower	7,673	5.8%	8.2%	2.9%	0.7%	15.8%	2.7%	0.6%	13.9%	49.3%	100%
90813	Long Beach	7,155	13.8%	13.1%	33.9%	0.5%	0.9%	3.4%	2.4%	0.6%	31.4%	100%
90731	San Pedro	6,743	2.0%	4.3%	3.3%	12.4%	0.2%	7.7%	8.2%	0.3%	61.6%	100%
90745	Carson	6,080	4.0%	2.4%	1.7%	28.0%	0.3%	16.1%	10.8%	0.4%	36.2%	100%
90221	Compton	5,750	8.8%	10.2%	4.1%	1.2%	5.5%	5.2%	1.2%	9.1%	54.6%	100%
90220	Compton	5,697	7.0%	7.7%	2.8%	4.5%	2.8%	7.9%	7.1%	5.9%	54.4%	100%
90744	Wilmington	5,188	3.8%	5.7%	11.6%	19.3%	0.3%	12.6%	11.3%	0.4%	35.0%	100%
90806	Long Beach	5,149	29.2%	14.4%	13.2%	0.9%	1.2%	2.9%	4.1%	1.2%	32.9%	100%
90723	Paramount	4,671	5.7%	10.9%	5.3%	0.8%	12.5%	4.0%	0.7%	12.4%	47.7%	100%
90802	Long Beach	4,197	15.1%	9.0%	26.0%	1.3%	1.2%	2.5%	3.5%	1.0%	40.4%	100%
90810	Long Beach	3,986	28.2%	13.9%	10.3%	3.3%	1.6%	4.5%	5.8%	1.7%	30.7%	100%
90804	Long Beach	3,795	16.4%	12.6%	16.4%	0.6%	1.1%	3.4%	4.7%	1.4%	43.3%	100%
90807	Long Beach	3,623	31.3%	10.7%	5.7%	1.3%	2.7%	1.4%	4.7%	3.3%	38.9%	100%
90815	Long Beach	3,602	22.4%	10.3%	5.2%	1.2%	1.4%	1.0%	3.3%	3.4%	51.7%	100%
90808	Long Beach	3,515	22.9%	10.7%	3.1%	1.3%	3.6%	1.0%	2.2%	6.2%	49.1%	100%
90746	Carson	2,894	5.3%	3.1%	1.3%	17.9%	0.9%	12.3%	17.0%	2.6%	39.7%	100%
90712	Lakewood	2,686	17.2%	10.8%	2.6%	2.3%	20.1%	1.4%	2.6%	12.3%	30.7%	100%
90803	Long Beach	2,509	23.8%	8.0%	10.6%	1.0%	1.3%	0.5%	4.0%	2.0%	48.8%	100%
90713	Lakewood	2,391	14.6%	10.7%	2.8%	1.7%	16.5%	1.2%	1.7%	12.3%	38.6%	100%
90814	Long Beach	1,379	19.6%	11.1%	10.4%	1.1%	1.5%	1.4%	6.8%	2.2%	46.0%	100%
90755	Signal Hill	1,042	25.5%	13.4%	8.8%	0.4%	1.2%	1.1%	7.2%	2.9%	39.5%	100%
90704	Avalon	297	24.2%	13.1%	10.8%	19.5%	0.0%	3.4%	0.3%	0.0%	28.6%	100%
90801	Long Beach	277	23.5%	4.3%	17.0%	0.7%	3.6%	5.4%	2.9%	0.4%	42.2%	100%
90707	Bellflower	67	6.0%	4.5%	7.5%	3.0%	14.9%	3.0%	4.5%	14.9%	41.8%	100%
90809	Long Beach	50	2.0%	12.0%	8.0%	0.0%	6.0%	2.0%	4.0%	4.0%	62.0%	100%
Total Percentage			14.1%	9.8%	8.8%	5.2%	5.1%	5.0%	4.7%	4.7%	42.6%	100%
Total Discharges		100,410	14,166	9,809	8,879	5,237	5,102	5,037	4,712	4,708	42,760	

Note: Excludes normal newborns

Source: CY 2016 OSHPD Patient Discharge Database

- St. Mary Medical Center is the inpatient market share leader in three of the 26 ZIP Codes, all of which are located within the community of Long Beach;
- Long Beach Memorial Medical Center is the inpatient market share leader in eleven service area ZIP Codes located within the communities of Long Beach, Signal Hill, and Avalon; and
- Lakewood Regional Medical Center is the inpatient market share leader in five service area ZIP Codes located in the communities of Bellflower, Lakewood, and Paramount.

Profile of Northridge Hospital Medical Center

Overview

Northridge Hospital Medical Center is a general acute care hospital located at 18300 Roscoe Boulevard in Northridge, California. It began as a single story 49-bed hospital with a one-room emergency room and grew as the demand for hospital services in the local community increased.

Today, Northridge Hospital Medical Center offers a range of services including a Level II Trauma Center, a Level II Pediatric Trauma Center, a family birthing center and is certified as a Primary Stroke Center. The Hospital has 11 surgical operating rooms and operates a “basic” emergency department with 32 emergency treatment stations. According to Northridge Hospital Medical Center’s current hospital license, it is licensed for 424 beds as shown below.

NORTHRIDGE HOSPITAL MEDICAL CENTER LICENSED BED DISTRIBUTION	
Licensed Bed Type	Number of Beds ¹
General Acute Care	
Rehabilitation	36
Perinatal	35
Intensive Care	24
Coronary Care	22
Pediatric	20
Intensive Care Newborn Nursery	18
Unspecified General Acute Care	229
Total General Acute Care Beds	384
Acute Psychiatric (D/P)	40
Total Licensed Beds	424

¹ 2018 Hospital License

Key Statistics

For FY 2017, Northridge Hospital Medical Center reported 14,089 inpatient discharges, 64,997 patient days, resulting in an average daily census of 178 patients (approximately 42% occupancy based on 424 licensed beds).

NORTHRIDGE HOSPITAL MEDICAL CENTER KEY STATISTICS FY 2015 - FY 2017 ¹			
	FY 2015	FY 2016	FY 2017
Inpatient Discharges	14,400	14,101	14,089
Licensed Beds	447	424	424
Patient Days	64,542	62,698	64,997
Average Daily Census	177	172	178
Occupancy	39.6%	40.5%	42.0%
Average Length of Stay	4.5	4.4	4.6
Cardiac Catheterization Procedures	2,588	3,201	10,718
Emergency Service Visits	53,221	65,249	67,770
Total Live Births	1,127	1,022	954

Sources: OSHPD Disclosure Reports, FY 2015 - FY 2017

¹ FY 2015 to FY 2016 data is from audited OSHPD Disclosure Reports whereas FY 2017 is from unaudited.

- Between FY 2015 and FY 2017, inpatient discharges have decreased by 2%;
- Between FY 2015 and FY 2017, emergency service visits have increased by 27%; and
- Between FY 2015 and FY 2017, live births have decreased by 15%.

Patient Utilization Trends

The following table shows FY 2013 – FY 2017 volume trends at Northridge Hospital Medical Center.

NORTHRIDGE HOSPITAL MEDICAL CENTER SERVICE VOLUMES FY 2013 - FY 2017¹					
PATIENT DAYS	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
Medical/Surgical ²	38,153	35,416	37,223	36,887	39,544
Neonatal Intensive Care	2,971	3,024	2,330	1,668	2,074
Intensive Care	6,055	5,376	5,278	5,070	5,696
Obstetrics	4,880	4,288	3,317	2,888	2,647
Physical Rehabilitation Care	4,968	4,414	4,414	4,154	3,868
Pediatric Intensive Care	2,066	721	787	635	552
Pediatrics Acute	1,692	1,836	2,466	2,251	2,032
Psychiatric Acute - Adult	8,871	9,086	8,727	9,145	8,584
Total	69,656	64,161	64,542	62,698	64,997
DISCHARGES					
Medical/Surgical ²	10,114	9,448	9,654	9,710	9,702
Neonatal Intensive Care	224	244	193	157	157
Intensive Care	373	317	301	266	266
Obstetrics	1,632	1,470	1,188	1,106	1,105
Physical Rehabilitation Care	256	243	233	238	238
Pediatric Intensive Care	694	189	185	139	139
Pediatrics Acute	741	859	1,034	812	811
Psychiatric Acute - Adult	1,722	1,701	1,612	1,673	1,671
Total	15,756	14,471	14,400	14,101	14,089
AVERAGE LENGTH OF STAY					
Medical/Surgical ²	3.8	3.7	3.9	3.8	4.9
Neonatal Intensive Care	13.3	12.4	12.1	10.6	13.2
Intensive Care	16.2	17.0	17.5	19.1	21.4
Obstetrics	3.0	2.9	2.8	2.6	2.4
Physical Rehabilitation Care	19.4	18.2	18.9	17.5	16.3
Pediatric Intensive Care	3.0	3.8	4.3	4.6	4.0
Pediatrics Acute	2.3	2.1	2.4	2.8	2.5
Psychiatric Acute - Adult	5.2	5.3	5.4	5.5	5.1
Total	4.4	4.4	4.5	4.4	4.6
AVERAGE DAILY CENSUS					
Medical/Surgical ²	104.5	97.0	102.0	101.1	108.3
Neonatal Intensive Care	8.1	8.3	6.4	4.6	5.7
Intensive Care	16.6	14.7	14.5	13.9	15.6
Obstetrics	13.4	11.7	9.1	7.9	7.3
Physical Rehabilitation Care	13.6	12.1	12.1	11.4	10.6
Pediatric Intensive Care	5.7	2.0	2.2	1.7	1.5
Pediatrics Acute	4.6	5.0	6.8	6.2	5.6
Psychiatric Acute - Adult	24.3	24.9	23.9	25.1	23.5
Total	191	176	177	172	178
OTHER SERVICES					
Inpatient Surgeries	3,038	3,142	3,299	2,814	2,896
Outpatient Surgeries	5,716	5,454	5,563	3,731	1,150
Emergency Service Visits	54,679	53,013	53,221	65,249	67,770
Total Live Births	1,511	1,511	1,127	1,022	954

Sources: OSHPD Disclosure Reports, FY 2013 - FY 2017

¹ FY 2013 to FY 2016 data is from audited OSHPD Disclosure Reports whereas FY 2017 is from unaudited.

² Includes Definitive Observation Beds

A review of Northridge Hospital Medical Center’s historical utilization trends between FY 2013 and FY 2017 supports the following conclusions:

- Total patient days have decreased by 7%;

- Inpatient discharges have decreased by 5%;
- Total births have decreased by 37% from 1,511 births in FY 2013 to 954 births in FY 2017; and
- Emergency service visits have significantly increased by nearly 24% over the five-year period from 54,679 in FY 2013 to 67,770 in FY 2017.

Financial Profile

Over the last five fiscal years, Northridge Hospital Medical Center’s net income decreased from a gain of \$24.5 million in FY 2013 to a loss of \$11.7 million in FY 2017. Between FY 2013 and FY 2017, net patient revenue and total operating revenue increased by 6% and 7% respectively. Over that same period, the Hospital’s operating expenses increased by 18% from \$346.0 million in FY 2013 to \$408.4 million in FY 2017. Other operating revenue increased over the five-year period by 13% from approximately \$6.5 million in FY 2013 to \$7.4 million in FY 2017.

The Hospital’s current ratio has decreased over the last five years from 5.54 in FY 2013 to 3.56 in FY 2017. The California current ratio in FY 2016 was 1.56. Northridge Hospital Medical Center’s percentage of bad debt of 1.4% is higher than the state average 0.8%.

NORTHRIDGE HOSPITAL MEDICAL CENTER FINANCIAL AND RATIO ANALYSIS FY 2013 - FY 2017 ¹						
	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	
Patient days	69,656	64,161	64,542	62,698	64,997	-
Discharges	15,756	14,471	14,400	14,101	14,089	-
ALOS	4.4	4.4	4.5	4.4	4.6	-
Net Patient Revenue	\$364,487,337	\$330,838,003	\$403,223,460	\$374,067,418	\$387,575,677	-
Other Operating Revenue	\$6,530,459	\$8,808,809	\$8,159,596	\$8,317,717	\$7,405,644	-
Total Operating Revenue	\$371,017,796	\$339,646,812	\$411,383,056	\$382,385,135	\$394,981,321	-
Operating Expenses	\$346,008,684	\$326,120,155	\$393,319,750	\$385,319,077	\$408,388,871	-
Net from Operations	\$25,009,112	\$13,526,657	\$18,063,306	(\$2,933,942)	(\$13,407,550)	-
Net Non-Operating Revenues and Expenses	(\$531,812)	\$1,415,000	\$1,125,187	\$1,590,978	\$1,687,809	-
Net Income	\$24,477,300	\$14,941,657	\$19,188,493	(\$1,342,964)	(\$11,719,741)	-
						2016 California Average ²
Current Ratio	5.54	7.15	5.43	3.79	3.56	1.56
Days in A/R	60.9	80.6	69.6	67.3	67.8	57.1
Bad Debt Rate	2.2%	0.7%	1.0%	1.2%	1.4%	0.8%
Operating Margin	6.74%	3.98%	4.39%	-0.77%	-3.39%	2.74%

Source: OSHPD Disclosure Reports, FY 2013 - FY 2017

¹ FY 2013 to FY 2016 data is from audited OSHPD Disclosure Reports whereas FY 2017 is from unaudited.

² FY 2017 California data was not available when the data was collected to prepare this report.

Cost of Hospital Services

Northridge Hospital Medical Center’s operating cost of services includes both inpatient and outpatient care. In FY 2017, approximately 46% of total costs were with Medicare, 26% with Medi-Cal, and 26% with Third-Party.

NORTHRIDGE HOSPITAL MEDICAL CENTER OPERATING EXPENSES BY PAYER CATEGORY FY 2013 - FY 2017 ¹					
	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
Operating Expenses	\$346,008,684	\$326,120,155	\$393,319,750	\$385,319,077	\$408,388,871
Cost of Services By Payer:					
Medicare	\$146,314,471	\$139,273,376	\$173,522,516	\$170,540,230	\$186,948,499
Medi-Cal	\$73,696,372	\$77,585,707	\$99,414,125	\$103,674,269	\$106,983,444
County Indigent	\$0	\$0	\$0	\$11,681	\$0
Third-Party	\$110,949,493	\$98,011,140	\$112,982,895	\$102,930,471	\$106,154,640
Other Indigent	\$9,948,934	\$9,427,251	\$3,679,778	\$4,665,885	\$1,249,435
All Other Payers	\$5,099,413	\$1,822,681	\$3,720,437	\$3,496,542	\$7,052,854

Source: OSHPD Disclosure Reports, FY 2013 - FY 2017

¹ FY 2013 to FY 2016 data is from audited OSHPD Disclosure Reports whereas FY 2017 is from unaudited.

Charity Care

The following table shows a comparison of charity care and bad debt for Northridge Hospital Medical Center and all general acute care hospitals in the State of California. The five-year (FY 2013 – FY 2017) average of charity care and bad debt, as a percentage of gross patient revenue, was 3.3% and higher than the four-year statewide average of 2.5%. According to OSHPD, “...the determination of what is classified as charity care can be made by establishing whether or not the patient has the ability to pay. The patient’s accounts receivable must be written off as bad debt if the patient has the ability but is unwilling to pay off the account.

NORTHRIDGE HOSPITAL MEDICAL CENTER CHARITY CARE COMPARISON FY 2013 - FY 2017 ¹ (In Thousands)										
	FY 2013		FY 2014		FY 2015		FY 2016		FY 2017	
	Hospital	CA	Hospital	CA	Hospital	CA	Hospital	CA	Hospital	CA ²
Gross Patient Revenue	\$1,724,974	\$320,382,471	\$1,750,254	\$338,322,364	\$1,812,769	\$365,501,463	\$1,935,787	\$396,427,743	\$2,161,625	-
Charity	\$60,910	\$6,563,487	\$57,374	\$5,113,965	\$20,756	\$3,441,227	\$27,316	\$3,457,868	\$11,639	-
Bad Debt	\$38,707	\$5,891,632	\$11,498	\$4,365,936	\$18,753	\$3,262,642	\$23,366	\$3,108,971	\$30,957	-
Total Charity & Bad Debt	\$99,617	\$12,455,119	\$68,872	\$9,479,902	\$39,509	\$6,703,869	\$50,682	\$6,566,839	\$42,597	-
Charity Care as a % of Gross Patient Revenue	3.5%	2.0%	3.3%	1.5%	1.1%	0.9%	1.4%	0.9%	0.5%	-
Bad Debt as a % of Gross Patient Revenue	2.2%	1.8%	0.7%	1.3%	1.0%	0.9%	1.2%	0.8%	1.4%	-
Total as a % of Gross Patient Revenue	5.8%	3.9%	3.9%	2.8%	2.2%	1.8%	2.6%	1.7%	2.0%	-
Uncompensated Care										
Cost to Charge Ratio	19.7%	24.5%	18.1%	23.6%	21.2%	24.1%	19.5%	23.8%	18.6%	-
Charity	\$11,987	\$1,608,711	\$10,402	\$1,207,919	\$4,410	\$828,647	\$5,320	\$822,627	\$2,159	-
Bad Debt	\$7,618	\$1,444,039	\$2,085	\$1,031,234	\$3,984	\$785,644	\$4,551	\$739,624	\$5,743	-
Total	\$19,605	\$3,052,750	\$12,486	\$2,239,153	\$8,395	\$1,614,292	\$9,871	\$1,562,251	\$7,902	-

Source: OSHPD Disclosure Reports FY 2013 - FY 2017

¹ FY 2013 to FY 2016 data is from audited OSHPD Disclosure Reports whereas FY 2017 is from unaudited.

² FY 2017 California data was not available when the data was collected to prepare this report.

The following table shows Northridge Hospital Medical Center historical costs for charity care as reported to OSHPD. Charity care costs have decreased from \$12.0 million in FY 2013 to \$2.2 million in FY 2017. The average cost of charity care for the last five-year period was \$6.9 million, while for the three-year average, the cost of charity care was \$4.0 million.

NORTHRIDGE HOSPITAL MEDICAL CENTER COST OF CHARITY CARE FY 2013 - FY 2017 ¹			
Year	Charity Care Charges	Cost to Charge Ratio	Cost of Charity Care to the Hospital
FY 2017	\$11,639,403	18.6%	\$2,159,119
FY 2016	\$27,316,465	19.5%	\$5,319,979
FY 2015	\$20,756,339	21.2%	\$4,410,112
FY 2014	\$57,373,876	18.1%	\$10,401,566
FY 2013	\$60,909,960	19.7%	\$11,987,198
FY 2015 - FY 2017 Average			\$3,963,070
FY 2013 - FY 2017 Average			\$6,855,595

Source: OSHPD Disclosure Reports FY 2013 - FY 2017

¹ FY 2013 to FY 2016 data is from audited OSHPD Disclosure Reports whereas FY 2017 is from unaudited.

In the application to the California Attorney General, Dignity Health reported the following combined distribution of charity care costs by inpatient, outpatient, and emergency room costs in the table below.

NORTHRIDGE HOSPITAL MEDICAL CENTER COST OF CHARITY CARE BY SERVICE FY 2013 - FY 2017 ¹				
	Inpatient	Outpatient	Emergency Room	Total Costs
FY 2017:				
Cost of Charity	\$944,925	\$871,477	\$723,600	\$2,540,002
Visits/Discharges	43	489	834	
FY 2016:				
Cost of Charity	\$3,229,532	\$1,231,415	\$1,063,061	\$5,524,008
Visits/Discharges	170	674	1,332	
FY 2015:				
Cost of Charity	\$3,675,171	\$2,256,290	\$1,522,197	\$7,453,658
Visits/Discharges	205	1,316	2,004	
FY 2014:				
Cost of Charity	\$5,085,591	\$2,178,701	\$1,310,539	\$8,574,831
Visits/Discharges	313	1,326	1,936	
FY 2013:				
Cost of Charity	\$7,083,116	\$2,747,520	\$1,340,149	\$11,170,785
Visits/Discharges	470	1,627	2,204	

Source: Dignity Health

Note that these totals are different than what Dignity Health reported to OSHPD. However, after discussion with JD Healthcare Inc and Vizient Inc, Dignity Health has acknowledged that an error was made in its calculation of charity care cost. Dignity Health has stated that they will comply with the charity care cost amounts determined in the manner above.

Community Benefit Services

In the last five years, Northridge Hospital Medical Center has provided significant community benefit services. As shown in the table below, the average annual cost of community benefit services over the three years has been \$15.5 million. The average annual cost of community benefit services over the five years has been \$16.0 million.

NORTHRIDGE HOSPITAL MEDICAL CENTER COMMUNITY BENEFIT SERVICES FY 2013 - FY 2017							
Community Benefit Programs	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2015- FY 2017 Average	FY 2013- FY 2017 Average
Benefits for Living in Poverty	\$14,524,076	\$12,904,045	\$14,784,176	\$13,842,184	\$9,697,603	\$12,774,654	\$13,150,417
Benefits for Broader Community	\$2,508,768	\$2,081,685	\$3,133,206	\$2,612,417	\$2,302,779	\$2,682,801	\$2,837,993
Totals	\$17,032,844	\$14,985,730	\$17,132,333	\$15,725,461	\$11,178,484	\$15,457,455	\$15,988,409
Non-Community Benefit Programs							
Medi-Cal Provider Fee CHFT Grant Expense	(\$1,431,533)	(\$569,821)	(\$1,512,754)	(\$890,241)	(\$508,746)	-	-
Adjusted Totals	\$16,359,202	\$15,209,126	\$16,404,628	\$15,564,360	\$11,491,636	\$14,486,875	\$15,005,790

Source: Dignity Health, Dignity Health- Northridge Hospital Medical Center Community Benefit Reports and Plans

- The Hospital’s five-year average cost of community benefit services for persons living in poverty is \$13.2 million per year;
- The Hospital’s five-year average cost of community benefit services for the broader community is \$2.8 million per year; and
- Over the five-year period, The Hospital’s combined total cost of community benefit services decreased from \$16.4 million per year in FY 2013 to \$11.5 million per year in FY 2017.

Northridge Hospital Medical Center’s community benefit services over the past five fiscal years included the following programs with costs over \$10,000 in FY 2017:

NORTHRIDGE HOSPITAL MEDICAL CENTER COST OF COMMUNITY BENEFIT SERVICES FY 2013 - FY 2017					
Services over \$10,000 in cost in FY 2017:	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
Cancer Center Services	-	-	\$323,387	\$64,896	\$51,845
CATS - Center for Assault Treatment Services - Clinical	\$990,987	\$649,970	\$724,960	\$728,138	\$892,083
CATS - Center for Assault Treatment Services - Outreach	\$81,892	\$17,839	\$201,475	\$34,661	\$192,921
Community and School Wellness Programs	-	-	-	-	\$200,566
Community Benefit Operations	\$501,476	\$485,975	\$692,760	\$712,650	\$621,610
Community Room Use	\$84,162	\$82,922	\$53,153	\$47,609	\$39,461
Community Sponsorships and Donations	-	-	\$27,370	\$31,924	\$33,432
Diabetes Wellness Rx - DEEP Program	-	-	-	-	\$16,335
Dignity Health Community Grants Program	\$204,376	\$196,108	\$173,096	\$165,491	\$200,260
Family Practice Residency Program	\$6,248,313	\$6,170,460	\$8,903,687	\$3,805,300	\$1,005,045
Health Education	\$120,570	\$118,531	\$99,932	\$26,221	\$19,709
LTIP 1 Emergency Dept Initiative	\$11,999	\$10,790	\$51,803	\$75,887	\$92,586
MD Continuing Education (CME)	\$264,650	\$329,067	\$333,117	\$325,067	\$302,524
CHFT Hospital Grant Program	\$1,431,533	\$569,821	\$1,512,754	\$890,241	\$508,746
Nursing Students	\$1,258,188	\$1,135,551	\$1,551,375	\$1,905,148	\$1,559,717
Paramedic Base Station Training	\$79,416	\$34,680	-	\$26,355	\$15,417
Rehab Services Support Groups	\$19,075	\$20,290	\$20,634	\$21,182	\$20,975
Spiritual Care Department Clergy	\$11,509	\$15,635	\$16,124	-	\$17,686
Wheelchair Sports	\$45,048	\$37,996	\$28,115	\$36,466	\$42,340

Source: Dignity Health

- Cancer Center Services: Cost associated with providing free breast cancer screening program. The Reaching Out Health Fairs are provided on the 2nd Friday of every month and targets uninsured women in the community who are age 40 and over. Additionally, Look Good Feel Better provides social and emotional support to cancer survivors through a personal and interactive workshop as they go through cancer treatments;
- CATS - Center for Assault Treatment Services – Clinical: A 24-hour, 7 day-a-week program that provides services free of charge to all victims of sexual, domestic, physical abuse and assault, and child maltreatment;
- CATS - Center for Assault Treatment Services – Outreach: Provides education to parents, child care providers, healthcare providers, law enforcement, teachers, students, and community members on the prevention of sexual and domestic violence as well as the necessity and legal responsibility of reporting. Evidence-based curriculum is provided to youth regarding dating abuse and violence and to those with developmental, cognitive, and physical disabilities;
- Community and School Wellness Programs: Programs designed to improve health and wellness with a focus on diabetes, cardiovascular health, nutrition, physical activity

promotion, obesity, and chronic disease prevention. School Wellness programs include 34 public schools in Los Angeles Unified School District;

- Community Benefit Operations: Costs associated with assigned staff managing or overseeing community benefit that are not allocated to specific programs, as well as other costs associated with community benefit tracking and reporting;
- Community Room Use: Free use of Hospital meeting rooms to approved community based nonprofit groups that support community support groups, meetings, health education seminars, mental health peer support groups, and meetings;
- Community Sponsorships and Donations: Provides donations and/or sponsorships to organizations supporting community services and programs;
- Diabetes Wellness Rx - DEEP Program: Free diabetes self-management classes to community members to raise awareness about diabetes type 2;
- Dignity Health Community Grants Program: Grant funding to nonprofit organizations working to improve the health and well-being of vulnerable and underserved populations and reduce disparities;
- Family Practice Residency Program: Provide medical professions with education and training on the provision of care to the underserved population in the community;
- Health Education: Community classes/seminars, support groups, health fairs and outreach events provided in low income communities;
- LTIP 1 Emergency Dept Initiative: A partnership with Tarzana Treatment Center created to reduce health disparities among populations with disproportionate unmet health-related needs, specifically individuals with alcohol and/or chemical dependency and behavioral health issues including the homeless;
- MD Continuing Education (CME): Education offered to physicians on hospital's medical staff and to physicians outside the medical staff to increase skills and knowledge base;
- Nursing Students: Precepting and mentoring for nursing students at both a staff and leadership level. Includes room use for RN to BSN, BSN, and MSN students from multiple local colleges and universities;

- Paramedic Base Station Training: Provides training and education to pre-hospital personnel in the community to assure that community members arrive at appropriate facility based on age and condition;
- Rehab Services Support Groups: Various rehab support groups for patients, previous patients, and care givers including, but not limited to, stroke support, pain support, brain injury, spinal cord injury and more;
- Spiritual Care Department Clergy: Staff Chaplains from the Spiritual Care Department facilitate 10-week Healing Journey grief support groups open to all community members that have experienced the loss of a loved one; and
- Wheelchair Sports: Financial and human resources to support disabled, wheelchair-bound athletes to participate in a wide variety of wheelchair sports.

Reproductive Health

For CY 2016, Northridge Hospital Medical Center reported 81 inpatient discharges related to reproductive health services³¹. The table below lists all reproductive services by diagnostic related group discharges for CY 2016.

NORTHRIDGE HOSPITAL MEDICAL CENTER CY 2016 REPRODUCTIVE SERVICE BY DIAGNOSTIC RELATED GROUP	
	Discharges
767-Vaginal Delivery W Sterilization &/Or D&C ¹	47
778-Threatened Abortion	11
779-Abortion W/O D&C ¹	10
777-Ectopic Pregnancy	7
770-Abortion W D&C ¹ , Aspiration Curettage or Hysterotomy	6
Total Discharges:	81

Source: CY 2016 OSHPD Patient Discharge Database
¹D&C is an abbreviation for Dilation and Curettage

- Out of the five diagnostic related groups, 767-Vaginal delivery with sterilization has the highest number of reproductive service inpatient discharges.

According to Dignity Health representatives, the table indicates whether the Hospital performs the following women’s reproductive health services.

NORTHRIDGE HOSPITAL MEDICAL CENTER REPRODUCTIVE SERVICES	
Procedure	Currently Performed? (Y/N)
Caesarean delivery with sterilization	Yes
Terminate pregnancy when:	
A. Placenta previa	No
B. Premature rupture of membranes	Yes, Delivery would be induced when there is risk to mother's health/life and no chance of preserving baby
C. Second trimester bleeding with previable fetus	Yes, Delivery would be induced when there is risk to mother's health/life and no chance of preserving baby
Placement of an IUD at time of other gynecological surgery	Yes
Postpartum placement of IUD	No
Gender affirming surgery	No
Emergency contraception as emergency room or inpatient service	No
Ectopic pregnancy treatment with methotrexate (medication in lieu of surgery)	Yes

Source: Dignity Health

³¹ Northridge Hospital Medical Center is not a Catholic hospital and is not subject to the ERDs.

Analysis of Northridge Hospital Medical Center

Service Area Definition

Northridge Hospital Medical Center’s service area is comprised of 35 ZIP Codes from which 76.6% of its discharges originated in CY 2016. Approximately 51% of Northridge Hospital Medical Center’s inpatient discharges originated from the top eight ZIP Codes, located in the City of Los Angeles’ communities of Reseda, Winnetka, Northridge, Chatsworth, Canoga Park, North Hills, and Porter Ranch. In CY 2016, Northridge Hospital Medical Center’s inpatient market share in the service area was 11.6%.

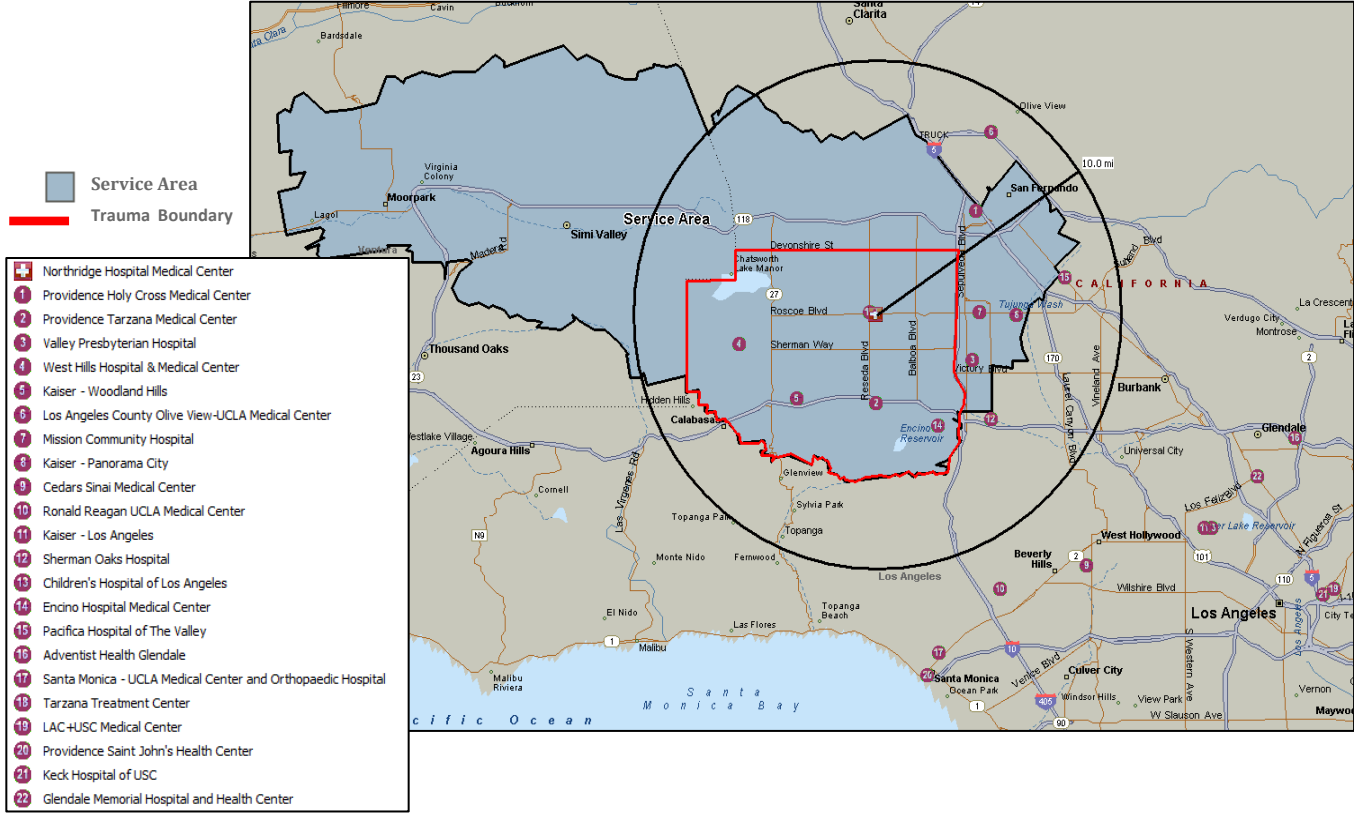
NORTHRIDGE HOSPITAL MEDICAL CENTER PATIENT ORIGIN CY 2016							
ZIP Codes	Community	Total Discharges	% of Discharges	Cumulative % of Discharges	Total Area Discharges	Market Share	
91335	Reseda	2045	15%	15%	7892	26%	
91306	Winnetka	981	7%	21%	4221	23%	
91325	Northridge	957	7%	28%	2784	34%	
91324	Northridge	941	7%	35%	2671	35%	
91311	Chatsworth	629	4%	39%	3390	19%	
91304	Canoga Park	604	4%	44%	4166	14%	
91343	North Hills	553	4%	48%	5028	11%	
91326	Porter Ranch	545	4%	51%	2476	22%	
91406	Van Nuys	533	4%	55%	4667	11%	
91344	Granada Hills	486	3%	59%	4678	10%	
91303	Canoga Park	327	2%	61%	2209	15%	
91402	Panorama City	276	2%	63%	6638	4%	
91367	Woodland Hills	242	2%	65%	3632	7%	
91331	Pacoima	212	2%	66%	8683	2%	
91405	Van Nuys	201	1%	68%	5254	4%	
91328	Northridge	160	1%	69%	175	91%	
91356	Tarzana	154	1%	70%	3258	5%	
91307	West Hills	136	1%	71%	2422	6%	
93063	Simi Valley	120	1%	72%	1723	7%	
93065	Simi Valley	118	1%	73%	1886	6%	
91316	Encino	112	1%	73%	2838	4%	
91364	Woodland Hills	110	1%	74%	2339	5%	
91345	Mission Hills	75	1%	75%	1789	4%	
91340	San Fernando	75	1%	75%	3018	2%	
91411	Van Nuys	63	0%	76%	2351	3%	
91436	Encino	40	0%	76%	1445	3%	
93021	Moorpark	39	0%	76%	628	6%	
91313	Chatsworth	9	0%	76%	51	18%	
91357	Tarzana	8	0%	76%	60	13%	
91416	Encino	7	0%	76%	35	20%	
91346	Mission Hills	7	0%	76%	33	21%	
91603	North Hollywood	7	0%	76%	55	13%	
91305	Canoga Park	7	0%	76%	34	21%	
91409	Van Nuys	5	0%	77%	50	10%	
91365	Woodland Hills	5	0%	77%	58	9%	
Subtotal		10,789	76.6%	76.6%	92,637	11.6%	
Other ZIP Codes		3,302	23.4%	100.0%			
Total Discharges		14,091	100.0%				

Note: Excludes normal newborns

Source: CY 2016 OSHPD Patient Discharge Database

Service Area Map

Northridge Hospital Medical Center’s service area has approximately 1.2 million residents. There are eight other hospitals located within the service area. Providence Holy Cross Medical Center, Providence Tarzana Medical Center, Valley Presbyterian Hospital, West Hills Hospital and Medical Center, Kaiser Foundation Hospital-Woodland Hills, Los Angeles County Olive View-UCLA Medical Center, and Mission Community Hospital-Panorama Campus. There are 16 other hospitals located within approximately 10 miles of Northridge Hospital Medical Center. Northridge Hospital Medical Center is the inpatient market share leader in the service area.



Hospital Market Share

The table below provides the market share of inpatient discharges by individual hospital within Northridge Hospital Medical Center’s service area from CY 2013 to CY 2016.

NORTHRIDGE HOSPITAL MEDICAL CENTER SERVICE AREA MARKET SHARE BY HOSPITAL CY 2013 – CY 2016					
Hospital	CY 2013	CY 2014	CY 2015	CY 2016	Trend
Northridge Hospital Medical Center	12.5%	12.0%	11.7%	11.6%	↘
Providence Holy Cross Medical Center	9.9%	10.6%	11.2%	11.5%	↗
Providence Tarzana Medical Center	10.3%	10.1%	10.6%	10.7%	↗
Valley Presbyterian Hospital	10.4%	10.5%	9.4%	9.4%	↘
West Hills Hospital and Medical Center	6.6%	7.2%	7.7%	7.6%	↗
Kaiser Foundation Hospital - Woodland Hills	8.0%	8.2%	8.4%	7.5%	↘
Los Angeles County Olive View-UCLA Medical Center	5.9%	5.8%	5.1%	5.2%	↘
Mission Community Hospital - Panorama Campus	4.3%	4.2%	4.1%	3.8%	↘
Kaiser Foundation Hospital - Panorama City	4.2%	3.8%	3.7%	3.7%	↘
Cedars Sinai Medical Center	3.1%	3.1%	3.1%	3.2%	→
Ronald Reagan UCLA Medical Center	2.0%	2.0%	2.3%	2.2%	→
Providence Saint Joseph Medical Center	2.1%	1.9%	2.0%	2.2%	↗
Kaiser Foundation Hospital - Los Angeles	2.1%	2.0%	1.9%	1.9%	→
Sherman Oaks Hospital	1.1%	1.5%	1.8%	1.6%	→
Children's Hospital of Los Angeles	1.3%	1.5%	1.5%	1.5%	→
Encino Hospital Medical Center	1.3%	1.3%	1.4%	1.4%	→
Pacifica Hospital of The Valley	1.7%	1.6%	1.3%	1.1%	↘
Adventist Health Glendale	0.9%	0.9%	0.9%	0.9%	→
Santa Monica - UCLA Medical Center and Orthopedic Hospital	0.9%	1.0%	1.0%	0.9%	→
Tarzana Treatment Center	0.8%	0.7%	0.7%	0.8%	→
LAC+USC Medical Center	0.7%	0.8%	0.8%	0.8%	→
Providence Saint John's Health Center	0.6%	0.6%	0.6%	0.7%	→
Keck Hospital of USC	0.6%	0.7%	0.7%	0.6%	→
Glendale Memorial Hospital and Health Center	0.4%	0.4%	0.5%	0.6%	↗
Del Amo Hospital	0.4%	0.4%	0.4%	0.5%	→
All Other	7.6%	7.6%	7.4%	8.0%	↗
Total Percentage	100%	100%	100%	100%	
Total Discharges	94,367	94,132	94,835	92,637	↘

Source: OSHPD Discharge Database, CY 2013 – CY 2016

Note: Excludes normal newborns

- The number of inpatient discharges in the Hospital’s service area has remained relatively stable;
- From CY 2013 to CY 2016, Northridge Hospital Medical Center has consistently ranked first in market share (11.6% in CY 2016); and
- Providence Holy Cross Medical Center ranks second in market share (11.5% in CY 2016).

Market Share by Payer Type

The following table illustrates the service area’s hospital inpatient market share by payer type as reported by OSHPD for CY 2016.

NORTHRIDGE HOSPITAL MEDICAL CENTER MARKET SHARE BY PAYER CY 2016											
Payer Type	Total Discharges	Northridge Hospital Medical Center	Providence Holy Cross Medical Center	Providence Tarzana Medical Center	Valley Presbyterian Hospital	West Hills Hospital and Medical Center	Kaiser Foundation Hospital - Woodland Hills	Los Angeles County Olive View-UCLA Medical Center	Mission Community Hospital – Panorama Campus	All Others	Total
Medicare	33,685	14.6%	11.5%	13.1%	4.9%	10.9%	10.5%	1.4%	4.4%	28.7%	100%
Medi-Cal	27,574	11.7%	14.2%	8.1%	9.4%	4.6%	1.4%	14.5%	5.4%	30.8%	100%
Private Coverage	27,498	8.6%	9.0%	10.5%	15.7%	6.6%	10.6%	0.3%	1.7%	37.1%	100%
All Other	2,238	6.4%	5.0%	3.6%	2.9%	8.4%	0.4%	11.2%	1.3%	60.8%	100%
Self-Pay	1,642	8.5%	16.4%	15.4%	5.1%	4.4%	7.4%	3.4%	3.3%	36.1%	100%
Total Percentage		11.6%	11.5%	10.7%	9.4%	7.6%	7.5%	5.2%	3.8%	32.7%	100%
Total Discharges	92,637	10,789	10,625	9,869	8,697	7,036	6,948	4,839	3,516	30,318	

Note: Excludes normal newborns

Source: CY 2016 OSHPD Patient Discharge Database

- For CY 2016, the largest payer types are Medicare (36%), and Medi-Cal and Private Coverage with 30% each;
- Northridge Hospital Medical Center is the market share leader for Medicare (14.6%);
- Providence Holy Cross Medical Center is the market share leader for Self-Pay (16.4%); and
- Los Angeles County Olive View-UCLA Medical Center is the market share leader for Medi-Cal (14.5%).

Market Share by Service Line

The following table provides the service area’s inpatient market share for CY 2016.

NORTHRIDGE HOSPITAL MEDICAL CENTER MARKET SHARE BY SERVICE LINE CY 2016											
Service Line	Total Discharges	Northridge Hospital Medical Center	Providence Holy Cross Medical Center	Providence Tarzana Medical Center	Valley Presbyterian Hospital	West Hills Hospital And Medical Center	Kaiser Foundation Hospital - Woodland Hills	Los Angeles County Olive View-UCLA Medical Center	Mission Community Hospital - Panorama Campus	All Others	Total
General Medicine	28,022	13.3%	11.4%	12.4%	8.6%	10.3%	8.5%	6.1%	4.9%	24.4%	100%
Obstetrics	13,101	7.4%	16.2%	14.7%	19.2%	5.1%	9.5%	2.7%	0.0%	25.3%	100%
Cardiac Services	9,917	14.3%	11.6%	10.6%	8.9%	10.9%	6.8%	7.1%	4.3%	25.4%	100%
General Surgery	7,861	10.5%	13.4%	10.0%	8.3%	7.7%	6.9%	7.7%	0.9%	34.5%	100%
Behavioral Health	7,550	11.5%	0.6%	0.5%	0.5%	1.1%	0.5%	3.0%	15.3%	67.0%	100%
Orthopedics	6,312	12.3%	11.3%	8.7%	8.6%	7.4%	13.2%	1.1%	2.1%	35.3%	100%
Neurology	4,339	16.8%	11.1%	7.9%	8.3%	7.6%	6.1%	4.0%	4.1%	34.1%	100%
Neonatology	3,864	7.2%	15.5%	13.2%	11.9%	4.5%	10.4%	4.4%	0.0%	33.0%	100%
Oncology/Hematology	2,841	8.8%	10.4%	9.3%	6.8%	7.9%	6.9%	9.8%	1.8%	38.4%	100%
Spine	1,425	11.0%	7.3%	7.6%	6.1%	6.2%	1.4%	0.9%	3.4%	56.1%	100%
Gynecology	1,415	8.1%	15.9%	13.1%	9.8%	4.7%	2.6%	16.9%	0.6%	28.4%	100%
Urology	1,394	5.7%	11.5%	13.4%	5.7%	5.7%	6.5%	7.9%	1.1%	42.5%	100%
Other	1,317	20.0%	12.8%	5.3%	4.2%	10.0%	4.8%	2.1%	0.8%	40.1%	100%
Vascular Services	1,101	8.1%	10.7%	17.8%	11.7%	6.9%	9.4%	4.0%	1.5%	29.9%	100%
ENT	1,101	10.8%	9.1%	11.9%	9.5%	4.3%	3.5%	7.7%	2.2%	41.1%	100%
Neurosurgery	756	10.2%	8.2%	3.0%	2.6%	2.4%	0.8%	0.9%	0.3%	71.6%	100%
No-match-found	155	7.7%	7.1%	10.3%	3.9%	3.2%	4.5%	2.6%	1.9%	58.7%	100%
Ophthalmology	123	15.4%	9.8%	4.9%	1.6%	4.1%	1.6%	13.0%	0.8%	48.8%	100%
Total Percentage		11.6%	11.5%	10.7%	9.4%	7.6%	7.5%	5.2%	3.8%	32.7%	100%
Total Discharges	92,594	10,781	10,619	9,869	8,683	7,036	6,948	4,839	3,516	30,303	

Note: Excludes normal newborns

Source: CY 2016 OSHPD Patient Discharge Database

- Northridge Hospital Medical Center is the service line leader in six of 18 service lines: general medicine (13%), cardiac services (14.3%), neurology (16.8%), spine (11%), neurosurgery (10%) and ophthalmology (15.4%); and
- Providence Tarzana Medical Center is the service area inpatient market share leader in three of 18 service lines: urology (13%), vascular services (17%) and ENT (12%).

Market Share by ZIP Code

The following table provides the service area’s hospital market share by ZIP Code for CY 2016.

NORTHRIDGE HOSPITAL MEDICAL CENTER MARKET SHARE BY ZIP CODE CY 2016												
ZIP Code	Community	Total Discharges	Northridge Hospital Medical Center	Providence Holy Cross Medical Center	Providence Tarzana Medical Center	Valley Presbyterian Hospital	West Hills Hospital And Medical Center	Kaiser Foundation Hospital - Woodland Hills	Los Angeles County Olive View-UCLA Medical Center	Mission Community Hospital - Panorama Campus	All Others	Total
91331	Pacoima	8,683	2.4%	29.9%	2.2%	10.2%	0.3%	0.4%	13.6%	3.0%	38.0%	100%
91335	Reseda	7,892	25.9%	3.5%	20.8%	6.0%	3.3%	7.8%	3.8%	1.5%	27.4%	100%
91402	Panorama City	6,638	4.2%	10.6%	2.4%	18.1%	0.5%	0.3%	9.5%	19.5%	35.0%	100%
91405	Van Nuys	5,254	3.8%	4.0%	3.6%	32.0%	0.6%	0.5%	6.6%	5.3%	43.5%	100%
91343	North Hills	5,028	11.0%	18.4%	4.5%	15.7%	1.0%	2.0%	7.3%	9.5%	30.7%	100%
91344	Granada Hills	4,678	10.4%	34.0%	4.5%	3.1%	1.6%	4.8%	4.0%	2.5%	35.2%	100%
91406	Van Nuys	4,667	11.4%	5.4%	10.2%	22.1%	1.5%	4.0%	6.1%	4.5%	34.8%	100%
91306	Winnetka	4,221	23.2%	4.0%	11.0%	7.0%	16.8%	11.6%	3.6%	2.2%	20.7%	100%
91304	Canoga Park	4,166	14.5%	3.8%	10.0%	5.0%	28.2%	12.5%	3.1%	1.2%	21.7%	100%
91367	Woodland Hills	3,632	6.7%	1.5%	17.6%	2.1%	28.5%	14.5%	1.0%	0.4%	27.8%	100%
91311	Chatsworth	3,390	18.6%	8.5%	6.9%	3.4%	19.4%	15.0%	2.3%	1.3%	24.7%	100%
91356	Tarzana	3,258	4.7%	1.6%	42.3%	3.1%	2.4%	8.8%	0.8%	1.1%	35.1%	100%
91340	San Fernando	3,018	2.5%	44.0%	2.1%	6.2%	0.5%	0.4%	13.9%	1.5%	28.9%	100%
91316	Encino	2,838	3.9%	1.7%	39.7%	3.0%	2.5%	6.6%	1.3%	1.4%	39.8%	100%
91325	Northridge	2,784	34.4%	9.6%	9.0%	5.0%	2.7%	8.2%	2.7%	2.0%	26.5%	100%
91324	Northridge	2,671	35.2%	6.2%	9.5%	4.6%	4.3%	8.6%	4.3%	1.5%	25.9%	100%
91326	Porter Ranch	2,476	22.0%	17.2%	8.9%	2.7%	4.4%	8.8%	1.5%	0.9%	33.6%	100%
91307	West Hills	2,422	5.6%	2.0%	10.3%	1.7%	42.9%	14.2%	0.9%	0.6%	21.8%	100%
91411	Van Nuys	2,351	2.7%	3.2%	5.8%	26.3%	0.3%	2.2%	5.8%	5.1%	48.6%	100%
91364	Woodland Hills	2,339	4.7%	0.9%	20.8%	2.5%	22.4%	14.2%	0.7%	0.6%	33.2%	100%
91303	Canoga Park	2,209	14.8%	2.5%	12.2%	6.6%	27.0%	10.3%	5.6%	0.8%	20.3%	100%
93065	Simi Valley	1,886	6.3%	3.2%	4.4%	1.3%	5.6%	33.1%	0.4%	0.2%	45.5%	100%
91345	Mission Hills	1,789	4.2%	40.7%	2.3%	5.3%	0.6%	1.2%	6.0%	6.2%	33.5%	100%
93063	Simi Valley	1,723	7.0%	5.1%	3.6%	1.6%	5.7%	34.8%	0.6%	0.7%	41.0%	100%
91436	Encino	1,445	2.8%	0.7%	23.9%	3.3%	1.2%	6.1%	0.4%	0.1%	61.5%	100%
93021	Moorpark	628	6.2%	1.8%	3.7%	1.6%	3.0%	33.4%	0.0%	0.5%	49.8%	100%
91328	Northridge	175	91.4%	1.1%	0.6%	0.6%	0.6%	1.7%	0.0%	0.0%	4.0%	100%
91357	Tarzana	60	13.3%	0.0%	16.7%	3.3%	13.3%	8.3%	1.7%	3.3%	40.0%	100%
91365	Woodland Hills	58	8.6%	0.0%	8.6%	3.4%	29.3%	10.3%	0.0%	0.0%	39.7%	100%
91603	North Hollywood	55	12.7%	5.5%	3.6%	7.3%	0.0%	3.6%	7.3%	0.0%	60.0%	100%
91313	Chatsworth	51	17.6%	0.0%	5.9%	9.8%	9.8%	23.5%	2.0%	0.0%	31.4%	100%
91409	Van Nuys	50	10.0%	14.0%	2.0%	12.0%	2.0%	4.0%	12.0%	2.0%	42.0%	100%
91416	Encino	35	20.0%	0.0%	31.4%	0.0%	0.0%	11.4%	0.0%	0.0%	37.1%	100%
91305	Canoga Park	34	20.6%	2.9%	8.8%	26.5%	11.8%	0.0%	0.0%	2.9%	26.5%	100%
91346	Mission Hills	33	21.2%	12.1%	6.1%	15.2%	0.0%	9.1%	3.0%	0.0%	33.3%	100%
Total Percentage			11.6%	11.5%	10.7%	9.4%	7.6%	7.5%	5.2%	3.8%	32.7%	100%
Total Discharges		92,637	10,789	10,625	9,869	8,697	7,036	6,948	4,839	3,516	30,318	

Note: Excludes normal newborns
Source: CY 2016 OSHPD Patient Discharge Database

- Northridge Hospital Medical Center is the market share leader in eight of the 35 ZIP Codes, located in the City of Los Angeles’ communities of Reseda, Winnetka, Northridge, Porter Ranch, North Hollywood and Mission Hills;

- West Hills Hospital and Medical Center is a market share leader in seven of 35 ZIP Codes located in the City of Los Angeles' communities of Canoga Park, Woodland Hills, Chatsworth, West Hills; and
- Providence Holy Cross Medical Center is the market share leader in six of the 35 ZIP Codes located in the City of San Fernando and in the City of Los Angeles' communities of Pacoima, North Hills, Granada Hills, Mission Hills, and Van Nuys.

Assessment of Potential Issues Associated with the Availability or Accessibility of Healthcare Services

In the Ministry Alignment Agreement, Dignity Health and CHI have made commitments to maintain all Dignity Health owned hospitals, IHO owned hospitals, and IHO subsidiary hospitals with their current levels of health services and programs. An analysis of these commitments is provided in the following sections.

Continuation as General Acute Care Hospitals

In the Ministry Alignment Agreement, Dignity Health and CHI committed to maintaining California Hospital Medical Center, Glendale Memorial Hospital and Health Center, St. Mary Medical Center and Northridge Hospital Medical Center as licensed acute care hospitals for five years after the Effective Date. Each hospital provides a significant amount of healthcare to the communities served as shown by their inpatient volume and market share.

California Hospital Medical Center

In FY 2017, the hospitals located within California Hospital Medical Center’s service area had a combined total of 1,661 licensed beds with an aggregate average occupancy rate of approximately 51%. In FY 2017, California Hospital Medical Center had 318 licensed beds that operated at an occupancy rate of 64%. In CY 2016, California Hospital Medical Center was the market share leader with 9% of the service area inpatient discharges. Furthermore, of the hospitals located within its service area, California Hospital Medical Center had 29% of the total inpatient discharges, representing 24% of the patient days. The table below shows the hospitals located within the Hospital’s service area.

SERVICE AREA HOSPITAL DATA							
Hospital	City	Licensed Beds	Inpatient Discharges	Patient Days	Average Daily Census	Percent Occupied	Miles From Hospital
California Hospital Medical Center	Los Angeles	318	17,799	74,435	204	64.1%	-
Good Samaritan Hospital Los Angeles	Los Angeles	408	11,944	56,205	154	37.7%	1.8
St. Vincent Medical Center	Los Angeles	366	11,088	64,539	177	48.3%	2.8
Silver Lake Medical Center ¹	Los Angeles	234	7,011	53,263	146	62.4%	4.5
Olympia Medical Center ¹	Los Angeles	204	5,352	27,501	75	36.9%	6.3
Martin Luther King, Jr. Community Hospital	Los Angeles	131	7,496	30,762	84	64.3%	10.3
Total		1,661	60,690	306,705	840	51%	

Source: OSHPD Disclosure Report

¹FY2017 OSHPD Discharges not reported. Audited FY 2016 is shown

Since California Hospital Medical Center has the highest number of inpatient discharges (17,799) and the largest market share (9.3%) of the hospitals located within the service area, it is a very important provider of healthcare services to the community.

Glendale Memorial Hospital and Health Center

In FY 2017, the hospitals located within Glendale Memorial Hospital and Health Center’s primary service area had a combined total of 2,865 licensed beds with an aggregate average occupancy rate of approximately 57%. In FY 2017, Glendale Memorial Hospital and Health Center had 334 licensed beds in operation and operated at an occupancy rate of 39%. In CY 2016, Adventist Health Glendale was the market share leader with 26.6% of the primary service area discharges. Glendale Memorial Hospital and Health Center had the second largest market share with 11.6%. Furthermore, of the hospitals located within its service area, Glendale Memorial Hospital and Health Center had 9% of the total inpatient discharges, representing 8% of the patient days. The table below shows the hospitals located within the Hospital’s service area.

SERVICE AREA HOSPITAL DATA								
Hospital	City	Licensed Beds	Inpatient Discharges	Patient Days	Average Daily Census	Percent Occupied	Miles From Hospital	
Glendale Memorial Hospital and Health Center	Glendale	334²	10,030	47,417	130	38.9%	-	
Glendale Adventist Medical Center ¹	Glendale	515	21,157	104,057	285	55.3%	2.9	
Keck Hospital Of USC	Los Angeles	401	12,339	82,561	226	56.4%	7.3	
Kaiser Foundation Hospitals - Sunset ¹	Los Angeles	528	25,974	129,375	354	67.0%	3.8	
Hollywood Presbyterian Medical Center ¹	Los Angeles	434	12,977	88,401	242	55.8%	3.6	
Children's Hospital Los Angeles	Los Angeles	495	16,895	108,072	296	59.8%	3.6	
USC Verdugo Hills Hospital	Glendale	158	6,520	32,713	90	57.0%	8.6	
Total		2,865	105,892	592,596	1,624	57%		

Source: OSHPD Disclosure Report, Google Maps

¹FY2017 OSHPD Discharges not reported. Audited FY 2016 is shown

²19 Beds in Suspense

While Glendale Memorial Hospital and Health Center is an important provider of services with an average of daily census of 130 patients, all service area hospitals, except USC Verdugo Hills Hospital, have more licensed beds, a higher average daily census and excess capacity.

St. Mary Medical Center

In FY 2017, the hospitals located within St. Mary Medical Center’s service area had a combined total of 2,094 licensed beds with an aggregate average occupancy rate of 53%. In FY 2017, St. Mary Medical Center had 389 licensed beds that operated at an occupancy rate of nearly 50%. In CY 2016, Long Beach Memorial Medical Center was the market share leader with 14.1% of the service area inpatient discharges. St. Mary Medical Center had the third largest market share with 8.8%. Furthermore, of the hospitals located within its service area, St. Mary Medical Center had 14% of the total inpatient discharges, representing 13% of the patient days. Community Hospital of Long Beach, that had an average daily census of 70 patients in FY 2017, closed on July 3, 2018. The following table shows the hospitals located within the Hospital’s service area.

SERVICE AREA HOSPITAL DATA							
Hospital	City	Licensed Beds	Inpatient Discharges	Patient Days	Average Daily Census	Percent Occupied	Miles From Hospital
St. Mary Medical Center	Long Beach	389	11,222	54,632	150	38.6%	-
Long Beach Memorial Medical Center	Long Beach	458	20,428	103,288	283	61.8%	2.2
Earl and Loraine Miller Children’s Hospital	Long Beach	355	15,603	72,153	198	55.7%	2.2
Community Hospital Long Beach	Long Beach	158	5,760	25,429	70	44.1%	4.9
Lakewood Regional Medical Center	Lakewood	172	8,688	40,539	111	64.6%	5.6
Kaiser Foundation Hospitals - South Bay ¹	Harbor Park	293	11,112	36,809	101	34.4%	7.9
Providence Little Co Of Mary Med Ctr - San Pedro ¹	San Pedro	356	7,917	72,987	200	56.2%	11.1
Total		2,094	80,730	405,837	1,113	53%	

Source: OSHPD Disclosure Report

¹FY2017 OSHPD Discharges not reported. Audited FY 2016 is shown

²53 Beds in Suspense

With an average of daily census of 150 patients and because the recent closure of Community Hospital of Long Beach, St. Mary Medical Center remains a very important provider of healthcare services to the community.

Northridge Hospital Medical Center

In FY 2017, the hospitals located within Northridge Hospital Medical Center’s service area had a combined total of 2,480 licensed beds with an aggregate average occupancy rate of 51%. In FY 2017, Northridge Hospital Medical Center was the largest area hospital with 424 licensed beds that operated at an occupancy rate of 42%. In CY 2016, Northridge Hospital Medical Center was the market share leader with 11.6% of the service area inpatient discharges. Furthermore, Northridge Hospital Medical Center had 14% of the total inpatient discharges, representing 14% of the patient days. The table below shows the hospitals located within the Hospitals service area.

SERVICE AREA HOSPITAL DATA							
Hospital	City	Licensed Beds	Inpatient Discharges	Patient Days	Average Daily Census	Percent Occupied	Miles From Hospital
Northridge Hospital Medical Center	Northridge	424	14,089	64,997	178	42.0%	-
Tarzana Psychiatric Hospital	Tarzana	60	2,524	14,513	40	66.3%	3.4
Providence Tarzana Medical Center ¹	Tarzana	249	13,377	52,195	143	57.4%	4.2
Mission Community Hospital - Panorama ¹	Panorama City	145	7,610	41,311	113	78.1%	4.4
Valley Presbyterian Hospital	Van Nuys	350	13,481	69,470	190	54.4%	5.9
Kaiser Foundation Hospitals – Panorama ¹	Panorama City	218	9,097	29,025	80	36.5%	6.1
Encino Hospital Medical Center ¹	Encino	148	2,349	19,645	54	36.4%	6.7
Kaiser Foundation Hospitals - Woodland Hills ¹	Woodland Hills	284	9,607	32,395	89	31.3%	6.9
West Hills Hospital and Medical Center ¹	West Hills	225	9,105	42,567	117	51.8%	7.2
Providence Holy Cross Medical Center ¹	Mission Hills	377	18,263	92,550	254	67.3%	8.2
Total		2,480	99,502	458,668	1,258	51%	

Source: OSHPD Disclosure Report

¹FY2017 OSHPD Discharges not reported. Audited FY 2016 is shown

Since Northridge Hospital Medical Center has the most licensed beds with the second highest number of inpatient discharges and the largest market share of hospitals located within the service area, it is a very important provider of healthcare services to the community.

Emergency Services

California Hospital Medical Center, Glendale Memorial Hospital and Health Center, St. Mary Medical Center and Northridge Hospital Medical Center are important providers of emergency services to the residents of their respective surrounding communities. In FY 2017, California Hospital Medical Center reported 80,607 emergency service visits to its 35 emergency treatment stations, operating at over 115% capacity³². During that same time period, Glendale Memorial Hospital and Health Center (a Level II Trauma Center) reported 38,514 emergency service visits to its 21 emergency treatment stations³³, operating at 92% of capacity. In FY 2017, St. Mary Medical Center reported 54,745 emergency service visits to its 26 emergency treatment stations, operating at over 105% capacity. In FY 2017, Northridge Hospital Medical Center reported 67,770 emergency service visits to its 32 emergency treatment stations, operating at over 106% capacity.

³² Industry sources, including the American College of Emergency Physicians, use a benchmark of 2,000 visits per emergency station, per year, to estimate the capacity.

³³ Includes 6 Fast Track Treatment Stations.

As a result of the ACA and California’s participation in Medicaid expansion, more individuals are now eligible for healthcare coverage. This influx of newly insured individuals, combined with the growing shortage of primary care physicians, is expected to increase emergency department utilization. Keeping California Hospital Medical Center’s, Glendale Memorial Hospital and Health Center’s, St. Mary Medical Center’s, and Northridge Hospital Medical Center’s emergency departments open is important for providing area residents access to emergency services.

In the Ministry Alignment Agreement, Dignity Health and CHI committed to maintaining the emergency services at all Dignity Health owned hospitals, IHO owned hospitals, and IHO subsidiary hospitals at current types and levels of services and current designations for five years after the Effective Date of the Ministry Alignment Agreement as shown below:

The five-year commitments to California Hospital Medical Center’s existing emergency services include:

- 35 Treatment Stations;
- Paramedic Base Station;
- Level II Trauma Center;
- Perinatal Approved³⁴;
- Emergency Department Approved for Pediatrics; and
- Certified Primary Stroke Center.

The five-year commitments to Glendale Memorial Hospital and Health Center’s existing emergency services include:

- 21 Treatment Stations (includes 6 Fast Track Treatment Stations)³⁵;
- Certified Primary Stroke Center;
- STEMI Receiving Center; and
- County Lanterman-Petris-Short Designated 24-Hour Facility.

The five-year commitments to St. Mary Medical Center’s existing emergency services³⁶ include:

- 26 Treatment Stations³⁷;
- Paramedic Base Station;
- Level II Trauma Center;
- STEMI Receiving Center; and
- Emergency Department Approved for Pediatrics.

³⁴ Perinatal Approved is not a formally recognized emergency center designation

³⁵ Dignity Health committed to 31 treatment stations (includes 16 Fast Track Treatment Stations) at Glendale Memorial Hospital and Health Center in the Ministry Alignment Agreement; however, there are only 21 treatment stations, six of which are Fast Track Treatment Stations.

³⁶ St. Mary Medical Center is also Primary Stroke Center.

³⁷ Dignity Health committed to 23 treatment stations at St. Mary Medical Center in the Ministry Alignment Agreement; however, there are 26 treatment stations.

The five-year Commitments to Northridge Hospital Medical Center’s existing emergency services include:

- 32 Treatment Stations;
- Level II Trauma Center;
- Pediatric Trauma Center;
- Certified Primary Stroke Center; and
- County Lanterman-Petris-Short Designated 24-Hour Facility.

As a result of healthcare reform, aging demographics, and the growing shortage of primary care physicians, emergency department utilization is expected to continue to increase within each hospital’s primary service area. Maintaining California Hospital Medical Center’s, Glendale Memorial Hospital and Health Center’s, St. Mary Medical Center’s and Northridge Hospital Medical Center’s emergency departments open with at least their current number of emergency department stations and current Trauma Center Level designations is critical to providing emergency services within each hospital’s service area.

The Los Angeles County Emergency Medical Services Director stated that while all of Dignity Health’s Los Angeles County emergency services are important, the Pediatric Trauma Center at Northridge Hospital Medical Center is especially important to remain in operation for patients needing pediatric trauma services given the distance of other Pediatric Trauma Centers within Los Angeles County. The table below shows Pediatric Trauma Centers within Los Angeles County and their distance from Northridge Hospital Medical Center.

LOS ANGELES COUNTY PEDIATRIC TRAUMA CENTERS ¹		
Hospital	Level	Distance from Northridge Hospital Medical Center (miles) ²
Northridge Hospital Medical Center	II	-
Ronald Regan UCLA Medical Center	I	15.5
Cedars-Sinai Medical Center	II	19.2
Children's Hospital of Los Angeles	I	19.3
LAC + USC Medical Center	II	29.2
Harbor UCLA Medical Center	II	35.9
Long Beach Memorial + Miller Children's Medical Center	II	41.2

¹ As of June 2017

² Distance by motor vehicle

Reproductive Health Services

California Hospital Medical Center, Glendale Memorial Hospital and Health Center, St. Mary Medical Center and Northridge Hospital Medical Center are all important providers of healthcare services to women. These four Hospitals reported the following average live births per year between FY 2015 and FY 2017:

- California Hospital Medical Center: 3,686 live births per year;
- Glendale Memorial Hospital and Health Center: 1,824 live births per year;
- St. Mary Medical Center: 2,405 live births per year; and
- Northridge Hospital Medical Center: 1,034 live births per year.

California Hospital Medical Center, Glendale Memorial Hospital and Health Center and Northridge Hospital Medical Center are non-Catholic hospitals and are not subject to the ERDs. Under the Ministry Alignment Agreement, all Dignity Health non-Catholic hospitals are not subject to the ERDs. Dignity Health's non-Catholic hospitals will transition to IHO on the Effective Date. All IHO hospitals will adopt Dignity Health's Statement of Common Values that prohibits direct abortion, in-vitro fertilization, and physician-assisted suicide. Because these hospitals are subject to Dignity Health's Statement of Common Values and not to the ERDs, no reductions in the availability or accessibility of reproductive healthcare services are expected at California Hospital Medical Center, Glendale Memorial Hospital and Health Center and Northridge Hospital Medical Center as a result of this transaction.

St. Mary Medical Center is a Catholic hospital and currently subject to the ERDs and will continue to be subject to the ERDs after the Effective Date.

Under the ERDs, some women's reproductive health services, including direct abortions and tubal ligations, are prohibited. Although the ERDs prohibit tubal ligations and direct abortions, these procedures are performed at St. Mary Medical Center when the pathology is determined to present a medical need and/or a clear and present danger to the patient. St. Mary Medical Center is an important provider of a range of women's reproductive services and provides these services to a large underserved population that has lower rates of prenatal care, resulting in an increased number of high-risk births. This can increase instances of stillborn delivery, miscarriage, and fetal abnormalities.

No future reductions in availability and accessibility of reproductive health services are expected at St. Mary Medical Center as a result of the Ministry Alignment Agreement.

The table below shows recorded inpatient reproductive service procedures in CY 2016 at California Hospital Medical Center, Glendale Memorial Hospital and Health Center, St. Mary Medical Center and Northridge Hospital Medical Center.

CY 2016 REPRODUCTIVE SERVICE BY DIAGNOSTIC RELATED GROUP				
Diagnostic Related Group	Glendale Memorial Hospital Medical Center	California Hospital Medical Center	St. Mary Medical Center	Northridge Hospital Medical Center
767-Vaginal Delivery W Sterilization &/Or D&C	45	17	4	47
770-Abortion W D&C, Aspiration Curettage Or Hysterotomy	7	21	20	6
779-Abortion W/O D&C	4	21	15	10
777-Ectopic Pregnancy	11	25	31	7
778-Threatened Abortion	21	46	66	11
Total CY 2016 Discharges:	88	130	136	81

Source: CY 2016 OSHPD Patient Discharge Database

¹D&C is an abbreviation for Dilation and Curettage

Effects on the Level & Type of Charity Care Historically Provided

Dignity Health committed to providing an annual amount of charity care based on the three most recent fiscal years as shown in the following table. As noted previously, Dignity Health has acknowledged that an error was made in its calculation of charity care costs. Dignity Health has stated that they will comply with the charity care cost amounts determined in the manner previously described.

	CHARITY CARE COSTS			
	Dignity Health ¹		OSHPD Reported ²	
	FY 2015 - FY 2017 Average	FY 2013 - FY 2017 Average	FY 2015 - FY 2017 Average	FY 2013 - FY 2017 Average
California Hospital Medical Center	\$12,240,124	\$18,600,350	\$15,743,084	\$22,037,897
Glendale Memorial Hospital and Health Center	\$2,101,442	\$2,771,739	\$4,795,885	\$4,753,972
St. Mary Medical Center	\$2,101,442	\$2,771,739	\$4,932,216	\$8,246,816
Northridge Hospital Medical Center	\$5,172,556	\$7,052,657	\$3,963,070	\$6,855,595

¹ Dignity Health charity care commitment as calculated by Dignity Health FY 2015 - FY 2017

² Charity care as reported in OSHPD Disclosure Reports FY 2013 - FY 2017.

Effects on Services to Medi-Cal, Medicare & Other Classes of Patients

California Hospital Medical Center, Glendale Memorial Hospital and Health Center, St. Mary Medical Center and Northridge Hospital Medical Center all participate in the Medicare and Medi-Cal programs, contract with Medi-Cal managed care plans, and provide services to other indigent, county indigent, and private pay patients.

As a result of the expansion of Medi-Cal due to the ACA, fewer low income individuals and families are uninsured. Additionally, in Los Angeles County, qualified low income patients are able to access the County owned clinics and hospitals. As a result, even though county indigent

and other indigent patients will still be able to receive care through the emergency rooms of Dignity Health hospitals, the number of patients served is expected to be low.

Commercially insured patients receive care at Dignity Health hospitals under negotiated contracts and are unlikely to be affected as result of the Dignity Health and CHI transaction.

The Medi-Cal Managed Care Program contracts for healthcare services through established networks of organized systems of care. Over 12 million Medi-Cal beneficiaries in all 58 counties in California receive their healthcare through six models of managed care, including: County Organized Health Systems, the Two-Plan Model, Geographic Managed Care, the Regional Model, the Imperial Model, and the San Benito Model.

Los Angeles County has a Two-Plan Model that offers a local initiative plan and a commercial plan. The local initiative and commercial plans contract with the Medi-Cal Managed Care program. The percentage of Los Angeles County residents with Medi-Cal Managed Care coverage has increased significantly as a result of the ACA and California initiatives to expand managed care. In Los Angeles County, the Two-Plan Model is provided by LA Care and Health Net, and LA Care contracts with other insurers to provide coverage for Medi-Cal beneficiaries. Currently, California Hospital Medical Center, Glendale Memorial Hospital and Health Center and St. Mary Medical Center are contracted with both LA Care and Health Net to provide services for Medi-Cal Managed Care patients while Northridge Hospital Medical Center is only contracted with Health Net.

In the Ministry Alignment Agreement Dignity Health and CHI commit to continued participation in the Medi-Cal and Medicare program for a period of five years after the Effective Date. The following table shows current contracts that exist at Dignity Health’s Los Angeles County hospitals.

DIGNITY HEALTH LOS ANGELES COUNTY MEDI-CAL CONTRACTS	
Dignity Health Hospital	Health Plan
California Hospital Medical Center	<ul style="list-style-type: none"> • Health Net • LA Care - Medi-Cal
Glendale Memorial Hospital and Health Center	<ul style="list-style-type: none"> • Health Net • LA Care - Medi-Cal
St. Mary Medical Center	<ul style="list-style-type: none"> • Health Net • LA Care - Medi-Cal
Northridge Hospital Medical Center	<ul style="list-style-type: none"> • Health Net

Source: Dignity Health

As Dignity Health committed to continued participation in the Medicare, Medi-Cal and Medi-Cal managed care programs in the Ministry Alignment Agreement, no reductions in the availability or accessibility of non-emergency healthcare services are anticipated for beneficiaries of

Medicare, Medi-Cal, and Medi-Cal managed care programs for at least five years after the Effective Date.

Effects on Community Benefit Programs

California Hospital Medical Center, Glendale Memorial Hospital and Health Center, St. Mary Medical Center, and Northridge Hospital Medical Center support a significant number of ongoing community benefit programs that serve the residents of the surrounding communities. In the Ministry Alignment Agreement, Dignity Health and CHI have made commitments to maintain expenditures for community benefit services based on an average of the expenditures for the years FY 2015-2017. The table below shows the annual average for both the three and five fiscal years at California Hospital Medical Center, Glendale Memorial Hospital and Health Center, St. Mary Medical Center, and Northridge Hospital Medical Center.

LOS ANGELES COUNTY COMMUNITY BENEFIT		
	FY 2015 - FY 2017*	FY 2013 – FY 2017*
California Hospital Medical Center	\$14,656,615	\$17,161,733
Glendale Memorial Hospital & Health Center	\$1,108,027	\$1,600,733
St. Mary Medical Center	\$12,120,448	\$11,812,532
Northridge Hospital Medical Center	\$14,486,875	\$15,005,790

*Less Medi-Cal Provider Fees and other non-community benefit costs as detailed in the profile sections.

While all four facilities offer various community benefit programs, the Ministry Alignment Agreement includes commitments to maintain some, but not all, of the community benefit programs. The following table shows the service and program commitments made by Dignity Health and CHI.

COMMITTED COMMUNITY BENEFIT SERVICES AND PROGRAMS	
Hospital Name	Community Benefit Service and Program Name
California Hospital Medical Center	<ul style="list-style-type: none"> • Dignity Health Community Grants Program • Grants on Community Education for Children and Families • Health Ministry – Blood Pressure Screening • Health Ministry - Cholesterol Screening • Health Ministry – Comm Health Education Coordination • Health Ministry – Diabetes Glucose Screening • Health Ministry – Hemoglobin Screening • Health Ministry – parish nurse Health Ministry Coordinator • Health Ministry – Your Body Weight and Body Mass Index • Health HELP – Initial and Follow Up Screenings • Health HELP CVD – Program Implementation • Residency Program
Glendale Memorial Hospital and Health Center	<ul style="list-style-type: none"> • 50Plus Senior Services • Breastfeeding Resource Center (BFRC) – Support Group • Breastfeeding Resource Center (BFRC) – Telephone Warm Line • Dignity Health Community Grants Program • Community Health Fair
St. Mary Medical Center	<ul style="list-style-type: none"> • Diabetes Outpatient Self Management • Dignity Health Community Grants • Families in Good Health: Multiple Programs • GME Medical Education • Mobile Care Van Clinic • Senior Center Programs (Bazzeni Wellness Center) • Transportation Program Indigent
Northridge Hospital Medical Center	<ul style="list-style-type: none"> • CATS – Center for Assault Treatment Services – Clinical • CATS – Center for Assault Treatment Services – Outreach • Community and School Wellness Programs • Community Room Use • Diabetes Wellness Rx – DEEP Program • Dignity Health Community Grants Program • Family Practice Residency Program • Health Education • Nursing Students

Effects on Hospital Licensed Services

California Hospital Medical Center, Glendale Memorial Hospital and Health Center, St. Mary Medical Center and Northridge Hospital Medical Center are important providers of inpatient services to the residents of their respective communities. Dignity Health and CHI committed to maintaining all licensed services at current types and levels of services and current designations for five years after the Effective Date of the Ministry Alignment Agreement as follows:

Licensed Service Commitments for California Hospital Medical Center:

- Obstetrics services, including a minimum of 37 licensed perinatal beds;
- Critical care services, including a minimum of 28 licensed intensive care beds³⁸;

³⁸ The licensed intensive care beds are scheduled to be relocated to California Hospital Medical Center’s new tower in 2021. The new building will accommodate 22 licensed intensive care beds.

- Intensive Care Newborn Nursery services, including a minimum of 26 licensed NICU beds³⁹;
- Pediatric services, including a minimum of 12 licensed pediatric beds⁴⁰;
- Coronary care, including a minimum of 8 licensed, coronary care beds; and
- Skilled nursing services, including a minimum of 31 licensed distinct part skilled nursing beds⁴¹.

Licensed Service Commitments for Glendale Memorial Hospital and Health Center:

- Obstetrics services, including a minimum of 24 licensed perinatal beds (6 perinatal beds being used as LDRP⁴² beds per hospital license);
- Rehabilitation services, including a minimum of 14 licensed rehabilitation beds;
- Intensive Care Newborn Nursery services, including a minimum of 13 licensed NICU beds;
- Coronary care including a minimum of 12 licensed coronary care beds;
- Critical care services, including a minimum of 12 licensed intensive care beds;
- Acute psychiatric services, including a minimum of 49⁴³ licensed acute psychiatric beds; and
- Skilled nursing services, including a minimum of 30 distinct part skilled nursing beds.

Licensed Service Commitments for St. Mary Medical Center:

- Rehabilitation services, including a minimum of 46 licensed rehabilitation beds;
- Critical care services, including a minimum of 33⁴⁴ licensed intensive care beds;
- Pediatric services, including a minimum of 16⁴⁵ licensed pediatric beds;
- Intensive Care Newborn Nursery services, including a minimum of 25 licensed NICU beds;
- Obstetrics services, including a minimum of 25 licensed perinatal beds; and
- Coronary care, including a minimum of 8 coronary care beds.

Licensed Service Commitments for Northridge Hospital Medical Center:

- Rehabilitation services, including a minimum of 36 licensed rehabilitation beds;
- Obstetrics services, including a minimum of 35 licensed perinatal beds;
- Critical care services, including a minimum of 24 licensed intensive care beds;
- Coronary care, including a minimum of 22 licensed coronary care beds;

³⁹ The licensed neonatal intensive care beds are scheduled to be relocated to California Hospital Medical Center's new tower in 2021. The new building will accommodate 24 licensed intensive care beds. NICU stands for Neonatal Intensive Care Unit.

⁴⁰ The licensed number of pediatric beds are scheduled to be relocated and reduced to 10 in 2021 as a result of the construction of the new tower.

⁴¹ The 31 Skilled Nursing Beds were converted to Medical/Surgical beds in 2017.

⁴² LDRP stands for labor, delivery, recovery postpartum room.

⁴³ 19 of the 49 beds are in suspense, resulting in 30 beds in service.

⁴⁴ In the Ministry Alignment Agreement, Dignity Health committed to 33 licensed beds; however, St. Mary Medical Center is licensed for 39 intensive care beds.

⁴⁵ In the Ministry Alignment Agreement, Dignity Health committed to 16 licensed pediatric beds; however, St. Mary Medical Center is licensed for 28 beds.

- Pediatric services, including a minimum of 20 licensed pediatric beds;
- Intensive Care Newborn Nursery services, including a minimum of 18 licensed NICU beds; and
- Acute psychiatric services, including a minimum of 40 licensed distinct part acute psychiatric beds, and outpatient behavioral health services.

Since Dignity Health and CHI make extensive five-year commitments to licensed inpatient services, no reductions in the availability or accessibility of healthcare services are expected for California Hospital Medical Center, Glendale Memorial Hospital and Health Center, St. Mary Medical Center and Northridge Hospital Medical Center for at least five years as a result of the Ministry Alignment Agreement.

Effects on Programs and Services

California Hospital Medical Center, Glendale Memorial Hospital and Health Center, St. Mary Medical Center and Northridge Hospital Medical Center are important providers of inpatient and outpatient programs and services to the residents of their respective surrounding communities. Dignity Health and CHI committed to maintaining additional licensed programs and services at current types and levels and current designations for five years after the Effective Date of the Ministry Alignment Agreement as follows:

Programs and Services Commitment for California Hospital Medical Center:

- Cardiovascular services;
- Oncology services, including radiation therapy services⁴⁶;
- Orthopedic surgery services, including total joint replacements;
- General surgery services;
- Nuclear medicine services;
- Imaging and radiology services (inpatient and outpatient);
- Outpatient Services – Radiology & Imaging at Women’s Health Center;
- Laboratory services;
- Occupational therapy services;
- Physical therapy services;
- Respiratory care services;
- Social services; and
- Speech pathology services.

Programs and Services Commitment for Glendale Memorial Hospital and Health Center:

- Cardiovascular services;
- Neuroscience services, including neurosurgery services;
- Oncology services, including inpatient medical and surgical oncology services;

⁴⁶ Radiation therapy services are provided in conjunction with an outside service provider, Vantage Oncology.

- Orthopedic surgery services, including total joint replacements;
- General surgery services, including bariatric surgery services;
- Outpatient Services – G.I. Lab/Surgery;
- Outpatient Services - AIDS Clinic;
- Colorectal Surgery Institute Clinic;
- Outpatient Services – Diagnostic Testing/Wound Care;
- Outpatient Services - OB/Gyn;
- Outpatient Services – GI Lab/Surgery;
- Outpatient Services – Physical Therapy, Occupational Therapy and Speech Therapy;
- Nuclear medicine services;
- Imaging and radiology services (inpatient and outpatient);
- Laboratory services;
- Audiology services;
- Occupational therapy services;
- Physical therapy services;
- Respiratory care services;
- Social services; and
- Speech pathology services.

Programs and Services Commitment for St. Mary Medical Center:

- Cardiovascular services
- Neuroscience services, including neurosurgery services;
- Oncology services, including inpatient medical and surgical oncology services;
 - Outpatient Services - Radiation Center;
- Orthopedic surgery services, including total joint replacements;
- General surgery services, including bariatric surgery services;
 - Outpatient Clinic - Center for Surgical Treatment for Obesity;
- Outpatient Services - Ambulatory Surgery Center;
- Nuclear medicine services;
- Imaging and radiology services (inpatient and outpatient);
- Laboratory services;
- Outpatient Services - Geriatrics Clinic;
- Outpatient Services - Care Clinic (AIDS/HIV);
- Outpatient Services - SMMC Perinatal Clinic;
- Outpatient Services – OB Clinic;
- Outpatient Services – Dental services;
- Audiology services;
- Occupational therapy services;
- Physical therapy services;
- Respiratory care services;
- Social services; and
- Speech pathology services.

Programs and Services Commitment Northridge Hospital Medical Center:

- Oncology services, including inpatient medical and surgical oncology services;
 - Radiation therapy services;
 - Outpatient Services – chemotherapy;
- Neuroscience services, including neurosurgery services;
- Outpatient Services – Neurology/Cath Lab;
- Orthopedic surgery services, including total joint replacements;
- General surgery services;
- Outpatient Services - Women’s Health Clinic;
- Nuclear medicine services;
- Imaging and radiology services (inpatient and outpatient), including Mobile Unit – MRI;
- Outpatient Services – clinical pathology/cardiology;
- Laboratory services;
- Occupational therapy services;
- Physical therapy services;
- Respiratory care services;
- Social services;
- Speech pathology services; and
- Speech therapy services.

Since Dignity Health and CHI have committed to maintaining these additional licensed services and programs for five years after the Effective Date at California Hospital Medical Center, Glendale Memorial Hospital and Health Center, St. Mary Medical Center, and Northridge Hospital Medical Center, no negative impacts on the access and availability of healthcare services are expected for at least five years as a result of the Ministry Alignment Agreement.

Effects on Staffing & Employee Rights

Dignity Health states that the proposed transaction will not change the status of any of Dignity Health’s non-executive employees.

Dignity Health and CHI in the Ministry Alignment Agreement also agree to maintain the respective terms of the collective bargaining agreements that are in effect as of the Effective Date as shown below.

Union Contracts for California Hospital Medical Center:

- Committee of Interns and Residents- Service Employees International Union (CIR SEIU);
- California Nurses Association (CNA); and
- Service Employees International Union- United Healthcare Workers West (SEIU UHW).

Union Contracts for Glendale Memorial Hospital and Health Center:

- Caregiver and Healthcare Employees Union (CHEU);
- California Nurses Association (CNA); and
- Service Employees International Union- United Healthcare Workers West (SEIU UHW).

Union Contracts for St. Mary Medical Center:

- Committee of Interns and Residents- Service Employees International Union (CIR SEIU);
- California Nurses Association (CNA); and
- Service Employees International Union- United Healthcare Workers West (SEIU UHW).

Union Contracts for Northridge Hospital Medical Center:

- Caregiver and Healthcare Employees Union (CHEU); and
- Service Employees International Union- United Healthcare Workers West (SEIU UHW).

It is anticipated that no reductions in the number of non-executive employees are expected at California Hospital Medical Center, Glendale Memorial Hospital and Health Center, St. Mary Medical Center and Northridge Hospital Medical Center as a result of the Ministry Alignment Agreement.

Effects on Medical Staff

Dignity Health and CHI have committed to maintaining privileges for the current medical staff members of each Dignity Health California Hospital who are in good standing as of the Effective Date of the Ministry Alignment Agreement. Since Dignity Health committed to maintain the medical staffs' privileges, no reductions in the medical staff at California Hospital Medical Center, Glendale Memorial Hospital and Health Center, St. Mary Medical Center and Northridge Hospital Medical Center are expected.

Effects on City and County Contracts

California Hospital Medical Center, Glendale Memorial Hospital and Health Center, St. Mary Medical Center and Northridge Hospital Medical Center have a number of contracts with Los Angeles County to provide and support specific services. According to the Ministry Alignment Agreement, these contracts will be maintained for a period of five years after the Effective Date, unless the contract is terminated for cause or expires in accordance with its current terms.

Alternatives

If the proposed Ministry Alignment Agreement is not approved, Dignity Health is expected to continue to operate as it has in the past. It may look for future partnerships; however, none are evident at this time.

Conclusions and Recommendations

Based on Dignity Health's and CHI's commitments contained in the Ministry Alignment Agreement, the proposed transaction is likely to preserve the accessibility and availability of healthcare services to the communities served for at least five years. If the transaction is not approved, Dignity Health will have no obligation to maintain these commitments.

Potential Conditions for California Attorney General Approval of the Ministry Alignment Agreement

If the California Attorney General approves the proposed transaction, JD Healthcare Inc. and Vizient Inc. recommend the following conditions be required to minimize any potential negative healthcare impact that might result from the transaction:

California Hospital Medical Center

1. For at least ten years from the Closing Date of the Ministry Alignment Agreement, California Hospital Medical Center shall continue to operate as a general acute care hospital;
2. For at least five years from the Closing Date of the Ministry Alignment Agreement, California Hospital Medical Center shall maintain 24-hour emergency services at no less than current licensure and designation with the same types and/or levels of services, including the following:
 - a. 35 Treatment Stations;
 - b. Paramedic Base Station;
 - c. Level II Trauma Center;
 - d. Emergency Department Approved for Pediatrics; and
 - e. Certified Primary Stroke Center.
3. For at least five years from the Closing Date of the Ministry Alignment Agreement, California Hospital Medical Center shall maintain the following services at current licensure, types, and/or levels of services:
 - a. Obstetrics services, including a minimum of 37 licensed perinatal beds;
 - b. Critical care services, including a minimum of 22 licensed intensive care beds and a minimum of 8 licensed coronary care beds;
 - c. Intensive Care Newborn Nursery services, including a minimum of 24 neonatal intensive care beds; and
 - d. Pediatric services, including a minimum of 10 pediatric beds;
4. For at least five years from the Closing Date of the Ministry Alignment Agreement, California Hospital Medical Center shall maintain currently provided women's

healthcare services as well as the Women’s Health Center currently located at 1513 South Grand Avenue, Suite 400, Los Angeles, California 90015;

5. For at least five years from the Closing Date of the Ministry Alignment Agreement, California Hospital Medical Center shall maintain the following services as committed to Attachment D in Exhibit L of the Ministry Alignment Agreement:
 - a. Cardiovascular services;
 - b. Oncology services, including radiation and therapy services;
 - c. Orthopedic surgery services, including total joint replacements;
 - d. General surgery services;
 - e. Nuclear medicine services;
 - f. Imaging and radiology services (inpatient and outpatient);
 - g. Laboratory services;
 - h. Occupational therapy services;
 - i. Physical therapy services;
 - j. Respiratory care services;
 - k. Social services; and
 - l. Speech pathology services.

6. For at least five years from the Closing Date of the Ministry Alignment Agreement, California Hospital Medical Center shall maintain a charity care policy that is no less favorable than its current charity care policy and in compliance with California and Federal law, and California Hospital Medical Center shall provide an annual amount of charity care equal to or greater than \$22,037,897 (the “Minimum Charity Care Amount”). Alternatively, because of the impact of Medi-Cal expansion and the ACA, the California Attorney General could consider adjusting the required commitment to charity care based on available data from time periods after implementation of the ACA. An example would be to require a commitment based on a three-year rolling average of the most recent available data. For FY 2018, California Hospital Medical Center’s required Minimum Charity Care amount using the three-year rolling average from FY 2015 to FY 2017 would be \$15,743,084. For purposes herein, the term “Charity Care” shall mean the amount of charity care costs (not charges) incurred by California Hospital Medical Center in connection with the operations and provision of services at California Hospital Medical Center. The definition and methodology for calculating “Charity Care” and the methodology for calculating “cost” shall be the same as that used by OSHPD for annual hospital reporting purposes. The Minimum Charity Care Amount will be increased on an annual basis by the rate of inflation as measured by the Consumer Price Index from the U.S. Bureau of Labor Statistics;

7. For at least five years from the Closing Date of the Ministry Alignment Agreement, California Hospital Medical Center shall continue to expend no less than \$17,161,733 annually in community benefit services. This amount should be increased annually based on the Consumer Price Index for Los Angeles-Long Beach-Anaheim, California. In

addition, the following community benefit programs shall continue to be offered for at least five years from closing;

- a. Hope Street Family Center;
 - b. Health Ministry - Blood Pressure Screening;
 - c. Health Ministry - Cholesterol Screening;
 - d. Health Ministry - Comm Health Education Coordination;
 - e. Health Ministry - Diabetes Glucose Screening;
 - f. Health Ministry - Hemoglobin Screening;
 - g. Health Ministry - Parish nurse Health Ministry Coordinator;
 - h. Health Ministry - Your Body Weight and Body Mass Index;
 - i. Heart HELP - Initial and Follow Up Screenings;
 - j. Heart HELP CVD - Program Implementation; and
 - k. Residency Program
8. For at least five years from the Closing Date of the Ministry Alignment Agreement, California Hospital Medical Center shall maintain its participation in the Medicare program, providing the same types and/or levels of emergency and non-emergency services to Medicare beneficiaries, on the same terms and conditions as other similarly situated hospitals, by maintaining a Medicare Provider Number;
 9. For at least five years from the Closing Date of the Ministry Alignment Agreement, California Hospital Medical Center shall be certified to participate in the Medi-Cal program, providing the same type, and/or levels of emergency and non-emergency services to Medi-Cal beneficiaries;
 10. For at least five years from the Closing Date of the Ministry Alignment Agreement, California Hospital Medical Center shall maintain its participation in the Medi-Cal Managed Care program, providing the same types and/or levels of emergency and non-emergency services to Medi-Cal beneficiaries, on the same terms and conditions as other similarly situated hospitals offering substantially the same services, without any loss, interruption of service, or decrease of quality, or gap in contracted hospital coverage, including continuation of the following contracts:
 - a. Commercial Plan: Health Net or its successor; and
 - b. Local Initiative: L.A. Care Health Plan or its successor.
 11. For at least five years from the Closing Date of the Ministry Alignment Agreement, California Hospital Medical Center shall maintain its current city/county contracts for the programs listed below:
 - a. Community Health Coverage Agreement (Children’s Health Outreach Enrollment, Utilization and Retention Services);
 - b. Mental Health Services;

- c. Family Preservation – Metro North Regional Services Area;
 - d. Family Preservation – Vermont Corridor Regional Services Area;
 - e. Extension of Wraparound Approach Services Contract;
 - f. Family Strengthening Oversight Entity;
 - g. Grant Agreement for Family Strategy 1 – Welcome Baby Hospitals Initiative;
 - h. Proposition K Grant Agreement for Maintenance Funding;
 - i. Participation in the Hospital Preparedness Program;
 - j. Affiliation Agreement for Physicians in Postgraduate Training Catholic Healthcare West; and
 - k. First 5 LA MAMA’s Neighborhood.
12. Dignity Health and CHI shall commit the necessary investments required to meet and maintain OSHPD seismic compliance requirements at California Hospital Medical Center until January 1, 2030 under the Alfred E. Alquist Hospital Facilities Seismic Safety Act of 1983, as amended by the California Hospital Facilities Seismic Safety Act (Health & Safety Code, § 129675-130070); and
13. California Hospital Medical Center shall maintain written policies that prohibit discrimination against lesbian, gay, bisexual, or transgender individuals.

Glendale Memorial Hospital and Health Center:

- 1. For at least five years from the Closing Date of the Ministry Alignment Agreement, Glendale Memorial Hospital and Health Center shall continue to operate as a general acute care hospital;
- 2. For at least five years from the Closing Date of the Ministry Alignment Agreement, Glendale Memorial Hospital and Health Center shall maintain 24-hour emergency services at no less than current licensure and designation with the same types and/or levels of services, including the following:
 - a. 21 Treatment Stations (includes six Fast Track Treatment Stations);
 - b. Emergency Department Approved for Pediatrics
 - c. Certified Primary Stroke Center;
 - d. STEMI Receiving Center; and
 - e. County Lanterman-Petris-Short Designated 24-Hour Facility.
- 3. For at least five years from the Closing Date of the Ministry Alignment Agreement, Glendale Memorial Hospital and Health Center shall maintain the following services at current licensure, types, and/or levels of services:
 - a. Obstetrics services, including a minimum of 24 licensed perinatal beds (6 perinatal beds being used as LDRP beds per hospital license);

- b. Rehabilitation services, including a minimum of 14 licensed rehabilitation beds;
 - c. Intensive Care Newborn Nursery services, including a minimum of 13 licensed NICU beds;
 - d. Critical care services, including a minimum of 12 licensed intensive care beds and a minimum of 8 licensed coronary care beds;
 - e. Acute psychiatric services, including a minimum of 30 licensed acute psychiatric beds; and
 - f. Skilled nursing services, including a minimum of 30 distinct part skilled nursing beds.
4. For at least five years from the Closing Date of the Ministry Alignment Agreement, Glendale Memorial Hospital and Health Center shall maintain currently provided women’s healthcare services, as well as the Women’s Center and the Marcia Ray Breastlink Women’s Imaging Center currently located at 222 West Eulalia Street, Glendale, California 91204;
5. For at least five years from the Closing Date of the Ministry Alignment Agreement, Glendale Memorial Hospital and Health Center shall maintain the following services as committed to in Exhibit L of the Ministry Alignment Agreement:
- a. Cardiovascular service;
 - b. Neuroscience services, including neurosurgery services;
 - c. Oncology services, including inpatient medical and surgical oncology services;
 - d. Orthopedic surgery services, including total joint replacements;
 - e. General surgery services, including bariatric surgery services;
 - f. Outpatient Services - G.I. Lab/Surgery;
 - g. Outpatient Services - AIDS Clinic;
 - h. Outpatient Services - Colorectal Surgery Institute Clinic;
 - i. Outpatient Services - Diagnostic Testing/Wound Care;
 - j. Outpatient Services - OB/Gyn;
 - k. Outpatient Services - Physical Therapy, Occupational Therapy and Speech Therapy;
 - l. Nuclear medicine services;
 - m. Imaging and radiology services (inpatient and outpatient);
 - n. Laboratory services;
 - o. Audiology services;
 - p. Occupational therapy services;
 - q. Physical therapy services;
 - r. Respiratory care services;
 - s. Social services; and
 - t. Speech pathology services.

6. For at least five years from the Closing Date of the Ministry Alignment Agreement, Glendale Memorial Hospital and Health Center shall maintain a charity care policy that is no less favorable than its current charity care policy and in compliance with California and Federal law, and Glendale Memorial Hospital and Health Center shall provide an annual amount of charity care equal to or greater than \$4,753,972 (the “Minimum Charity Care Amount”). Alternatively, because of the impact of Medi-Cal expansion and the ACA, the California Attorney General could consider adjusting the required commitment to charity care based on available data from time periods after implementation of the ACA. An example would be to require a commitment based on a three-year rolling average of the most recent available data. For FY 2018, Glendale Memorial Hospital and Health Center’s required Minimum Charity Care amount using the three-year rolling average from FY 2015 to FY 2017 would be \$4,795,885. For purposes herein, the term “Charity Care” shall mean the amount of charity care costs (not charges) incurred by Glendale Memorial Hospital and Health Center in connection with the operations and provision of services at Glendale Memorial Hospital and Health Center. The definition and methodology for calculating “Charity Care” and the methodology for calculating “cost” shall be the same as that used by OSHPD for annual hospital reporting purposes. The Minimum Charity Care Amount will be increased on an annual basis by the rate of inflation as measured by the Consumer Price Index from the U.S. Bureau of Labor Statistics;

7. For at least five years from the Closing Date of the Ministry Alignment Agreement, Glendale Memorial Hospital and Health Center shall continue to expend no less than \$1,600,733 annually in community benefit services. This amount should be increased annually based on the Consumer Price Index for Los Angeles-Long Beach-Anaheim, California. In addition, the following community benefit programs shall continue to be offered for at least five years from closing;
 - a. 50Plus Senior Services;
 - b. Breastfeeding Resource Center (BFRC) - Support Group;
 - c. Breastfeeding Resource Center (BFRC) - Telephone Warm Line;
 - d. Dignity Health Community Grants Program; and
 - e. Community Health Fair.

8. For at least five years from the Closing Date of the Ministry Alignment Agreement, Glendale Memorial Hospital and Health Center shall maintain its participation in the Medicare program, providing the same types and/or levels of emergency and non-emergency services to Medicare beneficiaries, on the same terms and conditions as other similarly situated hospitals, by maintaining a Medicare Provider Number.

9. For at least five years from the Closing Date of the Ministry Alignment Agreement, Glendale Memorial Hospital and Health Center shall be certified to participate in the Medi-Cal program, providing the same type, and/or levels of emergency and non-emergency services to Medi-Cal beneficiaries;

10. For at least five years from the Closing Date of the Ministry Alignment Agreement, Glendale Memorial Hospital and Health Center shall maintain its participation in the Medi-Cal Managed Care program, providing the same types and/or levels of emergency and non-emergency services to Medi-Cal beneficiaries, on the same terms and conditions as other similarly situated hospitals offering substantially the same services, without any loss, interruption of service, or decrease of quality, or gap in contracted hospital coverage, including continuation of the following contracts:
 - a. Commercial Plan: Health Net or its successor; and
 - b. Local Initiative: L.A. Care Health Plan or its successor.

11. For at least five years from the Closing Date of the Ministry Alignment Agreement, Glendale Memorial Hospital and Health Center shall maintain its current city/county contract for the program listed below:
 - a. Glendale City, Police Department in Custody Services Agreement.

12. Dignity Health and CHI shall commit the necessary investments required to meet and maintain OSHPD seismic compliance requirements at Glendale Memorial Hospital and Health Center until January 1, 2030 under the Alfred E. Alquist Hospital Facilities Seismic Safety Act of 1983, as amended by the California Hospital Facilities Seismic Safety Act (Health & Safety Code, § 129675-130070); and

13. Glendale Memorial Hospital and Health Center shall maintain written policies that prohibit discrimination against lesbian, gay, bisexual, or transgender individuals.

St. Mary Medical Center

1. For at least ten years from the Closing Date of the Ministry Alignment Agreement, St. Mary Medical Center shall continue to operate as a general acute care hospital;

2. For at least five years from the Closing Date of the Ministry Alignment Agreement, St. Mary Medical Center shall maintain 24-hour emergency services at no less than current licensure and designation with the same types and/or levels of services, including the following:
 - a. 26 Treatment Stations;
 - b. Paramedic Base Station;
 - c. Level II Trauma Center;
 - d. STEMI Receiving Center;
 - e. Primary Stroke Center; and
 - f. Emergency Department Approved for Pediatrics.

3. For at least five years from closing, St. Mary Medical Center shall maintain the following services at current licensure, types, and/or levels of services:
 - a. Rehabilitation services, including a minimum of 34 licensed rehabilitation beds;
 - b. Critical care services, including a minimum of 33 licensed intensive care beds and a minimum of 8 licensed coronary care beds;
 - c. Pediatric services, including a minimum of 12 licensed pediatric beds;
 - d. Intensive Care Newborn Nursery services, including a minimum of 25 licensed NICU beds;
 - e. Obstetrics services, including a minimum of 25 licensed perinatal beds; and

4. For at least five years from the Closing Date of the Ministry Alignment Agreement, St. Mary Medical Center shall maintain currently provided women’s healthcare services, as well as the St. Mary Sabina Sullivan Women’s Health Center & Vincent Esposito Imaging Center currently located at 1045 Atlantic Avenue Suite 105, Long Beach, California 90813;

5. For at least five years from the Closing Date of the Ministry Alignment Agreement, St. Mary Medical Center shall maintain the following services as committed to in Exhibit L of the Ministry Alignment Agreement:
 - a. Cardiovascular services;
 - b. Neuroscience services, including neurosurgery services;
 - c. Oncology services, including inpatient medical and surgical oncology services and Outpatient Services - Radiation Center;
 - d. Orthopedic surgery services, including total joint replacements;
 - e. General surgery services, including bariatric surgery services;
 - i. Outpatient Clinic - Center for Surgical Treatment for Obesity;
 - f. Outpatient Services - Ambulatory Surgery Center;
 - g. Nuclear medicine services;
 - h. Imaging and radiology services (inpatient and outpatient);
 - i. Laboratory services;
 - j. Outpatient Services - Geriatrics Clinic;
 - k. Outpatient Services - Care Clinic (AIDS/HIV);
 - l. Outpatient Services - SMMC Perinatal Clinic;
 - m. Outpatient Services - OB Clinic;
 - n. Outpatient Services - Dental services;
 - o. Audiology services;
 - p. Occupational therapy services;
 - q. Physical therapy services;
 - r. Respiratory care services;
 - s. Social services; and
 - t. Speech pathology services.

6. For at least five years from the Closing Date of the Ministry Alignment Agreement, St. Mary Medical Center shall maintain a charity care policy that is no less favorable than its current charity care policy and in compliance with California and Federal law, and St. Mary Medical Center shall provide an annual amount of charity care equal to or greater than \$8,246,816 (the “Minimum Charity Care Amount”). Alternatively, because of the impact of Medi-Cal expansion and the ACA, the California Attorney General could consider adjusting the required commitment to charity care based on available data from time periods after implementation of the ACA. An example would be to require a commitment based on a three-year rolling average of the most available data. For FY 2018, St. Mary Medical Center’s required Minimum Charity Care amount using the three-year rolling average from FY 2015 to FY 2017 would be \$4,932,216. For purposes herein, the term “Charity Care” shall mean the amount of charity care costs (not charges) incurred by St. Mary Medical Center in connection with the operations and provision of services at St. Mary Medical Center. The definition and methodology for calculating “Charity Care” and the methodology for calculating “cost” shall be the same as that used by OSHPD for annual hospital reporting purposes. The Minimum Charity Care Amount will be increased on an annual basis by the rate of inflation as measured by the Consumer Price Index from the U.S. Bureau of Labor Statistics;
7. For at least five years from the Closing Date of the Ministry Alignment Agreement, St. Mary Medical Center shall continue to expend no less than \$11,812,532 annually in community benefit services. This amount should be increased annually based on the Consumer Price Index for Los Angeles-Long Beach-Anaheim, California. In addition, the following community benefit programs shall continue to be offered for at least five years from closing;
 - a. Car Seat Program;
 - b. Diabetes Outpatient Self Management;
 - c. Dignity Health Community Grants;
 - d. Families in Good Health;
 - e. GME Medical Education;
 - f. Mobile Care Van Clinic;
 - g. Senior Center Programs (Bazzeni Wellness Center); and
 - h. Transportation Program for Indigent Patients.
8. For at least five years from the Closing Date of the Ministry Alignment Agreement, St. Mary Medical Center shall maintain its participation in the Medicare program, providing the same types and/or levels of emergency and non-emergency services to Medicare beneficiaries, on the same terms and conditions as other similarly situated hospitals, by maintaining a Medicare Provider Number;
9. For at least five years from the Closing Date of the Ministry Alignment Agreement, St. Mary Medical Center shall be certified to participate in the Medi-Cal program, providing

the same type, and/or levels of emergency and non-emergency services to Medi-Cal beneficiaries;

10. For at least five years from the Closing Date of the Ministry Alignment Agreement, St. Mary Medical Center shall maintain its participation in the Medi-Cal Managed Care program, providing the same types and/or levels of emergency and non-emergency services to Medi-Cal beneficiaries, on the same terms and conditions as other similarly situated hospitals offering substantially the same services, without any loss, interruption of service, or decrease of quality, or gap in contracted hospital coverage, including continuation of the following contracts:
 - a. Commercial Plan: Health Net or its successor; and
 - b. Local Initiative: L.A. Care Health Plan or its successor.

11. For at least five years from the Closing Date of the Ministry Alignment Agreement, St. Mary Medical Center shall maintain its current city/county contracts for the programs listed below:
 - a. HIV/AIDS Ambulatory Outpatient Med Services Contract;
 - b. HIV/AIDS Oral Health Services Contract;
 - c. HIV/AIDS Medical Care Coordination Services Contract;
 - d. HIV/AIDS Benefit Specialty Services Contract;
 - e. HIV/AIDS Biomedical HIV Prevention Services Contract;
 - f. HIV/AIDS Case Management, Home-Based Services Contract;
 - g. Participation in the Hospital Preparedness Program; and
 - h. Trauma Center Service Agreement.

12. Dignity Health and CHI shall commit the necessary investments required to meet and maintain OSHPD seismic compliance requirements at St. Mary Medical Center until January 1, 2030 under the Alfred E. Alquist Hospital Facilities Seismic Safety Act of 1983, as amended by the California Hospital Facilities Seismic Safety Act (Health & Safety Code, § 129675-130070); and

13. St. Mary Center shall maintain written policies that prohibit discrimination against lesbian, gay, bisexual, or transgender individuals.

Northridge Hospital Medical Center

1. For at least ten years from the Closing Date of the Ministry Alignment Agreement, Northridge Hospital Medical Center shall continue to operate as a general acute care hospital;

2. For at least five years from the Closing Date of the Ministry Alignment Agreement, Northridge Hospital Medical Center shall maintain 24-hour emergency services at no less than current licensure and designation with the same types and/or levels of services, including the following:
 - a. 32 Treatment Stations
 - b. STEMI Receiving Center;
 - c. Level II Trauma Center;
 - d. Level II Pediatric Trauma Center;
 - e. Certified Primary Stroke Center; and
 - f. County Lanterman-Petris-Short Designated 24-Hour Facility.

3. For at least five years from the Closing Date of the Ministry Alignment Agreement, Northridge Hospital Medical Center shall maintain the following services at current licensure, types, and/or levels of services:
 - a. Rehabilitation services, including a minimum of 36 licensed rehabilitation beds;
 - b. Obstetrics services, including a minimum of 35 licensed perinatal beds;
 - c. Critical care services, including a minimum of 24 licensed intensive care beds and a minimum of 22 licensed coronary care beds;
 - d. Pediatric services, including a minimum of 20 licensed pediatric beds;
 - e. Intensive Care Newborn Nursery services, including a minimum of 18 licensed NICU beds; and
 - f. Acute psychiatric services, including a minimum of 40 licensed distinct part acute psychiatric beds, and outpatient behavioral health services.

4. For at least five years from the Closing Date of the Ministry Alignment Agreement, Northridge Hospital Medical Center shall maintain currently provided women’s healthcare services, as well as the Carol Pump Women’s Center currently located at 18300 Roscoe Boulevard, Northridge, California 91325;

5. For at least five years from the Closing Date, Northridge Hospital Medical Center shall maintain the following services as committed to in Exhibit L of the Ministry Alignment Agreement:
 - a. Cardiovascular services;
 - b. Neuroscience services, including neurosurgery services;
 - c. Outpatient Services - Neurology/Cath Lab;

- a. Orthopedic surgery services, including total joint replacements;
 - b. General surgery services;
 - c. Outpatient Services – Carole Pump Women’s Health Center;
 - d. Nuclear medicine services;
 - e. Imaging and radiology services (inpatient and outpatient), including Mobile Unit – MRI;
 - f. Outpatient Services - Clinical pathology/cardiology;
 - g. Laboratory services;
 - h. Occupational therapy services;
 - i. Physical therapy services;
 - j. Respiratory care services;
 - k. Social services;
 - l. Speech pathology services; and
 - m. Speech therapy services.
6. For at least five years from the Closing Date of the Ministry Alignment Agreement, Northridge Hospital Medical Center shall maintain a charity care policy that is no less favorable than its current charity care policy and in compliance with California and Federal law, and Northridge Hospital Medical Center shall provide an annual amount of charity care equal to or greater than \$6,855,595 (the “Minimum Charity Care Amount”). Alternatively, because of the impact of Medi-Cal expansion and the ACA, the California Attorney General could consider adjusting the required commitment to charity care based on available data from time periods after implementation of the ACA. An example would be to require a commitment based on a three-year rolling average of the most recent available data. For FY 2018, Northridge Hospital Medical Center’s required Minimum Charity Care amount using the three-year rolling average from FY 2015 to FY 2017 would be \$3,963,070. For purposes herein, the term “Charity Care” shall mean the amount of charity care costs (not charges) incurred by Northridge Hospital Medical Center in connection with the operations and provision of services at Northridge Hospital Medical Center. The definition and methodology for calculating “Charity Care” and the methodology for calculating “cost” shall be the same as that used by OSHPD for annual hospital reporting purposes. The Minimum Charity Care Amount will be increased on an annual basis by the rate of inflation as measured by the Consumer Price Index from the U.S. Bureau of Labor Statistics;
7. For at least five years from the Closing Date of the Ministry Alignment Agreement, Northridge Hospital Medical Center shall continue to expend no less than \$15,005,790 annually in community benefit services. This amount should be increased annually based on the Consumer Price Index for Los Angeles-Long Beach-Anaheim, California. In addition, the following community benefit programs shall continue to be offered for at least five years from closing;
- a. Center for Assault Treatment Services – Clinical & Outreach;
 - b. Community and School Wellness Programs;

- c. Community Room Use;
 - d. Diabetes Wellness Rx - DEEP Program;
 - e. Dignity Health Community Grants Program;
 - f. Family Practice Residency Program;
 - g. Health Education; and
 - h. Nursing Students.
8. For at least five years from the Closing Date of the Ministry Alignment Agreement, Northridge Hospital Medical Center shall maintain its participation in the Medicare program, providing the same types and/or levels of emergency and non-emergency services to Medicare beneficiaries, on the same terms and conditions as other similarly situated hospitals, by maintaining a Medicare Provider Number;
9. For at least five years from the Closing Date of the Ministry Alignment Agreement, Northridge Hospital Medical Center shall be certified to participate in the Medi-Cal program, providing the same type, and/or levels of emergency and non-emergency services to Medi-Cal beneficiaries;
10. For at least five years from the Closing Date of the Ministry Alignment Agreement, Northridge Hospital Medical Center shall maintain its participation in the Medi-Cal Managed Care program, providing the same types and/or levels of emergency and non-emergency services to Medi-Cal beneficiaries, on the same terms and conditions as other similarly situated hospitals offering substantially the same services, without any loss, interruption of service, or decrease of quality, or gap in contracted hospital coverage, including continuation of the following contracts:
- a. Commercial Plan: Health Net or its successor
11. For at least five years from the Closing Date of the Ministry Alignment Agreement, Northridge Hospital Medical Center shall maintain its current city/county contracts for the programs listed below:
- a. Automated Birth Registration- Automated Vital Statistics – User Agreement;
 - b. Post Exposure Management Program Agreement;
 - c. Memorandum of Understanding – Paternity Opportunity Program;
 - d. Hospital Preparedness Program;
 - e. Purchase Order for Sexual Assault Examinations;
 - f. Agreement to Provide Medical Services for Assault Victims;
 - g. Paramedic Base Hospital Agreement;
 - h. Trauma Center Services Agreement;
 - i. Medi-Cal Acute Psychiatric Inpatient Hospital Services;
 - j. Grant Agreement for Family Strategy 1 – Welcome Baby Hospitals Initiative;
 - k. Sexual Assault Response Team - Center for Assault Treatment Services (CATS);
 - l. Data Use Agreement- Syndromic Surveillance Program (Infection Control);
 - m. Agreement for Comprehensive Stroke System; and

- n. Agreement for Designation as a STEMI Receiving Center.
- 12. Dignity Health and CHI shall commit the necessary investments required to meet and maintain OSHPD seismic compliance requirements at Northridge Hospital Medical Center until January 1, 2030 under the Alfred E. Alquist Hospital Facilities Seismic Safety Act of 1983, as amended by the California Hospital Facilities Seismic Safety Act (Health & Safety Code, § 129675-130070); and
- 13. Northridge Hospital Medical Center shall maintain written policies that prohibit discrimination against lesbian, gay, bisexual, or transgender individuals.

Appendix

California Hospital Medical Center License

License: 930000024
 Effective: 01/09/2018
 Expires: 12/31/2018
 Licensed Capacity: 318

**State of California
 Department of Public Health**

In accordance with applicable provisions of the Health and Safety Code of California and its rules and regulations, the Department of Public Health hereby issues

this License to

Dignity Health

to operate and maintain the following **General Acute Care Hospital**

California Hospital Medical Center - Los Angeles

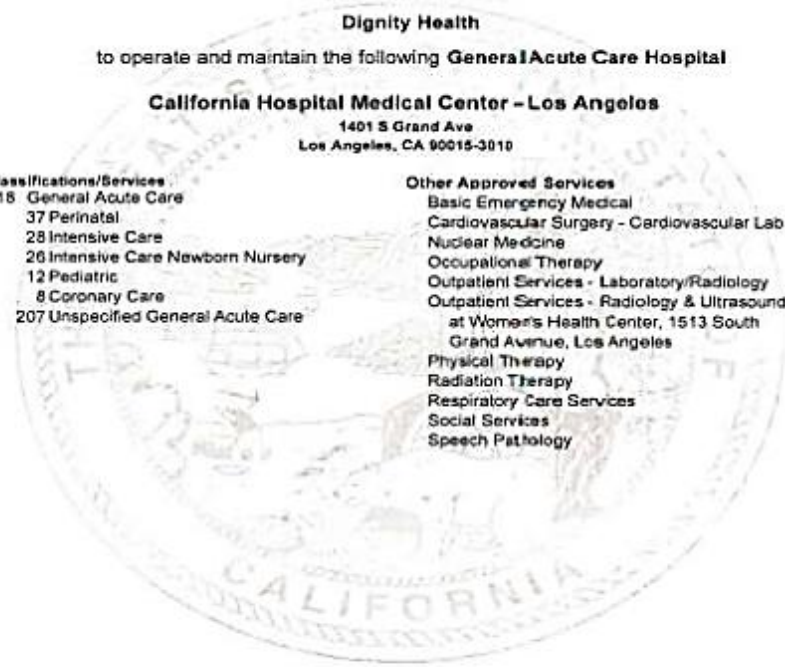
1401 S Grand Ave
 Los Angeles, CA 90015-3010

Bed Classifications/Services

- 318 General Acute Care
- 37 Perinatal
- 28 Intensive Care
- 26 Intensive Care Newborn Nursery
- 12 Pediatric
- 8 Coronary Care
- 207 Unspecified General Acute Care

Other Approved Services

- Basic Emergency Medical
- Cardiovascular Surgery - Cardiovascular Lab
- Nuclear Medicine
- Occupational Therapy
- Outpatient Services - Laboratory/Radiology
- Outpatient Services - Radiology & Ultrasound
 at Women's Health Center, 1513 South
 Grand Avenue, Los Angeles
- Physical Therapy
- Radiation Therapy
- Respiratory Care Services
- Social Services
- Speech Pathology



This LICENSE is not transferable and is granted solely upon the following conditions, limitations and comments:
 50 Perinatal beds being utilized as L.D.R.P. rooms.

Karen L. Smith, MD, MPH
 Director and State Public Health Officer

Nora Salazar
 Manager

Refer Complaints regarding these facilities to: The California Department of Public Health, Licensing and Certification, L.A. County Acute & Ancillary Unit, 3400 Aerojet Avenue, Suite 323, El Monte, CA 91731, (626)312-1104

POST IN A PROMINENT PLACE

Glendale Memorial Hospital and Health Center License

License: 930000099
 Effective: 01/01/2018
 Expires: 12/31/2018
 Licensed Capacity: 334

State of California
Department of Public Health

In accordance with applicable provisions of the Health and Safety Code of California and its rules and regulations, the Department of Public Health hereby issues

this License to

Dignity Health

to operate and maintain the following **General Acute Care Hospital**

GLENDALE MEMORIAL HOSPITAL AND HEALTH CENTER

1420 S Central Ave
 Glendale, CA 91204-2508

Bed Classifications/Services

- 255 General Acute Care
- 24 Perinatal
- 14 Rehabilitation
- 13 Intensive Care Newborn Nursery
- 12 Coronary Care
- 12 Intensive Care
- 180 Unspecified General Acute Care
- 49 Acute Psychiatric (D/P)
- 30 Skilled Nursing (D/P)

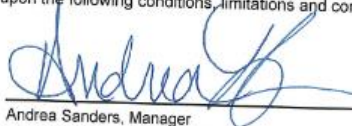
Other Approved Services

- Audiology
- Basic Emergency Medical
- Cardiac Catheterization Laboratory Services
- Cardiovascular Surgery
- Nuclear Medicine
- Occupational Therapy
- Outpatient Services - AIDS Clinic - Colorect. Su. Ins. at 222 W. EULALIA ST., SUITE 100, GLENDALE
- Outpatient Services - Diagnostic testing/Wound Care
- Outpatient Services - GI Lab/Surgery
- Outpatient Services - Hyperbaric unit
- Outpatient Services - OB/GYN at 222 W. EULALIA ST., SUITE 211, GLENDALE
- Outpatient Services - Phys. Therapy/OT/Sp. Therapy at 222 W. EULALIA ST., SUITE 310, GLENDALE
- Physical Therapy
- Respiratory Care Services
- Social Services
- Speech Pathology

This **LICENSE** is not transferable and is granted solely upon the following conditions, limitations and comments:
 6 Perinatal beds being utilized as LDRP rooms.

Karen L. Smith, MD, MPH

Director and State Public Health Officer



Andrea Sanders, Manager

Refer Complaints regarding these facilities to: The California Department of Public Health, Licensing and Certification, L.A. County Acute & Ancillary Unit, 3400 Aerojet Avenue, Suite 323, El Monte, CA 91731, (626)312-1104

POST IN A PROMINENT PLACE

St. Mary Medical Center License

License: 93000012
 Effective: 07/12/2018
 Expires: 12/31/2018
 Licensed Capacity: 389

State of California
Department of Public Health

In accordance with applicable provisions of the Health and Safety Code of California and its rules and regulations, the Department of Public Health hereby issues

this License to

Dignity Health

to operate and maintain the following **General Acute Care Hospital**

St. Mary Medical Center

1050 Linden Ave
 Long Beach, CA 90813-3321

Bed Classifications/Services

- 389 General Acute Care
- 46 Rehabilitation
- 39 Intensive Care
- 28 Pediatric
- 25 Intensive Care Newborn Nursery
- 25 Perinatal
- 8 Coronary Care
- 218 Unspecified General Acute Care

Other Approved Services

- Audiology
- Basic Emergency Medical
- Cardiovascular Surgery
- Nuclear Medicine
- Occupational Therapy
- Outpatient Services - Ambulatory Surgical Center at 1043 ELM AVENUE, #201, LONG BEACH
- Outpatient Services - Bariatrics Clinic at Center for Surgical Treatment of Obesity, 432 E. 10TH ST, Long Beach
- Outpatient Services - Dental Services at 1027 LINDEN AVENUE, LONG BEACH
- Outpatient Services - Geriatrics Clinic at Fourth Street St. Mary Medical Center Clinic, 1150 E. 4TH ST, Long Beach
- Outpatient Services - HIV & AIDS & Lab Draws at Care Clinic, 1043 Elm Ave. Suite 300, Long Beach
- Outpatient Services - Med Surg General Acute
- Outpatient Services - OB Clinic at 529 E. 10TH STREET, 1ST FLOOR, LONG BEACH
- Outpatient Services - Perinatal at SMMC Perinatal Clinic, 529 E. 10TH St, , Long Beach
- Outpatient Services - Radiation Center at 1043 ELM AVENUE, #110, LONG BEACH
- Outpatient Services - Radiology
- Physical Therapy

(Additional Information Listed on License Addendum)

Refer Complaints regarding these facilities to: The California Department of Public Health, Licensing and Certification, L.A. County Acute & Ancillary Unit, 3400 Aerojet Avenue, Suite 323, El Monte, CA 91731, (626)312-1104

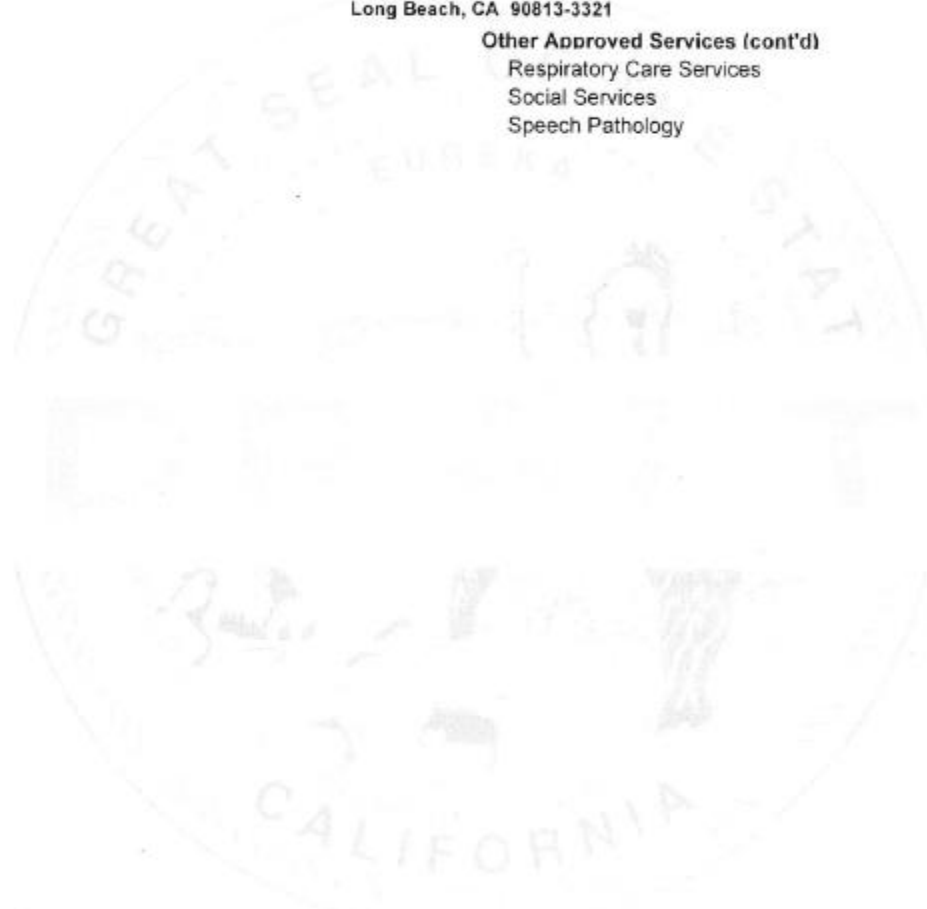
POST IN A PROMINENT PLACE

State of California
Department of Public Health
License Addendum

License: 93000012
Effective: 07/12/2018
Expires: 12/31/2018
Licensed Capacity: 389

St. Mary Medical Center (Continued)
1050 Linden Ave
Long Beach, CA 90813-3321

Other Approved Services (cont'd)
Respiratory Care Services
Social Services
Speech Pathology



This **LICENSE** is not transferable and is granted solely upon the following conditions, limitations and comments:

- 6 Intensive Care beds suspended from 01/01/2018 to 12/31/2018.
- 16 Pediatric beds suspended from 01/01/2018 to 12/31/2018.
- 12 Rehabilitation beds suspended from 01/01/2018 to 12/31/2018.
- 19 Unspecified General Acute Care beds suspended from 01/01/2018 to 12/31/2018.
- Mobile Unit-California License Plate #Bertha8.

Karen L. Smith, MD, MPH

Director and State Public Health Officer

Andrea Sanders, Staff Service Manager I

Refer Complaints regarding these facilities to: The California Department of Public Health, Licensing and Certification, L.A. County Acute & Ancillary Unit, 3400 Aerojet Avenue, Suite 323, El Monte, CA 91731, (626)312-1104

POST IN A PROMINENT PLACE

Northridge Hospital Medical Center License

