

Effect of the Proposed Change in Control and Governance of
St. Joseph Health System and Providence Health & Services on
the Availability and Accessibility of Healthcare Services to the
Communities Served by Providence Tarzana Medical Center,
Providence Holy Cross Medical Center, and
Providence Saint Joseph Medical Center

Prepared for the Office of the California Attorney General

March 28, 2016

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INTRODUCTION & PURPOSE

MDS Consulting, a Vizient, Inc. business (MDS) was retained to prepare healthcare impact statements for the Office of the California Attorney General to assess the potential impact of the proposed Health System Combination Agreement by and between St. Joseph Health System and Providence Health & Services on the availability and accessibility of healthcare services to the communities served by Providence Tarzana Medical Center, Providence Holy Cross Medical Center, and Providence Saint Joseph Medical Center. Providence Health & Services-Southern California¹ owns and operates Providence Tarzana Medical Center, a general acute care hospital located in Tarzana, California (Tarzana Medical Center), Providence Holy Cross Medical Center, a general acute care hospital located in Mission Hills, California (Holy Cross Medical Center), and Providence Saint Joseph Medical Center, a general acute care hospital located in Burbank, California (Saint Joseph Medical Center).

St. Joseph Health System and Providence Health & Services are multi-institutional, Catholic healthcare systems that are sponsored by a Public Juridic Person². St. Joseph Health Ministry is the sponsor and sole corporate member of St. Joseph Health System, a California nonprofit public benefit corporation. Providence Ministries is the sponsor and sole corporate member of Providence Health & Services, a Washington nonprofit corporation.

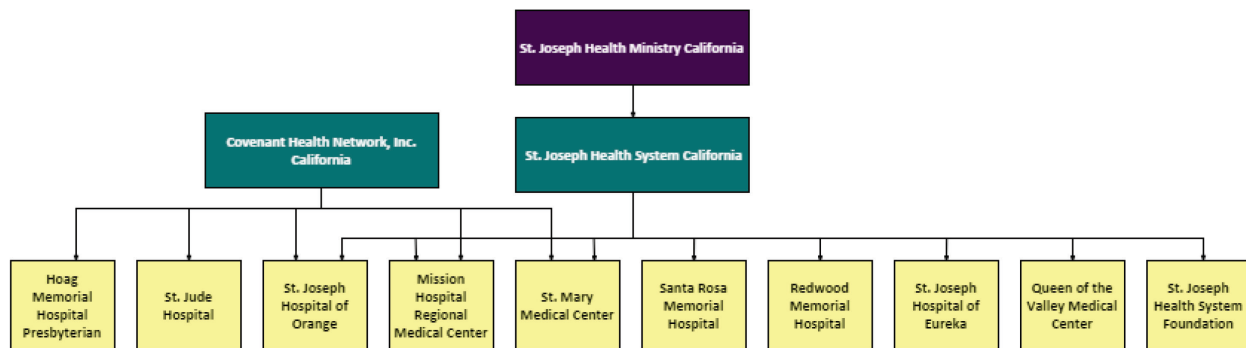
St. Joseph Health System is the sole corporate member of the following Northern California nonprofit hospitals: Queen of the Valley Medical Center, Redwood Memorial Hospital, Santa Rosa Memorial Hospital, and St. Joseph Hospital-Eureka. St. Joseph Health System is the co-member with Covenant Health Network, Inc.³ of the following Southern California nonprofit hospitals: Hoag Memorial Hospital Presbyterian, Mission Hospital Regional Medical Center, St. Joseph Hospital of Orange, and St. Jude Medical Center. St. Joseph Health System also operates Petaluma Valley Hospital pursuant to a Lease Agreement and Transfer Agreement with Petaluma Health Care District⁴. Please refer to the summary organizational chart on the following page:

¹ Providence Health & Services is the sole corporate member of Providence Health & Services-Southern California.

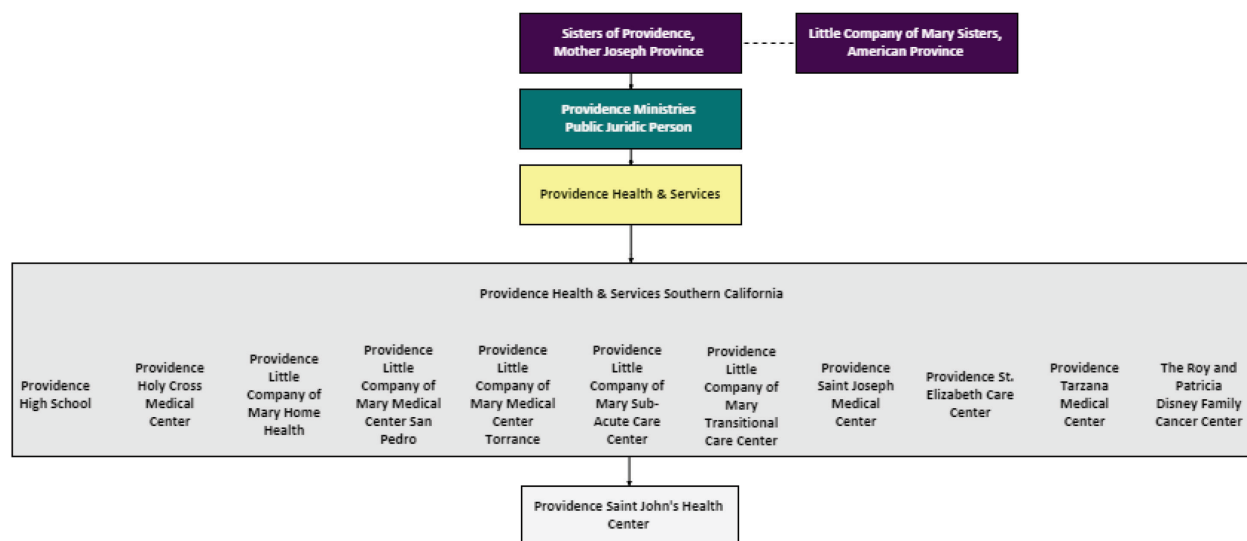
² A Public Juridic Person is a group of persons approved by the Roman Catholic Church to oversee and ensure that the mission of its healthcare organization is carried out according to Catholic principles.

³ Covenant Health Network, Inc., established in 2013, is a nonprofit public benefit corporation created by Hoag Memorial Hospital Presbyterian and St. Joseph Health System.

⁴ In 1997, Petaluma Health Care District entered into a 20-year Lease Agreement with SRM Alliance Hospital Services, whose sole member is Santa Rosa Memorial Hospital, and a 20-year Transfer Agreement with SRM Alliance Hospital Services and Santa Rosa Memorial Hospital. Through these agreements, St. Joseph Health System currently operates Petaluma Valley Hospital. The Lease Agreement expires in January 2017. Petaluma Health Care District is conducting due diligence to determine options for the continued operations of Petaluma Valley Hospital.



Providence Health & Services-Southern California is the sole member of Providence Saint John's Health Center. Providence Health & Services-Southern California also owns and operates the following California nonprofit hospitals that are not separately incorporated: Providence Holy Cross Medical Center, Providence Little Company of Mary Medical Center San Pedro, Providence Little Company of Mary Medical Center Torrance, Providence Saint Joseph Medical Center, and Providence Tarzana Medical Center. Please refer to the summary organizational chart below:



Together, St. Joseph Health System and Providence Health & Services operate 18 general acute care hospitals in California.

St. Joseph Health System and Providence Health & Services have requested the California Attorney General's consent to enter into a Health System Combination Agreement to establish joint system-level governance control over their operations through the creation of a new Washington nonprofit parent corporation named, "Providence St. Joseph Health." St. Joseph Health Ministry and Providence Ministries will establish co-sponsorship of Providence St. Joseph Health (the Co-Sponsors Council). The Co-Sponsors Council will be the sole corporate member of Providence St. Joseph Health.

In its preparation of this report, MDS performed the following:

- A review of the application submitted by St. Joseph Health System and Providence Health & Services to the California Attorney General on November 24, 2015, and supplemental information and documents subsequently provided by St. Joseph Health System and Providence Health & Services;
- A review of press releases and news articles related to the proposed combination and other hospital transactions;
- Interviews with community representatives, health plan representatives, representatives of Tarzana Medical Center, Holy Cross Medical Center, and Saint Joseph Medical Center's Board of Directors, medical staff, management, and employees, members of St. Joseph Health System and Providence Health & Services' corporate offices, St. Joseph Health System's Board of Trustees, Providence Health & Services' Board of Directors, St. Joseph Health Ministry, Providence Ministries, and others listed in the Appendix;
- An analysis of financial, utilization, and service information provided by the management of Tarzana Medical Center, Holy Cross Medical Center, and Saint Joseph Medical Center, St. Joseph Health System, Providence Health & Services, and the California Office of Statewide Health Planning and Development (OSHPD); and
- An analysis of publicly available data and reports regarding Providence Health & Services, St. Joseph Health System, and Tarzana Medical Center, Holy Cross Medical Center, and Saint Joseph Medical Center's service areas including:
 - Demographic characteristics and trends;
 - Payer mix;
 - Hospital utilization rates and trends;
 - Health status indicators; and
 - Hospital market share.

BACKGROUND & DESCRIPTION OF THE TRANSACTION

Reasons for the Health System Combination Agreement

The primary objectives stated by Providence Health & Services' Board of Directors and St. Joseph Health System's Board of Trustees for the proposed transaction are to establish the best possible partnership in order to expand healthcare access, share clinical and administrative best practices, increase revenue streams, and drive efficiency due to the changing healthcare environment as a result of the 2010 Federal Patient Protection and Affordable Care Act (ACA) and various other market factors. Providence Health & Services' Board of Directors and St. Joseph Health System's Board of Trustees believe these goals will be accomplished more effectively with their proposed combination. In addition, Providence Health & Services' Board of Directors and St. Joseph Health System's Board of Trustees anticipate that their proposed combination will produce the following benefits:

- Continue the presence of Catholic healthcare in the United States;
- Create advocacy opportunities for social justice, with an emphasis on poor and vulnerable populations;
- Allow for closer integration and/or adoption of specific programs to address the healthcare needs of poor and vulnerable populations;
- Unite and strengthen the mission programs of Providence Health & Services and St. Joseph Health System;
- Honor current affiliations, partnerships, and other arrangements with organizations that have maintained their original faith tradition or secular status;
- Enhance the ability to establish new affiliations, partnerships, and other arrangements with like-minded, faith-based, and secular organizations;
- Strengthen the delivery of healthcare through a nonprofit, charitable model;
- Improve patient access, safety, and satisfaction, and the quality, continuity, and coordination of care;
- Establish stronger infrastructure to serve specific populations, including the Medi-Cal and uninsured patient population;
- Provide an enhanced ability to combine and coordinate the response to community needs across an increased scale and broader geography;

- Adopt and implement the Triple Aim⁵ for clinical expertise, growth, diversification, innovation, and shared services;
- Obtain financial benefits through access to capital through the creation of a single obligated group that will allow Providence Health & Services and St. Joseph Health System to become jointly and severally liable;
- Improve the work environment;
- Support the ability to attract and retain the talent and expertise required to best serve community healthcare needs;
- Share clinical and administrative best practices across regions; and
- Maintain and enhance medical group management infrastructure to improve clinical practices.

Transaction Process & Timing

St. Joseph Health System and Providence Health & Services stated that they engaged in a deliberate process to explore ways to most effectively serve their communities. As a result of their discussions, St. Joseph Health System and Providence Health & Services mutually desired to implement the Health System Combination Agreement.

The events leading up to this transaction are chronologically ordered as follows:

- Early 2015 – Providence Ministries, St. Joseph Health Ministry, Providence Health & Services' Board of Directors, St. Joseph Health System's Board of Trustees, and the management of Providence Health & Services and St. Joseph Health System began to explore a potential partnership between the two organizations;
- April 7, 2015 – St. Joseph Health System's Board of Trustees holds a special meeting with St. Joseph Health Ministry to discuss an overview of Providence Health & Services and to consider the potential partnership between the organizations;
- April 16, 2015 – St. Joseph Health Ministry and Providence Ministries meet to discuss the potential partnership between the two organizations;

⁵ The Triple Aim is a framework developed by the Institute for Healthcare Improvement, a 501(c)(3) with a mission to improve health and healthcare worldwide, for optimizing health system performance by simultaneously accomplishing three objectives: 1) improve the health of the population, 2) enhance the patient experience of care, and 3) reduce the per capital cost of healthcare.

- April 30, 2015 – Members of Providence Health & Services’ Board of Directors meet to discuss an overview of St. Joseph Health System and the potential partnership between the two organizations;
- May 6, 2015 – St. Joseph Health System’s Board of Trustees and St. Joseph Health Ministry meet to discuss the potential partnership with Providence Health & Services;
- May 21, 2015 – Members of Providence Health & Services’ Board of Directors hold a meeting to discuss the potential partnership and to share current management perspectives;
- June 5, 2015 – Providence Health & Services’ Board of Directors meets to provide an update on the transaction process and to share Providence Health & Services’ and St. Joseph Health System’s draft vision statement;
- June 17, 2015 – Providence Ministries and Providence Health & Services’ Board of Directors meet and agree to engage in discussions with St. Joseph Health System to prepare the Letter of Intent;
- June 25, 2015 – St. Joseph Health Ministry and St. Joseph Health System’s Board of Trustees pass a resolution authorizing the preparation of the Letter of Intent;
- July 27, 2015 – Providence Health & Services’ Board of Directors and St. Joseph Health System’s Board of Trustees hold a joint meeting to review the Letter of Intent and the Letter of Intent approval process;
- July 29, 2015 – Providence Health & Services’ Board of Directors and Providence Ministries pass a joint resolution authorizing the execution of the Letter of Intent and establishing a negotiating team and special committee to conduct negotiations on the terms and conditions of the transaction with St. Joseph Health System;
- July 29, 2015 – St. Joseph Health System’s Board of Trustees and St. Joseph Health Ministry pass a joint resolution authorizing the execution of the Letter of Intent and establishing a negotiating team and special committee to conduct negotiations on the terms and conditions of the transaction with Providence Health & Services;
- July 29, 2015 – St. Joseph Health System and Providence Health & Services enter into a Letter of Intent to unite St. Joseph Health System and Providence Health & Services as a fully integrated, Catholic-sponsored, nonprofit healthcare system;
- July 31, 2015 – Providence Health & Services and St. Joseph Health System issue a press release announcing their potential partnership;

- September 18, 2015 – Providence Health & Services’ Board of Directors approves and passes a resolution authorizing the execution of the Health System Combination Agreement;
- September 25, 2015 – St. Joseph Health System’s Board of Trustees approves and passes a resolution authorizing the execution of the Health System Combination Agreement and the Supplemental Agreement with Hoag Memorial Hospital Presbyterian;
- September 25, 2015 – Providence Health & Services’ Board of Directors approves and passes a resolution authorizing the execution of the Supplemental Agreement with Hoag Memorial Hospital Presbyterian;
- November 24, 2015 – “Notice of Submission and Request for Consent” is submitted by Providence Health & Services and St. Joseph Health System to the Office of the California Attorney General; and
- November 25, 2015 – Providence Health & Services and St. Joseph Health System issue a press release announcing that the California Attorney General is reviewing the proposed change in governance.

Health System Combination Agreement

The proposed Health System Combination Agreement, dated November 23, 2015, contains the following major provisions:

- Together, St. Joseph Health System and Providence Health & Services shall form Providence St. Joseph Health, a new Washington nonprofit corporation, to become the sole corporate member of Providence Health & Services and St. Joseph Health System effective upon closing;
 - Providence St. Joseph Health will serve as the parent corporation over Providence Health & Services and St. Joseph Health System;
 - Providence Health & Services and St. Joseph Health System shall continue to operate according to their respective governing documents, subject to the reserved powers of Providence St. Joseph Health;
 - The purpose and function of the subsidiary boards of Providence Health & Services and St. Joseph Health System shall not change and shall continue to operate according to their respective governing documents;

- Providence St. Joseph Health intends to form a single-obligated group that will allow both Providence Health & Services and St. Joseph Health System to:
 - Become jointly and severally liable for all organization tax-exempt debt; and
 - Allocate risk and optimize borrowing strategy.
- Providence St. Joseph Health intends to create a single-cash and integrated investment program.
- St. Joseph Health Ministry and Providence Ministries will enter into a separate co-sponsorship agreement establishing the Co-Sponsors Council through contractual obligations exercised by St. Joseph Health Ministry and Providence Ministry;
 - The Co-Sponsors Council will become the sole corporate member of Providence St. Joseph Health; and
 - Some of the reserved rights of the Co-Sponsors Council are:
 - Approve any change to mission, philosophy, vision, and values;
 - Adopt, amend, or repeal civil Articles of Incorporation or Bylaws of Providence St. Joseph Health, of any civil corporation of which Providence St. Joseph Health is a controlling member, to the extent permitted by applicable law;
 - Monitor the application of the Ethical and Religious Directives within Providence St. Joseph Health and its Catholic subsidiaries, and in the case of non-compliance, require the correction of any anomaly;
 - Fix the number and appoint and/or remove the trustees of Providence St. Joseph Health and of any corporation of which Providence St. Joseph Health is the controlling member;
 - Approve incurrences of indebtedness or the sale, transfer, assignment, or encumbering of the assets of Providence St. Joseph Health and any corporation of which Providence St. Joseph Health is the controlling member, pursuant to policies established from time to time by the Co-Sponsors Council;
 - Appoint the President/Chief Executive Officer of Providence St. Joseph Health, and to remove such President/Chief Executive Officer of Providence St. Joseph Health, with or without cause, after consideration of input from the Providence St. Joseph Health Board;
 - Approve, on a consolidated system-wide basis, the annual operating and capital budget of Providence St. Joseph Health, and approve of any deviations from such budgets in excess of an amount of percentage specified from time to time by resolution of the Co-Sponsors Council;
 - Approve the merger, dissolution, or sale of substantially all Providence St.

- Joseph Health division or local ministry assets; and
 - Approve the initiation or closure of any major work of Providence St. Joseph Health and of any corporation of which Providence St. Joseph Health is the controlling member.
- St. Joseph Health System and Providence Health & Services shall establish the Providence St. Joseph Health Board as follows:
 - The Providence St. Joseph Health Board shall consist of fourteen elected members with equal voting rights;
 - The President and Chief Executive Officer of Providence St. Joseph Health shall serve as an ex-officio member, with voting privileges;
 - Seven members of the Providence St. Joseph Health Board shall be appointed by St. Joseph Health System and seven members shall be appointed by Providence Health & Services;
 - Each elected member shall serve an initial three-year term, subject to the reserved rights of their respective Sponsors during the initial term;
 - Following the initial three-year term, the elected members shall be self-perpetuating, with members serving staggered terms, without regard to representational requirements, and subject to the reserved rights of the Co-Sponsors Council;
 - No member of the Providence St. Joseph Health Board may serve more than nine consecutive years, excluding the President and Chief Executive Officer; and
 - Voting shall be decided by a simple majority, unless a greater majority is required by law.
- The restated bylaws of Providence Health & Services and the restated bylaws of St. Joseph Health System will reserve rights to Providence St. Joseph, such as the ability to:
 - Approve and recommend to Co-Sponsors Council the appointment and/or removal of the Providence St. Joseph Health Board of Directors;
 - Approve and recommend to Co-Sponsors Council the appointment and/or removal of Providence St. Joseph Health Board Chair;
 - Approve and recommend to Co-Sponsors Council the amendment of articles, bylaws, or other governing documents of Providence St. Joseph Health, St. Joseph Health System, or Providence Health & Services;

- Approve and recommend to Co-Sponsors Council the affiliation or acquisition involving Providence St. Joseph Health, St. Joseph Health System or Providence Health & Services;
- Approve the strategic plan for all Catholic facilities, ministries and operations of Providence St. Joseph Health, Providence Health & Services, and St. Joseph Health System;
- Approve Providence St. Joseph Health's goals and objectives;
- Approve and recommend to Co-Sponsors Council the initiation or closure of a major work of Providence St. Joseph Health, St. Joseph Health System, or Providence Health & Services;
- Approve initiation or closure of programs and services of St. Joseph Health System or Providence Health & Services;
- Approve and recommend to Co-Sponsors Council the dissolution, liquidation, consolidation, or merger of Providence St. Joseph Health, St. Joseph Health System or Providence Health & Services;
- Approve and recommend to Co-Sponsors Council the annual consolidated Providence St. Joseph Health's budget;
- Approve debt authorization (including loan guarantees) up to an amount to be determined;
- Approve the long-range financial plan of Providence St. Joseph Health;
- Approve budgeted substitutions of Providence St. Joseph Health;
- Approve unbudgeted expenditures of Providence St. Joseph Health;
- Approve sale of non-church real and personal property/assets of Providence St. Joseph Health, St. Joseph Health System, or Providence Health & Services; and
- Approve system-wide Providence St. Joseph Health compliance program and policies.
- All employees shall remain employed by the entity that currently employs them with compensation and benefits established by their respective employers, and both St. Joseph Health System and Providence Health & Services will continue maintaining their respective employee benefit plans to be in material compliance with applicable laws;

- The medical staff shall not be adversely affected nor require a change to the medical staff privileges held by any member of the medical staff of the hospitals;
- Capital projects approved by either St. Joseph Health System or Providence Health & Services prior to closing shall not be subject to an additional review process;
- Divisional headquarters for St. Joseph Health System and Providence Health & Services' California operations shall be located in Irvine, California. System headquarters for Providence St. Joseph Health shall be located in Renton, Washington;
- St. Joseph Health System and Providence Health & Services have made the following commitments:
 - Maintain the hospitals as general acute care hospitals for a period of five years;
 - Maintain and provide 24-hour emergency department services as currently licensed for a period of five years;
 - Continue to participate in the Medicare program and have a Medicare provider number for a period of five years to provide the same types and levels of services as provided as of closing of the transaction;
 - Continue to participate in the Medi-Cal program for a period of five years, including maintaining Medi-Cal Managed Care contracts on competitive terms that provide the same types and levels of services as in the existing contracts;
 - Continue contracts with local government agencies on current terms for a period of five years, unless such contracts expire or are terminated for cause;
 - Provide an annual amount of charity care at each of the hospitals for a period of five years that is no less than the Fiscal Year (FY) 2014-2015 average of each of the hospitals;
 - Provide an annual amount of community benefit services at each of the hospitals for a period of five years that is no less than the four year (FY 2011-2014) average at each of the hospitals, subject to Consumer Price Index adjustments; and
 - Continue key service lines at the hospitals, including women's health services, for a period of five years as listed in the summary table below:

ST. JOSEPH HEALTH SYSTEM & PROVIDENCE HEALTH & SERVICES: SERVICE LINE COMMITMENT	
Hospital	Service Line
St. Joseph Health System	
Mission Hospital Regional Medical Center	Behavioral health, cardiology, diabetes, emergency, gastroenterology, imaging/radiology, intensive care, laboratory, neurosciences, obstetrics and neonatal intensive care, oncology, orthopedics, pediatrics, rehabilitation, respiratory, surgery, trauma, vascular, and women's services
Petaluma Valley Hospital	Emergency, imaging/radiology, intensive care, laboratory, obstetrics, oncology, orthopedics, palliative care, rehabilitation, vascular, and women's services
Queen of the Valley Medical Center	Cardiology, emergency, imaging/radiology, interventional radiology, intensive care, laboratory, neurosciences, obstetrics and neonatal intensive care, oncology, orthopedics, palliative care, rehabilitation, surgery, wellness, women's, and wound care services
Redwood Memorial Hospital	Cardiology, emergency, gastroenterology, imaging/radiology, intensive care, laboratory, neurosciences, obstetrics, oncology, orthopedics, palliative care, rehabilitation, and surgery services
Santa Rosa Memorial Hospital	Bariatric surgery, behavioral health, cardiology, emergency, imaging/radiology, interventional radiology, intensive care, laboratory, neurosciences, obstetrics, oncology, orthopedics, palliative care, rehabilitation, surgery, trauma, vascular, and women's services
St. Joseph Hospital-Eureka	Cardiology, emergency, gastroenterology, imaging/radiology, interventional radiology, intensive care, laboratory, neurosciences, obstetrics and neonatal intensive care, oncology, orthopedics, palliative care, rehabilitation, and surgery services
St. Joseph Hospital of Orange	Anesthesia, bariatric surgery, behavioral health, cardiology, emergency services, gastroenterology, imaging/radiology, interventional radiology, intensive care, kidney dialysis, laboratory, neurosciences, obstetrics oncology, ophthalmology, orthopedics, palliative care, rehabilitation, surgery, urology, women's, and wound care services
St. Jude Medical Center	Anesthesia, cardiology, emergency, gastroenterology, geriatric, imaging/radiology, interventional radiology, laboratory, neurosciences, obstetrics and neonatal intensive care, oncology, orthopedics, palliative care, pathology, rehabilitation, speech therapy, surgery, wellness and fitness, women's, and wound care services
St. Mary Medical Center	Cardiology, diabetes, emergency, imaging/radiology, intensive care, laboratory, obstetrics and neonatal intensive care, rehabilitation, surgery, women's, and wound care services
Providence Health & Services	
Providence Holy Cross Medical Center	Ambulatory surgery, cardiac catheterization, cardiology, emergency, endoscopy, imaging/radiology, intensive care, interventional radiology, laboratory, neurosciences, obstetrics and neonatal intensive care, oncology, orthopedics, palliative care, pulmonary, rehabilitation, sub-acute, telemetry, trauma, vascular, and women's services
Providence Little Company of Mary Medical Center-San Pedro	Acute psychiatry, center for optimal aging, chemical dependency, community outreach, diabetes, emergency, endocrinology, imaging/radiology, intensive care, internal medicine, laboratory, neurosciences, nutritional, obstetrics, oncology, palliative care, pathology, rehabilitation, respiratory, spiritual care, surgery, sub-acute, women's, and wound care services
Providence Little Company of Mary Medical Center-Torrance	Blood donor center, cardiovascular, community outreach, emergency, diabetes, endocrinology, imaging/radiology, intensive care, internal medicine, laboratory, neurosciences, nutritional, obstetrics and neonatal intensive care, orthopedics, oncology, palliative, pathology, pediatrics, respiratory, spiritual care, surgery, rehabilitation, urology, volunteer, women's, and wound care services
Providence Saint Joseph Medical Center	Ambulatory surgery, cardiac catheterization, cardiology, emergency, paramedic base station, endoscopy, imaging/radiology, intensive care, interventional radiology, laboratory, neurosciences, orthopedics, obstetrics and neonatal intensive care, oncology, palliative care, pulmonary, rehabilitation, surgery, telemetry, vascular, and women's services
Providence Tarzana Medical Center	Ambulatory surgery, cardiac catheterization, cardiology, emergency, endoscopy, imaging/radiology, intensive care, interventional radiology, laboratory, neurosciences, obstetrics and neonatal intensive care, oncology, orthopedics, palliative care, pulmonary, surgery, pediatric and pediatric intensive care, telemetry, vascular, and women's services

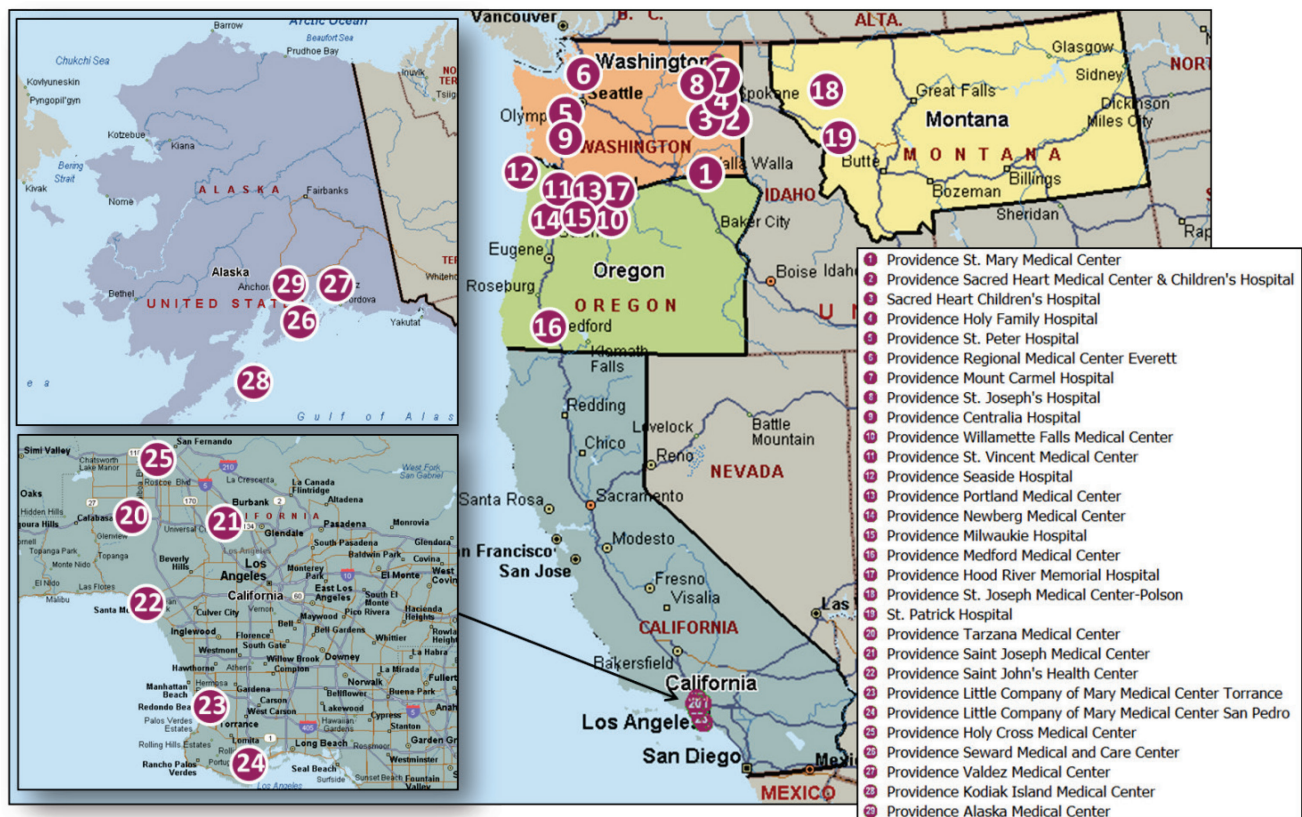
Use of Net Sale Proceeds

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

PROFILE OF PROVIDENCE HEALTH & SERVICES

Providence Health & Services is a nonprofit Catholic healthcare system that traces its beginnings back to 1843 when a religious community of Catholic women, later called the Sisters of Providence, was founded in Montreal, Canada. In 1856, Mother Joseph of the Sacred Heart led a group of four Sisters of Providence to the Washington Territory, where the pioneer sisters began caring for elderly women, orphaned children, and the sick in what was called the "Providence Enclosure." In 1858, they opened St. Joseph Hospital, one of the first hospitals in the Northwest, and by 1859, the Sisters of Providence created the structure for the current network of healthcare services known as Providence Health & Services.

Providence Health & Services has grown to be one of the largest nonprofit health systems in the United States. Providence Ministries is the Catholic sponsor of Providence Health & Services. Today, Providence Health & Services, headquartered in Renton, Washington, employs 76,000 employees, who provide a diverse range of services across five states: Alaska, California, Montana, Oregon, and Washington. Providence Health & Services currently operates 34 hospitals, 475 physician clinics, 22 long-term care facilities, 19 hospice and home health programs, and 693 supportive housing units. Providence Health & Services operates Providence Health Plan, an Oregon nonprofit healthcare service contractor, that provides Medicare, Medicaid, and individual and family health insurance plans to 436,000 members.



Approximately 70 years ago, Providence Health & Services began its operations in Southern California, where it currently operates the following hospitals: Providence Holy Cross Medical Center, Providence Little Company of Mary Medical Center San Pedro, Providence Little Company of Mary Medical Center Torrance, Providence Saint John's Health Center, Providence Saint Joseph Medical Center, and Providence Tarzana Medical Center. Descriptions of Providence Health & Services-Southern California's hospitals are provided below:

Providence Holy Cross Medical Center is located in Mission Hills, was founded in 1961, and provides healthcare services to the San Fernando, Santa Clarita, and Simi Valley communities. It is a general acute care hospital that is currently licensed for 377 beds and has a medical staff consisting of over 600 physicians. The Medical Center offers both inpatient and outpatient health services, including oncology, cardiology, orthopedics, neurosciences, rehabilitation services, women's and children's services. The Medical Center is designated as a Level II Trauma Center and STEMI Receiving Center, and is certified as a Primary Stroke Center.

Providence Little Company of Mary Medical Center San Pedro is located in San Pedro, was founded in 1925, and provides healthcare services to the South Bay community. It is a general acute care hospital that is currently licensed for 356 beds and has a medical staff consisting of over 400 physicians. The hospital offers a variety of medical services, including emergency care, intensive care, medical and surgical services, obstetrics, and orthopedics. The hospital is also certified as a Primary Stroke Center.

Providence Little Company of Mary Medical Center Torrance is located in Torrance, was opened in 1960, and provides healthcare services to the South Bay Community. It is a general acute care hospital that is currently licensed for 442 beds, employs approximately 2,100 individuals, and has a medical staff consisting of approximately 900 physicians. The hospital offers general medical, surgical, and critical care services. The hospital also offers cardiovascular, oncology, emergency care, and women's and children's health services. The hospital is designated as Level III Neonatal Intensive Care Unit and a STEMI Receiving Center, and is certified as a Primary Stroke Center.

Providence Saint John's Health Center is located in Santa Monica, was founded in 1942, and provides healthcare services to communities in West Los Angeles. Today, the health center is a general acute care hospital that is currently licensed for 266 beds. The health center provides emergency, heart and vascular care, oncology, orthopedics, and women's health services. The health center is also designated as a STEMI Receiving Center. Providence Saint John's Health Center is the sole corporate member of the John Wayne Cancer Institute, an institute that conducts research to advance the treatment of complex cancers.

Providence Saint Joseph Medical Center is located in Burbank and was founded in 1943 by the Sisters of Providence. The Medical Center is a general acute care hospital that is currently licensed for 446 beds, has approximately 2,300 employees, over 700 physicians, and is the second-largest hospital serving the San Fernando and Santa Clarita Valleys. The Medical Center offers a variety of services and programs through its Roy & Patricia Disney Family Cancer

Center, heart and vascular center, The Hycy and Howard Hill Neuroscience Institute, breast health center, and Trinity Hospice. The Medical Center is also designated as a STEMI Receiving Center and certified as a Primary Stroke Center.

Providence Tarzana Medical Center is located in Tarzana, was founded in 1973, and provides healthcare services to the San Fernando Valley communities. It is a general acute care hospital that is licensed for 249 beds, has a medical staff consisting of nearly 800 physicians, and has over 1,300 employees. The Medical Center offers a comprehensive range of healthcare services that include cardiology, vascular, orthopedics, women's services, pediatrics, neonatal, and emergency care. The Medical Center is designated as a STEMI Receiving Center and a Level III Neonatal Intensive Care Unit, and is certified as a Primary Stroke Center.

Providence Health & Services –Southern California also operates the following entities:

Providence Medical Institute

Providence Medical Institute operates as a nonprofit medical practice foundation⁶ and provides primary and specialty care services, including family and internal medicine, obstetrics and gynecology, pediatrics, cardiology, and dermatology services. Providence Medical Institute was founded in 1995, and is currently affiliated with the following medical groups: Providence Medical Group, Providence Care Network, Affiliates in Medical Specialties, and Axminster Medical Group. Together, they employ over 200 providers located at more than 30 medical offices throughout the Greater Los Angeles area.

Facey Medical Foundation

Facey Medical Foundation operates as a nonprofit medical practice foundation and manages Facey Medical Group. Facey Medical Group provides primary and specialty care services, including family and internal medicine, obstetrics and gynecology, pediatrics, behavioral health, ophthalmology, and gastroenterology services, to the residents of San Fernando Valley, Santa Clarita Valley, and Simi Valley. Facey Medical Group is currently comprised of over 200 healthcare providers in 12 locations.

Providence High School

Providence High School, located in Burbank, was founded in 1955 by the Sisters of Providence. It is a private, co-educational, independent, college preparatory Catholic high school, accredited by the Western Catholic Education Association and the Western Association of Schools and

⁶ Providence Medical Institute and Facey Medical Foundation operate under California Health and Safety Code section 1206(l). Under section 1206(l), a clinic operated by a nonprofit corporation that conducts medical research and health education and provides healthcare to its patients through a group of 40 or more physicians and surgeons, who are independent contractors representing not less than ten board-certified specialties, and not less than two-thirds of whom practice on a full-time basis at the clinic, is not required to be licensed.

Colleges. It is also a member of the California Association of Independent Schools, and is nationally recognized as a Blue Ribbon High School.

Providence St. Elizabeth Care Center

Providence St. Elizabeth Care Center, located in North Hollywood, is a skilled nursing facility licensed for 52 skilled nursing beds. Healthcare services include skilled nursing care, geriatric services, intravenous medication therapy, and respiratory services.

Providence TrinityCare Hospice

Providence TrinityCare Hospice provides end-of-life services for patients in need of palliative and hospice care throughout Southern California. Providence TrinityCare Hospice, which is supported by Providence TrinityCare Hospice Foundation, provides care for patients in hospitals, nursing homes, rehabilitation facilities, and in the home.

Providence Little Company of Mary Home Health

Providence Little Company of Mary Home Health provides a range of home health and clinical specialty programs for patients receiving treatment for illness, hospitalization, or surgery. Healthcare services include patient assessment and monitoring, IV therapy, total parenteral nutrition, gastric feeding tube services, wound care treatment, and pain management services.

Providence Little Company of Mary Sub-Acute Care Center

Providence Little Company of Mary Sub-Acute Care Center, located in San Pedro, is an adult care facility that specializes in the treatment of ventilator and tracheostomy-dependent patients, including inhalation therapy, tracheotomy care, intravenous tube feeding, and complex wound management care.

Providence Little Company of Mary Transitional Care Center

Providence Little Company of Mary Transitional Care Center, located in Torrance, provides skilled nursing care for patients transitioning from inpatient acute care to the home.

The Roy and Patricia Disney Family Cancer Center

The Roy and Patricia Disney Family Cancer Center, located in Burbank, provides prevention, detection, diagnosis, medical and surgical treatment, rehabilitation, and support services for patients with cancer, including the Providence Saint Joseph Breast Health Center.

Providence House

Providence House, founded in 1991 and located in Oakland, provides 40 apartments for individuals on fixed incomes living with HIV/AIDs and disabilities.

Key Statistics

Key statistics for the Providence Health & Services-Southern California hospitals include the following:

- In FY 2014, the hospitals operated a total of 2,116 licensed beds with an average occupancy rate of 56% and an average daily census of 1,171 patients;
- From FY 2013 to FY 2014, total inpatient discharges increased approximately 15% from 74,733 to 85,759; and
- Based on FY 2014 inpatient discharges, the percentages of Medicare and Medi-Cal were 45% and 20%, respectively.

Payer Mix

The following table illustrates the Providence Health & Services-Southern California hospitals' inpatient discharge payer mix compared to Los Angeles County and the State of California for FY 2014. The comparison shows that the six combined hospitals have higher percentages of Medicare Traditional, Medicare Managed Care, Third Party Traditional, and Third-Party Managed Care patients and lower percentages of Medi-Cal Traditional and Medi-Cal Managed Care patients relative to the average for all hospitals in Los Angeles County and the State of California.

PAYER MIX COMPARISON						
	Providence Health & Services (FY 2014)		Los Angeles County (FY 2014)		California (FY 2014)	
	Discharges	% of Total	Discharges	% of Total	Discharges	% of Total
Medi-Cal Traditional	8,657	10.1%	157,394	18.5%	448,311	15.8%
Medi-Cal Managed Care	8,688	10.1%	135,429	16.0%	435,129	15.3%
Medi-Cal Total	17,345	20.2%	292,823	34.5%	883,440	31.1%
Medicare Traditional	27,855	32.5%	233,810	27.5%	805,912	28.4%
Medicare Managed Care	10,965	12.8%	85,330	10.1%	273,709	9.6%
Medicare Total	38,820	45.3%	319,140	37.6%	1,079,621	38.0%
Third-Party Managed Care	20,981	24.5%	158,487	18.7%	610,781	21.5%
Third-Party Managed Care Total	20,981	24.5%	158,487	18.7%	610,781	21.5%
Third-Party Traditional	6,937	8.1%	30,357	3.6%	121,054	4.3%
Other Payers	762	0.9%	22,969	2.7%	62,617	2.2%
Other Indigent	914	1.1%	7,231	0.9%	32,930	1.2%
County Indigent	0	0.0%	17,931	2.1%	51,759	1.8%
Other Total	8,613	10.0%	78,488	9.2%	268,360	9.4%
Total	85,759	100%	848,938	100%	2,842,202	100%

Source: OSHPD Disclosure Reports, FY 2014

Quality & Awards

All of the Providence Health & Services-Southern California hospitals have received accreditation from The Joint Commission as indicated below:

Hospital	Effective Date
Providence Holy Cross Medical Center	5/8/2015
Providence Little Company of Mary Medical Center-San Pedro	1/17/2015
Providence Little Company of Mary Medical Center-Torrance	9/25/2015
Providence Saint John's Health Center	9/12/2015
Providence Saint Joseph Medical Center	8/8/2015
Providence Tarzana Medical Center	8/9/2014

Source: The Joint Commission

The Centers for Medicare & Medicaid Services developed the online tool, Hospital Compare, as a part of its Hospital Quality Initiative. Hospital Compare is designed to help improve hospitals' quality of care by distributing objective, easy to understand data on hospital performance, and quality information from consumer perspectives. The following table shows the most recent quality scores for the Providence Health & Services-Southern California hospitals in California as reported by Hospital Compare for measures of overall recommended care, readmission rate, overall patient experience, and overall surgical care:

PROVIDENCE HEALTH & SERVICES: QUALITY SCORES				
Hospital	Overall Recommended Care	Readmission Rate	Overall Patient Experience	Overall Surgical Care
State of California Average	96.9%	19.4%	68.0%	97.9%
Providence Holy Cross Medical Center	96.2%	19.9%	74.0%	99.7%
Providence Little Company of Mary Medical Center San Pedro	95.3%	19.5%	68.0%	96.4%
Providence Little Company of Mary Medical Center Torrance	98.2%	19.9%	75.0%	99.8%
Providence Saint John's Health Center	96.3%	19.2%	73.0%	99.9%
Providence Saint Joseph Medical Center	97.6%	19.8%	75.0%	99.8%
Providence Tarzana Medical Center	95.3%	19.4%	59.0%	98.0%

Source: Medicare.gov Hospital Compare

- For measures of overall recommended care, four of the hospitals (Providence Holy Cross Medical Center, Providence Little Company of Mary Medical Center San Pedro, Providence Saint John's Health Center, and Providence Tarzana Medical Center) had slightly lower rates than the State of California average. However, two hospitals (Providence Little Company of Mary Medical Center Torrance and Providence Saint Joseph Medical Center) scored above the State of California average;
- Four of the six hospitals had slightly higher rates of readmission than the State of California Average. Providence Tarzana Medical Center's readmission rate was the same as the State of California average (19.4%), and Providence Saint John's Health Center's readmission rate was lower than the statewide average (19.2%);

- Five of the six hospitals' overall patient experience scores met or exceeded the State of California average. Providence Tarzana Medical Center's overall patient experience score was lower than the State of California average (59.0% and 68.0%, respectively); and
- For measures of overall surgical care, only Providence Little Company of Mary Medical Center San Pedro's score of 96.4% fell below the State of California average.

Financial Profile

Combined Statement of Operations

PROVIDENCE HEALTH & SERVICES COMBINED STATEMENT OF OPERATIONS: CALENDAR YEARS ENDED 2013 & 2014 (In Thousands of Dollars)				
	Providence Health & Services System-Wide		Providence Health & Services Southern California	
	2013	2014	2013	2014
Net Patient Service Revenue	\$9,357,529	\$10,294,637	\$1,647,280	\$1,840,535
Provision for Bad Debts	(\$299,791)	(\$193,018)	(\$48,600)	(\$71,899)
Net Patient Service Revenue Less Provision for Bad Debts	\$9,057,738	\$10,101,619	\$1,598,680	\$1,768,646
Premium and Capitation Revenues	\$1,445,107	\$1,682,968	\$198,965	\$243,103
Other Revenues	\$633,835	\$696,390	\$65,332	\$92,240
Total Operating Revenues	\$11,136,680	\$12,480,977	\$1,862,977	\$2,103,989
Salaries and Wages	\$4,748,873	\$5,248,196	\$695,251	\$792,798
Employee Benefits	\$1,161,130	\$1,220,078	\$184,509	\$86,796
Purchased Healthcare	\$767,161	\$909,154	\$47,886	\$79,462
Professional Fees	\$463,838	\$514,990	\$173,737	\$213,768
Supplies	\$1,533,092	\$1,792,707	\$226,875	\$284,480
Purchased Services	\$944,487	\$977,247	\$258,663	\$153,017
Depreciation	\$596,623	\$676,357	\$80,766	\$102,861
Interest and Amortization	\$134,489	\$161,014	\$37,853	\$38,187
Other Operating Expenses	\$749,316	\$762,082	\$184,422	\$78,346
Total Operating Expenses	\$11,099,009	\$12,261,825	\$1,889,962	\$1,829,715
Excess of Revenues Over Expenses from Operations	\$37,671	\$219,152	(\$26,985)	\$274,274
Gains from Affiliations	-	\$476,110	-	-
Loss on Extinguishment of Debt	(\$1,671)	(\$85,522)	-	-
Investment Income, Net	\$248,572	\$178,043	-	-
Pension Settlement Costs and Other	(\$30,302)	(\$16,361)	-	-
Total Net Nonoperating Gains	\$215,599	\$552,270	\$16,132	\$143,908
Excess of Revenues Over Expenses	\$253,270	\$771,422	(\$10,853)	\$418,182
Net Assets Released from Restriction for Capital	\$10,786	\$13,646	(\$594)	\$3,924
Change in Noncontrolling Interests in Consolidated Joint Ventures	(\$29,139)	\$584	(\$811)	\$553
Pension Related Changes	\$385,702	(\$249,011)	-	-
Interdivision Transfers	-	-	(\$29,915)	(\$414,211)
Contributions, Grants, and Other	(\$4,040)	(\$8,639)	\$4,077	(\$16,054)
Increase in Unrestricted Net Assets	\$616,579	\$528,002	(\$38,096)	(\$7,606)

Source: Providence Health & Services Combined Financial Statement, FY 2013 & 2014 (KPMG)

Providence Health & Services System-Wide Performance

Providence Health & Services' audited combined financial statements⁷ for FY 2013 and FY 2014 display the system-wide performance of the entity and its affiliates. The system displays increasing operating revenues and excess of revenues over expenses from operations.

⁷ Providence Health & Services' audited combined financial statements, prepared by KPMG, pertain to the entire Providence Health & Services system, including its operations outside of California.

- Net patient service revenue (less provision for bad debts) of \$10.1 billion in FY 2014 represents a net increase of \$1.0 billion (11.5%) as compared to FY 2013. Total operating revenues increased by \$1.3 billion (12%) to \$12.5 billion in FY 2014;
- Total operating expenses increased by 10.5% in FY 2014 to \$12.3 billion. Providence Health & Services' salaries and benefits expenses accounted for 42.8% of total expenses;
- In FY 2014, Providence Health & Services realized a net non-operating gain of \$552.3 million, representing a 156% increase from the net non-operating gain of \$215.6 million in FY 2013. This increase included investment income from trading securities, income from recipient organizations, pension settlement costs, and other income. Contributions from affiliations with Providence Saint John's Health Center, Pacific Medical Centers, and Kadlec Health System also are included in net non-operating gains in FY 2014; and
- Excess of revenues over expenses from operations increased from \$37.7 million in FY 2013 to \$219.2 million in FY 2014.

Providence Health & Services-Southern California Performance

Providence Health & Services-Southern California's combined financial statements for FY 2013 and FY 2014 display the performance of the Providence Health & Services-Southern California entities and affiliates. The region shows increasing operating revenues and excess of revenues over expenses from operations.

- Net patient service revenue (less provision for bad debts) of \$1.77 billion in FY 2014 represents a net increase of \$170 million (10.6%) as compared to FY 2013. Total operating revenues increased by \$241 million (13.0%) to \$2.1 billion in FY 2014;
- Total operating expenses decreased by 3.2% in FY 2014 to \$1.83 billion. The salaries and wages expenses accounted for approximately 43.3% of total expenses;
- In FY 2014, Providence Health & Services-Southern California realized a net non-operating gain of \$143.9 million, representing a significant increase from the net non-operating gain of \$16.1 million in FY 2013; and
- Excess of revenues over expenses from operations increased from a loss of \$27.0 million in FY 2013 to a gain of \$274.3 million in FY 2014.

PROFILE OF ST. JOSEPH HEALTH SYSTEM

St. Joseph Health System is a ministry of the Sisters of St. Joseph of Orange, whose origins can be traced back to the 17th Century. In 1650, Father Jean Pierre Medaille, a traveling Jesuit priest and missionary, encountered a group of women in Le Puy, France who were providing care to the homeless and sick members of their community. Father Madaille formally organized the group of women into a religious community named the “Sisters of Saint Joseph.” In 1912, at the invitation of the local bishop, a small contingent of the Sisters of St. Joseph traveled to establish a school in Eureka, California. A few years later in 1918, the great influenza epidemic broke out and caused the Sisters to temporarily give up their education efforts in order to provide care for the sick. The Sisters of St. Joseph determined that the community needed a hospital. In 1920, the Sisters opened St. Joseph Hospital-Eureka with 28 beds.

Today, St. Joseph Health System is organized into three regions: Northern California, Southern California, and West Texas/Eastern New Mexico. St. Joseph Health System employs 24,733 individuals who provide care across a full range of facilities including 14 acute care hospitals, home health agencies, hospice care, outpatient services, skilled nursing facilities, community clinics, and physician organizations.



St. Joseph Health System operates the following hospitals in Southern California: Hoag Memorial Hospital Presbyterian, Hoag Orthopedic Institute, St. Joseph Hospital-Eureka, Redwood Memorial Hospital, Santa Rosa Memorial Hospital, Petaluma Valley Hospital, Queen of the Valley Medical Center, St. Joseph Hospital of Orange, St. Jude Medical Center, St. Mary Medical Center, and Mission Hospital Regional Medical Center, which operates two general acute care hospitals under the same license. Descriptions of St. Joseph Health System's Southern California hospitals are provided below:

Hoag Memorial Hospital Presbyterian has campuses in Newport Beach and Irvine, was founded over 60 years ago, and provides healthcare services to the Orange County community. Both campuses are licensed as general acute care hospitals and are currently licensed for a combined total of 527 beds. The hospitals provide emergency, medical/surgical, cardiovascular, maternity, neonatal intensive care, critical care, and chemical dependency services. They are both designated as STEMI Receiving Centers, and the Newport Beach campus is designated as a Stroke Neurology Receiving Center.

Hoag Orthopedic Institute is an orthopedic specialty hospital in Irvine. The institute is licensed for 70 beds and has a medical staffing consisting of over 300 specialty physicians who provide a range of orthopedics services including spine care, joint care, sports medicine, trauma and fracture care, and sarcoma treatment services.

St. Mary Medical Center is located in Apple Valley and first opened in 1956 as a 29-bed acute and maternity care facility. Today, the hospital is a general acute care hospital that is currently licensed for 212 beds and has a medical staff consisting of over 300 physicians. It provides healthcare services to the Apple Valley community, including 24-hour emergency services, pediatric care, cardiology services, and wellness and prevention programs such as diabetes education. It is designated as a STEMI Receiving Center.

St. Jude Medical Center is located in Fullerton, has been in operation for over 50 years, and provides healthcare services to the Orange County community. The Medical Center is a general acute care hospital that is currently licensed for 351 beds and has a medical staff consisting of nearly 600 physicians. The Medical Center provides medical services across a wide range of specialties and subspecialties, including oncology, cardiology, maternity, orthopedics, and outpatient rehabilitation services. It is designated as a STEMI Receiving Center and is certified as a Comprehensive Stroke Center.

St. Joseph Hospital of Orange is located in Orange, opened in September of 1929, and provides healthcare services to the Orange County community. It is a general acute care hospital that is currently licensed for 463 beds, employs over 3,100 staff, and has a medical staff consisting of over 1,000 physicians. The hospital offers bariatric surgery, behavioral health, orthopedics, and kidney transplant services. The hospital has the Nasal and Sinus Center, the Heart and Vascular Center, the Center for Cancer Prevention and Treatment, and the Kidney Dialysis Center. It is designated as a STEMI Receiving Center and is certified as a Primary Stroke Center.

Mission Hospital Regional Medical Center has campuses in Mission Viejo and Laguna Beach. Both are general acute care hospitals that provide a wide range of patient services and are currently licensed for a combined total of 552 beds with a medical staff of over 750 physicians. The Medical Center has several specialty centers that include Heart Center, Spine Center, Women's Center, and the Imaging Center. The Mission Viejo campus is designated as a Level II Trauma Center and STEMI Receiving Center and is certified as a Primary Stroke Center.

St. Joseph Health System operates the following hospitals in Northern California: St. Joseph Hospital-Eureka, Redwood Memorial Hospital, Santa Rosa Memorial Hospital, Petaluma Valley Hospital, and Queen of the Valley Medical Center. Descriptions of St. Joseph Health System's Northern California hospitals are provided below:

St. Joseph Hospital-Eureka is located in Eureka, first opened in 1920, and provides healthcare services to the Eureka community. It is a general acute care hospital that is currently licensed for 153 beds with a medical staff of over 300 physicians. It provides emergency, cardiology, surgical, pediatric, maternity, and rehabilitation services. It also has a Sexual Assault Response Team and operates a Level II Neonatal Intensive Care Unit.

Redwood Memorial Hospital is located in Fortuna and provides healthcare services to the Fortuna community. It is a general acute care and critical care access hospital that is currently licensed for 35 beds with a medical staff of over 100 physicians. The hospital provides emergency, critical care, obstetric, surgical, outpatient rehabilitation, and radiology services, including ultrasound, digital mammography, and bone density services.

Santa Rosa Memorial Hospital is located in Santa Rosa and serves the communities of Sonoma County, Mendocino County, Napa County, and Lake County. The hospital is a general acute care hospital and is currently licensed for 278 beds with a medical staff of nearly 500 physicians. The hospital provides a range of specialty services, including emergency, pediatric, maternal and child health, joint replacement, and rehabilitation services. It is designated as a STEMI Receiving Center, certified as a Primary Stroke Center, and operates the region's only Level II Trauma Center.

Petaluma Valley Hospital is located in Petaluma in Sonoma County. It is a general acute care hospital that is currently licensed for 80 beds with a medical staff of over 250 physicians. The hospital offers 24-hour emergency, intensive care, and surgical services. It also operates a Family Birth Center.

Queen of the Valley Medical Center is located in Napa, was founded in 1958 by the Sisters of St. Joseph of Orange, and provides services to the Napa Valley community. The Medical Center is a general acute care hospital that is currently licensed for 208 beds with a medical staff of over 300 physicians. It provides oncology, orthopedics, imaging, cardiac, maternity and infant care, emergency, and wellness services. It is designated as a STEMI Receiving Center.

St. Joseph Health System also operates the following entities:

St. Joseph Heritage Healthcare

St. Joseph Heritage Healthcare operates as a nonprofit medical practice foundation⁸ and provides primary and specialty care services, including family and internal medicine, pediatrics, dermatology, cardiology, and obstetrics and gynecology services. St. Joseph Heritage Healthcare is comprised of eight medical groups, including St. Jude Heritage Medical Group, St. Joseph Heritage Medical Group, Mission Heritage Medical Group, Hoag Medical Group, St. Mary High Desert Medical Group, Annadel Medical Group, Queen of the Valley Medical Associates, and Humboldt Medical Specialists. St. Joseph Heritage Healthcare also has several contracted physician networks that include St. Jude Affiliated Physician Network, St. Joseph Hospital Affiliated Physician Network, Mission Hospital Affiliated Physician Network, Hoag Affiliated Physician Network, and Premier IPA. In total, St. Joseph Heritage Healthcare is comprised of over 400 healthcare providers.

St. Joseph Health System Foundation

The St. Joseph Health System Foundation, also known as the St. Joseph Health Community Partnership Fund, supports St. Joseph Health System's mission to improve the health and wellbeing of low-income individuals and families by raising and allocating funds and resources to various community programs.

Key Statistics

Key statistics for St. Joseph Health System's California hospitals include the following:

- In FY 2014, the hospitals operated a total of 2,357 licensed beds with an average occupancy rate of 48% and an average daily census of 1,183 patients;
- From FY 2013 to FY 2014, total inpatient discharges decreased 8%, from 129,967 to 119,420; and
- The percentage of Medicare and Medi-Cal inpatient discharges in FY 2014 were 44% and 21%, respectively.

⁸ The medical foundation operates under California Health and Safety Code section 1206(l). Under section 1206(l), a clinic operated by a nonprofit corporation that conducts medical research and health education and provides healthcare to its patients through a group of 40 or more physicians and surgeons, who are independent contractors representing not less than ten board-certified specialties, and not less than two-thirds of whom practice on a full-time basis at the clinic, is not required to be licensed.

Payer Mix

The following table illustrates St. Joseph Health System's California hospitals' inpatient discharge payer mix compared to the State of California for FY 2014. The comparison shows that St. Joseph Health System's California hospitals have higher percentages of Medicare Traditional, Third Party Managed Care, and County Indigent patients and lower percentages of Medi-Cal Managed Care and Third-Party Traditional patients relative to all hospitals in California.

PAYER MIX COMPARISON: FY 2014				
	St. Joseph Health System		California	
	Discharges	% of Total	Discharges	% of Total
Medi-Cal Traditional	10,337	10.6%	448,311	15.8%
Medi-Cal Managed Care	9,761	10.0%	435,129	15.3%
Medi-Cal Total	20,098	20.6%	883,440	31.1%
Medicare Traditional	32,046	32.8%	805,912	28.4%
Medicare Managed Care	11,039	11.3%	273,709	9.6%
Medicare Total	43,085	44.1%	1,079,621	38.0%
Third-Party Managed Care	27,166	27.8%	610,781	21.5%
Third-Party Managed Care Total	27,166	27.8%	610,781	21.5%
Third-Party Traditional	3,000	3.1%	121,054	4.3%
Other Payers	2,007	2.1%	62,617	2.2%
Other Indigent	327	0.3%	32,930	1.2%
County Indigent	2,103	2.2%	51,759	1.8%
Other Total	7,437	7.6%	268,360	9.4%
Total	97,786	100%	2,842,202	100%

Source: OSHPD Disclosure Reports, FY 2014

Quality & Awards

St. Joseph Health System's California hospitals are accredited as shown below:

Hospital	Accreditation Organization	Effective Date
Hoag Memorial Hospital Presbyterian	Det Norske Veritas Healthcare, Inc.	1/21/2013
Hoag Orthopedic Institute	Det Norske Veritas Healthcare, Inc.	11/19/2013
Mission Hospital Regional Medical Center	The Joint Commission	5/9/2015
Petaluma Valley Hospital	The Joint Commission	4/26/2014
Queen of the Valley Hospital	The Joint Commission	10/11/2014
Redwood Memorial Hospital	Healthcare Facilities Accreditation Program	Current
Santa Rosa Memorial Hospital	The Joint Commission	5/16/2014
St. Joseph Hospital-Eureka	Healthcare Facilities Accreditation Program	Current
St. Joseph Hospital of Orange	The Joint Commission	1/7/2015
St. Jude Medical Center	The Joint Commission	4/11/2015
St. Mary Medical Center	The Joint Commission	5/8/2015

Source: Det Norske Veritas Healthcare, Inc., The Joint Commission, & Healthcare Facilities Accreditation Program

The following table reports the most recent quality scores for St. Joseph Health System's California Hospitals as reported by Hospital Compare for measures of overall recommended care, readmission rate, overall patient experience, and overall surgical care:

ST. JOSEPH HEALTH SYSTEM: QUALITY SCORES				
Hospital	Overall Recommended Care	Readmission Rate	Overall Patient Experience	Overall Surgical Care
State of California Average	96.9%	19.4%	68.0%	97.9%
Hoag Memorial Hospital Presbyterian	95.9%	18.1%	84.0%	98.9%
Hoag Orthopedic Institute	100.0%	-	87.0%	100.0%
Mission Hospital Regional Medical Center	95.0%	18.5%	74.0%	97.8%
Petaluma Valley Hospital	95.7%	17.7%	69.0%	96.7%
Queen of the Valley Hospital	95.5%	18.2%	73.0%	99.2%
Redwood Memorial Hospital	96.4%	17.7%	-	-
Santa Rosa Memorial Hospital	95.5%	16.3%	69.0%	98.9%
St. Joseph Hospital-Eureka	96.1%	17.4%	57.0%	96.4%
St. Joseph Hospital of Orange	98.6%	18.0%	78.0%	100.0%
St. Jude Medical Center	97.5%	18.1%	74.0%	98.5%
St. Mary Medical Center	91.0%	20.4%	63.0%	95.0%

Source: Medicare.gov Hospital Compare

- For measures of overall recommended care, eight of the 11 hospitals' rates were slightly below the State of California average of 96.9%;
- Overall, the hospitals' readmission rates were lower than the State of California average of 19.4%, with only St. Mary Medical Center reporting a higher readmission rate of 20.4%;
- The majority of the hospitals reported higher overall patient experience scores than the State of California's score of 68.0%, with the exception of St. Joseph Hospital-Eureka (57.0%) and St. Mary Medical Center (63.0%); and
- For measures of overall surgical care, six of the hospitals exceeded the State of California average of 97.9%, while the remaining four hospitals scored slightly below the State of California average.

Financial Profile

Combined Statement of Operations

ST. JOSEPH HEALTH CONSOLIDATED STATEMENT OF OPERATIONS: FY 2014 & 2015 (in Thousands of Dollars)				
	St. Joseph Health System System-Wide		St. Joseph Health System - California	
	FY 2014	FY 2015	FY 2014	FY 2015
Patient Service Revenue, Net of Contractual Allowances and Discounts	\$4,480,661	\$4,955,644	\$3,482,028	\$3,848,303
Provision for Doubtful Accounts	\$205,438	\$182,093	\$152,695	\$133,150
Net Patient Service Revenue, Net of Provision for Doubtful Accounts	\$4,275,223	\$4,773,551	\$3,329,333	\$3,715,153
Premium and Capitation Revenues	\$1,130,559	\$1,192,711	\$316,304	\$137,830
Other Revenues	\$225,884	\$272,254	\$66,751	\$69,744
Total Revenues	\$5,631,666	\$6,238,516	\$3,712,388	\$3,922,727
Compensation and Benefits	\$2,467,614	\$2,535,488	\$1,710,935	\$1,690,419
Supplies and Other	\$1,139,382	\$1,494,824	\$813,735	\$1,093,027
Professional Fees and Purchased Services	\$1,598,746	\$1,705,587	\$699,878	\$545,945
Depreciation and Amortization	\$303,521	\$343,777	\$237,237	\$243,515
Interest	\$110,737	\$103,460	\$84,235	\$79,014
Impairment of Goodwill	\$27,754	-	\$1,002	-
Total Expenses	\$5,647,754	\$6,183,136	\$3,547,022	\$3,651,920
Operating Income	(\$16,088)	\$55,380	\$165,366	\$270,807
Net Nonoperating Gains	\$324,875	\$4,899	\$297,152	\$39,652
Excess of Revenues Over Expenses	\$308,787	\$60,279	\$462,518	\$310,459
Less Excess of Revenues of Expenses Attributable to Noncontrolling Interests	\$15,985	\$17,192	\$17,443	\$20,106
Excess of Revenues Over Expenses Attributable to Controlling Interests	\$292,802	\$43,087	\$445,075	\$290,353
Excess of Revenues Over Expenses Attributable to Controlling Interests	\$292,802	\$43,087	-	-
Net Assets Related from Restrictions and Other Attributable to Controlling Interests	\$2,425	\$50,773	-	-
Increase in Unrestricted Net Assets Attributable to Controlling Interests	\$295,227	\$93,860	-	-
Excess of Revenues Over Expenses Attributable to Noncontrolling Interests	\$15,985	\$17,192	-	-
Net Assets Related from Restrictions and Other Attributable to Noncontrolling Interests	\$15,221	\$21,204	-	-
Increase in Unrestricted Net Assets Attributable to Noncontrolling Interests	\$31,206	\$38,396	-	-
Increase in Unrestricted Net Assets	\$326,433	\$132,256	-	-
Net Restricted Contributions and Other	\$60,205	\$83,073	-	-
Restricted Net Assets Released from Restrictions	(\$33,384)	(\$47,459)	-	-
Increase in Temporarily and Permanently Restricted Net Assets	\$26,821	\$35,614	-	-
Increase in Net Assets	\$353,254	\$167,870	-	-
Net Assets at Beginning of Period	\$4,963,861	\$5,317,115	-	-
Net Assets at End of Period	\$5,317,115	\$5,484,985	-	-

Source: St. Joseph Health Consolidated Financial Statements and Supplementary Information, FY 2014 and 2015 (Ernst & Young LLP)

Note: The increase in unrestricted net assets, the increase in net assets, the net assets at beginning of period, and the increase in temporarily and permanently restricted net assets are unavailable for St. Joseph Health System - California

St. Joseph Health System's System-Wide Performance

St. Joseph Health System's audited consolidated financial statements for FY 2014 and FY 2015 display the system-wide performance of the entity and its affiliates.

- Net patient service revenue (less provision for bad debts) of \$4.8 billion in FY 2015 represents a net increase of approximately \$500 million (11.7%) as compared to FY 2014. Total revenues increased by \$607 million (10.8%) to \$6.2 billion in FY 2015;
- Total expenses increased by 9.5% in FY 2015 to \$6.2 billion. St. Joseph Health System's salaries and benefits expense accounted for approximately 43.7% of total expenses;
- In FY 2015, St. Joseph Health System realized a net non-operating gain of \$4.9 million, representing a substantial decrease from the net non-operating gain of \$324.9 million in FY 2014. Included in non-operating gains is interest, dividends, and realized gains on sales of marketable securities of \$154.7 million and \$174.7, net of related fees, for the fiscal years ended June 30, 2015 and 2014, respectively. Also included in non-operating gains are unrealized losses of \$102.6 million and net unrealized gains of approximately

\$182 million for fiscal years 2015 and 2014 respectively; and

- Operating income increased from a loss of \$16.1 million in FY 2014 to a gain of \$55.4 million in FY 2015. Excess of revenues over expenses decreased from \$308.8 million in FY 2014 to \$60.3 million in FY 2015 in part due to a large decrease in the net non-operating gain.

St. Joseph Health System's California Performance

St Joseph Health System California's consolidated financial statements for FY 2014 and FY 2015 report the performance of St. Joseph Health System's Northern and Southern California entities and affiliates. St. Joseph Health System's Northern and Southern California performance displays increasing operating revenues and operating incomes year over year.

- Net patient service revenue (less provision for bad debts) of \$3.72 billion in FY 2015 represents a net increase of approximately \$385.8 million (11.6%) as compared to FY 2014. Total revenues increased by \$210.3 million (5.7%) to \$3.92 billion in FY 2015;
- Total expenses increased by approximately 3.0% in FY 2015 to \$3.7 billion. Compensation and benefits expense accounted for approximately 46.3% of total expenses in FY 2015;
- In FY 2015, St. Joseph Health System's Northern and Southern California entities realized a net non-operating gain of \$39.7 million, representing a substantial decrease from the net non-operating gain of \$297.2 million in FY 2014; and
- Operating income increased from \$165.4 million in FY 2014 to \$270.81 million in FY 2015. Excess of revenues over expenses decreased by 33% from \$462.52 million in FY 2014 to \$310.5 million in FY 2015.

PROFILE OF PROVIDENCE TARZANA MEDICAL CENTER

Overview of Providence Tarzana Medical Center

Providence Health & Services operates Tarzana Medical Center, a 249 licensed-bed general acute care facility, located at 18321 Clark Street in Tarzana. Tarzana Medical Center has a “basic” emergency department⁹ with 15 licensed treatment stations. It also has 13 surgical operating rooms and two cardiac catheterization labs.

BED DISTRIBUTION 2016	
Bed Type	Number of Beds
General Acute Care	154
Intensive Care	17
Coronary Care	10
Neonatal Intensive Care	21
Pediatric	18
Perinatal	29
Total Licensed Beds	249

Source: Hospital License 2016

Providence Tarzana Foundation

Providence Tarzana Foundation provides financial support through philanthropy for Tarzana Medical Center. Providence Tarzana Foundation raises funds through charitable donations, planned gifts, and appreciated securities in order to fund medical technology and facilities. In recent years, the funds raised by Providence Tarzana Foundation have supported clinical education and professional training for nurses, a hypothermic temperature management system, AccuVeins systems for the emergency department and neonatal intensive care unit.

⁹ 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

KEY STATISTICS: FY 2012 - 2014			
	FY 2012	FY 2013	FY 2014
Inpatient Discharges	14,177	13,434	13,461
Licensed Beds	249	249	249
Patient Days	63,081	60,925	58,773
Average Daily Census	153	146	139
Occupancy	61.4%	58.6%	55.9%
Average Length of Stay	3.9	4.0	3.8
Emergency Services Visits ¹	34,621	33,612	28,888
Cardiac Catheterization Procedures ¹	1,694	1,515	2,393
Coronary Artery Bypass Graft (CABG) Surgeries ¹	51	57	70
Total Live Births	2,400	2,534	2,217

Medical Staff	797
Employees (Full-Time Equivalents) ²	1,042

Sources: OSHPD Disclosure Reports, FY 2012-2014

¹ OSHPD Alerts Annual Utilization Reports

² Providence Health & Services

For FY 2014, Tarzana Medical Center had a total of 13,461 inpatient discharges, 58,773 patient days, and an average daily census of 139 patients (approximately 56% occupancy on the total licensed beds).

- Since FY 2012, both inpatient discharges and patient days have decreased by approximately 5% and 7%, respectively;
- In FY 2014, Tarzana Medical Center reported 28,888 emergency department visits, a 17% decrease from FY 2012;
- In FY 2014, Tarzana Medical Center reported approximately 2,393 cardiac catheterization procedures and 70 coronary artery bypass graft surgeries; and
- Total live births at Tarzana Medical Center have decreased by 8% from 2,400 in FY 2012 to 2,217 in FY 2014.

Programs & Services

Tarzana Medical Center offers a broad spectrum of medical services including emergency, cardiology, oncology, obstetrics, orthopedics, and emergency services.

- Oncology services include: Breast, colorectal, gynecological, head and neck, leukemia, lung, lymphoma, ovarian, prostate, rectal, and urologic cancer services;
- Diabetes services include: Nutrition and meal planning, medication instruction, lifestyle adjustments, blood glucose level testing, foot care, and preventive education services;
- Emergency services include: 24-hour “basic” emergency department services that includes 15 treatment stations, rapid medical evaluation, and Primary Stroke Center services;
- Cardiovascular services include: Arrhythmia services, angioplasty, interventional cardiology, non-invasive and nuclear cardiology, cardiothoracic surgery, and STEMI Receiving Center services;
- Vascular services include: Carotid artery stenting, noninvasive vascular diagnostic procedures, and vascular surgery;
- Home care services include: Patient assessment and monitoring, bedside protime monitoring, IV therapy, total parenteral nutrition, gastric feeding tube, V.A.C. therapy, pain management, injections, and ostomy management;
- Imaging services include: CT, MRI, ultrasound, bone density, X-ray, and digital mammography;
- Obstetric services include: The Providence Tarzana Women’s Pavilion that provides pregnancy, childbirth, baby care, and parenting classes, labor and delivery services, lactation consulting, and a Level III Neonatal Intensive Care Unit;
- Orthopedic services include: Inpatient and outpatient rehabilitation, minimally invasive procedures, sports medicine, and treatment for spine, hand, shoulder, foot, and ankle injuries and disorders;
- Pediatric services include: Inpatient and outpatient pediatric surgery, neonatal clinic services, pediatric diabetic education and support services, outpatient imaging, and a Pediatric Intensive Care Unit;
- Pharmacy Residency Program services include: A one-year postgraduate residency with an emphasis on pharmaceutical care, total parenteral nutrition, pharmacokinetic

consultation, and antimicrobial stewardship;

- Surgery services include: Minimally invasive surgery, da Vinci surgery, cancer surgery, ear, nose, and throat surgery, gastrointestinal surgery, heart and vascular surgery, neurosurgery, obstetrics and gynecological surgery, orthopedic surgery, plastic surgery, podiatric surgery, and urology surgery;
- Women's health services include: Maternal child health, bone density scanning, digital mammography, gynecology, and urology; and
- Wound care services include: Full diagnostic evaluation and individualized care planning for diabetic foot ulcers, venous stasis ulcers, arterial ulcers, pressure ulcers, soft-tissue infections, post-acute burns, and surgical wounds.

Accreditations, Certifications, & Awards

Tarzana Medical Center is accredited by The Joint Commission, effective August 2014 through August 2017. Over the years, Tarzana Medical Center has received several awards and accolades as a provider of quality care, some of which include the following:

- Certification as a Primary Stroke Center by the Joint Commission, effective November 2014 through November 2016;
- The 2015 Outstanding Patient Safety Excellence Award from HealthGrades;
- The 2015 America's 100 Best Hospitals Award from HealthGrades;
- The 2015 Distinguished Hospital Award for Clinical Excellence from HealthGrades; and
- Magnet Status by the American Nurses Credentialing Center, the most prestigious distinction a health care organization can receive for nursing excellence and quality patient outcomes.

Quality Measures

The Hospital Value-Based Purchasing Program, established by the ACA in 2012, encourages hospitals to improve the quality and safety of care. Centers for Medicare & Medicaid Services rewards and penalizes hospitals through payments and payment reductions by determining hospital performance on the following three sets of measures: timely and effective care, surveys of patient experience, and 30-day mortality rates for heart attack, heart failure, and pneumonia patients. In FY 2015, the Centers for Medicare & Medicaid Services reduced Medicare payments to Tarzana Medical Center by 0.24%. For FY 2016, the Centers for Medicare & Medicaid services will reduce payments to Tarzana Medical Center by 0.40%.

The following table reports Tarzana Medical Center's most recent scores as reported by Hospital Compare for each of the measures within the four domains in comparison to the California and national averages:

QUALITY SCORES COMPARISON				
Domain	Measure	Tarzana Medical Center	California Average	National Average
Clinical Process of Care Domain	Average of Acute Myocardial Infarction, Heart Failure, Pneumonia, Surgical Care Improvement & Healthcare Associated Infection Measures	97.4%	97.6%	97.3%
Patient Experience of Care Domain	Average of Measures for the Hospital Consumer Assessment of Healthcare Providers and Systems (HCAHPS) Survey	61.2%	67.0%	71.0%
Outcome Domain	Average of Outcome Measures for Acute Myocardial Infarction, Heart Failure & Pneumonia 30-Day Mortality Rates & Central-Line Bloodstream Infection Rates	10.3%	12.1%	12.4%
Efficiency Domain	Medicare Spending per Beneficiary Ratio	1.02	0.99	0.98

Source: Medicare.gov Hospital Compare, 2015

- For the clinical process of care domain, Tarzana Medical Center (97.4%) scored between the national average (97.3%) and the California average (97.6%);
- Tarzana Medical Center scored lower (61.2%) than both the California and national averages (67.0% and 71.0%, respectively) for the patient experience of care domain;
- Within the outcome domain, Tarzana Medical Center has a better average 30-day mortality rate and central-line bloodstream infection rate (10.3%) than the California and national averages (12.1% and 12.4%, respectively); and
- With a ratio of 1.02, Tarzana Medical Center spends more per patient for an episode of care initiated at its facility than California hospitals (0.99) and national hospitals (0.98).

The Hospital Readmissions Reduction Program¹⁰, implemented in 2012, penalizes hospitals for excess patient readmissions within 30 days of discharge for the following three applicable conditions: heart attack, heart failure, and pneumonia. In FY 2016, 224 California hospitals will be penalized at an average of 0.40%. The penalty is administered by reducing all of a hospital's reimbursement payments under the Medicare program by a certain percentage for the entire year.

Tarzana Medical Center was penalized with a 0.15% reduction in reimbursement in FY 2014 and a 0.27% reduction in reimbursement in FY 2015. The following graph shows Tarzana Medical Center's 30-day readmission rates for heart attack, heart failure, and pneumonia patients:

30-DAY READMISSION RATES			
Condition	Tarzana Medical Center	National Average	California Average
Heart Attack	16.2%	17.0%	17.0%
Heart Failure	21.3%	22.0%	22.1%
Pneumonia	16.9%	16.9%	16.9%
Average 30-Day Readmission Rate	18.1%	18.6%	18.6%

Source: IPRO & Medicare.gov Hospital Compare, 2015

- Tarzana Medical Center had fewer 30-day readmissions (18.1%) than the national and State of California averages of 18.6%; and
- In FY 2016, Tarzana Medical Center will be penalized with a 0.06% reduction in reimbursement.

¹⁰ The formula for determining hospital reimbursement payments under the Hospital Readmissions Reduction Program is complicated, varies by hospital and geographic location, and may not correspond directly to state and national hospital averages.

Seismic Issues

Using the HAZUS seismic criteria¹¹, Tarzana Medical Center's structures subject to seismic compliance have been classified according to the California Senate Bill 1953 Seismic Safety Act for the Structural Performance Category (SPC) and the Non-Structural Performance Category (NPC), as shown in the table below. These classifications require that Tarzana Medical Center's structures undergo construction to comply with the California Office of Statewide Health Planning and Development's seismic safety standards.

SEISMIC OVERVIEW		
Building	SPC Compliance Status	NPC Compliance Status
1) Main Hospital	SPC-1	NPC-2
2) Patient Tower	SPC-1	NPC-2
3) Ancillary Wing	SPC-1	NPC-2
4) Service Building	SPC-5	NPC-2
5) Cardiology Addition	SPC-4s*	NPC-2
6) Admitting/Emergency	SPC-4s*	NPC-2
7) Women's Pavilion	SPC-3	NPC-2
8) Mechanical Building	SPC-4s*	NPC-2

Source: OSHPD

* "S" indicates rating as self-reported by hospital

- Tarzana Medical Center has three buildings that are rated as SPC-1. These buildings must be seismically retrofitted by January 1, 2020 in order to providing acute care services.

¹¹ OSHPD uses HAZARDS U.S. (HAZUS), a methodology used to assess the seismic risk of hospital buildings.

Patient Utilization Trends

The following table shows volume trends at Tarzana Medical Center from FY 2010 through FY 2014:

SERVICE VOLUMES: FY 2010-2014					
PATIENT DAYS	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
Medical/Surgical	31,160	30,835	30,912	29,637	26,874
Neonatal Intensive Care	3,626	3,004	3,497	3,628	3,870
Intensive Care	6,311	6,087	5,731	5,394	5,458
Pediatric Acute	2,934	2,964	2,899	3,027	2,978
Obstetrics	6,163	7,123	7,640	7,661	7,901
Pediatric Intensive Care	1,119	1,030	906	979	1,115
Definitive Observation	11,134	11,384	11,496	10,599	10,577
Total	62,447	62,427	63,081	60,925	58,773
DISCHARGES					
Medical/Surgical	6,821	7,114	7,237	6,677	6,849
Neonatal Intensive Care	87	196	212	245	388
Intensive Care	319	308	340	301	496
Pediatric Acute	1,138	1,070	1,029	1,112	1,062
Obstetrics	2,098	2,419	2,617	2,685	2,226
Pediatric Intensive Care	300	302	296	261	343
Definitive Observation	2,193	2,453	2,446	2,153	2,097
Total	12,956	13,862	14,177	13,434	13,461
AVERAGE LENGTH OF STAY					
Medical/Surgical	4.6	4.3	4.3	4.4	3.9
Neonatal Intensive Care	41.7	15.3	16.5	14.8	10.0
Intensive Care	19.8	19.8	16.9	17.9	11.0
Pediatric Acute	2.6	2.8	2.8	2.7	2.8
Obstetrics	2.9	2.9	2.9	2.9	3.5
Pediatric Intensive Care	3.7	3.4	3.1	3.8	3.3
Definitive Observation	5.1	4.6	4.7	4.9	5.0
Total	4.8	4.5	4.4	4.5	4.4
AVERAGE DAILY CENSUS					
Medical/Surgical	85.4	84.5	84.7	81.2	73.6
Neonatal Intensive Care	9.9	8.2	9.6	9.9	10.6
Intensive Care	17.3	16.7	15.7	14.8	15.0
Pediatric Acute	8.0	8.1	7.9	8.3	8.2
Obstetrics	16.9	19.5	20.9	21.0	21.6
Pediatric Intensive Care	3.1	2.8	2.5	2.7	3.1
Definitive Observation	30.5	31.2	31.5	29.0	29.0
Total	171.1	171.0	172.8	166.9	161.0
OTHER SERVICES					
Inpatient Surgeries	3,126	3,028	3,057	2,742	4,762
Outpatient Surgeries	3,899	3,240	3,510	3,507	13,403
Emergency Services Visits ¹	31,401	32,361	34,621	33,612	28,888
Cardiac Catheterization Procedures ¹	1,915	1,856	1,694	1,515	2,393
Obstetric Deliveries	1,886	2,244	2,400	2,534	2,217

Sources: OSHPD Disclosure Reports, FY 2010-2014

¹ OSHPD Alerts Annual Utilization Reports

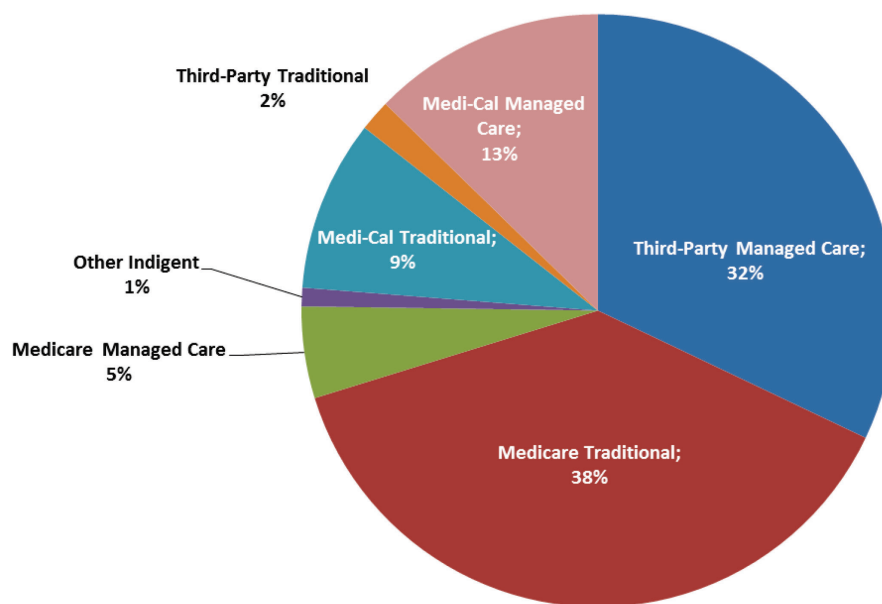
A review of historical utilization trends supports the following conclusions:

- Total patient days have decreased by 6% over the five-year period;
- Inpatient discharges have increased 4% from 12,956 in FY 2010 to 13,461 in FY 2014;
- The average daily census has decreased by 6% from 171 patients in FY 2010 to 161 patients in FY 2014; and
- Obstetric deliveries have increased 18% from 1,886 in FY 2010 to 2,217 in FY 2014.

Payer Mix

In FY 2014, approximately 43% of Tarzana Medical Center's inpatient payer mix consisted of Medicare Traditional (38%) and Medicare Managed Care (5%) patients. Approximately 34% of Tarzana Medical Center's inpatient payer mix consisted of Third-Party Managed Care (32%) and Third-Party Traditional (2%) patients. The remaining 23% of the inpatient discharges consisted of Medi-Cal Managed Care (13%), Medi-Cal Traditional (9%) and Other Indigent (1%) patients.

Tarzana Medical Center Payer Mix, FY 2014



Total Discharges = 13,461

Source: OSHPD Financial Disclosure Report, FY 2014 (based on inpatient discharges).

The following table illustrates Tarzana Medical Center's inpatient discharge payer mix compared to Los Angeles County and the State of California for FY 2014. The comparison shows that Tarzana Medical Center has higher percentages of Medicare Traditional and Third-Party Managed Care patients and lower percentages of Medi-Cal Traditional, and Medi-Cal Managed

Care relative to other hospitals in Los Angeles County and California.

PAYER MIX COMPARISON						
	Tarzana Medical Center (FY 2014)		Los Angeles County (FY 2014)		California (FY 2014)	
	Discharges	% of Total	Discharges	% of Total	Discharges	% of Total
Medi-Cal Traditional	1,251	9.3%	157,394	18.5%	448,311	15.8%
Medi-Cal Managed Care	1,701	12.6%	135,429	16.0%	435,129	15.3%
Medi-Cal Total	2,952	21.9%	292,823	34.5%	883,440	31.1%
Medicare Traditional	5,106	37.9%	233,810	27.5%	805,912	28.4%
Medicare Managed Care	669	5.0%	85,330	10.1%	273,709	9.6%
Medicare Total	5,775	42.9%	319,140	37.6%	1,079,621	38.0%
Third-Party Managed Care	4,291	31.9%	158,487	18.7%	610,781	21.5%
Third-Party Managed Care Total	4,291	31.9%	158,487	18.7%	610,781	21.5%
Third-Party Traditional	228	1.7%	30,357	3.6%	121,054	4.3%
Other Payers	80	0.6%	22,969	2.7%	62,617	2.2%
Other Indigent	135	1.0%	7,231	0.9%	32,930	1.2%
County Indigent	0	0.0%	17,931	2.1%	51,759	1.8%
Other Total	443	3.3%	78,488	9.2%	268,360	9.4%
Total	13,461	100%	848,938	100%	2,842,202	100%

Source: OSHPD Disclosure Reports, FY 2014

Medi-Cal Managed Care

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 for managed care that offers Medi-Cal beneficiaries a “Local Initiative” and a “commercial plan.” In FY 2014, Los Angeles County had approximately 300,000 inpatient discharges from patients with either Medi-Cal Traditional (55%) or Medi-Cal Managed Care coverage (45%). The percentage of Los Angeles County residents with Medi-Cal Managed Care coverage will increase drastically as a result of the ACA and state initiatives to expand managed care.

L.A. Care Health Plan is the Local Initiative plan for Los Angeles County. Medi-Cal beneficiaries can choose L.A. Care Health Plan or one of the contracting partners that include Blue Cross of California, Care 1st, Community Health Plan, and Kaiser Permanente.

The second Medi-Cal plan in Los Angeles County is a private commercial plan provided by Health Net Community Solutions, Inc. in partnership with Molina Healthcare. Currently, Tarzana Medical Center is contracted with both the Local Initiative and Commercial Medi-Cal managed care plans.

Medical Staff

Tarzana Medical Center has 797 medical staff members representing multiple specialties. The five largest specialties that comprise 28% of the medical staff are: pediatrics, internal medicine, orthopedic surgery, cardiology, and emergency medicine. Of the 797 members of the medical staff, 179 members are considered “active” users of Tarzana Medical Center (representing approximately 22% of the medical staff).

Tarzana Medical Center is affiliated with Facy Medical Group, Providence Care Network, and Providence Medical Institute.

MEDICAL STAFF PROFILE 2016					
Specialty	Count	% of Total	Specialty	Count	% of Total
Acupuncture	4	0.5%	Orthopedic Tech	1	0.1%
Adult Intensivist	5	0.6%	Otolaryngology	21	2.6%
Allergy & Immunology	3	0.4%	Pain Management	2	0.3%
Anesthesiology	27	3.4%	Palliative Care	4	0.5%
Cardiology	33	4.1%	Pathology	3	0.4%
Cardiology - Interventional	8	1.0%	Pediatric Allergy/Immunology	2	0.3%
Cardiothoracic Surgery	4	0.5%	Pediatric Cardiology	6	0.8%
Cardiovascular Disease	1	0.1%	Pediatric Critical Care	9	1.1%
Cardiovascular Surgery	1	0.1%	Pediatric Endocrinology	3	0.4%
Colon/Rectal Surgery	5	0.6%	Pediatric Gastroenterology	4	0.5%
Dermatology	9	1.1%	Pediatric Hospitalist	11	1.4%
Electrophysiology	3	0.4%	Pediatric Infectious Disease	2	0.3%
Emergency Medicine	30	3.8%	Pediatric Nephrology	1	0.1%
Endocrinology	10	1.3%	Pediatric Neurology	2	0.3%
Family Practice	16	2.0%	Pediatric Nurse Practitioner	1	0.1%
Gastroenterology	25	3.1%	Pediatric Orthopedic Surgery	11	1.4%
General Surgery	18	2.3%	Pediatric Sports Medicine	2	0.3%
Geriatrics	1	0.1%	Pediatric Surgery	3	0.4%
Gynecological Oncology	2	0.3%	Pediatric Urology	1	0.1%
Gynecology	5	0.6%	Pediatrics	69	8.7%
Hematology	2	0.3%	Perfusionist	4	0.5%
Hematology/Oncology	6	0.8%	Physician Assistant	11	1.4%
Hospital and Palliative Medicine	1	0.1%	Physician Assistant, Orthopedics	3	0.4%
Hospitalist	9	1.1%	Plastic Surgery	19	2.4%
Infectious Disease	13	1.6%	Podiatry	20	2.5%
Internal Medicine	55	6.9%	Psychiatry	10	1.3%
Interventional Cardiology	1	0.1%	Pulmonary Disease	5	0.6%
Maternal/Fetal Medicine	8	1.0%	Radiation Oncology	8	1.0%
Neonatal Nurse Practitioner	4	0.5%	Radiation Therapy	1	0.1%
Neonatology	27	3.4%	Radiology	6	0.8%
Nephrology	26	3.3%	Reproductive Endocrinology	1	0.1%
Neurological Surgery	1	0.1%	Reproductive Endocrinology/Infertility	11	1.4%
Neurology	14	1.8%	Rheumatology	6	0.8%
Neurosurgery	12	1.5%	Registered Nurse First Assistant	2	0.3%
Nuclear Medicine	1	0.1%	Surgical Assist	1	0.1%
Nurse Practitioner	3	0.4%	Teleneurology	5	0.6%
Obstetrics and Gynecology	29	3.6%	Teleradiology	6	0.8%
Oncology	7	0.9%	Thoracic Surgery	1	0.1%
Ophthalmology	19	2.4%	Urogynecology	1	0.1%
Optometry	3	0.4%	Urology	17	2.1%
Oral Surgery	2	0.3%	Vascular Surgery	7	0.9%
Orthopedic Surgery	37	4.6%	Vascular/Interventional Radiology	1	0.1%
Total Medical Staff	797				

Source: Providence Tarzana Medical Center

Unionized Employees

Tarzana Medical Center has a Collective Bargaining Agreement (CBA)¹² with Service Employees International Union through October 1, 2018 that represents 787 employees. Tarzana Medical Center also has a CBA with the National Union of Healthcare Workers through December 31, 2017 that represents 580 employees. In total, approximately 93% of Tarzana Medical Center's employees are covered by CBAs.

EMPLOYEES REPRESENTED BY UNIONS	
Union	Total
National Union of Healthcare Workers	580
Service Employees International Union, Local 121 RN	787
Total Employees Represented by Unions	1,367
Total Non-Union Employees	97
Total Employees	1,464
Total Percentage of Employees Represented by Unions	93%

Source: Providence Health & Services

Financial Profile

Over the five reported fiscal years, Tarzana Medical Center's net income has fluctuated from a high of \$8.2 million in FY 2013 to a loss of \$52.6 million in FY 2014. Most of these losses can be attributed to stagnant net patient revenue and increased operating expenses. Between FY 2010 and FY 2014, net patient revenue increased by 11% from \$206.7 million to \$230.1 million. Over the same period, Tarzana Medical Center's total operating expenses increased by 13% from \$243.2 million to \$274.2 million, partly due to a change in accounting treatment of the allocation of corporate overhead. Other operating revenue, totaling nearly \$17 million over the course of the five-year period, has served to offset some of these increased operating expenses. 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.

Tarzana Medical Center's current asset-to-liability ratio¹³ has increased over the last five years from 0.61 in FY 2010 to 0.88 in FY 2014 (the California average in 2014 was 1.72). Tarzana Medical Center's percentage of bad debt is approximately 0.6% and is lower than the California average of 1.3%.

¹² A Collective Bargaining Agreement is an agreement between employers and employees aimed at regulating working conditions.

¹³ The current asset-to-liability ratio compares a company's total 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.

FINANCIAL AND RATIO ANALYSIS: FY 2010-2014						
	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	-
Patient Days	62,447	62,427	63,081	60,925	58,773	-
Discharges	12,956	13,862	14,177	13,434	13,461	-
ALOS	4.8	4.5	4.4	4.5	4.4	-
Net Patient Revenue	\$206,669,421	\$230,291,388	\$235,488,883	\$236,149,127	\$230,137,577	-
Other Operating Revenue	\$1,562,858	\$2,256,211	\$4,928,438	\$3,887,283	\$4,078,422	-
Total Operating Revenue	\$208,232,279	\$232,547,599	\$240,417,321	\$240,036,410	\$234,215,999	-
Operating Expenses	\$236,403,420	\$243,187,081	\$240,641,625	\$232,332,198	\$274,202,032	-
Net from Operations	(\$28,171,141)	(\$10,639,482)	(\$224,304)	\$7,704,212	(\$39,986,033)	-
Net Non-Operating Revenue	\$785,650	\$1,422,518	\$1,076,493	\$1,097,735	(\$12,421,195)	-
Net Income	(\$28,211,486)	(\$10,080,069)	\$82,046	\$8,198,457	(\$52,569,348)	-
						2014 California Average
Current Ratio	0.61	0.36	0.44	0.69	0.88	1.72
Days in A/R	62.5	54.1	56.0	60.7	55.4	62.2
Bad Debt Rate	0.7%	0.6%	0.5%	0.5%	0.6%	1.3%
Operating Margin	-13.53%	-4.58%	-0.09%	3.21%	-17.07%	2.48%

Source: OSHPD Disclosure Reports, 2010-2014

Cost of Hospital Services

Tarzana Medical Center's operating cost of services includes both inpatient and outpatient care. In FY 2014, approximately 52% of total costs were associated with Medicare patients, 31% with Third Party payers, and 16% with Medi-Cal patients. The remaining 1% is attributed to Other Indigent and Other Payers. In FY 2014, 40% of the total costs for all of the hospitals in California were associated with Medicare patients, 26% with Medi-Cal patients, 2% with County Indigent, 29% with Third Party, 1% with Other Indigent, and 2% with Other Payers.

COST OF SERVICES BY PAYER CATEGORY 2010-2014					
	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
Operating Expenses	\$236,403,420	\$243,187,081	\$240,641,625	\$232,332,198	\$274,202,032
Cost of Services By Payer:					
Medicare	\$130,180,106	\$131,911,501	\$132,814,047	\$125,492,088	\$142,136,815
Medi-Cal	\$24,633,821	\$30,742,193	\$31,321,549	\$30,330,536	\$43,635,222
County Indigent	\$0	\$0	\$0	\$0	\$0
Third Party	\$72,628,721	\$74,552,691	\$71,314,702	\$72,245,694	\$84,311,474
Other Indigent	\$2,806,369	\$2,351,213	\$3,998,411	\$3,156,952	\$2,560,547
Other Payers	\$6,154,404	\$3,629,484	\$1,192,916	\$1,106,928	\$1,557,974

Source: OSHPD Disclosure Reports, 2010-2014

Charity Care

According to OSHPD, Tarzana Medical Center's charity care charges have decreased from \$27.4 million in FY 2011 to approximately \$10.3 million in FY 2015. The five-year average for charity charges was approximately \$18.7 million.

CHARITY CARE	
TOTAL CHARGES: FY 2011-2015	
Year	OSHPD Disclosure Reports
2015	\$10,284,905
2014	\$12,738,158
2013	\$18,895,459
2012	\$23,902,106
2011	\$27,432,570
5-Year Average	\$18,650,640

Source: OSHPD Disclosure Reports, FY 2011-2015 & Providence Health & Services

The following table shows a comparison of charity care and bad debt for Tarzana Medical Center and all general acute care hospitals in the State of California. The five-year (FY 2011-2015) average of charity care and bad debt for Tarzana Medical Center, as a percentage of gross patient revenue, was 1.9%. This is lower than the four-year statewide average of 3.5%. 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."

CHARITY CARE COMPARISON										
CHARITY CARE - FY 2011 to FY 2015										
(Millions)										
	2011		2012		2013		2014		2015	
	Hospital	CA	Hospital	CA	Hospital	CA	Hospital	CA	Hospital	CA
Gross Patient Revenue	\$1,389.2	\$288,636.7	\$1,438.5	\$303,278.6	\$1,390.6	\$317,543.8	\$1,364.1	\$337,773.2	\$1,395.4	-
Charity	\$27.4	\$6,171.5	\$23.9	\$6,251.0	\$18.9	\$6,209.9	\$12.7	\$4,571.0	\$10.3	-
Bad Debt	\$8.8	\$4,815.5	\$7.1	\$5,007.6	\$6.6	\$5,549.5	\$7.8	\$4,420.4	\$6.9	-
Total	\$36.2	\$10,987.0	\$31.0	\$11,258.6	\$25.5	\$11,759.4	\$20.5	\$8,991.4	\$17.2	-
Charity as a % of Gross Rev.	2.0%	2.1%	1.7%	2.1%	1.4%	2.0%	0.9%	1.4%	0.7%	-
Bad Debt as a % of Gross Rev.	0.6%	1.7%	0.5%	1.7%	0.5%	1.7%	0.6%	1.3%	0.5%	-
Total as a % of Gross Rev.	2.6%	3.8%	2.2%	3.7%	1.8%	3.7%	1.5%	2.7%	1.2%	-
Uncompensated Care										
Cost to Charge Ratio	17.3%	24.6%	16.4%	24.6%	16.4%	24.4%	19.8%	23.5%	18.3%	-
Cost of Charity	\$4.8	\$1,520.9	\$3.9	\$1,539.1	\$3.1	\$1,514.6	\$2.5	\$1,074.2	\$1.9	-
Cost of Bad Debt	\$1.5	\$1,186.8	\$1.2	\$1,232.9	\$1.1	\$1,353.5	\$1.5	\$1,038.8	\$1.3	-
Total	\$6.3	\$2,707.7	\$5.1	\$2,772.0	\$4.2	\$2,868.1	\$4.1	\$2,113.0	\$3.1	-

Source: OSHPD Disclosure Reports, 2011-2015 & Providence Health & Services

The table below shows Tarzana Medical Center's historical costs for charity care as reported by OSHPD. Tarzana Medical Center's charity care costs have decreased from approximately \$4.8 million in FY 2011 to \$1.9 million in FY 2015. The average cost of charity care for the last five-year period was approximately \$3.2 million.

COST OF CHARITY CARE				
Year	Charity Care Charges	Cost to Charge Ratio	Cost of Charity Care to the Hospital	Percent of Total Costs Represented by Charity Care
FY 2015	\$10,284,905	18.3%	\$1,882,138	1.0%
FY 2014	\$12,738,158	19.8%	\$2,522,462	0.9%
FY 2013	\$18,895,459	16.4%	\$3,104,131	1.3%
FY 2012	\$23,902,106	16.4%	\$3,916,521	1.6%
FY 2011	\$27,432,570	17.3%	\$4,757,788	2.0%
5-Year Average	\$18,650,640		\$3,236,608	

Source: OSHPD Disclosure Reports, 2011-2015 & Providence Health & Services

Tarzana Medical Center reported the following combined distribution of charity care by inpatient, outpatient, and emergency room charges.

COST OF CHARITY CARE BY SERVICE				
	Inpatient	Outpatient	Emergency Room	Total Costs
2015:				
Cost of Charity	\$281,273	\$199,553	\$764,893	\$1,245,719
Visits/Discharges	1,147	814	3,120	
2014:				
Cost of Charity	\$1,203,056	\$91,671	\$1,037,244	\$2,331,970
Visits/Discharges	1,732	132	1,493	
2013:				
Cost of Charity	\$1,563,845	\$71,884	\$1,276,058	\$2,911,787
Visits/Discharges	2,424	111	1,978	
2012:				
Cost of Charity	\$2,133,902	\$90,177	\$1,378,598	\$3,602,676
Visits/Discharges	2,795	118	1,806	
2011:				
Cost of Charity	\$2,858,500	\$411,512	\$970,939	\$4,240,951
Visits/Discharges	3,902	562	1,325	

Source: Providence Health & Services

Community Benefit Services

Tarzana Medical Center has consistently provided a contribution to community benefit services. As shown in the table below, the average annual cost of community benefit services over the five years has been \$2,185,074 per year.

COMMUNITY BENEFIT SERVICES							
Community Benefit Programs	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	5-Year Average	Total
Benefits for Persons Living in Pove	\$915,916	\$517,793	\$428,379	\$934,586	\$770,571	\$713,449	\$3,567,245
Benefits for Broader Community	\$1,987,673	\$1,266,056	\$1,286,448	\$1,644,814	\$1,173,136	\$1,471,625	\$7,358,127
Total	\$2,903,589	\$1,783,849	\$1,714,827	\$2,579,400	\$1,943,707	\$2,185,074	\$10,925,372

Source: Providence Tarzana Medical Center

Note: Community Benefit programs and services excludes grants

- Tarzana Medical Center's five-year average cost of community benefit services for persons living in poverty is approximately \$713,000 per year;
- Tarzana Medical Center's five-year average cost of community benefit services for the broader community is approximately \$1.5 million per year; and
- Over the five-year period, Tarzana Medical Center's combined total cost of community benefit services decreased from \$2.9 million in FY 2012 to \$1.9 million in FY 2015.

Tarzana Medical Center's community benefit services over the past five fiscal years included the following programs over \$10,000:

COST OF COMMUNITY BENEFIT SERVICES FY 2011-2015					
Services over \$10,000 in cost:	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
Access to Care Program	-	-	-	\$195,192	\$103,393
Center for Community Health Improvement	\$151,242	\$145,761	\$122,107	\$136,501	\$73,627
Faith Community Health Partnership	\$144,205	\$150,380	\$132,925	\$178,687	\$212,619
Financial Support of Community Organizations	\$59,948	\$37,432	\$33,270	\$32,450	\$32,642
Health Resource Center	\$18,640	\$41,310	\$43,403	\$54,413	\$16,478
Latino Health Promoter Program	\$98,992	\$107,730	\$78,631	\$140,122	\$75,879
Mental Health Outreach	-	-	-	-	\$20,312
Mother Joseph Fund to Support Outreach	\$137,918	\$86,450	\$86,448	\$86,460	\$86,450
Providence Mobile Health Program	-	-	-	\$50,000	\$90,335
School Nurse Outreach Program	\$69,290	\$71,945	\$62,505	\$82,610	\$49,778
Senior Outreach Program	\$115,509	\$103,175	\$78,056	\$92,058	\$122,192
Tattoo Removal Program	-	-	-	\$51,304	\$13,892
Preceptorships	\$1,742,175	\$1,031,966	\$1,076,850	\$1,379,264	\$911,397

Source: Providence Tarzana Medical Center

Note: The cost of community benefit programs reflects direct and indirect expenses

Tarzana Medical Center's community benefit services have supported many programs for the community, including various outreach efforts targeting the poor and vulnerable, health screenings, insurance enrollment assistance, and others as described below:

- Access to Care: Offers free assistance to uninsured individuals and families accessing healthcare services and community resources;

- **Center for Community Health Improvement:** Provides oversight and administration of community outreach programs and activities;
- **Faith Community Health Partnership:** Supports parish nurses in developing health and wellness programs designed to meet the needs of their congregations, with particular emphasis on using trained volunteer promotoras in the delivery of services;
- **Financial Support of Community Organizations:** Offers cash and in-kind donations to nonprofit community organizations promoting healthy living and/or outreach to vulnerable populations;
- **Health Resource Center:** Administers health insurance outreach and enrollment and provides access to Providence support groups;
- **Latino Health Promoter Program:** Provides education, resource referral, and health screenings within schools and other community settings;
- **Mental Health Outreach:** Identifies adults in need of mental health treatment and other related healthcare services and refers them to a contracting agency for services;
- **Mother Joseph Fund:** Provides financial support for community outreach activities targeting the poor and vulnerable;
- **Providence Mobile Health Program:** Provides adult wellness visits and administers medical assessments and screenings for chronic conditions;
- **School Nurse Outreach Program:** Provides school nursing support for local private schools, including vision, hearing, and scoliosis screenings;
- **Senior Outreach Program:** Offers support to frail, home-bound seniors, including transportation to medical appointments, friendly visiting, and counseling; and
- **Tattoo Removal Program:** Operates an outpatient clinic to remove tattoos and provides outreach education on violence prevention in exchange for community service and/or job training; and
- **Preceptorships:** Provides supervision and mentoring of nursing and allied health students.

ANALYSIS OF PROVIDENCE TARZANA MEDICAL CENTER'S SERVICE AREA

Service Area Definition

Based upon Tarzana Medical Center's 2014 inpatient discharges, Tarzana Medical Center's service area is comprised of 35 ZIP Codes from which 77% of its inpatient discharges originated. Approximately 50% of Tarzana Medical Center's discharges originated from the top nine ZIP Codes that are located in Reseda, Tarzana, Encino, Woodland Hills, Van Nuys, Winnetka, and Canoga Park. In 2014, Tarzana Medical Center's market share in the service area was approximately 12% based on total area discharges.

SERVICE AREA PATIENT ORIGIN MARKET SHARE BY ZIP CODE: 2014						
ZIP Codes	Community	Total Discharges	% of Discharges	Cumulative % of Discharges	Total Area Discharges	Market Share
91335	Reseda	1,489	11.3%	11.3%	8,208	18.1%
91356	Tarzana	1,392	10.6%	21.9%	3,163	44.0%
91316	Encino	1,161	8.8%	30.7%	3,111	37.3%
91367	Woodland Hills	589	4.5%	35.2%	3,832	15.4%
91364	Woodland Hills	465	3.5%	38.7%	2,503	18.6%
91406	Van Nuys	427	3.2%	41.9%	4,863	8.8%
91306	Winnetka	400	3.0%	45.0%	4,025	9.9%
91436	Encino	364	2.8%	47.7%	1,539	23.7%
91304	Canoga Park	359	2.7%	50.5%	4,288	8.4%
91403	Sherman Oaks	296	2.2%	52.7%	2,416	12.3%
91423	Sherman Oaks	284	2.2%	54.9%	2,601	10.9%
91302	Calabasas	277	2.1%	57.0%	1,734	16.0%
91303	Canoga Park	270	2.1%	59.0%	2,499	10.8%
91325	Northridge	245	1.9%	60.9%	3,104	7.9%
91311	Chatsworth	239	1.8%	62.7%	3,647	6.6%
91324	Northridge	237	1.8%	64.5%	2,596	9.1%
91307	West Hills	229	1.7%	66.2%	2,318	9.9%
91344	Granada Hills	215	1.6%	67.9%	4,756	4.5%
91343	North Hills	215	1.6%	69.5%	5,297	4.1%
91401	Van Nuys	204	1.5%	71.1%	4,753	4.3%
91405	Van Nuys	192	1.5%	72.5%	5,335	3.6%
91326	Porter Ranch	189	1.4%	74.0%	2,678	7.1%
91411	Van Nuys	167	1.3%	75.2%	2,590	6.4%
91301	Agoura Hills	138	1.0%	76.3%	1,853	7.4%
91377	Oak Park	35	0.3%	76.5%	875	4.0%
91357	Tarzana	13	0.1%	76.6%	57	22.8%
91365	Woodland Hills	11	0.1%	76.7%	89	12.4%
91413	Sherman Oaks	10	0.1%	76.8%	81	12.3%
91416	Encino	9	0.1%	76.9%	64	14.1%
91372	Calabasas	4	0.0%	76.9%	33	12.1%
91404	Van Nuys	3	0.0%	76.9%	52	5.8%
91409	Van Nuys	3	0.0%	76.9%	48	6.3%
91305	Canoga Park	3	0.0%	77.0%	28	10.7%
91308	West Hills	3	0.0%	77.0%	35	8.6%
91407	Van Nuys	3	0.0%	77.0%	19	15.8%
Subtotal		10,140	77.0%	77.0%	85,090	11.9%
Other ZIPs		3,028	23.0%	100%		
Total		13,168	100.0%			

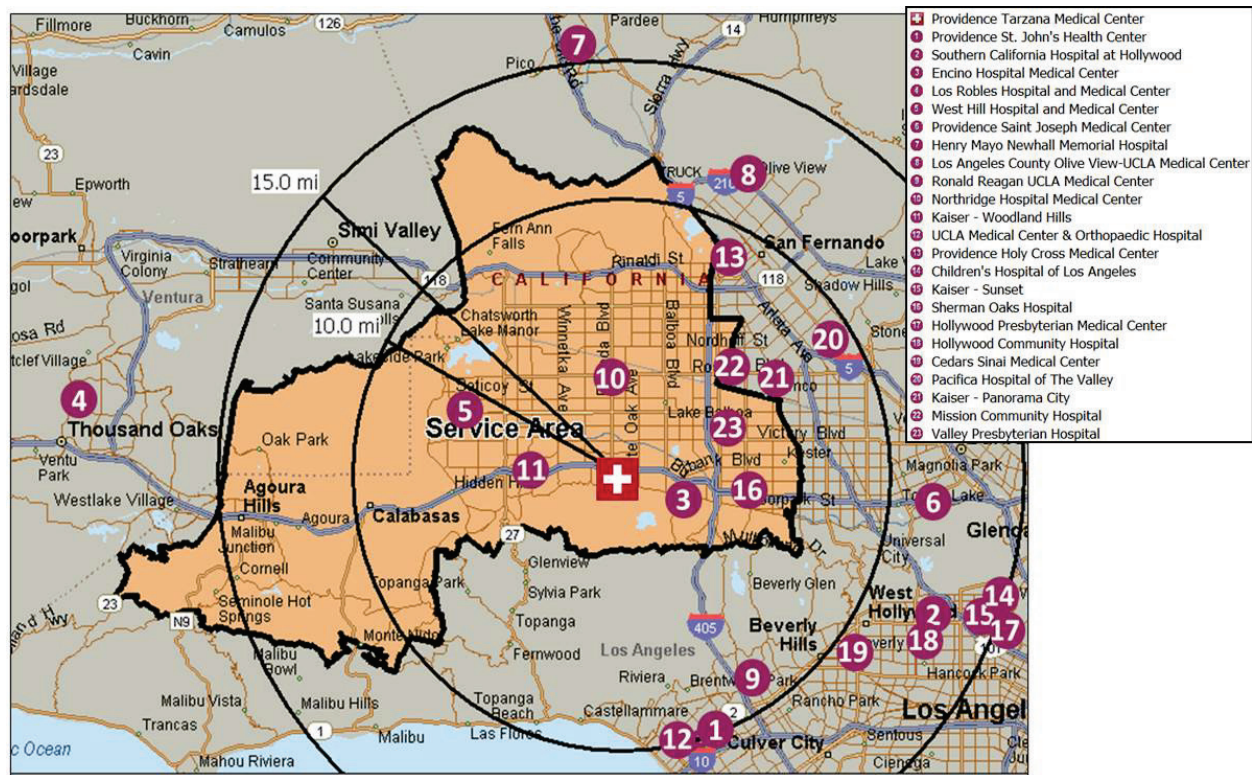
Note: Excludes normal newborns

Source: OSHPD Patient Discharge Database

Service Area Map

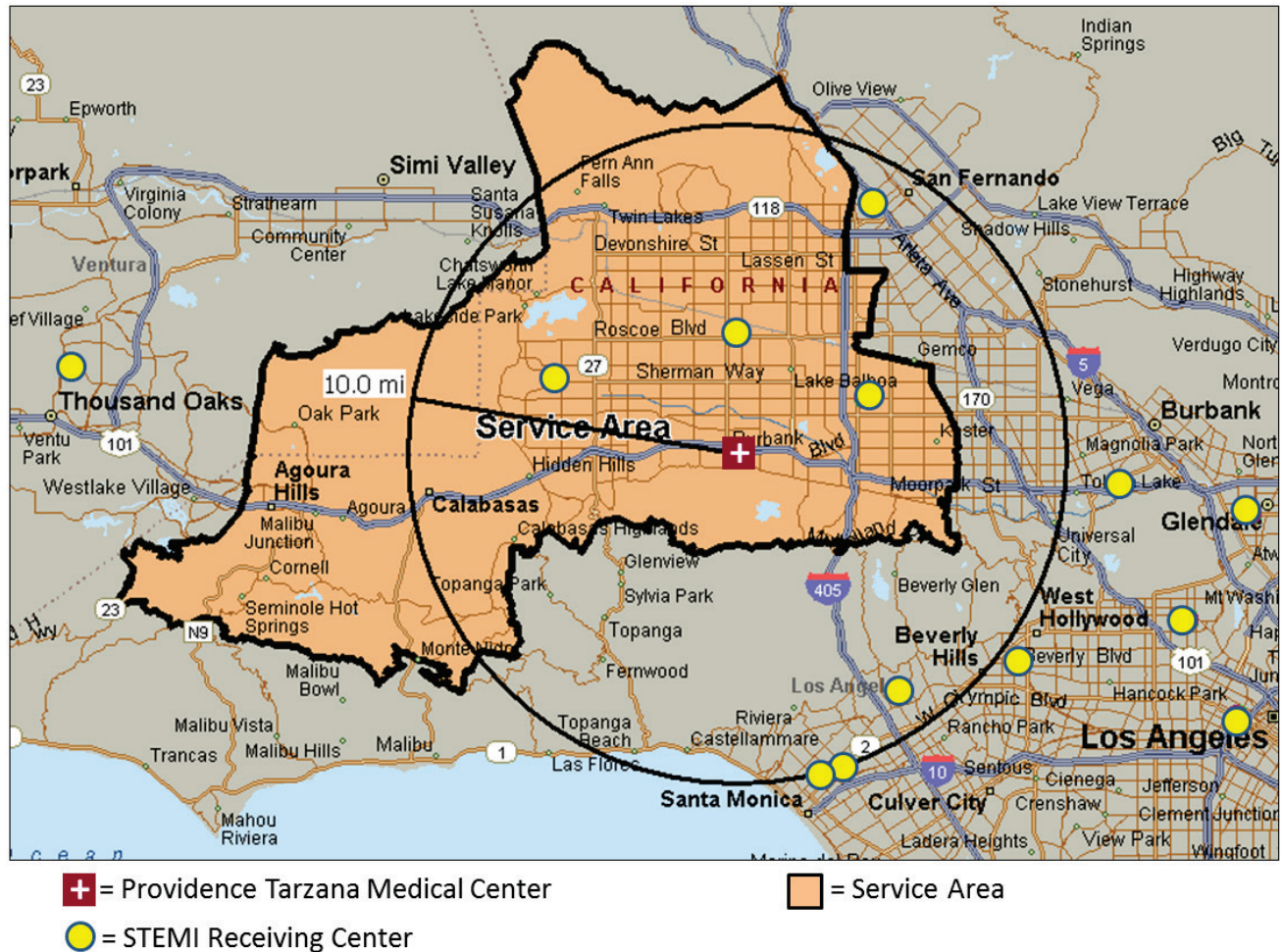
Tarzana Medical Center's service area, with approximately 900,000 residents, includes the communities of Reseda, Tarzana, Encino, Woodland Hills, Van Nuys, Winnetka, Canoga Park, Sherman Oaks, Calabasas, Northridge, Chatsworth, West Hills, Granada Hills, Porter Ranch, Agoura Hills, and Oak Park.

There are six other hospitals located within Tarzana Medical Center's service area: Kaiser Foundation Hospitals-Woodland Hills, West Hills Hospital and Medical Center, Northridge Hospital and Medical Center, Encino Hospital Medical Center, Sherman Oaks Hospital, and Valley Presbyterian Hospital. There are five other hospitals located just outside of Tarzana Medical Center's service area but within ten miles of Tarzana Medical Center: Holy Cross Medical Center, Kaiser Foundation Hospitals-Panorama City, Mission Community Hospital, Los Angeles County Olive View UCLA Medical Center, and Pacifica Hospital of the Valley. Tarzana Medical Center ranks second in inpatient market share in the service area.



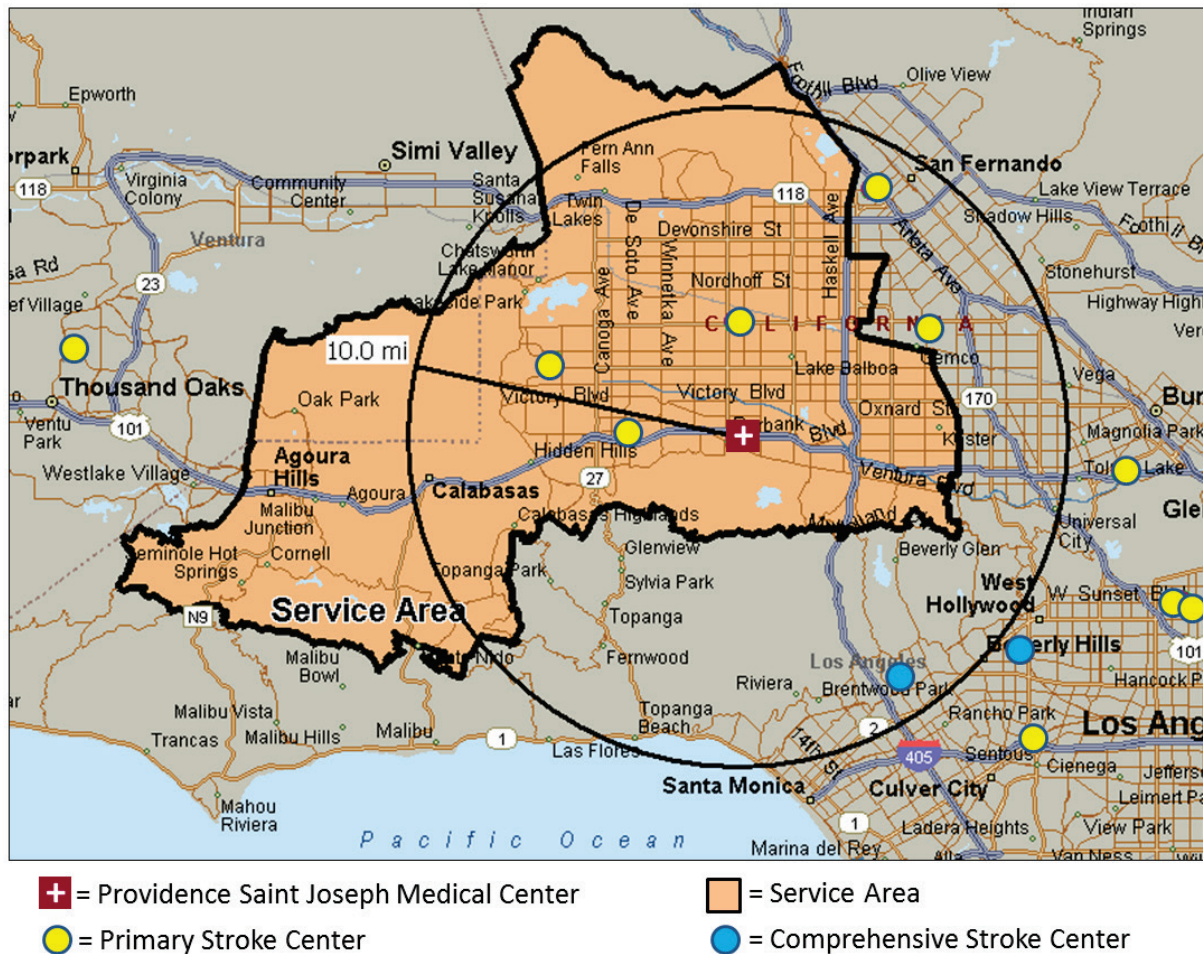
Service Area STEMI Receiving Centers

Tarzana Medical Center is one of four STEMI Receiving Centers within its service area and is an important provider of percutaneous coronary intervention treatment services for service area residents experiencing an acute heart attack. Within all of Los Angeles County, there are 32 STEMI Receiving Centers.



Service Area Certified Stroke Centers

Tarzana Medical Center is one of four certified stroke centers in its service area. The other three include: West Hills Hospital and Medical Center, Kaiser Foundation Hospitals-Woodland Hills, and Northridge Hospital Medical Center. Within all of Los Angeles County, there are 35 certified stroke centers: two Comprehensive Stroke Centers and 33 Primary Stroke Centers that are certified through The Joint Commission.



Demographic Profile

Tarzana Medical Center's service area population is expected to grow 2.4% over the next five years. This is lower than the expected growth for both Los Angeles County (2.5%) and the State of California (3.7%).

SERVICE AREA POPULATION STATISTICS 2015-2020			
	2015 Estimate	2020 Projection	% Change
Total Population	898,874	920,760	2.4%
Households	316,602	324,550	2.5%
Percentage Female	50.7%	50.5%	-

Source: Esri

The median age of the population of Tarzana Medical Center's service area is 38.5 years and is higher than the statewide median age of 35.7 years. The percentage of adults over the age of 65 years old is the fastest growing age cohort and is forecasted to increase approximately 15% by 2020. The number of women of child-bearing age is expected to increase by only 0.3% over the next five years.

SERVICE AREA POPULATION AGE DISTRIBUTION: 2015-2020				
	2015 Estimate		2020 Projection	
	Population	% of Total	Population	% of Total
Age 0-14	160,206	17.8%	157,800	17.1%
Age 15-44	369,821	41.1%	373,862	40.6%
Age 45-64	243,301	27.1%	244,735	26.6%
Age 65+	125,546	14.0%	144,363	15.7%
Total	898,874	100%	920,760	100%
Female 15-44	182,268	20.3%	182,787	19.9%
Median Age	38.5	-	39.2	-

Source: Esri

The largest population cohorts in Tarzana Medical Center's service area are: White (62%), Some Other Race (15.5%), and Asian or Pacific Islander (12.7%). Approximately 65% of the service area's population is of non-Hispanic population. This is greater than both Los Angeles County and State of California non-Hispanic ethnic populations (61% and 51%, respectively).

SERVICE AREA POPULATION RACE/ETHNICITY: 2015-2020		
	2015	2020
White	62.0%	60.8%
Black	4.2%	4.1%
American Indian	0.5%	0.5%
Asian or Pacific Islander	12.7%	13.5%
Some Other Race	15.5%	15.8%
Two or More Races	5.1%	5.3%
Total	100%	100%
Hispanic Ethnicity	34.9%	36.3%
Non-Hispanic or Latino	65.1%	63.7%
Total	100%	100%

Source: Esri

Tarzana Medical Center's service area has an average household income of \$99,682. This is 18% higher than the average for Los Angeles County (\$82,066) and 13% higher than the State of California average (\$87,152). The percentage of high-income households (\$150,000+) is growing at a slower rate (16%) than those for both Los Angeles County and the State of California (17% and 19%, respectively).

SERVICE AREA POPULATION HOUSEHOLD INCOME DISTRIBUTION: 2015-2020						
Annual Income	2015 Estimate			2020 Estimate		
	Service Area	Los Angeles County	California	Service Area	Los Angeles County	California
\$0 - \$15,000	10.2%	13.2%	11.1%	9.1%	12.2%	10.3%
\$15 - \$24,999	8.7%	10.2%	9.0%	6.3%	7.6%	6.6%
\$25 - \$34,999	8.5%	9.9%	9.3%	7.2%	8.4%	7.7%
\$35 - \$49,999	11.1%	12.5%	12.2%	10.1%	11.7%	11.3%
\$50 - \$74,999	16.1%	16.7%	16.5%	15.3%	16.3%	15.9%
\$75 - \$99,999	11.7%	11.3%	12.3%	13.4%	13.1%	14.2%
\$100 - \$149,999	15.0%	13.1%	14.9%	17.1%	15.0%	16.6%
\$150,000+	18.7%	13.3%	14.6%	21.7%	15.5%	17.4%
Total	100%	100%	100%	100%	100%	100%
Average Household Income	\$99,682	\$82,066	\$87,152	\$113,799	\$94,026	\$99,512

Source: Esri

2013 Community Health Needs Assessment

In an effort to understand the communities served by Tarzana Medical Center, their most critical healthcare needs, and the resources available to meet those needs, Tarzana Medical Center conducts a Community Health Needs Assessment every three years. Tarzana Medical Center's most recent 2013 assessment incorporated primary data collected through interviews, focus groups and surveys conducted by the Valley Care Community Consortium, and it incorporated secondary data from a variety of studies and reports compiled by numerous organizations at the local, state, and national levels. Communities and ZIP Codes included in Tarzana Medical Center's assessment include:

ZIP Code	Community	ZIP Code	Community
91301	Agoura Hills	91330	Northridge
91302	Calabasas	91335	Reseda
91303	Canoga Park	91356	Tarzana
91304	Canoga Park	91364	Woodland Hills
91306	Winnetka	91367	Woodland Hills
91307	West Hills	91401	Van Nuys
91316	Encino	91405	Van Nuys
91436	Encino	91406	Van Nuys
91324	Northridge	91411	Van Nuys
91325	Northridge	-	-

Based on feedback from community stakeholders, the following five priorities, in order of priority, were identified as the most important healthcare needs:

- Access to affordable mental health services;
- Diabetes and hypertension screening, management, and prevention programs;
- Access to affordable primary and specialty care;
- Affordable and expanded services for a growing senior population; and
- Alcohol and drug abuse treatment and prevention programs.

Hospital Supply, Demand & Market Share

There are seven general acute care hospitals within the defined service area: Tarzana Medical Center, Kaiser Foundation Hospitals-Sherman Oak Hospital, Encino Hospital Medical Center, Valley Presbyterian Hospital, West Hills Hospital and Medical Center, and Northridge Hospital Medical Center. In FY 2014, the service area hospitals had a combined total of 1,796 licensed beds and an aggregate occupancy rate of approximately 49%. In FY 2014, Tarzana Medical Center had 249 licensed beds that operated at an occupancy rate of nearly 65%. Furthermore, Tarzana Medical Center was responsible for nearly 19% of the service area discharges and approximately 18% of the patient days.

An analysis of the services offered by Tarzana Medical Center in comparison to services offered by other providers is shown on the following pages. The hospitals shown in the table below were analyzed to determine area hospital available bed capacity by service.

AREA HOSPITAL DATA FY 2014									
Hospital	Ownership/Affiliation	City	Within Service Area	Licensed Beds	Discharges	Patient Days	Occupied Beds	Percent Occupied	Miles from Hospital
Tarzana Medical Center	Providence Health & Services	Tarzana	X	249	13,461	58,776	161	64.7%	-
Kaiser Foundation Hospitals - Woodland Hills	Kaiser Foundation Hospitals	Woodland Hills	X	262	10,874	40,528	111	42.4%	3.6
Encino Hospital Medical Center	Prime Healthcare Svcs Foundation, Inc	Encino	X	148	2,464	20,821	57	38.5%	3.0
Valley Presbyterian Hospital	Valley Presbyterian Hospital	Van Nuys	X	350	15,265	66,745	183	52.2%	5.7
Sherman Oaks Hospital	Prime Healthcare Svcs Foundation, Inc	Sherman Oaks	X	153	6,027	30,604	84	54.8%	5.9
West Hills Hospital and Medical Center	Hospital Corporation of America	West Hills	X	225	8,628	41,067	113	50.0%	8.1
Northridge Hospital Medical Center	Dignity Health	Northridge	X	409	14,471	64,161	176	43.0%	4.4
SUB-TOTAL				1,796	71,190	322,702	884	49.2%	
Mission Community Hospital	Deanco Healthcare, LLC	Panorama City		145	8,184	42,948	118	81.1%	8.0
Kaiser Foundation Hospitals - Panorama City	Kaiser Foundation Hospitals	Panorama City		218	9,460	32,896	90	41.3%	11.1
Holy Cross Medical Center	Providence Health & Services	Mission Hills		377	17,007	90,353	248	65.7%	11.6
Saint Joseph Medical Center	Providence Health & Services	Burbank		426	17,049	74,980	205	48.2%	13.0
Ronald Reagan UCLA Medical Center	Regents of the University of California	Los Angeles		466	23,453	165,333	453	97.2%	13.6
Southern California Hospital at Hollywood	Alta Hospitals Systems, LLC	Hollywood		565	17,653	114,403	313	55.5%	15.4
Cedars-Sinai Medical Center	Cedars-Sinai Medical Center	Los Angeles		886	45,343	234,271	642	72.4%	16.1
Kaiser Foundation Hospitals - Los Angeles	Kaiser Foundation Hospitals	Los Angeles		464	25,563	124,070	340	73.3%	16.9
LA County Olive View - UCLA Medical Center	Los Angeles County	Sylmar		355	12,633	67,482	185	52.1%	16.9
Los Robles Hospital and Medical Center	Hospital Corporation of America	Thousand Oaks		404	15,382	86,782	238	58.9%	23.8
TOTAL				6,102	262,917	1,356,220	3,716	60.9%	

Source: OSHPD Disclosure Reports, 2014; Google Maps

Hospital Market Share

The table below illustrates service area hospital inpatient market share from 2012 to 2014:

HOSPITAL MARKET SHARE: 2012-2014				
Hospital	2012	2013	2014	Trend
Northridge Hospital Medical Center	13.4%	12.9%	12.3%	↘
Providence Tarzana Medical Center	12.7%	12.4%	11.9%	↘
Valley Presbyterian Hospital	10.0%	9.7%	9.9%	↔
West Hills Hospital And Medical Center	7.7%	7.7%	8.3%	↗
Kaiser Foundation Hospital - Woodland Hills	7.5%	7.7%	7.9%	↗
Providence Holy Cross Medical Center	5.6%	5.5%	5.8%	↗
Cedars Sinai Medical Center	4.5%	4.5%	4.3%	↔
Los Angeles County Olive View-Ucla Medical Center	4.1%	4.1%	3.7%	↘
Sherman Oaks Hospital	2.5%	2.6%	3.2%	↗
Mission Community Hospital - Panorama Campus	2.7%	2.9%	2.7%	↔
Other Discharges	29.3%	29.9%	30.0%	↗
Total Percentage	100.0%	100.0%	100.0%	
Total Discharges	87,282	85,491	85,090	↘

Note: Excludes normal newborns

Source: OSHPD Patient Discharge Database

- Between 2012 and 2014, the number of discharges in Tarzana Medical Center's service area decreased by nearly 3%; and
- Tarzana Medical Center has consistently ranked second in market share for its service area based on discharges (approximately 12% in 2014). In 2014, Northridge Hospital Medical Center ranked first in inpatient discharges with slightly over 12% market share.

Market Share by Payer Type

The following table illustrates hospital market share by payer category for 2014:

HOSPITAL MARKET SHARE BY PAYER TYPE: 2014											
Payer Type	Total Discharges	Northridge Hospital Medical Center	Providence Tarzana Medical Center	Valley Presbyterian Hospital	West Hills Hospital	Kaiser Foundation Hospital - Center	Providence Holy Cross Medical Center	Cedars Sinai Medical Center	Los Angeles Medical Center	Ucla Medical Center	All Others
Medicare	33,520	14.0%	14.0%	6.3%	11.1%	10.7%	6.8%	4.1%	0.6%		32.6%
Private Coverage	27,289	8.7%	11.2%	14.0%	7.2%	10.1%	4.9%	7.0%	0.1%		36.7%
Medi-Cal	20,045	14.7%	9.7%	11.4%	5.0%	1.1%	5.5%	1.2%	12.7%		38.6%
All Other	2,231	5.0%	7.8%	3.8%	9.8%	0.3%	3.0%	2.1%	15.2%		53.1%
Self Pay	2,005	16.4%	14.9%	6.1%	9.5%	5.8%	7.4%	2.3%	1.8%		35.9%
Total Percentage		12.3%	11.9%	9.9%	8.3%	7.9%	5.8%	4.3%	3.7%		36.0%
Total Discharges	85,090	10,459	10,140	8,429	7,076	6,683	4,925	3,633	3,149		30,596

Note: Excludes normal newborns

Source: OSHPD Patient Discharge Database

- The largest categories of service area inpatient discharges are comprised of Medicare at approximately 33,500 discharges (39%), Private Coverage at approximately 27,300 discharges (32%), and Medi-Cal at over 20,000 discharges (24%);
- Tarzana Medical Center and Northridge Hospital Medical Center both have 14% of the service area market share for Medicare;
- Northridge Hospital Medical Center is market share leader in Medi-Cal (15%) and Self-Pay (16%). Valley Presbyterian Hospital is market share leader in Private Coverage with 14% market share; and
- Tarzana Medical Center also has significant market share for Private Coverage (11%) and Medi-Cal (10%).

Market Share by Service Line

The following table illustrates service area hospital market share by service line for 2014:

HOSPITAL MARKET SHARE BY SERVICE LINE: 2014											
Service Line	Total Discharges	Northridge Hospital Medical Center	Providence Tarzana Medical Center	Valley Presbyterian Hospital	West Hills Hospital And Medical Center	Kaiser Foundation Hospital - Woodland Hills	Providence Holy Cross Medical Center	Cedars Sinai Medical Center	Los Angeles County Olive View-Ucla Medical Center	All Others	Total
General Medicine	26,064	13.8%	13.9%	9.7%	10.5%	9.9%	6.2%	2.6%	4.2%	29.3%	100%
Obstetrics	11,169	9.7%	19.4%	18.8%	6.5%	9.2%	6.7%	5.7%	1.5%	22.4%	100%
Cardiac Services	9,488	14.1%	11.0%	10.5%	12.3%	7.3%	6.2%	4.0%	5.1%	29.5%	100%
Behavioral Health	7,948	9.2%	0.5%	0.7%	0.8%	0.5%	0.2%	0.2%	2.4%	85.6%	100%
General Surgery	6,197	12.2%	12.3%	7.5%	8.8%	8.3%	5.8%	6.9%	6.1%	32.1%	100%
Orthopedics	5,171	12.6%	7.0%	9.6%	7.9%	12.2%	7.7%	6.1%	1.2%	35.7%	100%
Neurology	3,679	16.1%	10.7%	9.2%	10.4%	7.6%	5.2%	2.2%	2.5%	36.1%	100%
Oncology/Hematology (Medical)	2,944	10.1%	9.2%	8.6%	8.6%	7.1%	6.9%	4.1%	8.9%	36.5%	100%
Neonatology	2,823	8.7%	16.4%	14.5%	6.2%	11.0%	5.3%	9.4%	2.3%	26.1%	100%
Spine	1,832	9.2%	7.6%	7.0%	6.5%	1.5%	4.6%	11.6%	0.6%	51.4%	100%
Gynecology	1,308	10.6%	15.5%	7.3%	7.3%	4.1%	7.5%	5.7%	9.9%	32.1%	100%
Vascular Services	1,280	11.1%	21.4%	9.2%	8.7%	9.5%	6.5%	3.9%	3.4%	26.3%	100%
Urology	1,215	8.1%	11.8%	6.1%	6.5%	6.9%	6.3%	8.9%	5.6%	39.9%	100%
Other	1,210	21.5%	6.9%	4.4%	10.3%	4.3%	9.8%	7.0%	1.2%	34.6%	100%
ENT	1,031	12.4%	11.9%	9.1%	5.0%	4.6%	5.9%	3.5%	7.2%	40.3%	100%
Rehabilitation	860	17.3%	0.0%	22.8%	0.0%	0.0%	8.0%	6.7%	0.0%	45.1%	100%
Neurosurgery	611	11.6%	6.5%	2.5%	3.9%	1.6%	4.7%	10.3%	0.5%	58.3%	100%
<All others>	260	6.5%	7.7%	6.2%	5.0%	3.8%	7.7%	8.5%	6.5%	48.1%	100%
Total Percentage		12.3%	11.9%	9.9%	8.3%	7.9%	5.8%	4.3%	3.7%	36.0%	100%
Total Discharges	85,090	10,459	10,140	8,429	7,076	6,683	4,925	3,633	3,149	30,596	

Note: Excludes normal newborns

Source: OSHPD Patient Discharge Database

- Tarzana Medical Center is the service line leader in seven of 16 service lines: general medicine (14%), obstetrics (19%), general surgery (12%), neonatology (16%), gynecology (16%), vascular services (21%), and urology (12%);
- Tarzana Medical Center also has a notable service line market share in cardiac services (11%), neurology (11%), oncology/ hematology (9%), and ear, nose, and throat (12%);
- Northridge Hospital Medical Center is the market share leader for seven service lines: cardiac services (14%), behavioral health (9%), orthopedics (13%), neurology (16%), oncology/hematology (10%), ear, nose, and throat (12%), and neurosurgery (12%); and
- Valley Presbyterian Hospital has the highest market share in rehabilitation (23%) and Cedars Sinai Medical Center is market share leader in spine (12%).

Market Share by ZIP Code

The following table illustrates service area hospital market share by ZIP Code for 2014:

HOSPITAL MARKET SHARE BY ZIP CODE: 2014												
ZIP Code	Community	Total Discharges	Northridge Hospital Medical Center	Providence Tarzana Medical Center	Valley Presbyterian Hospital	West Hills Hospital And Medical Center	Kaiser Foundation Hospital - Woodland Hills	Providence Holy Cross Medical Center	Cedars Sinai Medical Center	Los Angeles County Olive View-Ucla Medical Center	All Others	Total
91335	Reseda	8,208	24.4%	18.1%	6.8%	3.1%	8.2%	2.8%	1.9%	4.6%	30.1%	100%
91405	Van Nuys	5,335	3.4%	3.6%	37.1%	0.6%	0.8%	3.5%	2.5%	7.1%	41.3%	100%
91343	North Hills	5,297	10.6%	4.1%	17.4%	0.8%	2.4%	14.7%	1.9%	7.8%	40.3%	100%
91406	Van Nuys	4,863	11.1%	8.8%	25.1%	1.5%	5.3%	4.9%	2.5%	6.5%	34.3%	100%
91344	Granada Hills	4,756	10.2%	4.5%	4.0%	1.6%	5.3%	33.0%	2.6%	4.2%	34.6%	100%
91401	Van Nuys	4,753	2.3%	4.3%	16.9%	0.4%	0.9%	1.5%	3.7%	3.4%	66.5%	100%
91304	Canoga Park	4,288	16.8%	8.4%	4.3%	26.0%	12.4%	3.1%	1.8%	4.8%	22.2%	100%
91306	Winnetka	4,025	24.5%	9.9%	5.5%	14.1%	14.2%	2.7%	2.0%	4.9%	22.2%	100%
91367	Woodland Hills	3,832	6.3%	15.4%	2.3%	27.5%	15.7%	1.7%	5.3%	1.2%	24.6%	100%
91311	Chatsworth	3,647	18.7%	6.6%	3.8%	16.1%	15.0%	8.3%	2.7%	2.2%	26.5%	100%
91356	Tarzana	3,163	5.1%	44.0%	3.7%	3.0%	9.2%	1.2%	6.1%	1.8%	25.9%	100%
91316	Encino	3,111	4.7%	37.3%	4.4%	2.5%	7.6%	1.9%	9.6%	0.9%	31.1%	100%
91325	Northridge	3,104	34.7%	7.9%	5.8%	2.4%	6.9%	8.7%	2.2%	3.5%	28.0%	100%
91326	Porter Ranch	2,678	22.1%	7.1%	2.7%	3.8%	10.6%	16.1%	4.2%	1.6%	32.0%	100%
91423	Sherman Oaks	2,601	1.7%	10.9%	5.5%	0.6%	2.7%	1.2%	12.7%	1.9%	62.7%	100%
91324	Northridge	2,596	37.7%	9.1%	5.2%	4.0%	9.6%	6.3%	2.3%	2.7%	23.0%	100%
91411	Van Nuys	2,590	3.2%	6.4%	29.7%	0.4%	1.6%	2.4%	3.9%	4.7%	47.8%	100%
91364	Woodland Hills	2,503	4.8%	18.6%	2.6%	21.0%	15.4%	1.0%	6.2%	0.6%	29.8%	100%
91303	Canoga Park	2,499	13.6%	10.8%	6.9%	28.3%	9.8%	2.2%	1.4%	5.9%	21.2%	100%
91403	Sherman Oaks	2,416	1.9%	12.3%	6.5%	1.4%	4.6%	1.2%	12.2%	1.5%	58.5%	100%
91307	West Hills	2,318	7.6%	9.9%	1.9%	37.7%	13.4%	1.4%	2.8%	1.6%	23.7%	100%
91301	Agoura Hills	1,853	2.3%	7.4%	1.1%	8.1%	11.2%	0.4%	5.0%	0.3%	64.1%	100%
91302	Calabasas	1,734	3.9%	16.0%	0.8%	22.4%	9.7%	0.4%	10.8%	0.6%	35.5%	100%
91436	Encino	1,539	2.5%	23.7%	3.9%	1.2%	7.0%	0.7%	17.5%	0.8%	42.8%	100%
91377	Oak Park	875	1.0%	4.0%	0.7%	4.3%	8.3%	0.0%	7.0%	0.1%	74.5%	100%
91365	Woodland Hills	89	4.5%	12.4%	2.2%	16.9%	15.7%	1.1%	3.4%	0.0%	43.8%	100%
91413	Sherman Oaks	81	1.2%	12.3%	7.4%	0.0%	3.7%	6.2%	9.9%	7.4%	51.9%	100%
91416	Encino	64	6.3%	14.1%	4.7%	6.3%	9.4%	1.6%	12.5%	1.6%	43.8%	100%
91357	Tarzana	57	8.8%	22.8%	0.0%	7.0%	8.8%	0.0%	8.8%	5.3%	38.6%	100%
91404	Van Nuys	52	3.8%	5.8%	25.0%	0.0%	3.8%	1.9%	5.8%	5.8%	48.1%	100%
91409	Van Nuys	48	6.3%	6.3%	6.3%	8.3%	6.3%	8.3%	2.1%	16.7%	39.6%	100%
91308	West Hills	35	8.6%	8.6%	0.0%	17.1%	20.0%	8.6%	5.7%	2.9%	28.6%	100%
91372	Calabasas	33	0.0%	12.1%	0.0%	6.1%	6.1%	0.0%	6.1%	0.0%	69.7%	100%
91305	Canoga Park	28	14.3%	10.7%	7.1%	10.7%	0.0%	7.1%	7.1%	7.1%	35.7%	100%
91407	Van Nuys	19	0.0%	15.8%	15.8%	0.0%	0.0%	0.0%	15.8%	21.1%	31.6%	100%
Total Percentage			12.3%	11.9%	9.9%	8.3%	7.9%	5.8%	4.3%	3.7%	36.0%	100%
Total Discharges			85,090	10,459	10,140	8,429	7,076	6,683	4,925	3,633	3,149	30,596

Note: Excludes normal newborns

Source: OSHPD Patient Discharge Database

- Tarzana Medical Center is the market share leader in eight of the service area ZIP Codes. In four of these ZIP Codes, represented by Tarzana and Encino, Tarzana Medical Center had over 20% of the market share;
- Northridge Hospital Medical Center is the market share leader in the communities of Reseda, Winnetka, Chatsworth, Northridge, Porter Ranch, and Canoga Park; and
- Valley Presbyterian Hospital is the market share leader in six service area ZIP Codes located in Van Nuys and North Hills.

Service Availability by Bed Type

Using FY 2014 data, the tables on the following pages show Tarzana Medical Center's existing hospital bed capacity, occupancy, and availability for medical/surgical, intensive/coronary care, obstetrics, neonatal intensive care, pediatrics, and emergency services.

Medical/Surgical Capacity Analysis

The medical/surgical beds within Tarzana Medical Center's service area operated at an overall occupancy rate of approximately 47%. Tarzana Medical Center's 118 licensed medical/surgical beds¹⁴ represented approximately 12% of the medical/surgical beds in the service area.

MEDICAL/SURGICAL BEDS FY 2014							
Hospital	Miles from Hospital	Within Service Area	Licensed Beds	Discharges	Patient Days	Average Daily Census	Percent Occupied
Tarzana Medical Center	-	X	118	6,849	26,874	74	62.4%
Kaiser Foundation Hospitals - Woodland Hills	3.6	X	191	8,486	32,173	88	46.1%
Encino Hospital Medical Center	3.0	X	85	1,736	5,435	15	17.5%
Valley Presbyterian Hospital	5.7	X	188	8,897	38,081	104	55.5%
Sherman Oaks Hospital	5.9	X	96	4,717	15,635	43	44.6%
West Hills Hospital and Medical Center	8.1	X	157	7,158	29,457	81	51.4%
Northridge Hospital Medical Center	4.4	X	144	6,037	19,370	53	36.9%
SUB-TOTAL			979	43,880	167,025	458	46.7%
Mission Community Hospital	8.0		75	4,462	20,143	55	73.6%
Kaiser Foundation Hospitals - Panorama City	11.1		128	6,723	21,320	58	45.6%
Holy Cross Medical Center	11.6		245	12,684	52,162	143	58.3%
Saint Joseph Medical Center	13.0		249	14,531	52,819	145	58.1%
Ronald Reagan UCLA Medical Center	13.6		204	12,310	74,116	203	99.5%
Southern California Hospital at Hollywood	15.4		337	10,103	49,296	135	40.1%
Cedars-Sinai Medical Center	16.1		383	26,437	119,302	327	85.3%
Kaiser Foundation Hospitals - Los Angeles	16.9		192	14,626	57,209	157	81.6%
LA County Olive View - UCLA Medical Center	16.9		200	10,444	46,611	128	63.9%
Los Robles Hospital and Medical Center	23.8		251	11,272	53,045	145	57.9%
TOTAL			3,243	167,472	713,048	1,954	60.2%

Source: OSHPD Disclosure Reports, FY 2014; Google Maps

- Tarzana Medical Center reported 6,849 hospital discharges and 26,874 patient days, resulting in an occupancy rate of approximately 62% and an average daily census of 74 patients.

¹⁴ Since FY 2014, Tarzana Medical Center increased its bed licensure and is currently licensed for 154 medical/surgical beds. Additionally, in FY 2014, Tarzana Medical Center was licensed for 36 definitive observation beds. Since FY 2014, Tarzana Medical Center reduced its bed licensure and is no longer licensed for definitive observation beds.

Intensive Care Unit/Coronary Care Unit Capacity Analysis

There were 181 intensive care unit/coronary care unit beds within the service area that operated at an overall occupancy rate of 46%. Tarzana Medical Center had 20 licensed intensive care beds¹⁵ with an average occupancy rate of nearly 75% and an average daily census of 15 patients.

INTENSIVE CARE UNIT/CORONARY CARE UNIT BEDS FY 2014							
Hospital	Miles from Hospital	Within Service Area	Licensed Beds	Discharges	Patient Days	Average Daily Census	Percent Occupied
Tarzana Medical Center	-	X	20	496	5,458	15	74.8%
Kaiser Foundation Hospitals - Woodland Hills	3.6	X	22	284	3,660	10	45.6%
Encino Hospital Medical Center	3.0	X	22	71	756	2	9.4%
Valley Presbyterian Hospital	5.7	X	30	348	5,416	15	49.5%
Sherman Oaks Hospital	5.9	X	16	173	2,856	8	48.9%
West Hills Hospital and Medical Center	8.1	X	25	428	6,881	19	75.4%
Northridge Hospital Medical Center	4.4	X	46	317	5,376	15	32.0%
SUB-TOTAL			181	2,117	30,403	83	46.0%
Mission Community Hospital	8.0		10	144	2,300	6	63.0%
Kaiser Foundation Hospitals - Panorama City	11.1		24	158	2,654	7	30.3%
Holy Cross Medical Center	11.6		24	401	8,049	22	91.9%
Saint Joseph Medical Center	13.0		54	744	10,528	29	53.4%
Ronald Reagan UCLA Medical Center	13.6		117	3,325	41,704	114	97.7%
Southern California Hospital at Hollywood	15.4		28	661	7,122	20	69.7%
Cedars-Sinai Medical Center	16.1		118	1,057	25,604	70	59.4%
Kaiser Foundation Hospitals - Los Angeles	16.9		96	2,816	28,562	78	81.5%
LA County Olive View - UCLA Medical Center	16.9		42	275	4,123	11	26.9%
Los Robles Hospital and Medical Center	23.8		30	700	9,074	25	82.9%
TOTAL			724	12,398	170,123	466	64.4%

Source: OSHPD Disclosure Reports, FY 2014; Google Maps

- Among the service area hospitals, the average daily census was 83 patients based on 30,403 patient days; and
- Tarzana Medical Center provided 11% of the service area's intensive care/coronary care beds and approximately 23% of the discharges.

¹⁵ Since FY 2014, Tarzana Medical Center increased its bed licensure and is currently licensed for 17 intensive care beds and 10 coronary care beds (total of 27 beds).

Obstetrics Capacity Analysis

As shown below, there were 170 obstetric beds located in the service area with an aggregate occupancy rate of approximately 44%. Tarzana Medical Center reported 29 licensed obstetric beds with an occupancy rate of nearly 75% (average daily census of 22 patients).

OBSTETRICS BEDS FY 2014							
Hospital	Miles from Hospital	Within Service Area	Licensed Beds	Discharges	Patient Days	Average Daily Census	Percent Occupied
Tarzana Medical Center	-	X	29	2,226	7,901	22	74.6%
Kaiser Foundation Hospitals - Woodland Hills	3.6	X	24	1,775	2,873	8	32.8%
Encino Hospital Medical Center	3.0	X	-	-	-	-	-
Valley Presbyterian Hospital	5.7	X	58	3,854	9,726	27	45.9%
Sherman Oaks Hospital	5.9	X	-	-	-	-	-
West Hills Hospital and Medical Center	8.1	X	24	943	2,680	7	30.6%
Northridge Hospital Medical Center	4.4	X	35	1,470	4,288	12	33.6%
SUB-TOTAL			170	10,268	27,468	75	44.3%
Mission Community Hospital	8.0		-	-	-	-	-
Kaiser Foundation Hospitals - Panorama City	11.1		42	2,348	5,166	14	33.7%
Holy Cross Medical Center	11.6		35	3,399	8,614	24	67.4%
Saint Joseph Medical Center	13.0		24	1,176	3,501	10	40.0%
Ronald Reagan UCLA Medical Center	13.6		17	2,034	5,845	16	94.2%
Southern California Hospital at Hollywood	15.4		-	-	-	-	-
Cedars-Sinai Medical Center	16.1		112	6,007	17,467	48	42.7%
Kaiser Foundation Hospitals - Los Angeles	16.9		27	2,593	4,402	12	44.7%
LA County Olive View - UCLA Medical Center	16.9		29	724	2,471	7	23.3%
Los Robles Hospital and Medical Center	23.8		40	1,990	5,850	16	40.1%
TOTAL			496	30,539	80,784	221	44.6%

Source: OSHPD Disclosure Reports, FY 2014; Google Maps
All Kaiser facilities have Alternative Birthing Centers

- Tarzana Medical Center provided approximately 17% of licensed obstetrics beds within its service area, and reported nearly 22% of the service area's 10,268 discharges; and
- Tarzana Medical Center has the highest occupancy rate of all hospitals within its service area at nearly 75%. The next closest is Valley Presbyterian Hospital at an occupancy rate of nearly 46%.

Neonatal Intensive Care Capacity Analysis

There were 94 neonatal intensive care beds within the service area that operated at an overall occupancy rate of approximately 45%. Tarzana Medical Center had 21 licensed neonatal intensive care beds with an average occupancy rate of nearly 51% and an average daily census of 11 patients.

NEONATAL INTENSIVE CARE BEDS FY 2014							
Hospital	Miles from Hospital	Within Service Area	Licensed Beds	Discharges	Patient Days	Average Daily Census	Percent Occupied
Tarzana Medical Center	-	X	21	388	3,870	11	50.5%
Kaiser Foundation Hospitals - Woodland Hills	3.6	X	18	185	1,380	4	21.0%
Encino Hospital Medical Center	3.0	X	-	-	-	-	-
Valley Presbyterian Hospital	5.7	X	22	312	5,673	16	70.6%
Sherman Oaks Hospital	5.9	X	-	-	-	-	-
West Hills Hospital and Medical Center	8.1	X	11	94	1,394	4	34.7%
Northridge Hospital Medical Center	4.4	X	22	244	3,024	8	37.7%
SUB-TOTAL			94	1,223	15,341	42	44.7%
Mission Community Hospital	8.0		-	-	-	-	-
Kaiser Foundation Hospitals - Panorama City	11.1		24	231	3,756	10	42.9%
Holy Cross Medical Center	11.6		12	231	3,412	9	77.9%
Saint Joseph Medical Center	13.0		20	358	5,156	14	70.6%
Ronald Reagan UCLA Medical Center	13.6		29	346	9,360	26	88.4%
Southern California Hospital at Hollywood	15.4		-	-	-	-	-
Cedars-Sinai Medical Center	16.1		45	489	9,953	27	60.6%
Kaiser Foundation Hospitals - Los Angeles	16.9		33	376	8,120	22	67.4%
LA County Olive View - UCLA Medical Center	16.9		14	136	2,492	7	48.8%
Los Robles Hospital and Medical Center	23.8		12	118	2,318	6	52.9%
TOTAL			283	3,508	59,908	164	58.0%

Source: OSHPD Disclosure Reports, FY 2014; Google Maps

- Among the service area hospitals, the average daily census was 42 patients based on 15,341 patient days; and
- Tarzana Medical Center provided approximately 22% of the service area's neonatal intensive care beds and accounted for nearly 32% of the service area's discharges.

Pediatric Capacity Analysis

Service area hospitals had 62 licensed pediatric beds that operated at an occupancy rate of approximately 37%. Tarzana Medical Center reported 18 pediatric beds with 2,978 patient days and an occupancy rate of approximately 45%.

PEDIATRIC ACUTE CARE BEDS FY 2014							
Hospital	Miles from Hospital	Within Service Area	Licensed Beds	Discharges	Patient Days	Average Daily Census	Percent Occupied
Tarzana Medical Center	-	X	18	1,062	2,978	8	45.3%
Kaiser Foundation Hospitals - Woodland Hills	3.6	X	7	144	442	1	17.3%
Encino Hospital Medical Center	3.0	X	-	-	-	-	-
Valley Presbyterian Hospital	5.7	X	25	1,249	3,009	8	33.0%
Sherman Oaks Hospital	5.9	X	-	-	-	-	-
West Hills Hospital and Medical Center	8.1	X	-	-	-	-	-
Northridge Hospital Medical Center	4.4	X	12	859	1,836	5	41.9%
SUB-TOTAL			62	3,314	8,265	23	36.5%
Mission Community Hospital	8.0		-	-	-	-	-
Kaiser Foundation Hospitals - Panorama City	11.1		-	-	-	-	-
Holy Cross Medical Center	11.6		-	-	-	-	-
Saint Joseph Medical Center	13.0		-	-	-	-	-
Ronald Reagan UCLA Medical Center	13.6		41	2,564	13,922	38	93.0%
Southern California Hospital at Hollywood	15.4		-	-	-	-	-
Cedars-Sinai Medical Center	16.1		31	1,395	3,475	10	30.7%
Kaiser Foundation Hospitals - Los Angeles	16.9		32	1,831	5,816	16	49.8%
LA County Olive View - UCLA Medical Center	16.9		18	152	342	1	5.2%
Los Robles Hospital and Medical Center	23.8		9	272	579	2	17.6%
TOTAL			193	9,528	32,399	89	46.0%

Source: OSHPD Disclosure Reports, FY 2014; Google Maps

- Among the service area hospitals, the average daily census was 23 patients based on 8,265 days; and
- Tarzana Medical Center provided 29% of the service area's pediatric beds and accounted for approximately 32% of the service area's discharges.

Pediatric Intensive Care Capacity Analysis

Tarzana Medical Center was one of three providers of pediatric intensive care within the service area. There were 25 total pediatric intensive care beds within the service area that operated at an overall occupancy rate of approximately 29%.

PEDIATRIC INTENSIVE CARE UNIT UNIT BEDS FY 2014							
Hospital	Miles from Hospital	Within Service Area	Licensed Beds	Discharges	Patient Days	Average Daily Census	Percent Occupied
Tarzana Medical Center		-	7	343	1,115	3	43.6%
Kaiser Foundation Hospitals - Woodland Hills	3.6	X	-	-	-	-	-
Encino Hospital Medical Center	3.0	X	-	-	-	-	-
Valley Presbyterian Hospital	5.7	X	10	277	773	2	21.2%
Sherman Oaks Hospital	5.9	X	-	-	-	-	-
West Hills Hospital and Medical Center	8.1	X	-	-	-	-	-
Northridge Hospital Medical Center	4.4	X	8	189	721	2	24.7%
SUB-TOTAL			25	809	2,609	7	28.6%
Mission Community Hospital	8.0		-	-	-	-	-
Kaiser Foundation Hospitals - Panorama City	11.1		-	-	-	-	-
Holy Cross Medical Center	11.6		-	-	-	-	-
Saint Joseph Medical Center	13.0		-	-	-	-	-
Ronald Reagan UCLA Medical Center	13.6		21	426	6,824	19	89.0%
Southern California Hospital at Hollywood	15.4		-	-	-	-	-
Cedars-Sinai Medical Center	16.1		8	102	708	2	24.2%
Kaiser Foundation Hospitals - Los Angeles	16.9		16	266	3,143	9	53.8%
LA County Olive View - UCLA Medical Center	16.9		-	-	-	-	-
Los Robles Hospital and Medical Center	23.8		-	-	-	-	-
TOTAL			70	1,603	13,284	36	52.0%

Source: OSHPD Disclosure Reports, FY 2014; Google Maps

- Tarzana Medical Center had seven pediatric intensive care beds with an average occupancy rate of nearly 44% and an average daily census of three patients; and
- Tarzana Medical Center provided 28% of the service area's pediatric intensive care beds and nearly 42% of the discharges.

Emergency Department Volume at Hospitals in the Service Area

Tarzana Medical Center had 15 emergency treatment stations. In total, there were 144 emergency treatment stations among all service area hospitals. As shown below, Tarzana Medical Center reported 28,888 visits that totaled nearly 11% of all visits among the service area hospitals (270,546 visits).

The table below shows the visits by severity category for area emergency departments as reported by OSHPD Automated Licensing Information and Report Tracking System.

EMERGENCY DEPARTMENT VISITS BY CATEGORY 2014												
Hospital	Miles from Hospital	Within Service Area	ER Level	Stations	Total Visits	Minor	Low/Moderate	Moderate	Severe w/o Threat	Severe w/Threat	Percentage Admitted	Hours of Diversion
Tarzana Medical Center	-	X	Basic	15	28,888	325	1,976	9,514	8,335	8,738	22.4%	218
Kaiser Foundation Hospitals - Woodland Hills	3.6	X	Basic	27	39,945	176	3,634	26,154	8,269	1,712	13.2%	1,128
Encino Hospital Medical Center	3.0	X	Basic	8	10,394	185	237	3,289	2,479	1,983	21.4%	-
Valley Presbyterian Hospital	5.7	X	Basic	27	61,819	1,321	14,256	21,660	17,881	6,701	12.8%	341
Sherman Oaks Hospital	5.9	X	Basic	12	24,393	548	1,654	5,691	5,120	6,336	20.7%	-
West Hills Hospital and Medical Center	8.1	X	Basic	30	48,340	3,483	5,565	18,880	11,431	8,981	14.4%	79
Northridge Hospital Medical Center	4.4	X	Basic	25	56,767	2,081	10,310	19,524	18,412	6,440	17.0%	837
SUB-TOTAL				144	270,546	8,119	37,632	104,712	71,927	40,891	16.1%	2,603
Mission Community Hospital	8.0		Basic	8	19,580	2,463	5,946	4,427	5,979	765	27.3%	21
Kaiser Foundation Hospitals - Panorama City	11.1		Basic	34	59,309	349	3,539	39,964	12,891	2,566	7.8%	1,448
Holy Cross Medical Center	11.6		Basic	32	90,426	894	9,145	34,534	27,439	18,414	9.8%	512
Saint Joseph Medical Center	13.0		Basic	38	50,818	551	5,330	16,210	15,298	13,429	14.5%	91
Ronald Reagan UCLA Medical Center	13.6		Comprehensive	33	43,945	5,170	4,485	8,561	11,236	14,493	20.4%	3,242
Southern California Hospital at Hollywood	15.4		-	-	-	-	-	-	-	-	-	-
Cedars-Sinai Medical Center	16.1		Basic	51	87,061	3,319	13,778	23,771	18,919	27,274	24.4%	97
Kaiser Foundation Hospitals - Los Angeles	16.9		Basic	45	66,365	487	11,083	47,799	6,123	873	12.4%	3,349
LA County Olive View - UCLA Medical Center	16.9		Basic	51	57,059	3,277	30,168	23,330	279	5	14.6%	1,637
Los Robles Hospital and Medical Center	23.8		Basic	23	43,877	1,287	2,373	12,940	15,359	11,918	19.8%	12
TOTAL				459	788,986	25,916	123,479	316,248	185,450	130,628	15.9%	13,012

Source: OSHPD Airls Annual Utilization Reports, 2014; Google Maps
Encino Hospital Medical Center and Sherman Oak Hospital's visit level figures do not include admitted patients

- Approximately 22% of Tarzana Medical Center's emergency department visits resulted in admission to the hospital;
- Tarzana Medical Center went on diversion¹⁶ for 218 hours; and
- Nearly 59% of Tarzana Medical Center's emergency department visits were classified as severe with/without threat, which was higher than the service area average of approximately 42%.

¹⁶ A hospital goes on diversion when there are not enough beds or staff available in the emergency room or the hospital itself to adequately care for patients. When a hospital goes on diversion, it notifies the area Emergency Medical Services Agency so that patients can be transported to other area hospitals with sufficient capacity.

Emergency Department Capacity

Industry sources, including the American College of Emergency Physicians, use a benchmark of 2,000 visits per emergency station/bed to estimate the capacity of an emergency department. Based upon this benchmark, Tarzana Medical Center's emergency department was operating at approximately 96% of its 15-bed capacity.

EMERGENCY DEPARTMENT CAPACITY 2014							
Hospital	Miles from Hospital	Within Service Area	ER Level	Stations	Total Visits	Capacity	Remaining Capacity
Tarzana Medical Center	-	X	Basic	15	28,888	30,000	1,112
Kaiser Foundation Hospitals - Woodland Hills	3.6	X	Basic	27	39,945	54,000	14,055
Encino Hospital Medical Center	3.0	X	Basic	8	10,394	16,000	5,606
Valley Presbyterian Hospital	5.7	X	Basic	27	61,819	54,000	(7,819)
Sherman Oaks Hospital	5.9	X	Basic	12	24,393	24,000	(393)
West Hills Hospital and Medical Center	8.1	X	Basic	30	48,340	60,000	11,660
Northridge Hospital Medical Center	4.4	X	Basic	25	56,767	50,000	(6,767)
SUB-TOTAL				144	270,546	288,000	17,454
Mission Community Hospital	8.0		Basic	8	19,580	16,000	(3,580)
Kaiser Foundation Hospitals - Panorama City	11.1		Basic	34	59,309	68,000	8,691
Holy Cross Medical Center	11.6		Basic	32	90,426	64,000	(26,426)
Saint Joseph Medical Center	13.0		Basic	38	50,818	76,000	25,182
Ronald Reagan UCLA Medical Center	13.6		Comprehensive	33	43,945	66,000	22,055
Southern California Hospital at Hollywood	15.4		-	-	-	-	-
Cedars-Sinai Medical Center	16.1		Basic	51	87,061	102,000	14,939
Kaiser Foundation Hospitals - Los Angeles	16.9		Basic	45	66,365	90,000	23,635
LA County Olive View - UCLA Medical Center	16.9		Basic	51	57,059	102,000	44,941
Los Robles Hospital and Medical Center	23.8		Basic	23	43,877	46,000	2,123
TOTAL				459	788,986	918,000	129,014

Source: OSHPD Aleris Annual Utilization Reports, 2014; Google Maps

- Overall, the service area hospitals' emergency departments are operating at approximately 94% capacity; and
- Valley Presbyterian Hospital, Sherman Oaks Hospital, and Northridge Hospital Medical Center all reported operating over capacity at approximately 115%, 102%, and 114%, respectively.

PROFILE OF PROVIDENCE HOLY CROSS MEDICAL CENTER

Overview of Providence Holy Cross Medical Center

Providence Health & Services operates Holy Cross Medical Center, a 377 licensed-bed general acute care facility, located at 15031 Rinaldi Street in Mission Hills. Holy Cross Medical Center has a “basic” emergency department with 32 emergency treatment stations and a Level II Trauma Center. It also has 10 surgical operating rooms and two cardiac catheterization labs.

BED DISTRIBUTION 2015	
Bed Type	Number of Beds
General Acute Care	245
Intensive Care	12
Coronary Care	12
Neonatal Intensive Care	12
Perinatal	35
Rehabilitation	13
Total General Acute Care Beds	329
Skilled Nursing (D/P)	48
Total Licensed Beds	377

Source: Hospital License 2015

Providence Holy Cross Foundation

Providence Holy Cross Foundation provides financial support through philanthropy for Holy Cross Medical Center. Providence Holy Cross Foundation raises funds through charitable donations, planned gifts, and appreciated securities in order to fund medical technology and facilities. In recent years, the funds raised by Providence Holy Cross Foundation have supported a Palliative Care Comfort Care Suite and treatment cart, a mobile clinic van for low-income communities, Carescape Cardiac Monitors, Steris operating room tables, and training and clinical education for nurses.

Key Statistics

KEY STATISTICS: FY 2012 - 2014			
	FY 2012	FY 2013	FY 2014
Inpatient Discharges	17,119	16,203	17,007
Licensed Beds	377	377	377
Patient Days	94,800	88,887	90,353
Average Daily Census	260	244	248
Occupancy	68.9%	64.6%	65.7%
Average Length of Stay	5.5	5.5	5.3
Emergency Services Visits ¹	74,895	85,399	90,426
Cardiac Catheterization Procedures ¹	3,152	3,758	1,227
Coronary Artery Bypass Graft (CABG) Surgeries ¹	93	25	45
Total Live Births	2,757	3,017	3,121

Medical Staff	643
Employees (Full-Time Equivalents) ²	1,705

Sources: OSHPD Disclosure Reports, FY 2012-2014

¹ OSHPD Alerts Annual Utilization Reports

² Providence Health & Services

For FY 2014, Holy Cross Medical Center had a total of 17,007 inpatient discharges, 90,353 patient days, and an average daily census of 248 patients and approximately 66% occupancy on the total licensed beds.

- Since FY 2012, both inpatient discharges and patient days have decreased by approximately 1% and 5%, respectively;
- In FY 2014, Holy Cross Medical Center reported 90,426 emergency department visits, a 21% increase from FY 2012;
- In FY 2014, Holy Cross Medical Center reported 1,227 cardiac catheterization procedures and 45 coronary artery bypass graft surgeries; and
- Between FY 2012 and FY 2014, total live births at Holy Cross Medical Center have increased by approximately 13% from 2,757 in FY 2012 to 3,121 in FY 2014.

Programs & Services

Holy Cross Medical Center offers a broad spectrum of medical services including oncology, diabetes, obstetrics, rehabilitation, and emergency services.

- Blood donation services include: Blood donation for hospitalized patients in partnership with American Red Cross;
- Oncology services include: Cancer prevention, cancer detection, cancer diagnosis, minimally invasive surgery, medical oncology infusion, radiation oncology, and clinical trials;
- Diabetes services include: The Diabetes Education Program, certified by the American Diabetes Association that includes diabetes self-management;
- Emergency services include: 24-hour “basic” emergency department with 32 licensed treatment stations that include a Stroke Center, STEMI Receiving Center, and Level II Trauma Center;
- Cardiovascular services include: Cardiovascular disease screening and prevention, non-invasive diagnostic testing, STEMI Receiving Center services, interventional and surgical treatment of complex cardiac conditions, and heart and vascular education and support programs;
- Home care services include: Patient assessment and monitoring, bedside protime monitoring, IV therapy, total parenteral nutrition, gastric feeding tube, V.A.C. therapy, pain management, injections, and ostomy management;
- Imaging services include: CT, MRI, ultrasound, nuclear medicine, and X-ray provided on Holy Cross Medical Center’s campus. Outpatient imaging services are also provided at three additional imaging centers, including:
 - Providence Holy Cross Health Center-Santa Clarita that provides MRI and PET/CT services;
 - Providence Holy Cross Health Center-Porter Ranch that provides CT, digital mammography, diagnostic X-ray, ultrasound, and bone density screening services; and
 - Providence Holy Cross Health Center Outpatient Diagnostic Center that provides digital mammography, breast biopsy, breast localization, ultrasound, X-ray, galactograms, hysterosalpingograms, and antepartum testing.

- Neurology and stroke services include: Primary Stroke Center, spinal injury, movement disorder, neurological disease, stroke care, and carotid artery stenting services;
- Obstetrics services include: Pregnancy, labor and delivery, and postpartum services, Level II Neonatal Intensive Care Unit, and designation as a “Baby Friendly Hospital”¹⁷;
- Orthopedic services include: Full inpatient and outpatient orthopedic rehabilitation, minimally invasive procedures, and sports medicine;
- Palliative care services include: Assessment and review of patient care and end-of-life plans, case management, care coordination, coordination of advance directives, and bereavement care;
- Rehabilitation services include: Acute rehabilitation, including medical rehabilitation, physical, occupational, and speech therapy, clinical nutrition, and therapeutic recreation. Outpatient rehabilitation includes orthopedic and sports injury, neurological, vestibular, hand, lymphedema, oncology, continence, pediatric, and speech and language rehabilitation;
- Senior services include: Health and wellness screenings, assessments, and seminars, AARP driver training, and fitness programs that include Sit and Be Fit Chair Fitness, yoga, weight resistance, and tai chi;
- Sub-acute care services include: Long-term care that includes ventilation and tracheostomy management, wound care, pain management, IV therapy, and physical, occupational, and speech therapy, for ventilator or tracheostomy-dependent adult patients;
- Surgery services include: Cancer, ear, nose, and throat, gastrointestinal, heart and vascular, neurological, obstetrics and gynecological, orthopedic, plastic, podiatric, and urologic surgery;
- Tattoo removal services include: Laser tattoo removal for individuals who desire removal of visible gang-related or anti-social tattoos; and
- Women’s health services include: Gynecology, obstetrics, neonatology, perinatology, breast health, and gynecological oncology and surgery.

¹⁷ The Baby Friendly Hospital Initiative is a global program that was launched by the World Health Organization and the United Nations Children’s Fund in 1991 to encourage and recognize hospitals and birthing centers that offer an optimal level of care for infant feeding and mother/baby bonding.

Accreditations, Certifications, & Awards

Holy Cross Medical Center is accredited by The Joint Commission, effective May 2015 through May 2018. Over the years, Holy Cross Medical Center has received several awards and accolades as a provider of quality care, some of which include the following:

- Designation as a Baby-Friendly Hospital by Baby Friendly USA;
- Designation as a Level II Trauma Center by Los Angeles Emergency Medical Services;
- Certification as a Primary Stroke Center by The Joint Commission, effective June 2014 through June 2016;
- The 2015 Distinguished Hospital Award for Clinical Excellence from HealthGrades;
- Ranking among the top hospitals in Southern California by U.S. News & World Report in 2011;
- The 2011 Gold Quality Achievement Awarded from the American Stroke Association; and
- Designation by the American Nurses Credentialing Center as a Magnet Hospital for excellence in nursing services in 2013.

Quality Measures

In FY 2015, the Centers for Medicare & Medicaid Services rewarded Holy Cross Medical Center with a 0.14% Medicare payment bonus. For FY 2016, the Centers for Medicare & Medicaid services will reward Holy Cross Medical Center with a 0.27% bonus.

The following table reports Holy Cross Medical Center's most recent scores as reported by Hospital Compare for each of the measures within the four domains in comparison to the California and national averages:

QUALITY SCORES COMPARISON				
Domain	Measure	Holy Cross Medical Center	California Average	National Average
Clinical Process of Care Domain	Average of Acute Myocardial Infarction, Heart Failure, Pneumonia, Surgical Care Improvement & Healthcare Associated Infection Measures	98.5%	97.6%	97.3%
Patient Experience of Care Domain	Average of Measures for the Hospital Consumer Assessment of Healthcare Providers and Systems (HCAHPS) Survey	69.5%	67.0%	71.0%
Outcome Domain	Average of Outcome Measures for Acute Myocardial Infarction, Heart Failure & Pneumonia 30-Day Mortality Rates & Central-Line Bloodstream Infection Rates	10.5%	12.1%	12.4%
Efficiency Domain	Medicare Spending per Beneficiary Ratio	0.99	0.99	0.98

Source: Medicare.gov Hospital Compare, 2015

- For the clinical process of care domain, Holy Cross Medical Center scored higher (98.5%) than the California average (97.6%) and the national average (97.3%);
- Holy Cross Medical Center scored between (69.5%) the California average (67.0%) and the national average (71.0%) for the patient experience of care domain;
- Within the outcome domain, Holy Cross Medical Center has a better average 30-day mortality rate and a better central-line bloodstream infection rate (10.5%) than the California and national averages (12.1% and 12.4%, respectively); and
- With a ratio of 0.99, Holy Cross Medical Center spends approximately the same for an episode of care initiated at its facility than California hospitals (0.99) and national hospitals (0.98).

Holy Cross Medical Center was penalized with a 0.21% reduction in reimbursement in FY 2014 and a 0.68% reduction in reimbursement in FY 2015 for its 30-day readmission rates. The following graph shows Holy Cross Medical Center's 30-day readmission rates for heart attack, heart failure, and pneumonia patients:

30-DAY READMISSION RATES			
Condition	Holy Cross Medical Center	National Average	California Average
Heart Attack	17.6%	17.0%	17.0%
Heart Failure	22.6%	22.0%	22.1%
Pneumonia	17.9%	16.9%	16.9%
Average 30-Day Readmission Rate	19.4%	18.6%	18.6%

Source: IPRO & Medicare.gov Hospital Compare, 2015

- Holy Cross Medical Center had more 30-day readmissions (19.4%) than the national and statewide averages of 18.6%; and
- In FY 2016, Holy Cross Medical Center will be penalized with a 0.56% reduction in reimbursement.

Seismic Issues

Using the HAZUS seismic criteria, Holy Cross Medical Center's structures subject to seismic compliance have been classified according to the California Senate Bill 1953 Seismic Safety Act for the Structural Performance Category (SPC) and the Non-Structural Performance Category (NPC), as shown in the table below. These classifications require that Holy Cross Medical Center's structures undergo construction to comply with the California Office of Statewide Health Planning and Development's seismic safety standards.

SEISMIC OVERVIEW		
Building	SPC Compliance Status	NPC Compliance Status
1) Main Building	SPC-3s*	NPC-2
2) ICU/CCU Building	SPC-4s*	NPC-2
3) Cardiac Heart Center	SPC-3s*	NPC-3
4) Central Plant Building	SPC-2	NPC-2
5) Utility Building	SPC-4s*	NPC-2
6) Chapel Building	SPC-3s*	NPC-3
7) New Equipment Shelter	SPC-3s*	NPC-3
8) Sub-Acute Building	-	-

Source: OSHPD

* "S" indicates rating as self-reported by hospital

- Holy Cross Medical Center has one building that is rated as SPC-2. This building must be seismically retrofitted by January 1, 2030 in order to continue providing acute care services.

Patient Utilization Trends

The following table shows volume trends at Holy Cross Medical Center from FY 2010 through FY 2014:

SERVICE VOLUMES: FY 2010-2014					
PATIENT DAYS	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
Medical/Surgical	26,559	50,799	56,457	49,969	52,162
Neonatal Intensive Care	1,377	1,802	3,137	3,087	3,412
Intensive Care	8,187	8,375	8,607	8,760	8,049
Obstetrics	5,937	7,316	7,945	8,462	8,614
Physical Rehabilitation	3,062	2,757	2,769	2,545	2,583
Definitive Observation	22,639	-	-	-	-
Sub-Acute Care	16,918	16,440	15,885	16,054	15,533
Total	84,679	87,489	94,800	88,877	90,353
DISCHARGES					
Medical/Surgical	7,207	11,973	13,196	11,989	12,684
Neonatal Intensive Care	197	210	294	314	231
Intensive Care	316	409	400	454	401
Obstetrics	2,064	2,671	2,992	3,235	3,399
Physical Rehabilitation	220	201	184	172	185
Definitive Observation	4,206	-	-	-	-
Sub-Acute Care	33	37	53	39	107
Total	14,243	15,501	17,119	16,203	17,007
AVERAGE LENGTH OF STAY					
Medical/Surgical	3.7	4.2	4.3	4.2	4.1
Neonatal Intensive Care	7.0	8.6	10.7	9.8	14.8
Intensive Care	25.9	20.5	21.5	19.3	20.1
Obstetrics	2.9	2.7	2.7	2.6	2.5
Physical Rehabilitation	13.9	13.7	15.0	14.8	14.0
Definitive Observation	5.4	-	-	-	-
Total	5.9	5.6	5.5	5.5	5.3
AVERAGE DAILY CENSUS					
Medical/Surgical	72.8	139.2	154.7	136.9	142.9
Neonatal Intensive Care	3.8	4.9	8.6	8.5	9.3
Intensive Care	22.4	22.9	23.6	24.0	22.1
Obstetrics	16.3	20.0	21.8	23.2	23.6
Physical Rehabilitation	8.4	7.6	7.6	7.0	7.1
Definitive Observation	62.0	-	-	-	-
Sub-Acute Care	46.4	45.0	43.5	44.0	42.6
Total	232.0	239.7	259.7	243.5	247.5
OTHER SERVICES					
Inpatient Surgeries	5,207	4,313	4,382	4,127	6,574
Outpatient Surgeries	1,822	6,840	1,978	2,080	7,287
Emergency Services Visits ¹	70,033	74,713	74,895	85,399	90,426
Cardiac Catheterization Procedures ¹	515	2,115	3,152	3,758	1,227
Obstetric Deliveries	2,514	2,647	2,757	3,017	3,121

Sources: OSHPD Disclosure Reports, FY 2010-2014

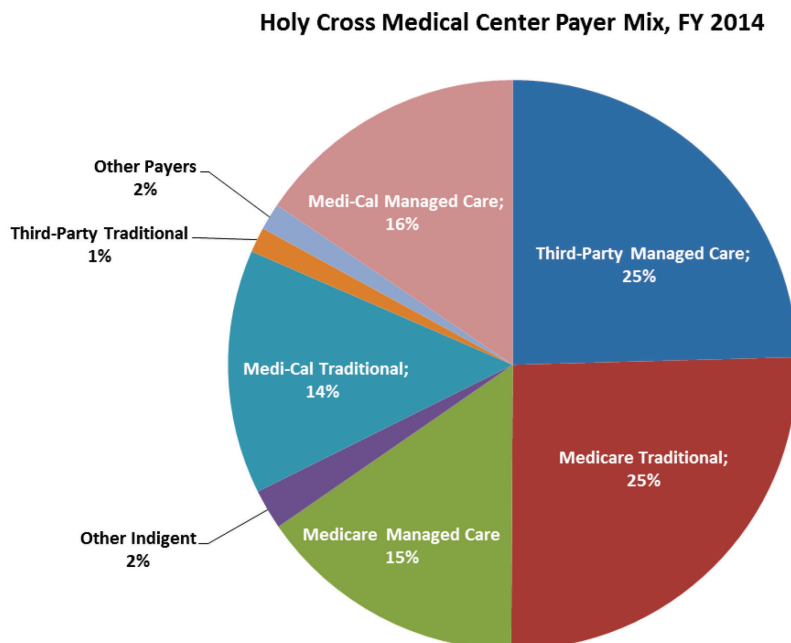
¹ OSHPD Alerts Annual Utilization Reports

A review of historical utilization trends supports the following conclusions:

- Total patient days have increased by nearly 7% over the five-year period;
- Inpatient discharges have increased by 19% from 14,243 in FY 2010 to 17,007 in FY 2014;
- The average daily census has increased from 232 patients in FY 2010 to 248 patients in FY 2014; and
- Obstetric deliveries have increased 24% from 2,514 in FY 2010 to 3,121 in FY 2014.

Payer Mix

In FY 2014, approximately 40% of the Holy Cross Medical Center's inpatient payer mix consisted of Medicare Traditional (25%) and Medicare Managed Care (15%) patients. Approximately 30% of Holy Cross Medical Center's inpatient payer mix consisted of Medi-Cal Managed Care (16%) and Medi-Cal Traditional (14%) patients. In addition, approximately 26% of Holy Cross Medical Center's inpatient payer mix consisted of Third-Party Managed Care (25%) and Third-Party Traditional (1%) patients. The remaining 4% of the inpatient discharges consisted of Other Payers* (2%) and Other Indigent (2%) patients.



Total Discharges = 17,007

* Other Payers includes self-pay, workers' compensation, other government, and other payers
Source: OSHPD Financial Disclosure Report, FY 2014 (based on inpatient discharges).

The following table illustrates Holy Cross Medical Center's inpatient discharge payer mix compared to Los Angeles County and the State of California for FY 2014. The comparison shows that Holy Cross Medical Center has higher percentages of Medicare Managed Care and Third-Party Managed Care patients and lower percentages of Third-Party Traditional patients relative to other hospitals in Los Angeles County and statewide.

PAYER MIX COMPARISON						
	Holy Cross Medical Center (FY 2014)		Los Angeles County (FY 2014)		California (FY 2014)	
	Discharges	% of Total	Discharges	% of Total	Discharges	% of Total
Medi-Cal Traditional	2,357	13.9%	157,394	18.5%	448,311	15.8%
Medi-Cal Managed Care	2,640	15.5%	135,429	16.0%	435,129	15.3%
Medi-Cal Total	4,997	29.4%	292,823	34.5%	883,440	31.1%
Medicare Traditional	4,339	25.5%	233,810	27.5%	805,912	28.4%
Medicare Managed Care	2,601	15.3%	85,330	10.1%	273,709	9.6%
Medicare Total	6,940	40.8%	319,140	37.6%	1,079,621	38.0%
Third-Party Managed Care	4,179	24.6%	158,487	18.7%	610,781	21.5%
Third-Party Managed Care Total	4,179	24.6%	158,487	18.7%	610,781	21.5%
Third-Party Traditional	244	1.4%	30,357	3.6%	121,054	4.3%
Other Payers	259	1.5%	22,969	2.7%	62,617	2.2%
Other Indigent	388	2.3%	7,231	0.9%	32,930	1.2%
County Indigent	0	0.0%	17,931	2.1%	51,759	1.8%
Other Total	891	5.2%	78,488	9.2%	268,360	9.4%
Total	17,007	100%	848,938	100%	2,842,202	100%

Source: OSHPD Disclosure Reports, FY 2014

Medi-Cal Managed Care

Holy Cross Medical Center is contracted with L.A. Care Health Plan, the Local Initiative plan, and Health Net Community Solutions, Inc., the private commercial plan, to provide services to Medi-Cal Managed Care patients.

Medical Staff

Holy Cross Medical Center has 643 medical staff members. The five largest specialties comprising 34% of the medical staff include: internal medicine, anesthesiology, obstetrics and gynecology, pediatrics, and emergency medicine. Of the 643 medical staff members, 161 members of the medical staff are considered “active” users of Holy Cross Medical Center (representing approximately 25% of the medical staff).

Holy Cross Medical Center is affiliated with Facey Medical Group and Providence Medical Institute.

MEDICAL STAFF PROFILE 2016					
Specialty	Count	% of Total	Specialty	Count	% of Total
Allergy & Immunology	1	0.2%	Oral/Maxillofacial Surgery	3	0.5%
Anesthesiology	44	6.8%	Orthopedic Surgery	14	2.2%
Cardiology	25	3.9%	Otolaryngology	5	0.8%
Cardiology - Interventional	10	1.6%	Palliative Care	2	0.3%
Cardiothoracic Surgery	2	0.3%	Pathology	6	0.9%
Cardiovascular Disease	1	0.2%	Pediatric Cardiology	5	0.8%
Clinical Psychology	3	0.5%	Pediatric Critical Care	1	0.2%
Dermatology	6	0.9%	Pediatric Infectious Disease	1	0.2%
Diagnostic Radiology	1	0.2%	Pediatric Neurology	1	0.2%
Emergency Medicine	25	3.9%	Pediatric Surgery	6	0.9%
Endocrinology	7	1.1%	Pediatrics	36	5.6%
Family Medicine	2	0.3%	Physical Medicine and Rehabilitation	4	0.6%
Family Practice	20	3.1%	Physician Assistant	27	4.2%
Gastroenterology	14	2.2%	Plastic Surgery	13	2.0%
General Surgery	14	2.2%	Podiatry	14	2.2%
Gynecological Oncology	3	0.5%	Psychiatry	10	1.6%
Hematology	6	0.9%	Pulmonary Disease	6	0.9%
Hematology Oncology	5	0.8%	Pulmonary/Critical Care	6	0.9%
Hospital and Palliative Medicine	1	0.2%	Radiation Oncology	11	1.7%
Infectious Disease	9	1.4%	Radiation Therapy	1	0.2%
Internal Medicine	79	12.3%	Radiology	11	1.7%
Maternal Fetal Medicine	10	1.6%	Rheumatology	4	0.6%
Neonatology	12	1.9%	Registered Nurse First Assistant	4	0.6%
Nephrology	23	3.6%	Surgical Assist	1	0.2%
Neurology	8	1.2%	Surgical Critical Care	8	1.2%
Neuroradiology	1	0.2%	Surgical Oncology	3	0.5%
Neurosurgery	6	0.9%	Teleneurology	4	0.6%
Nurse Practitioner	7	1.1%	Teleradiology	8	1.2%
Obstetrics and Gynecology	37	5.8%	Thoracic Surgery	2	0.3%
Oncology	2	0.3%	Urology	19	3.0%
Ophthalmology	9	1.4%	Vascular Surgery	12	1.9%
Oral Surgery	2	0.3%	-	-	-
Total Medical Staff	643				

Source: Providence Health & Services

Unionized Employees

Holy Cross Medical Center does not currently have any CBAs in place.

Financial Profile

Over the five reported fiscal years, Holy Cross Medical Center's net income has consistently dropped from a high of \$54.6 million in FY 2010 to a loss of \$20.2 million in FY 2014. Much of the reason for the drop in net income during this time period can be attributed to the small increase in net patient revenue (13%) and large increase in operating expenses (43%) that resulted from a change in accounting treatment of the allocation of corporate overhead in FY 2014. Other operating revenue totaling more than \$5.3 million helped to offset the losses in FY 2014. 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.

Holy Cross Medical Center's current asset-to-liability ratio has decreased over the last five years from 1.95 in FY 2010 to 1.59 in FY 2014. The California average in 2014 was 1.72. Holy Cross Medical Center's percentage of bad debt is approximately 0.9% and is lower than the statewide average of 1.3%. As a provider of healthcare services for many Medi-Cal and uninsured patients, Holy Cross Medical Center receives Disproportionate Share Hospital¹⁸ funding.

FINANCIAL AND RATIO ANALYSIS: FY 2010-2014						
	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	-
Patient Days	84,679	87,489	94,800	88,877	90,353	-
Discharges	14,243	15,501	17,119	16,203	17,007	-
ALOS	5.9	5.6	5.5	5.5	5.3	-
Net Patient Revenue	\$329,855,527	\$352,242,790	\$365,334,336	\$356,410,557	\$372,659,374	-
Other Operating Revenue	\$3,592,409	\$3,836,554	\$5,856,437	\$5,910,671	\$5,384,067	-
Total Operating Revenue	\$333,447,936	\$356,079,344	\$371,190,773	\$362,321,228	\$378,043,441	-
Operating Expenses	\$279,092,892	\$326,310,715	\$344,215,084	\$349,188,272	\$396,928,512	-
Net from Operations	\$54,355,044	\$29,768,629	\$26,975,689	\$13,132,956	(\$18,885,071)	-
Net Non-Operating Revenue	\$950,874	\$4,008,925	\$5,703,005	\$5,423,060	(\$286,104)	-
Net Income	\$54,614,515	\$33,714,083	\$32,489,771	\$18,397,334	(\$20,267,135)	-
						2014 California Average
Current Ratio	1.95	4.01	2.94	2.30	1.59	1.72
Days in A/R	47.2	55.4	55.6	55.7	65.5	62.2
Bad Debt Rate	0.4%	0.6%	0.5%	0.5%	0.9%	1.3%
Operating Margin	16.30%	8.36%	7.27%	3.62%	-5.00%	2.48%

Source: OSHPD Disclosure Reports, 2010-2014

¹⁸ Disproportionate Share Hospitals serve a significantly disproportionate number of low-income patients and receive additional payments from the Centers for Medicaid & Medicare Services to cover the costs of providing care to uninsured patients.

Cost of Hospital Services

Holy Cross Medical Center's operating cost of services includes both inpatient and outpatient care. In FY 2014, approximately 44% of total costs were associated with Medicare patients, 28% with Medi-Cal patients, and 25% with Third Party payers. The remaining 3% is attributed to Other Indigent and Other Payers. In FY 2014, 40% of the total costs for all of the hospitals in California were associated with Medicare patients, 26% with Medi-Cal patients, 2% with County Indigent, 29% with Third Party, 1% with Other Indigent, and 2% with Other Payers.

COST OF SERVICES BY PAYER CATEGORY 2010-2014					
	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
Operating Expenses	\$279,092,892	\$326,310,715	\$344,215,084	\$349,188,272	\$396,928,512
Cost of Services By Payer:					
Medicare	\$118,414,673	\$135,251,607	\$143,675,194	\$145,148,159	\$176,161,488
Medi-Cal	\$64,596,523	\$80,309,300	\$91,818,867	\$86,293,152	\$112,351,336
County Indigent	\$7,388,838	\$8,345,257	\$11,020,480	\$11,641,970	\$0
Third Party	\$83,983,131	\$88,282,048	\$84,815,052	\$89,924,892	\$99,092,620
Other Indigent	\$3,554,888	\$8,160,851	\$11,186,304	\$14,178,179	\$5,711,976
Other Payers	\$1,154,839	\$5,961,652	\$1,699,186	\$2,001,921	\$3,611,091

Source: OSHPD Disclosure Reports, 2010-2014

Charity Care

According to OSHPD, Holy Cross Medical Center's charity care charges have decreased from \$81.3 million in FY 2011 to approximately \$59.2 million in FY 2015. The five-year average for charity charges was approximately \$78.1 million.

CHARITY CARE TOTAL CHARGES: FY 2011-2015	
Year	OSHPD Disclosure Reports
2015	\$59,237,079
2014	\$32,378,588
2013	\$119,401,649
2012	\$98,205,966
2011	\$81,332,706
5-Year Average	\$78,111,198

Source: OSHPD Disclosure Reports, FY 2011-2015 & Providence Health & Services

The following table shows a comparison of charity care and bad debt for Holy Cross Medical Center and all general acute care hospitals in the State of California. The five-year (FY 2011-2015) average of charity care and bad debt, as a percentage of gross patient revenue, was 4.1%. This is higher than the four-year statewide average of 3.5%.

CHARITY CARE COMPARISON										
CHARITY CARE - FY 2011 to FY 2015										
(Millions)										
	2011		2012		2013		2014		2015	
	Hospital	CA	Hospital	CA	Hospital	CA	Hospital	CA	Hospital	CA
Gross Patient Revenue	\$2,134.4	\$288,636.7	\$2,303.9	\$303,278.6	\$2,238.9	\$317,543.8	\$2,250.0	\$337,773.2	\$2,431.1	-
Charity	\$81.3	\$6,171.5	\$98.2	\$6,251.0	\$119.4	\$6,209.9	\$32.4	\$4,571.0	\$59.2	-
Bad Debt	\$13.7	\$4,815.5	\$10.9	\$5,007.6	\$12.3	\$5,549.5	\$20.5	\$4,420.4	\$10.4	-
Total	\$95.0	\$10,987.0	\$109.1	\$11,258.6	\$131.7	\$11,759.4	\$52.8	\$8,991.4	\$69.6	-
Charity as a % of Gross Rev.	3.8%	2.1%	4.3%	2.1%	5.3%	2.0%	1.4%	1.4%	2.4%	-
Bad Debt as a % of Gross Rev.	0.6%	1.7%	0.5%	1.7%	0.5%	1.7%	0.9%	1.3%	0.4%	-
Total as a % of Gross Rev.	4.5%	3.8%	4.7%	3.7%	5.9%	3.7%	2.3%	2.7%	2.9%	-
Uncompensated Care										
Cost to Charge Ratio	15.1%	24.6%	14.7%	24.6%	15.3%	24.4%	17.4%	23.5%	11.4%	-
Cost of Charity	\$12.3	\$1,520.9	\$14.4	\$1,539.1	\$18.3	\$1,514.6	\$5.6	\$1,074.2	\$6.8	-
Cost of Bad Debt	\$2.1	\$1,186.8	\$1.6	\$1,232.9	\$1.9	\$1,353.5	\$3.6	\$1,038.8	\$1.2	-
Total	\$14.4	\$2,707.7	\$16.0	\$2,772.0	\$20.2	\$2,868.1	\$9.2	\$2,113.0	\$8.0	-

Source: OSHPD Disclosure Reports, 2011-2015 & Providence Health & Services

The table below shows Holy Cross Medical Center's historical costs for charity care as reported by OSHPD. Holy Cross Medical Center's charity care costs have decreased from approximately \$12.3 million in FY 2011 to \$6.8 million in FY 2015. The average cost of charity care for the last five-year period was approximately \$11.5 million.

COST OF CHARITY CARE				
Year	Charity Care Charges	Cost to Charge Ratio	Cost of Charity Care to the Hospital	Percent of Total Costs Represented by Charity Care
FY 2015	\$59,237,079	11.4%	\$6,753,027	2.4%
FY 2014	\$32,378,588	17.4%	\$5,634,497	1.4%
FY 2013	\$119,401,649	15.3%	\$18,307,529	5.2%
FY 2012	\$98,205,966	14.7%	\$14,422,905	4.2%
FY 2011	\$81,332,706	15.1%	\$12,287,982	3.8%
5-Year Average	\$78,111,198		\$11,481,188	

Source: OSHPD Disclosure Reports, 2011-2015 & Providence Health & Services

Holy Cross Medical Center reported the following combined distribution of charity care by inpatient, outpatient, and emergency room charges.

COST OF CHARITY CARE BY SERVICE				
	Inpatient	Outpatient	Emergency Room	Total Costs
2015:				
Cost of Charity	\$2,109,828	\$43,834	\$2,319,062	\$4,472,725
Visits/Discharges	1,442	388	12,426	
2014:				
Cost of Charity	\$2,568,175	\$56,709	\$2,667,057	\$5,291,942
Visits/Discharges	3,660	76	4,022	
2013:				
Cost of Charity	\$8,563,814	\$156,790	\$8,159,227	\$16,879,831
Visits/Discharges	8,624	190	8,956	
2012:				
Cost of Charity	\$7,039,009	\$1,629,980	\$4,678,432	\$13,347,421
Visits/Discharges	9,693	177	9,235	
2011:				
Cost of Charity	\$6,147,120	\$1,551,814	\$3,277,306	\$10,976,240
Visits/Discharges	10,805	2,502	7,181	

Source: Providence Health & Services

Community Benefit Services

Holy Cross Medical Center has consistently provided a contribution to community benefit services. As shown in the table below, the average annual cost of community benefit services over the five years has been \$3,418,134 per year.

COMMUNITY BENEFIT SERVICES							
Community Benefit Programs	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	5-Year Average	Total
Benefits for Persons Living in Pove	\$1,601,832	\$1,356,354	\$1,622,950	\$1,324,748	\$1,831,559	\$1,547,489	\$7,737,443
Benefits for Broader Community	\$1,606,555	\$1,334,039	\$1,873,927	\$3,450,727	\$1,087,980	\$1,870,646	\$9,353,228
Total	\$3,208,387	\$2,690,393	\$3,496,877	\$4,775,475	\$2,919,539	\$3,418,134	\$17,090,671

Source: Holy Cross Medical Center

Note: Community Benefit programs and services excludes grants

- Holy Cross Medical Center's five-year average cost of community benefit services for persons living in poverty is approximately \$1.5 million per year;
- Holy Cross Medical Center's five-year average cost of community benefit services for the broader community is approximately \$1.9 million per year; and
- Over the five-years, Holy Cross Medical Center's combined total cost of community benefit services decreased from \$3.2 million in FY 2011 to \$2.9 million in FY 2015.

Holy Cross Medical Center's community benefit services over the past five fiscal years included the following programs over \$10,000:

COST OF COMMUNITY BENEFIT SERVICES FY 2011-2015					
Services over \$10,000 in cost:	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
Access to Care Program	\$237,515	\$211,808	\$240,825	\$250,551	\$310,179
Case Management Transportation for Uninsured Patients	\$15,265	-	-	-	-
Center for Community Health Improvement	\$168,357	\$169,335	\$201,544	\$94,532	\$73,627
Clinical Pastoral Education Program	\$142,258	\$74,318	\$130,330	-	-
Faith Community Health Partnership	\$142,407	\$132,947	\$204,695	\$230,962	\$354,365
Financial Support of Community Organizations	\$59,948	\$37,432	\$50,720	\$56,225	-
Health Resource Center	\$45,946	\$48,876	\$57,940	\$71,271	\$16,478
Imaging Services for Samuel Dixon Clinic Patients	\$21,507	\$2,254	-	-	-
Latino Health Promoter Program	\$91,192	\$128,407	\$382,178	\$186,008	\$303,515
Maternal Child Outreach and Education	\$150,096	\$122,410	\$167,537	\$158,873	\$345,395
Medical Library Services for Students & Community	\$32,468	\$12,828	\$16,016	\$15,917	-
Mental Health Outreach	-	-	-	-	\$29,017
Mother Joseph Fund to Support Outreach	\$100,576	\$142,946	\$142,946	\$142,944	\$142,946
Preceptor for Occupational Therapy Students	\$11,622	\$40,433	-	\$60,320	-
Preceptor for Speech Therapy Students	-	-	-	\$52,122	-
Preceptor for Moorpark College and Imaging Students	\$133,884	\$6,410	\$12,264		-
Providence Mobile Health Program	-	-	-	\$50,000	\$50,186
Recuperative Bed Program for Homeless Patients	\$14,256	-	-	-	-
School Nurse Outreach Program	\$61,290	\$64,711	\$100,192	\$106,048	\$99,557
Senior Outreach Program	\$137,903	\$119,540	\$67,043	\$118,200	\$122,192
Student Nursing Preceptorships	\$442,013	\$502,566	\$818,519	\$2,498,559	\$279,641
Supervision and Training of Dietetic Students	\$35,761	-	-	-	-
Tattoo Removal Program	\$198,160	\$193,010	\$185,972	\$67,301	\$180,597
Training for Physical Therapy Services	\$146,150	\$112,302	\$99,108	\$5,957	-

Source: Providence Holy Cross Medical Center

Note: The cost of community benefit programs reflects direct and indirect expenses

Holy Cross Medical Center's community benefit services have supported many programs for the community, including various outreach efforts targeting the poor and vulnerable, low-cost primary care services, insurance enrollment assistance, and others as described below¹⁹:

- Access to Care: Offers free assistance to uninsured individuals and families accessing healthcare services and community resources;

¹⁹ The following community benefit programs and services merged into the Preceptorships program: Clinical Pastoral Education, Preceptor for Occupational Therapy Students, Preceptor for Speech Therapy Students, Preceptor for Moorpark College and Imaging Students, Student Nursing Preceptorships, Supervision and Training of Dietetic Students, and Training for Physical Therapy Students.

- Case Management Transportation for Uninsured Patients: Provides taxi and van transportation to low-income patients;
- Center for Community Health Improvement: Provides oversight and administration of community outreach programs and activities;
- Faith Community Health Partnership: Supports parish nurses in developing health and wellness programs designed to meet the needs of their congregations with a particular emphasis on using trained volunteer promotoras in the delivery of services;
- Financial Support of Community Organizations: Offers cash and in-kind donations to nonprofit community organizations promoting healthy living and/or outreach to vulnerable populations;
- Health Resource Center: Facilitates health insurance outreach and enrollment and provides access to Providence support groups;
- Imaging Services for Samuel Dixon Clinic Patients: Administers free laboratory services to patients of the Samuel Dixon Clinic, a low-cost, primary care clinic;
- Latino Health Promoter Program: Provides education, resource referral, and health screenings to underserved communities within schools and other community settings;
- Maternal Child Outreach and Education: Coordinates free parenting and maternal child classes to the community;
- Medical Library Services for Students & Community: Supplies information and research services to physicians, students, and other health professionals in training;
- Mental Health Outreach: Identifies adults in need of mental health treatment and other related healthcare services and refers them to a contracting agency for services;
- Mother Joseph Fund: Provides financial support for community outreach activities targeting the poor and vulnerable;
- Providence Mobile Health Program: Administers medical assessments and screenings for chronic conditions and wellness visits for adults;
- Recuperative Bed Program for Homeless Patients: Provides financial support for a recuperative bed project for homeless patients;
- School Nurse Outreach Program: Provides school nursing support for local private schools that include vision, hearing, and scoliosis screenings;

- Senior Outreach Program: Offers support to frail, home-bound seniors that include transportation to medical appointments, friendly visiting, and counseling; and
- Tattoo Removal Program: Operates an outpatient clinic to remove tattoos and provides outreach education on violence prevention in exchange for community service and/or job training.

ANALYSIS OF PROVIDENCE HOLY CROSS MEDICAL CENTER'S SERVICE AREA

Service Area Definition

Based upon Holy Cross Medical Center's 2014 inpatient discharges, Holy Cross Medical Center's service area is comprised of 29 ZIP Codes from which 82% of its inpatient discharges originated. Approximately 52% of Holy Cross Medical Center's discharges originated from the top 5 ZIP Codes that are located in Sylmar, Pacoima, Granada Hills, San Fernando, and North Hills. In 2014, Holy Cross Medical Center's market share in the service area was approximately 16% based on total area discharges.

SERVICE AREA PATIENT ORIGIN MARKET SHARE BY ZIP CODE: 2014						
ZIP Codes	Community	Total Discharges	% of Discharges	Cumulative % of Discharges	Total Area Discharges	Market Share
91342	Sylmar	2,857	16.7%	16.7%	9,017	31.7%
91331	Pacoima	2,479	14.5%	31.2%	8,828	28.1%
91344	Granada Hills	1,571	9.2%	40.4%	4,756	33.0%
91340	San Fernando	1,225	7.2%	47.6%	2,937	41.7%
91343	North Hills	780	4.6%	52.2%	5,297	14.7%
91345	Mission Hills	714	4.2%	56.4%	1,809	39.5%
91402	Panorama City	616	3.6%	60.0%	6,828	9.0%
91326	Porter Ranch	430	2.5%	62.5%	2,678	16.1%
91352	Sun Valley	415	2.4%	64.9%	4,586	9.0%
91321	Newhall	333	1.9%	66.9%	3,236	10.3%
91387	Canyon Country	323	1.9%	68.7%	3,475	9.3%
91311	Chatsworth	301	1.8%	70.5%	3,647	8.3%
91351	Canyon Country	297	1.7%	72.2%	2,910	10.2%
91325	Northridge	269	1.6%	73.8%	3,104	8.7%
91605	North Hollywood	253	1.5%	75.3%	5,448	4.6%
91406	Van Nuys	240	1.4%	76.7%	4,863	4.9%
91350	Santa Clarita	231	1.4%	78.1%	2,930	7.9%
91355	Valencia	179	1.0%	79.1%	2,774	6.5%
91324	Northridge	164	1.0%	80.1%	2,596	6.3%
91354	Valencia	134	0.8%	80.9%	1,943	6.9%
91040	Sunland	84	0.5%	81.3%	2,209	3.8%
91381	Stevenson Ranch	71	0.4%	81.8%	1,173	6.1%
91346	Mission Hills	23	0.1%	81.9%	68	33.8%
91392	Sylmar	14	0.1%	82.0%	54	25.9%
91385	Valencia	7	0.0%	82.0%	26	26.9%
91333	Pacoima	5	0.0%	82.0%	15	33.3%
91327	Northridge	4	0.0%	82.1%	34	11.8%
91409	Van Nuys	4	0.0%	82.1%	48	8.3%
91395	Mission Hills	3	0.0%	82.1%	10	30.0%
Subtotal		14,026	82.1%	82.1%	87,299	16.1%
Other ZIPs		3,056	17.9%	100%		
Total		17,082	100%			

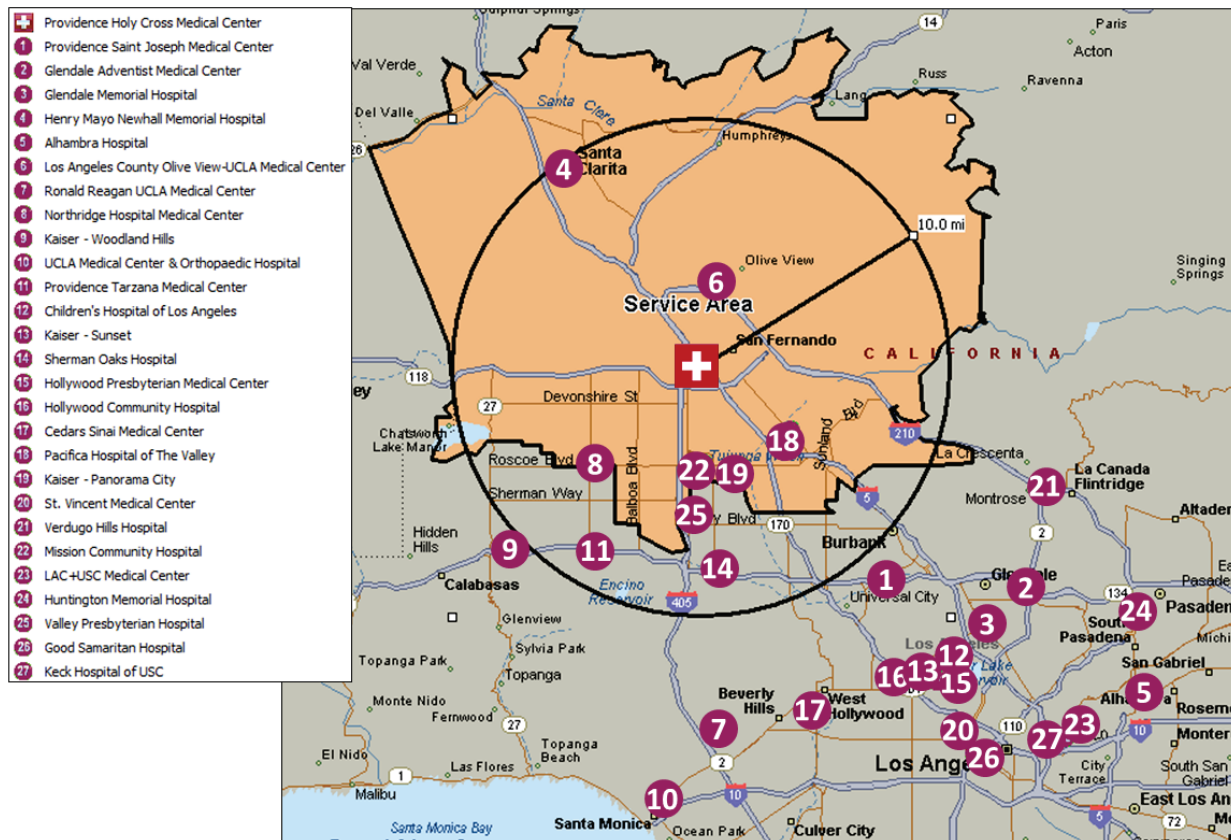
Note: Excludes normal newborns

Source: OSHPD Patient Discharge Database

Service Area Map

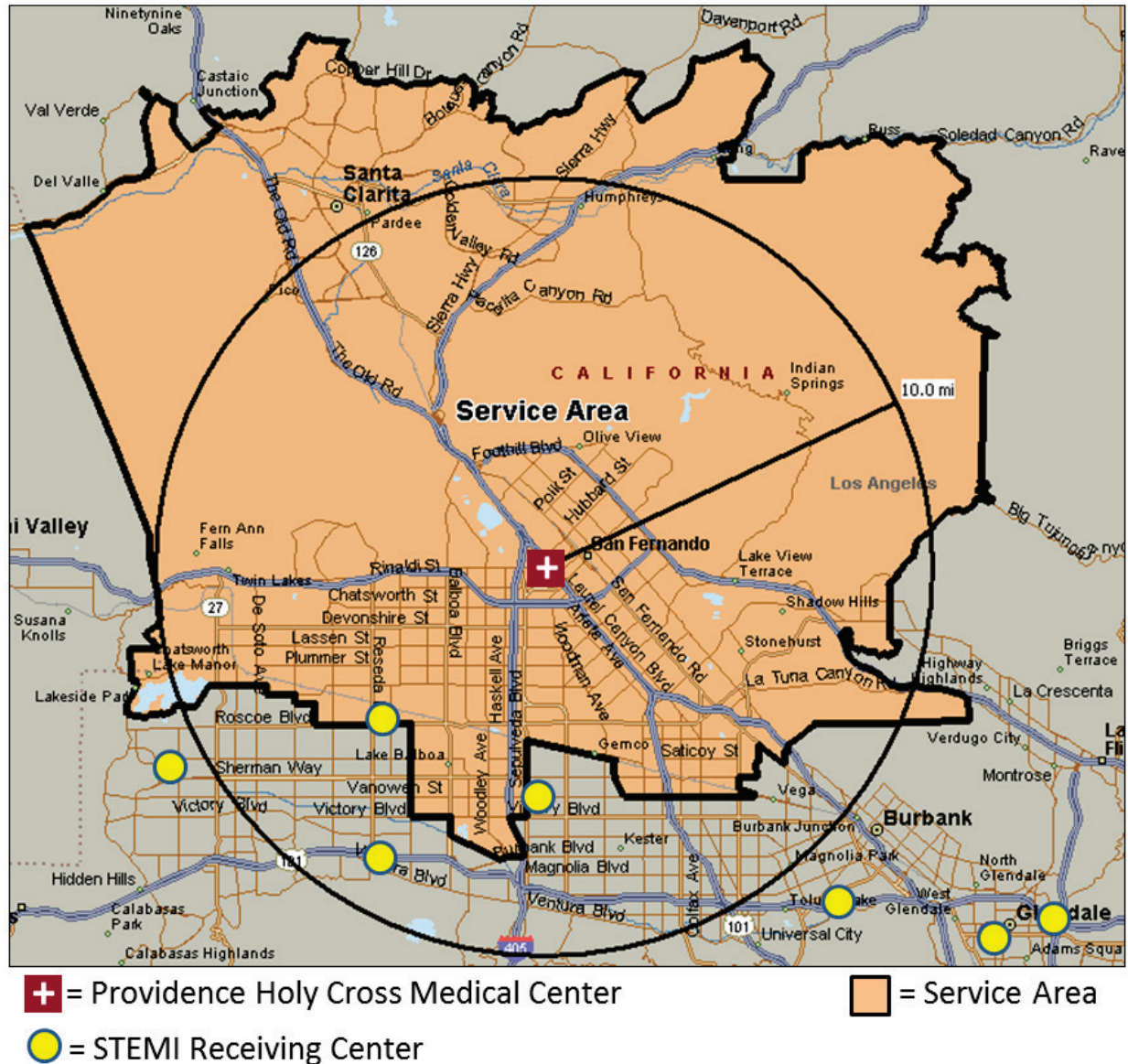
Holy Cross Medical Center's service area, with approximately 1.0 million residents, includes the communities of Sylmar, Pacoima, Granada Hills, San Fernando, North Hills, Mission Hills, Panorama City, Porter Ranch, Sun Valley, Newhall, Canyon Country, Chatsworth, Northridge, North Hollywood, Van Nuys, Santa Clarita, Valencia, Sunland, and Stevenson Ranch.

There are six other hospitals located within Holy Cross Medical Center's service area: Henry Mayo Newhall Memorial Hospital, Los Angeles County Olive View-UCLA Medical Center, Northridge Hospital Medical Center, Mission Community Hospital, Pacifica Hospital of the Valley, and Kaiser Foundation Hospitals-Panorama City. There are five other hospitals located just outside of Holy Cross Medical Center's service area that provide care to the service area population: Kaiser Foundation Hospitals-Woodland Hills, Tarzana Medical Center, Valley Presbyterian Hospital, Sherman Oaks Hospital, and Saint Joseph Medical Center. Holy Cross Medical Center is the inpatient market share leader in the service area.



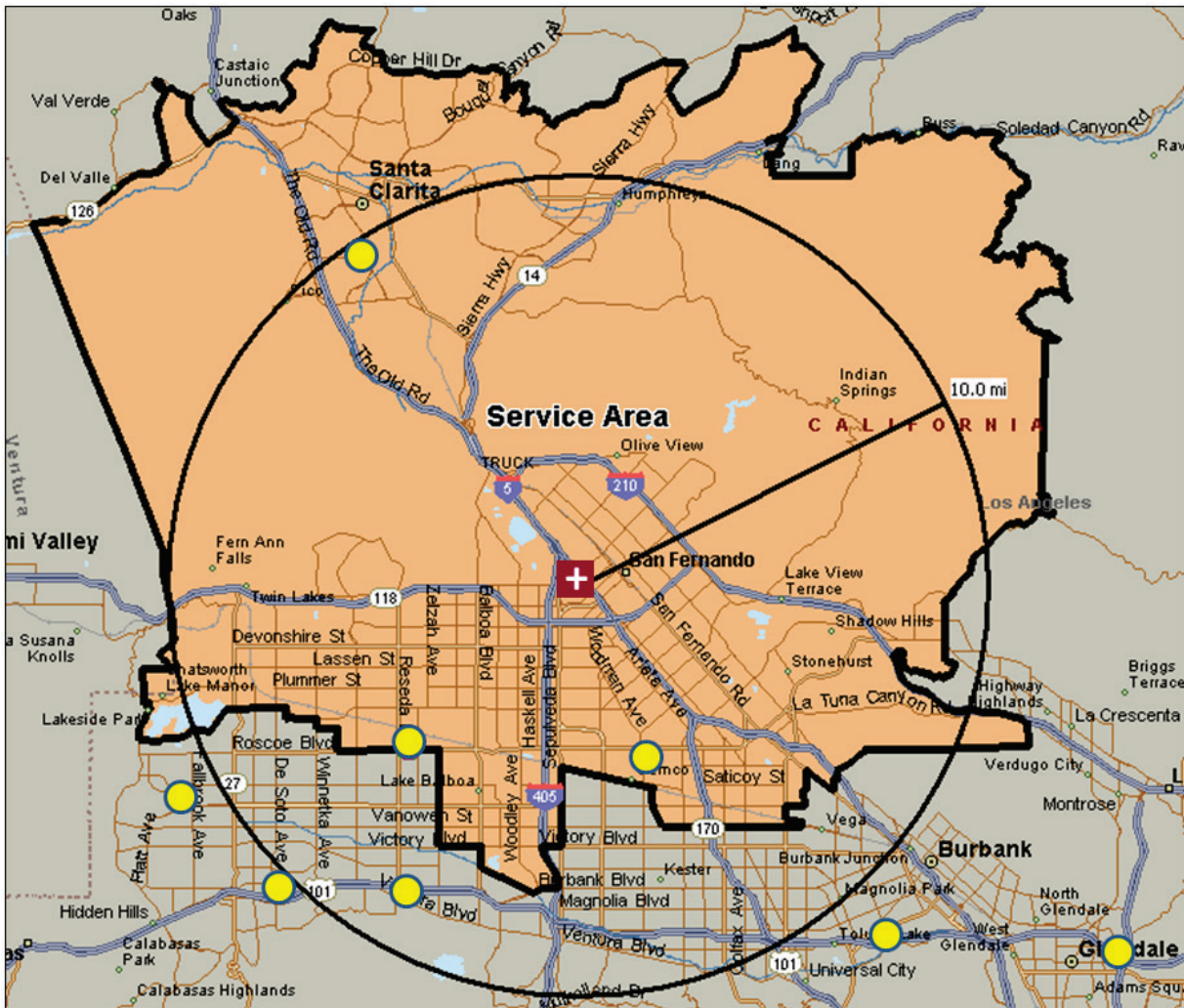
Service Area STEMI Receiving Centers


Holy Cross Medical Center and Northridge Hospital Medical Center are the two STEMI Receiving Centers within Holy Cross Medical Center's service area. Holy Cross Medical Center is an important provider of percutaneous coronary intervention treatment services for service area residents experiencing an acute heart attack.




Service Area Certified Stroke Centers

Holy Cross Medical Center is one of four stroke centers in its service area. The three others are: Henry Mayo Newhall Memorial Hospital, Northridge Hospital Medical Center, and Kaiser Foundation Hospitals-Panorama City.



 = Providence Holy Cross Medical Center

 = Service Area

 = Primary Stroke Center

The American College of Surgeons' Committee on Trauma classifies trauma centers as Level I through Level IV. Level I Trauma Centers provide the highest level of trauma care. Those designated as Level IV provide initial trauma care and transfer trauma patients to a higher level trauma center if necessary.

The map below illustrates Holy Cross Medical Center relative to other area trauma centers within ten miles.



- There are two other trauma centers located within ten miles of Holy Cross Medical Center: Henry Mayo Newhall Memorial Hospital and Northridge Hospital Medical Center; and
- Holy Cross Medical Center is one of the busiest emergency trauma centers in north Los Angeles County, providing care to over 1,300 trauma patients per year.

Demographic Profile

Holy Cross Medical Center's service area population is expected to grow 3% over the next five years. This is greater than the expected growth for Los Angeles County (2.5%), but it is lower than the expected growth for the State of California (3.7%).

SERVICE AREA POPULATION STATISTICS 2015-2020			
	2015 Estimate	2020 Projection	% Change
Total Population	987,856	1,017,049	3.0%
Households	289,241	297,787	3.0%
Percentage Female	50.0%	50.0%	-

Source: Esri

The median age of the population of Holy Cross Medical Center's service area is 34.5 years and lower than the statewide median age of 35.7 years. The percentage of adults over the age of 65 years old is fastest growing age cohort and is forecasted to increase approximately 19% by 2020. The number of women of child-bearing age is expected to increase by 8% over the next five years.

SERVICE AREA POPULATION AGE DISTRIBUTION: 2015-2020				
	2015 Estimate		2020 Projection	
	Population	% of Total	Population	% of Total
Age 0-14	201,836	20.4%	200,588	19.7%
Age 15-44	431,635	43.7%	436,661	42.9%
Age 45-64	245,076	24.8%	249,615	24.5%
Age 65+	109,309	11.1%	130,185	12.8%
Total	987,856	100%	1,017,049	100%
Female 15-44	209,837	21.2%	225,635	22.2%
Median Age	34.5	-	35.8	-

Source: Esri

The largest population cohorts in Holy Cross Medical Center's service area are White (54%), Some Other Race (25%), and Asian or Pacific Islander (12%). Approximately 54% of the service area population is of Hispanic ethnicity. This is greater than both the Los Angeles County and State of California Hispanic ethnic populations of 39% and 49%, respectively.

SERVICE AREA POPULATION RACE/ETHNICITY: 2015-2020		
	2015	2020
White	54.3%	53.6%
Black	3.8%	3.6%
American Indian	0.7%	0.7%
Asian or Pacific Islander	11.5%	11.9%
Some Other Race	25.0%	25.2%
Two or More Races	4.7%	4.8%
Total	100%	100%
Hispanic Ethnicity	54.0%	55.2%
Non-Hispanic or Latino	46.0%	44.8%
Total	100%	100%

Source: Esri

Holy Cross Medical Center's service area has an average household income of \$87,228. This is 6% higher than the average for Los Angeles County (\$82,066) and almost identical to the State of California average (\$87,152). The percentage of high-income households (\$150,000+) is growing at a faster rate (20%) than those for both Los Angeles County (17%) and the State of California (19%).

SERVICE AREA POPULATION HOUSEHOLD INCOME DISTRIBUTION: 2015-2020						
Annual Income	2015 Estimate			2020 Estimate		
	Service Area	Los Angeles County	California	Service Area	Los Angeles County	California
\$0 - \$15,000	9.2%	13.2%	11.1%	8.3%	12.2%	10.3%
\$15 - \$24,999	8.9%	10.2%	9.0%	6.5%	7.6%	6.6%
\$25 - \$34,999	8.7%	9.9%	9.3%	7.2%	8.4%	7.7%
\$35 - \$49,999	11.9%	12.5%	12.2%	10.9%	11.7%	11.3%
\$50 - \$74,999	17.5%	16.7%	16.5%	16.7%	16.3%	15.9%
\$75 - \$99,999	13.6%	11.3%	12.3%	15.2%	13.1%	14.2%
\$100 - \$149,999	16.4%	13.1%	14.9%	18.7%	15.0%	16.6%
\$150,000+	13.8%	13.3%	14.6%	16.5%	15.5%	17.4%
Total	100%	100%	100%	100%	100%	100%
Average Household Income	\$87,228	\$82,066	\$87,152	\$99,245	\$94,026	\$99,512

Source: Esri

2013 Community Health Needs Assessment

In an effort to understand the communities served by Holy Cross Medical Center, their most critical healthcare needs, and the resources available to meet those needs, Holy Cross Medical Center conducts a Community Health Needs Assessment every three years. Holy Cross Medical Center's most recent 2013 assessment incorporated primary data collected through interviews, focus groups and surveys conducted by the Valley Care Community Consortium, and it incorporated secondary data that includes a variety of studies and reports compiled by numerous organizations at the local, state and national levels. Communities and ZIP Codes included in Holy Cross Medical Center's assessment include:

ZIP Code	Community	ZIP Code	Community
91311	Chatsworth	91350	Santa Clarita
91321	Newhall	91387	Canyon Country
91326	Porter Ranch	91351	Canyon Country
91331	Pacoima	91352	Sun Valley
91340	San Fernando	91354	Sun Valley
91342	Sylmar	91355	Valencia
91343	North Hills	91381	Stevenson Ranch
91344	Granada Hills	91384	Castaic
91345	Mission Hills	91402	Panorama City
91390	Santa Clarita	-	-

Based on feedback from community stakeholders, the following five priorities, in order of priority, were identified as the most important healthcare needs:

- Expanded primary care capacity;
- Obesity prevention programs, including nutrition and physical activity programs;
- Free, low-cost, and culturally appropriate health education programs;
- Diabetes, heart disease, hypertension, and cancer prevention and management programs; and
- Affordable and accessible mental health services.

Hospital Supply, Demand & Market Share

There are seven general acute care hospitals within the defined service area: Holy Cross Medical Center, Mission Community Hospital, Pacifica Hospital of the Valley, Kaiser Foundation Hospitals-Panorama City, Olive View-UCLA Medical Center, and Henry Mayo Newhall Hospital, and Northridge Hospital Medical Center. In FY 2014, the service area hospitals had a combined total of 1,973 licensed beds and an aggregate occupancy rate of 56%. Holy Cross Medical Center had 377 licensed beds that operated at an occupancy rate of nearly 66%. Furthermore, Holy Cross Medical Center was responsible for approximately 22% of the service area discharges and nearly 22% of the patient days.

An analysis of the services offered by Holy Cross Medical Center in comparison to services offered by other providers is shown on the following pages. The hospitals shown in the table below were analyzed to determine area hospital available bed capacity by service.

AREA HOSPITAL DATA FY 2014									
Hospital	Ownership/Affiliation	City	Within Service Area	Licensed Beds	Discharges	Patient Days	Occupied Beds	Percent Occupied	Miles from Hospital
Holy Cross Medical Center	Providence Health & Services	Mission Hills	X	377	17,007	90,353	248	65.7%	-
Mission Community Hospital	Deanco Healthcare, LLC	Panorama City	X	145	8,184	42,948	118	81.1%	5.1
Pacifica Hospital of the Valley	Pacifica of the Valley Corporation	Sun Valley	X	231	5,105	50,637	139	60.1%	5.4
Kaiser Foundation Hospitals - Panorama City	Kaiser Foundation Hospitals	Panorama City	X	218	9,460	32,896	90	41.3%	6.1
LA County Olive View - UCLA Medical Center	Los Angeles County	Sylmar	X	355	12,633	67,482	185	52.1%	6.4
Henry Mayo Newhall Hospital	Henry Mayo Newhall Memorial Hosp.	Valencia	X	238	12,420	55,063	151	63.4%	11.3
Northridge Hospital Medical Center	Dignity Health	Northridge	X	409	14,471	64,161	176	43.0%	7.2
SUB-TOTAL				1,973	79,280	403,540	1106	56.0%	
Valley Presbyterian Hospital	Valley Presbyterian Hospital	Van Nuys		350	15,265	66,745	183	52.2%	6.9
Tarzana Medical Center	Providence Health & Services	Tarzana		249	13,461	58,776	161	64.7%	11.6
Saint Joseph Medical Center	Providence Health & Services	Burbank		426	17,049	74,980	205	48.2%	13.6
Kaiser Foundation Hospitals - Woodland Hills	Kaiser Foundation Hospitals	Woodland Hills		262	10,874	40,528	111	42.4%	15.9
West Hills Hospital and Medical Center	HCA Corporation	West Hills		225	8,628	41,067	113	50.0%	16.4
Kaiser Foundation Hospitals - Los Angeles	Kaiser Foundation Hospitals	Los Angeles		464	25,563	124,070	340	73.3%	17.5
Glendale Adventist Medical Center	Adventist Health	Glendale		515	19,665	101,216	277	53.8%	17.7
Children's Hospital of Los Angeles	Children's Hospital of Los Angeles	Los Angeles		568	14,604	100,954	277	48.7%	17.8
Ronald Reagan UCLA Medical Center	Regents of the University of California	Los Angeles		466	23,453	165,333	453	97.2%	17.8
Cedars-Sinai Medical Center	Cedars-Sinai Medical Center	Los Angeles		886	45,343	234,271	642	72.4%	19.3
TOTAL				6,384	273,185	1,411,480	3,867	60.6%	

Source: OSHPD Disclosure Reports, FY 2014; Google Maps

Hospital Market Share

The table below illustrates service area hospital inpatient market share from 2012 to 2014:

HOSPITAL MARKET SHARE: 2012-2014				
Hospital	2012	2013	2014	Trend
Providence Holy Cross Medical Center	16.1%	15.6%	16.1%	↔
Henry Mayo Newhall Hospital	9.3%	9.7%	10.2%	↗
Valley Presbyterian Hospital	9.3%	9.2%	9.0%	↘
Los Angeles County Olive View-Ucla Medical Center	8.1%	7.8%	7.8%	↔
Northridge Hospital Medical Center	8.5%	7.7%	7.4%	↘
Kaiser Foundation Hospital - Panorama City	8.1%	8.0%	7.0%	↘
Mission Community Hospital - Panorama Campus	3.7%	4.2%	4.2%	↔
Providence Saint Joseph Medical Center	3.9%	4.1%	3.8%	↔
Providence Tarzana Medical Center	3.3%	3.3%	3.3%	↔
Pacifica Hospital Of The Valley	3.2%	3.3%	3.3%	↔
Other Discharges	26.6%	27.3%	28.0%	↗
Total Percentage	100%	100%	100%	
Total Discharges	89,759	87,134	87,299	↘

Note: Excludes normal newborns

Source: OSHPD Patient Discharge Database

- The number of discharges in the Holy Cross Medical Center's service area decreased by nearly 3% between 2012 and 2014; and
- Holy Cross Medical Center has consistently been the market share leader for its service area based on discharges of approximately 16% in 2014. Henry Mayo Newhall Hospital ranked second in inpatient discharges with 10% market share in 2014.

Market Share by Payer Type

The following table illustrates hospital market share by payer category for 2014:

HOSPITAL MARKET SHARE BY PAYER TYPE: 2014											
Payer Type	Total Discharges	Holy Cross Medical Center	Henry Mayo Newhall Hospital	Valley Presbyterian Hospital	Los Angeles County Olive View-UCLA Medical Center	Northridge Hospital Medical Center	Kaiser Foundation Hospital - Panorama City	Mission Community Hospital - Panorama Campus	Saint Joseph Medical Center	All Others	Total
Medicare	28,646	19.9%	12.7%	4.5%	2.9%	10.2%	7.8%	6.1%	3.6%	32.4%	100%
Private Coverage	27,701	11.7%	12.4%	14.1%	0.2%	6.6%	12.1%	1.7%	3.7%	37.5%	100%
Medi-Cal	26,522	16.2%	5.3%	9.3%	20.4%	5.6%	1.6%	5.1%	4.1%	32.5%	100%
All Other	2,235	9.4%	4.6%	4.4%	18.6%	4.3%	0.4%	2.2%	2.8%	53.4%	100%
Self Pay	2,195	26.3%	13.1%	4.9%	3.6%	7.3%	4.9%	4.5%	3.1%	32.4%	100%
Total Percentage		16.1%	10.2%	9.0%	7.8%	7.4%	7.0%	4.2%	3.8%	34.6%	100%
Total Discharges	87,299	14,026	8,865	7,858	6,787	6,480	6,114	3,705	3,277	30,187	

Note: Excludes normal newborns

Source: OSHPD Patient Discharge Database

- The largest categories of service area inpatient discharges are comprised of Medicare at approximately 28,600 discharges (33%), Private Coverage at approximately 27,700 discharges (32%), and Medi-Cal at nearly 26,500 discharges (30%);
- Holy Cross Medical Center is the market share leader for Medicare (20%) and Self Pay (26%);
- Valley Presbyterian Hospital ranks first in private coverage (14%) and Los Angeles County Olive View-UCLA Medical Center is market share leader in Medi-Cal (20%); and
- Holy Cross Medical Center also provides care to a small proportion of service area Private Coverage (12%) and Medi-Cal (16%) patients.

Market Share by Service Line

The following table illustrates service area hospital market share by service line for 2014:

HOSPITAL MARKET SHARE BY SERVICE LINE: 2014											
Service Line	Total Discharges	Holy Cross Medical Center	Henry Mayo Newhall Hospital	Valley Presbyterian Hospital	Los Angeles County Olive View-UCLA Medical Center	Northridge Hospital Medical Center	Kaiser Foundation Hospital - Panorama City	Mission Community Hospital - Panorama Campus	Saint Joseph Medical Center	All Others	Total
General Medicine	26,476	16.4%	11.4%	8.0%	9.6%	8.2%	7.2%	5.6%	2.7%	30.7%	100%
Obstetrics	13,213	23.0%	8.1%	18.9%	4.1%	4.4%	11.6%	0.0%	6.3%	23.6%	100%
Cardiac Services	9,391	17.0%	10.9%	8.1%	11.3%	8.7%	4.9%	4.0%	3.4%	31.8%	100%
Behavioral Health	7,284	0.7%	9.5%	0.5%	4.1%	7.3%	0.3%	16.2%	0.1%	61.3%	100%
General Surgery	6,599	16.3%	8.7%	7.5%	11.0%	7.1%	6.4%	1.3%	5.8%	35.9%	100%
Orthopedics	4,890	16.3%	9.7%	7.1%	2.0%	9.4%	13.1%	2.4%	3.7%	36.3%	100%
Neurology	3,670	15.7%	11.8%	7.1%	7.3%	10.4%	5.1%	4.4%	4.4%	33.7%	100%
Neonatology	3,283	17.5%	8.6%	16.5%	7.4%	4.6%	13.4%	0.0%	6.2%	25.7%	100%
Oncology/Hematology (Medical)	2,688	17.6%	8.0%	5.9%	12.6%	6.9%	5.1%	3.1%	3.2%	37.4%	100%
Spine	1,640	10.6%	12.0%	7.3%	1.0%	6.5%	0.4%	3.7%	2.9%	55.6%	100%
Gynecology	1,590	15.4%	11.8%	4.9%	14.3%	7.8%	7.0%	1.1%	5.5%	32.2%	100%
Vascular Services	1,310	17.6%	10.1%	7.7%	5.9%	7.6%	4.9%	2.6%	6.0%	37.7%	100%
Urology	1,265	16.3%	11.5%	4.2%	9.0%	5.8%	3.7%	2.9%	4.2%	42.3%	100%
Other	1,224	21.7%	14.8%	2.8%	3.3%	10.6%	4.5%	1.5%	2.8%	38.0%	100%
ENT	1,154	11.9%	7.6%	8.7%	13.0%	6.0%	3.3%	1.7%	1.3%	46.5%	100%
Rehabilitation	707	17.0%	10.9%	17.3%	0.0%	9.6%	0.1%	0.0%	3.5%	41.6%	100%
Neurosurgery	640	13.4%	7.0%	2.0%	0.2%	6.3%	1.4%	1.4%	8.0%	60.3%	100%
<All others>	275	13.1%	6.5%	4.7%	14.5%	3.3%	8.0%	3.6%	1.1%	45.1%	100%
Total Percentage		16.1%	10.2%	9.0%	7.8%	7.4%	7.0%	4.2%	3.8%	34.6%	100%
Total Discharges	87,299	14,026	8,865	7,858	6,787	6,480	6,114	3,705	3,277	30,187	

Note: Excludes normal newborns

Source: OSHPD Patient Discharge Database

- Holy Cross Medical Center is the service line leader in 12 of 16 service lines: general medicine (16%), obstetrics (23%), cardiac services (17%), general surgery (16%), orthopedics (16%), neurology (16%), neonatology (18%), oncology/hematology (18%), gynecology (15%), vascular services (18%), urology (16%), and neurosurgery (13%);
- Holy Cross Medical Center also has a significant service line market share in spine (11%) and rehabilitation (17%);
- Henry Mayo Newhall Hospital is the market share leader for spine with 12% service area market share; and
- Valley Presbyterian Hospital has the highest market share in rehabilitation (17%) and Los Angeles County Olive View-UCLA Medical Center is the market share leader in ear, nose, and throat (13%).

Market Share by ZIP Code

The following table illustrates service area hospital market share by ZIP Code for 2014:

HOSPITAL MARKET SHARE BY ZIP CODE: 2014												
ZIP Code	Community	Total Discharges	Holy Cross Medical Center	Henry Mayo Newhall Hospital	Valley Presbyterian Hospital	Los Angeles County Olive View-UCLA Medical Center	Northridge Hospital Medical Center	Kaiser Foundation Hospital - Panorama City	Mission Community Hospital - Panorama Campus	Saint Joseph Medical Center	All Others	Total
91342	Sylmar	9,017	31.7%	1.5%	5.5%	14.5%	2.6%	8.4%	3.7%	2.1%	30.0%	100%
91331	Pacoima	8,828	28.1%	0.3%	9.8%	14.2%	2.7%	8.6%	3.3%	2.8%	30.2%	100%
91402	Panorama City	6,828	9.0%	0.2%	19.7%	10.4%	4.4%	7.6%	18.9%	2.9%	26.8%	100%
91605	North Hollywood	5,448	4.6%	0.3%	17.9%	8.3%	1.9%	7.8%	4.7%	13.5%	41.0%	100%
91343	North Hills	5,297	14.7%	0.4%	17.4%	7.8%	10.6%	7.2%	10.4%	2.4%	29.1%	100%
91406	Van Nuys	4,863	4.9%	0.3%	25.1%	6.5%	11.1%	3.8%	4.4%	2.6%	41.3%	100%
91344	Granada Hills	4,756	33.0%	1.0%	4.0%	4.2%	10.2%	7.1%	2.7%	2.6%	35.1%	100%
91352	Sun Valley	4,586	9.0%	0.2%	9.4%	8.0%	1.5%	7.2%	1.9%	16.9%	45.9%	100%
91311	Chatsworth	3,647	8.3%	0.4%	3.8%	2.2%	18.7%	1.4%	1.7%	1.1%	62.4%	100%
91387	Canyon Country	3,475	9.3%	40.9%	4.1%	4.9%	1.8%	10.0%	0.5%	2.1%	26.4%	100%
91321	Newhall	3,236	10.3%	49.0%	3.7%	6.7%	1.9%	6.9%	0.6%	1.1%	19.8%	100%
91325	Northridge	3,104	8.7%	0.3%	5.8%	3.5%	34.7%	2.9%	2.7%	1.6%	39.9%	100%
91340	San Fernando	2,937	41.7%	1.0%	6.5%	15.8%	2.6%	7.3%	2.0%	1.4%	21.7%	100%
91350	Santa Clarita	2,930	7.9%	43.4%	2.0%	2.7%	2.5%	10.9%	0.8%	1.4%	28.5%	100%
91351	Canyon Country	2,910	10.2%	43.6%	3.9%	7.0%	2.2%	8.2%	0.5%	1.6%	22.6%	100%
91355	Valencia	2,774	6.5%	51.7%	2.3%	1.2%	2.7%	8.4%	0.9%	1.8%	24.5%	100%
91326	Porter Ranch	2,678	16.1%	0.6%	2.7%	1.6%	22.1%	2.8%	0.6%	2.3%	51.3%	100%
91324	Northridge	2,596	6.3%	0.2%	5.2%	2.7%	37.7%	1.9%	1.7%	1.3%	43.0%	100%
91040	Sunland	2,209	3.8%	0.8%	1.1%	5.4%	1.0%	5.7%	1.4%	7.4%	73.4%	100%
91354	Valencia	1,943	6.9%	48.6%	1.7%	1.3%	2.0%	9.4%	0.8%	2.6%	26.7%	100%
91345	Mission Hills	1,809	39.5%	0.4%	5.9%	6.0%	5.7%	9.2%	7.1%	2.4%	23.8%	100%
91381	Stevenson Ranch	1,173	6.1%	47.6%	1.7%	2.7%	2.2%	6.7%	0.6%	2.0%	30.3%	100%
91346	Mission Hills	68	33.8%	0.0%	5.9%	1.5%	4.4%	4.4%	1.5%	0.0%	48.5%	100%
91392	Sylmar	54	25.9%	3.7%	5.6%	7.4%	0.0%	20.4%	0.0%	0.0%	37.0%	100%
91409	Van Nuys	48	8.3%	0.0%	6.3%	16.7%	6.3%	4.2%	2.1%	0.0%	56.3%	100%
91327	Northridge	34	11.8%	0.0%	5.9%	2.9%	20.6%	0.0%	2.9%	0.0%	55.9%	100%
91385	Valencia	26	26.9%	26.9%	7.7%	3.8%	3.8%	0.0%	0.0%	0.0%	30.8%	100%
91333	Pacoima	15	33.3%	0.0%	6.7%	6.7%	6.7%	13.3%	0.0%	0.0%	33.3%	100%
91395	Mission Hills	10	30.0%	0.0%	0.0%	20.0%	10.0%	10.0%	0.0%	0.0%	30.0%	100%
Total Percentage			16.1%	10.2%	9.0%	7.8%	7.4%	7.0%	4.2%	3.8%	34.6%	100%
Total Discharges			87,299	14,026	8,865	7,858	6,787	6,480	6,114	3,705	3,277	30,187

Note: Excludes normal newborns

Source: OSHPD Patient Discharge Database

- Holy Cross Medical Center is the market share leader in 10 of the service area ZIP Codes. In seven of these ZIP Codes, represented by Sylmar, Granada Hills, San Fernando, Mission Hills, and Pacoima, Holy Cross Medical Center had over 30% of the market share;
- Henry Mayo Newhall Hospital is the market share leader in the communities of Canyon Country, Newhall, Santa Clarita, Valencia, and Stevenson Ranch; and
- Valley Presbyterian Hospital is the market share leader in four service area ZIP Codes located in Panorama City, North Hollywood, North Hills, and Van Nuys.

Service Availability by Bed Type

Using FY 2014 data, the tables on the following pages show Holy Cross Medical Center's existing hospital bed capacity, occupancy, and availability for medical/surgical, intensive/coronary care, obstetrics, neonatal intensive care, sub-acute care, rehabilitation, and emergency services.

Medical/Surgical Capacity Analysis

The medical/surgical beds within Holy Cross Medical Center's service area operated at an overall occupancy rate of approximately 56%.

MEDICAL/SURGICAL BEDS 2014							
Hospital	Miles from Hospital	Within Service Area	Licensed Beds	Discharges	Patient Days	Average Daily Census	Percent Occupied
Holy Cross Medical Center	-	X	245	12,684	52,162	143	58.3%
Mission Community Hospital	5.1	X	75	4,462	20,143	55	73.6%
Pacifica Hospital of the Valley	5.4	X	48	2,760	7,504	21	42.8%
Kaiser Foundation Hospitals - Panorama City	6.1	X	128	6,723	21,320	58	45.6%
LA County Olive View - UCLA Medical Center	6.4	X	200	10,444	46,611	128	63.9%
Henry Mayo Newhall Hospital	11.3	X	133	8,334	33,058	91	68.1%
Northridge Hospital Medical Center	7.2	X	144	6,037	19,370	53	36.9%
SUB-TOTAL			973	51,444	200,168	548	56.4%
Valley Presbyterian Hospital	6.9		188	8,897	38,081	104	55.5%
Tarzana Medical Center	11.6		118	6,849	26,874	74	62.4%
Saint Joseph Medical Center	13.6		249	14,531	52,819	145	58.1%
Kaiser Foundation Hospitals - Woodland Hills	15.9		191	8,486	32,173	88	46.1%
West Hills Hospital and Medical Center	16.4		157	7,158	29,457	81	51.4%
Kaiser Foundation Hospitals - Los Angeles	17.5		192	14,626	57,209	157	81.6%
Glendale Adventist Medical Center	17.7		143	6,264	22,796	62	43.7%
Children's Hospital of Los Angeles	17.8		-	-	-	-	-
Ronald Reagan UCLA Medical Center	17.8		204	12,310	74,116	203	99.5%
Cedars-Sinai Medical Center	19.3		383	26,437	119,302	327	85.3%
TOTAL			2,798	157,002	652,995	1789	63.9%

Source: OSHPD Disclosure Reports, 2014; Google Maps

- Holy Cross Medical Center reported 12,684 hospital discharges and 52,162 patient days that resulted in an occupancy rate of approximately 58% and an average daily census of 143 patients; and
- Holy Cross Medical Center's 245 licensed medical/surgical beds represented nearly 25% of the beds in this category for the service area.

Intensive Care Unit/Coronary Care Unit Capacity Analysis

There were 171 intensive care unit/coronary care unit beds within the service area that operated at an overall occupancy rate of approximately 48%. Holy Cross Medical Center had 24 licensed intensive care beds²⁰ and an average daily census of 22 patients.

INTENSIVE CARE UNIT/CORONARY CARE UNIT BEDS FY 2014							
Hospital	Miles from Hospital	Within Service Area	Licensed Beds	Discharges	Patient Days	Average Daily Census	Percent Occupied
Holy Cross Medical Center	-	X	24	401	8,049	22	91.9%
Mission Community Hospital	5.1	X	10	144	2,300	6	63.0%
Pacifica Hospital of the Valley	5.4	X	7	168	1,923	5	75.3%
Kaiser Foundation Hospitals - Panorama City	6.1	X	24	158	2,654	7	30.3%
LA County Olive View - UCLA Medical Center	6.4	X	42	275	4,123	11	26.9%
Henry Mayo Newhall Hospital	11.3	X	18	406	5,196	14	79.1%
Northridge Hospital Medical Center	7.2	X	46	317	5,376	15	32.0%
SUB-TOTAL			171	1,869	29,621	81	47.5%
Valley Presbyterian Hospital	6.9		30	348	5,416	15	49.5%
Tarzana Medical Center	11.6		20	496	5,458	15	74.8%
Saint Joseph Medical Center	13.6		54	744	10,528	29	53.4%
Kaiser Foundation Hospitals - Woodland Hills	15.9		22	284	3,660	10	45.6%
West Hills Hospital and Medical Center	16.4		25	428	6,881	19	75.4%
Kaiser Foundation Hospitals - Los Angeles	17.5		96	2,816	28,562	78	81.5%
Glendale Adventist Medical Center	17.7		52	395	8,498	23	44.8%
Children's Hospital of Los Angeles	17.8		-	-	-	-	-
Ronald Reagan UCLA Medical Center	17.8		117	3,325	41,704	114	97.7%
Cedars-Sinai Medical Center	19.3		118	1,057	25,604	70	59.4%
TOTAL			705	11,762	165,932	455	64.5%

Source: OSHPD Disclosure Reports, FY 2014; Google Maps

- Among the service area hospitals, the average daily census was 81 patients based on 29,621 patient days;
- Holy Cross Medical Center provided 14% of the service area's intensive care/coronary care beds and nearly 22% of the area's discharges; and
- Holy Cross Medical Center had highest occupancy rate of all service area hospitals at approximately 92%.

²⁰ Since FY 2014, Holy Cross Medical Center revised its bed licensure and is currently licensed for 12 intensive care beds and 12 coronary care beds.

Obstetrics Capacity Analysis

As shown below, there were 174 obstetric beds located in the service area with an aggregate occupancy rate of approximately 40%. Holy Cross Medical Center reported 35 licensed obstetric beds with an average daily census of 24 patients.

OBSTETRICS BEDS FY 2014							
Hospital	Miles from Hospital	Within Service Area	Licensed Beds	Discharges	Patient Days	Average Daily Census	Percent Occupied
Holy Cross Medical Center	-	X	35	3,399	8,614	24	67.4%
Mission Community Hospital	5.1	X	-	-	-	-	-
Pacifica Hospital of the Valley	5.4	X	16	399	1,122	3	19.2%
Kaiser Foundation Hospitals - Panorama City	6.1	X	42	2,348	5,166	14	33.7%
LA County Olive View - UCLA Medical Center	6.4	X	29	724	2,471	7	23.3%
Henry Mayo Newhall Hospital	11.3	X	17	1,437	3,466	9	55.9%
Northridge Hospital Medical Center	7.2	X	35	1,470	4,288	12	33.6%
SUB-TOTAL			174	9,777	25,127	69	39.6%
Valley Presbyterian Hospital	6.9		58	3,854	9,726	27	45.9%
Tarzana Medical Center	11.6		29	2,226	7,901	22	74.6%
Saint Joseph Medical Center	13.6		24	1,176	3,501	10	40.0%
Kaiser Foundation Hospitals - Woodland Hills	15.9		24	1,775	2,873	8	32.8%
West Hills Hospital and Medical Center	16.4		24	943	2,680	7	30.6%
Kaiser Foundation Hospitals - Los Angeles	17.5		27	2,593	4,402	12	44.7%
Glendale Adventist Medical Center	17.7		30	2,364	6,526	18	59.6%
Children's Hospital of Los Angeles	17.8		-	-	-	-	-
Ronald Reagan UCLA Medical Center	17.8		17	2,034	5,845	16	94.2%
Cedars-Sinai Medical Center	19.3		112	6,007	17,467	48	42.7%
TOTAL			519	32,749	86,048	236	45.4%

Source: OSHPD Disclosure Reports, FY 2014; Google Maps

All Kaiser facilities have Alternative Birthing Centers

- Holy Cross Medical Center provided approximately 20% of the licensed obstetrics beds within its service area, and it reported nearly 35% of the service area's 9,777 discharges; and
- Hospitals within the service area had varying levels of capacity with occupancy rates ranging from approximately 19% at Pacifica Hospital of the Valley to approximately 67% at Holy Cross Medical Center.

Neonatal Intensive Care Capacity Analysis

There were 83 neonatal intensive care beds within the service area that operated at an overall occupancy rate of approximately 48%. Holy Cross Medical Center had 12 licensed neonatal intensive care beds with an average occupancy rate of nearly 78% and an average daily census of nine patients.

NEONATAL INTENSIVE CARE BEDS FY 2014							
Hospital	Miles from Hospital	Within Service Area	Licensed Beds	Discharges	Patient Days	Average Daily Census	Percent Occupied
Holy Cross Medical Center	-	X	12	231	3,412	9	77.9%
Mission Community Hospital	5.1	X	-	-	-	-	-
Pacifica Hospital of the Valley	5.4	X	-	-	-	-	-
Kaiser Foundation Hospitals - Panorama City	6.1	X	24	231	3,756	10	42.9%
LA County Olive View - UCLA Medical Center	6.4	X	14	136	2,492	7	48.8%
Henry Mayo Newhall Hospital	11.3	X	11	147	1,792	5	44.6%
Northridge Hospital Medical Center	7.2	X	22	244	3,024	8	37.7%
SUB-TOTAL			83	989	14,476	40	47.8%
Valley Presbyterian Hospital	6.9		22	312	5,673	16	70.6%
Tarzana Medical Center	11.6		21	388	3,870	11	50.5%
Saint Joseph Medical Center	13.6		20	358	5,156	14	70.6%
Kaiser Foundation Hospitals - Woodland Hills	15.9		18	185	1,380	4	21.0%
West Hills Hospital and Medical Center	16.4		11	94	1,394	4	34.7%
Kaiser Foundation Hospitals - Los Angeles	17.5		33	376	8,120	22	67.4%
Glendale Adventist Medical Center	17.7		14	189	3,020	8	59.1%
Children's Hospital of Los Angeles	17.8		98	394	17,926	49	50.1%
Ronald Reagan UCLA Medical Center	17.8		29	346	9,360	26	88.4%
Cedars-Sinai Medical Center	19.3		45	489	9,953	27	60.6%
TOTAL			394	4,120	80,328	220	55.9%

Source: OSHPD Disclosure Reports, FY 2014; Google Maps

- Among the service area hospitals, the average daily census was 40 patients based on 14,476 days;
- Holy Cross Medical Center provided nearly 15% of the service area's neonatal intensive care beds, and it accounted for approximately 23% of the service area's discharges; and
- Holy Cross Medical Center had the highest occupancy rate of all service area hospitals. The next highest was LA County Olive View-UCLA Medical Center with an occupancy rate of approximately 49%.

Sub-Acute Care Capacity Analysis

Holy Cross Medical Center and Pacifica Hospital of the Valley were the only hospitals within the service area that operated sub-acute care beds for ventilator and tracheostomy dependent patients. Combined, they operated 146 licensed sub-acute care beds with 41,664 patient days and an occupancy rate of approximately 78%.

SUBACUTE BEDS FY 2014							
Hospital	Miles from Hospital	Within Service Area	Licensed Beds	Discharges	Patient Days	Average Daily Census	Percent Occupied
Holy Cross Medical Center	-	X	48	107	15,533	43	88.7%
Mission Community Hospital	5.1	X	-	-	-	-	-
Pacifica Hospital of the Valley	5.4	X	98	100	26,131	72	73.1%
Kaiser Foundation Hospitals - Panorama City	6.1	X	-	-	-	-	-
LA County Olive View - UCLA Medical Center	6.4	X	-	-	-	-	-
Henry Mayo Newhall Hospital	11.3	X	-	-	-	-	-
Northridge Hospital Medical Center	7.2	X	-	-	-	-	-
SUB-TOTAL			146	207	41,664	114	78.2%
Valley Presbyterian Hospital	6.9		-	-	-	-	-
Tarzana Medical Center	11.6		-	-	-	-	-
Saint Joseph Medical Center	13.6		-	-	-	-	-
Kaiser Foundation Hospitals - Woodland Hills	15.9		-	-	-	-	-
West Hills Hospital and Medical Center	16.4		-	-	-	-	-
Kaiser Foundation Hospitals - Los Angeles	17.5		-	-	-	-	-
Glendale Adventist Medical Center	17.7		-	-	-	-	-
Children's Hospital of Los Angeles	17.8		-	-	-	-	-
Ronald Reagan UCLA Medical Center	17.8		-	-	-	-	-
Cedars-Sinai Medical Center	19.3		-	-	-	-	-
TOTAL			146	207	41,664	114	78.2%

Source: OSHPD Disclosure Reports, FY 2014; Google Maps

- Holy Cross Medical Center reported 107 discharges and 15,533 patient days that resulted in an occupancy rate of nearly 89% and an average daily census of 43 patients;
- Holy Cross Medical Center's 48 licensed sub-acute care beds represented nearly 33% of these beds for the service area; and
- Holy Cross Medical Center was responsible for nearly 52% of all sub-acute care discharges.

Rehabilitation Capacity Analysis

Holy Cross Medical Center was one of only three hospitals with rehabilitation beds within the service area. The service area hospitals operated a combined 68 rehabilitation beds at an overall occupancy rate of approximately 36%.

REHABILITATION BEDS FY 2014							
Hospital	Miles from Hospital	Within Service Area	Licensed Beds	Discharges	Patient Days	Average Daily Census	Percent Occupied
Holy Cross Medical Center	-	X	13	185	2,583	7	54.4%
Mission Community Hospital	5.1	X	-	-	-	-	-
Pacifica Hospital of the Valley	5.4	X	-	-	-	-	-
Kaiser Foundation Hospitals - Panorama City	6.1	X	-	-	-	-	-
LA County Olive View - UCLA Medical Center	6.4	X	-	-	-	-	-
Henry Mayo Newhall Hospital	11.3	X	19	157	1,991	5	28.7%
Northridge Hospital Medical Center	7.2	X	36	243	4,414	12	33.6%
SUB-TOTAL			68	585	8,988	25	36.2%
Valley Presbyterian Hospital	6.9		17	328	4,067	11	65.5%
Tarzana Medical Center	11.6		-	-	-	-	-
Saint Joseph Medical Center	13.6		25	240	2,976	8	32.6%
Kaiser Foundation Hospitals - Woodland Hills	15.9		-	-	-	-	-
West Hills Hospital and Medical Center	16.4		-	-	-	-	-
Kaiser Foundation Hospitals - Los Angeles	17.5		-	-	-	-	-
Glendale Adventist Medical Center	17.7		28	575	6,632	18	64.9%
Children's Hospital of Los Angeles	17.8		-	-	-	-	-
Ronald Reagan UCLA Medical Center	17.8		-	-	-	-	-
Cedars-Sinai Medical Center	19.3		29	723	7,723	21	73.0%
TOTAL			167	2,451	30,386	83	49.8%

Source: OSHPD Disclosure Reports, FY 2014; Google Maps

- Holy Cross Medical Center had 13 licensed rehabilitation beds with an average occupancy rate of approximately 54% and an average daily census of seven patients; and
- Holy Cross Medical Center provided approximately 19% of the service area's rehabilitation beds and nearly 32% of the discharges.

Emergency Department Volume at Hospitals in the Service Area

Holy Cross Medical Center had 32 emergency treatment stations. For all hospitals in the service area, there were a total of 193 treatment stations. As shown below, Holy Cross Medical Center reported 90,426 visits, totaling approximately 25% of all visits among the service area hospitals (364,349 visits).

The table below shows the visits by severity category for area emergency departments as reported by OSHPD Automated Licensing Information and Report Tracking System.

Hospital	Miles from Hospital	Within Service Area	ER Level	Stations	Total Visits	Minor	Low/Moderate	Moderate	Severe w/o Threat	Severe w/Threat	Percentage Admitted	Hours of Diversion
Holy Cross Medical Center	-	X	Basic	32	90,426	894	9,145	34,534	27,439	18,414	9.8%	512
Mission Community Hospital	5.1	X	Basic	8	19,580	2,463	5,946	4,427	5,979	765	27.3%	21
Pacifica Hospital of the Valley	5.4	X	Basic	7	13,642	3,123	4,018	2,204	1,344	2,953	19.1%	203
Kaiser Foundation Hospitals - Panorama City	6.1	X	Basic	34	59,309	349	3,539	39,964	12,891	2,566	7.8%	1,448
LA County Olive View - UCLA Medical Center	6.4	X	Basic	51	57,059	3,277	30,168	23,330	279	5	14.6%	1,637
Henry Mayo Newhall Hospital	11.3	X	Basic	36	67,566	622	3,102	14,476	22,373	26,993	14.5%	259
Northridge Hospital Medical Center	7.2	X	Basic	25	56,767	2,081	10,310	19,524	18,412	6,440	17.0%	837
SUB-TOTAL				193	364,349	12,809	66,228	138,459	88,717	58,136	13.5%	4,917
Valley Presbyterian Hospital	6.9		Basic	27	61,819	1,321	14,256	21,660	17,881	6,701	12.8%	341
Tarzana Medical Center	11.6		Basic	15	28,888	325	1,976	9,514	8,335	8,738	22.4%	218
Saint Joseph Medical Center	13.6		Basic	38	50,818	551	5,330	16,210	15,298	13,429	14.5%	91
Kaiser Foundation Hospitals - Woodland Hills	15.9		Basic	27	39,945	176	3,634	26,154	8,269	1,712	13.2%	1,128
West Hills Hospital and Medical Center	16.4		Basic	30	48,340	3,483	5,565	18,880	11,431	8,981	14.4%	79
Kaiser Foundation Hospitals - Los Angeles	17.5		Basic	45	66,365	487	11,083	47,799	6,123	873	12.4%	3,349
Glendale Adventist Medical Center	17.7		Basic	36	52,097	756	6,509	15,297	14,822	14,713	24.1%	889
Children's Hospital of Los Angeles	17.8		Basic	39	74,195	13,812	21,953	25,518	12,165	747	9.2%	19
Ronald Reagan UCLA Medical Center	17.8		Comprehensive	33	43,945	5,170	4,485	8,561	11,236	14,493	20.4%	3,242
Cedars-Sinai Medical Center	19.3		Basic	51	87,061	3,319	13,778	23,771	18,919	27,274	24.4%	97
TOTAL				534	917,822	42,209	154,797	351,823	213,196	155,797	15.4%	14,370

Source: OSHPD Airits Annual Utilization Reports, 2014, Google Maps

- Nearly 10% of Holy Cross Medical Center's emergency department visits resulted in admission to the hospital;
- Holy Cross Medical Center went on diversion for 512 hours; and
- Approximately 51% of Holy Cross Medical Center's emergency department visits were classified as severe with/without threat and higher than the service area average of nearly 40%.

Emergency Department Capacity

Holy Cross Medical Center's emergency department was operating at approximately 141% of its 32-bed capacity.

EMERGENCY DEPARTMENT CAPACITY 2014							
Hospital	Miles from Hospital	Within Service Area	ER Level	Stations	Total Visits	Capacity	Remaining Capacity
Holy Cross Medical Center	-	X	Basic	32	90,426	64,000	(26,426)
Mission Community Hospital	5.1	X	Basic	8	19,580	16,000	(3,580)
Pacifica Hospital of the Valley	5.4	X	Basic	7	13,642	14,000	358
Kaiser Foundation Hospitals - Panorama City	6.1	X	Basic	34	59,309	68,000	8,691
LA County Olive View - UCLA Medical Center	6.4	X	Basic	51	57,059	102,000	44,941
Henry Mayo Newhall Hospital	11.3	X	Basic	36	67,566	72,000	4,434
Northridge Hospital Medical Center	7.2	X	Basic	25	56,767	50,000	(6,767)
SUB-TOTAL				193	364,349	386,000	21,651
Valley Presbyterian Hospital	6.9		Basic	27	61,819	54,000	(7,819)
Tarzana Medical Center	11.6		Basic	15	28,888	30,000	1,112
Saint Joseph Medical Center	13.6		Basic	38	50,818	76,000	25,182
Kaiser Foundation Hospitals - Woodland Hills	15.9		Basic	27	39,945	54,000	14,055
West Hills Hospital and Medical Center	16.4		Basic	30	48,340	60,000	11,660
Kaiser Foundation Hospitals - Los Angeles	17.5		Basic	45	66,365	90,000	23,635
Glendale Adventist Medical Center	17.7		Basic	36	52,097	72,000	19,903
Children's Hospital of Los Angeles	17.8		Basic	39	74,195	78,000	3,805
Ronald Reagan UCLA Medical Center	17.8		Comprehensive	33	43,945	66,000	22,055
Cedars-Sinai Medical Center	19.3		Basic	51	87,061	102,000	14,939
TOTAL				534	917,822	1,068,000	150,178

Source: OSHPD Alirits Annual Utilization Reports, 2014; Google Maps

- Collectively, the service area hospitals' emergency departments operated at nearly 94% capacity; and
- Kaiser Foundation Hospitals-Panorama City and LA County Olive View-UCLA Medical Center were the only service area hospitals whose emergency departments were operating below 90% capacity.

PROFILE OF PROVIDENCE SAINT JOSEPH MEDICAL CENTER

Overview of Providence Saint Joseph Medical Center

Providence Health & Services operates Saint Joseph Medical Center, a 446 licensed-bed general acute care facility, located at 501 South Buena Vista Street in Burbank. Saint Joseph Medical Center has a “basic” emergency department with 38 licensed treatment stations. It also has 15 surgical operating rooms and one cardiac catheterization lab.

BED DISTRIBUTION 2015	
Bed Type	Number of Beds
General Acute Care	269
Intensive Care	38
Coronary Care	16
Neonatal Intensive Care	20
Rehabilitation	25
Perinatal	24
Total General Acute Care Beds	392
Skilled Nursing (D/P)	54
Total Licensed Beds	446

Source: Hospital License 2015

The 54 licensed skilled nursing beds are currently in suspense²¹, and Saint Joseph Medical Center is in the process of removing them from licensure. In addition, nine of Saint Joseph Medical Center’s licensed general acute care beds are currently in suspense and do not provide any inpatient services.

Providence Saint Joseph Foundation

Providence Saint Joseph Foundation provides financial support through philanthropy for Saint Joseph Medical Center. Providence Saint Joseph Foundation raises funds through charitable donations, planned gifts, and appreciated securities in order to fund medical technology and facilities. In recent years, the funds raised by Providence Saint Joseph Foundation have supported the purchasing of new cardiac rehabilitation equipment, a liquid nitrogen freezer for bio-specimen storage, renovation of the Roy and Patricia Disney Family Cancer Center’s Personal Appearance Center, professional development and training, and healthcare educational materials.

²¹ Licensed beds that are in suspense have been temporarily taken out of service.

Key Statistics

KEY STATISTICS: FY 2012 - 2014			
	FY 2012	FY 2013	FY 2014
Inpatient Discharges	17,860	17,429	17,049
Licensed Beds	344	426	426
Patient Days	83,825	78,907	74,980
Average Daily Census	230	216	205
Occupancy	66.8%	50.7%	48.2%
Average Length of Stay	4.7	4.5	4.4
Emergency Services Visits ¹	58,445	61,915	50,818
Cardiac Catheterization Procedures ¹	3,813	3,702	2,852
Coronary Artery Bypass Graft (CABG) Surgeries ¹	82	111	63
Total Live Births	2,492	2,642	2,565

Medical Staff	715
Employees (Full-Time Equivalents) ²	1,774

Sources: OSHPD Disclosure Reports, FY 2012-2014

¹ OSHPD Alerts Annual Utilization Reports

² Providence Health & Services

For FY 2014, Saint Joseph Medical Center had a total of 17,049 inpatient discharges, 74,980 patient days, an average daily census of 205 patients, and approximately 48% occupancy on the total licensed beds.

- Since FY 2012, both inpatient discharges and patient days have decreased by approximately 5% and 11%, respectively;
- In FY 2014, Saint Joseph Medical Center reported 50,818 emergency department visits, a 13% decrease from FY 2012;
- Saint Joseph Medical Center reported approximately 2,852 cardiac catheterization procedures and 63 coronary artery bypass graft surgeries in FY 2014; and
- Between FY 2012 and FY 2014, total live births at Saint Joseph Medical Center have increased by 3% from 2,492 in FY 2012 to 2,565 in FY 2014.

Programs & Services

Saint Joseph Medical Center offers a broad spectrum of medical services including cardiology, oncology, obstetrics, surgery, and emergency services.

- Bariatric services include: Bariatric surgery, body contouring, support group meetings, weight management, customized exercise programs, dietician services, and counseling;

- Blood donation services include: Blood donation for hospitalized patients in partnership with American Red Cross;
- Breast health services include: Digital mammography and minimally invasive breast diagnostics,
- Oncology services include: Prevention, detection, diagnosis, medical and surgical treatment, rehabilitation, and surgical services provided at the Roy and Patricia Disney Family Cancer Center;
- Diabetes services include: The Diabetes Health Program that offers patient education, including nutrition, exercise, and medication management, provided by Certified Diabetes Educators;
- Emergency services include: 24-hour “basic” emergency department with 38 treatment stations and the following designations:
 - Emergency Department Approved for Pediatrics;
 - Certified Primary Stroke Center;
 - STEMI Receiving Center; and
 - Paramedic Base Station.
- Heart and vascular services include: STEMI Receiving Center services, non-invasive diagnostic testing, interventional and surgical treatment of complex cardiac conditions, and cardiovascular disease screening and prevention;
- Home care services include: Patient assessment and monitoring, bedside protime monitoring, IV therapy, total parenteral nutrition, gastric feeding tube, V.A.C. therapy, pain management, injections, and ostomy management;
- Neurology and stroke services include: The Hycy and Howard Hill Neuroscience Institute, which provides Alzheimer’s disease, ALS, brain and spinal cord injury, brain tumor, concussion management, epilepsy, essential tremor, headache, multiple sclerosis, pain, Parkinson’s disease, peripheral nerve disorder, sleep disorder, and stroke services;
- Obstetric services include: Labor and delivery services, a Level III Neonatal Intensive Unit, childbirth preparation and breastfeeding education, and postpartum depression services;
- Orthopedic services include: Orthopedic and sports medicine treatment for orthopedic conditions that include arthritis, back and joint pain, and sprain and strain pain;

- Rehabilitation services include: Acute rehabilitation that includes medical rehabilitation, physical, occupational, and speech therapy, clinical nutrition, and therapeutic recreation. Outpatient rehabilitation includes orthopedic and sports injury, neurological, vestibular, hand, lymphedema, oncology, continence, pediatric, and speech and language rehabilitation;
- Senior services include: Health and wellness screenings, assessments, and seminars, AARP driver training, and fitness programs, including Sit and Be Fit Chair Fitness, yoga, weight resistance, and tai chi;
- Surgery services include: Cancer, ear, nose, and throat, gastrointestinal, heart and vascular, neurological, obstetrics and gynecological, orthopedic, plastic, podiatric, and urologic surgery; and
- Women's health services include: The Breast Health Center, gynecology, and obstetrics services.

Accreditations, Certifications, & Awards

Saint Joseph Medical Center is accredited by The Joint Commission, effective August 2015 through August 2018. Over the years, Saint Joseph Medical Center has received several awards and accolades as a provider of quality care, some of which include the following:

- Certification as a Primary Stroke Center by The Joint Commission, effectively May 2014 through May 2016;
- Recognition as a Breast Imaging Center of Excellence by the American College of Radiology;
- The 2015 Distinguished Hospital Award for Clinical Excellence from HealthGrades;
- The Advanced Primary Stroke Center Gold Seal of Approval from The Joint Commission;
- The 2015 Outstanding Patient Safety Excellence Award from HealthGrades; and
- The 2011 Bariatric Surgery Excellence Award from HealthGrades.

Quality Measures

In FY 2015, the Centers for Medicare & Medicaid Services rewarded Saint Joseph Medical Center with a 0.01% Medicare payment bonus. In FY 2016, the Centers for Medicare & Medicaid services will reduce payments to Saint Joseph Medical Center by 0.38%.

The following table reports Saint Joseph Medical Center's most recent scores as reported by Hospital Compare for each of the measures within the four domains in comparison to the California and national averages:

QUALITY SCORES COMPARISON				
Domain	Measure	Saint Joseph Medical Center	California Average	National Average
Clinical Process of Care Domain	Average of Acute Myocardial Infarction, Heart Failure, Pneumonia, Surgical Care Improvement & Healthcare Associated Infection Measures	97.9%	97.6%	97.3%
Patient Experience of Care Domain	Average of Measures for the Hospital Consumer Assessment of Healthcare Providers and Systems (HCAHPS) Survey	69.3%	67.0%	71.0%
Outcome Domain	Average of Outcome Measures for Acute Myocardial Infarction, Heart Failure & Pneumonia 30-Day Mortality Rates & Central-Line Bloodstream Infection Rates	12.1%	12.1%	12.4%
Efficiency Domain	Medicare Spending per Beneficiary Ratio	1.01	0.99	0.98

Source: Medicare.gov Hospital Compare, 2015

- For the clinical process of care domain, Saint Joseph Medical Center's scored above (97.9%) the California average (97.6%) and the national average (97.3%);
- Saint Joseph Medical Center scored between (69.3%) the California average (67.0%) and the national average (71.0%) for the patient experience of care domain;
- Within the outcome domain, Saint Joseph Medical Center has approximately the same 30-day mortality rates and central-line bloodstream infection rates (12.1%) as the California and national averages (12.1% and 12.4%, respectively); and
- With a ratio of 1.01, Saint Joseph Medical Center spends more per patient for an episode of care initiated at its facility than California hospitals (0.99) and national hospitals (0.98),

Saint Joseph Medical Center was penalized with a 0.13% reduction in reimbursement in FY 2014 and a 0.31% reduction in reimbursement in FY 2015 for its 30-day readmission rates. The following table shows Saint Joseph Medical Center's 30-day readmission rates for heart attack, heart failure, and pneumonia patients:

30-DAY READMISSION RATES			
Condition	Saint Joseph Medical Center	National Average	California Average
Heart Attack	18.4%	17.0%	17.0%
Heart Failure	21.1%	22.0%	22.1%
Pneumonia	17.6%	16.9%	16.9%
Average 30-Day Readmission Rate	19.0%	18.6%	18.6%

Source: IPRO & Medicare.gov Hospital Compare, 2015

- Saint Joseph Medical Center had more 30-day readmissions (19.0%) than the national and statewide averages of 18.6%; and

- Saint Joseph Medical Center will be penalized with a 0.36% reduction in reimbursement in FY 2016.

Seismic Issues

Using the HAZUS seismic criteria, Saint Joseph Medical Center's structures subject to seismic compliance have been classified according to the California Senate Bill 1953 Seismic Safety Act for the Structural Performance Category (SPC) and the Non-Structural Performance Category (NPC), as shown in the table below. These classifications require that Saint Joseph Medical Center's structures undergo construction to comply with the California Office of Statewide Health Planning and Development's seismic safety standards.

SEISMIC OVERVIEW		
Building	SPC Compliance Status	NPC Compliance Status
1) Robertson Tower	SPC-3	NPC-2
2) Robertson Lobby	SPC-3	NPC-2
3) Robertson Canopy	SPC-3	NPC-2
4) East Building	SPC-2	NPC-2
5) South Building	SPC-2	NPC-2
6) ER/CCU Building	SPC-4	NPC-2
7) Laundry/Central Plant Building	SPC-4	NPC-2
8) Central Plant Addition	SPC-4	NPC-2
9) P&E Building	SPC-3	NPC-2
10) MRI Building	SPC-4	NPC-2
11) Parking Structure 1A	SPC-4	NPC-2
12) Northeast Building	SPC-5s*	-
13) Connector Corridor - 1	SPC-5s*	NPC-4
14) Connector Corridor - 2	SPC-5s*	NPC-4
15) Connector Corridor - 3	SPC-5s*	NPC-4
16) Connector Corridor - 4	SPC-5s*	NPC-4
17) Connector Corridor - 5	SPC-5s*	NPC-4

Source: OSHPD

* "S" indicates rating as self-reported by hospital

- Saint Joseph Medical Center has two buildings that are rated as SPC-2. These buildings must be seismically retrofitted by January 1, 2030 in order to continue providing acute care services.

Patient Utilization Trends

The following table shows volume trends at Saint Joseph Medical Center from FY 2010 through FY 2014:

SERVICE VOLUMES: FY 2010-2014					
PATIENT DAYS	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
Medical/Surgical	62,073	60,401	57,770	52,387	49,300
Neonatal Intensive Care	4,282	3,698	4,030	4,279	5,156
Intensive Care	10,706	10,542	10,829	10,788	10,528
Obstetrics	8,770	8,148	7,619	8,034	7,020
Physical Rehabilitation	4,785	4,408	3,577	3,419	2,976
Total	90,616	87,197	83,825	78,907	74,980
DISCHARGES					
Medical/Surgical	13,156	14,138	13,746	13,434	13,025
Neonatal Intensive Care	332	286	317	348	358
Intensive Care	1,032	658	881	767	744
Obstetrics	3,005	2,842	2,650	2,620	2,682
Physical Rehabilitation	336	313	266	260	240
Total	17,861	18,237	17,860	17,429	17,049
AVERAGE LENGTH OF STAY					
Medical/Surgical	4.7	4.3	4.2	3.9	3.6
Neonatal Intensive Care	12.9	12.9	12.7	12.3	14.4
Intensive Care	10.4	16.0	12.3	14.1	14.2
Obstetrics	2.9	2.9	2.9	3.1	3.0
Physical Rehabilitation	14.2	14.1	13.4	13.2	12.4
Total	5.1	4.8	4.7	4.5	4.4
AVERAGE DAILY CENSUS					
Medical/Surgical	170.1	165.5	158.3	143.5	144.7
Neonatal Intensive Care	11.7	10.1	11.0	11.7	14.1
Intensive Care	29.3	28.9	29.7	29.6	28.8
Obstetrics	24.0	22.3	20.9	22.0	9.6
Physical Rehabilitation	13.1	12.1	9.8	9.4	8.2
Total	248.3	238.9	229.7	216.2	205.4
OTHER SERVICES					
Inpatient Surgeries	4,976	4,979	4,806	4,413	4,039
Outpatient Surgeries	5,100	5,201	5,250	4,918	1,827
Emergency Services Visits ¹	57,062	58,656	58,445	61,915	50,818
Cardiac Catheterization Procedures ¹	1,831	1,332	3,813	3,702	2,852
Obstetric Deliveries	2,681	2,562	2,492	2,642	2,565

Sources: OSHPD Disclosure Reports, FY 2010-2014

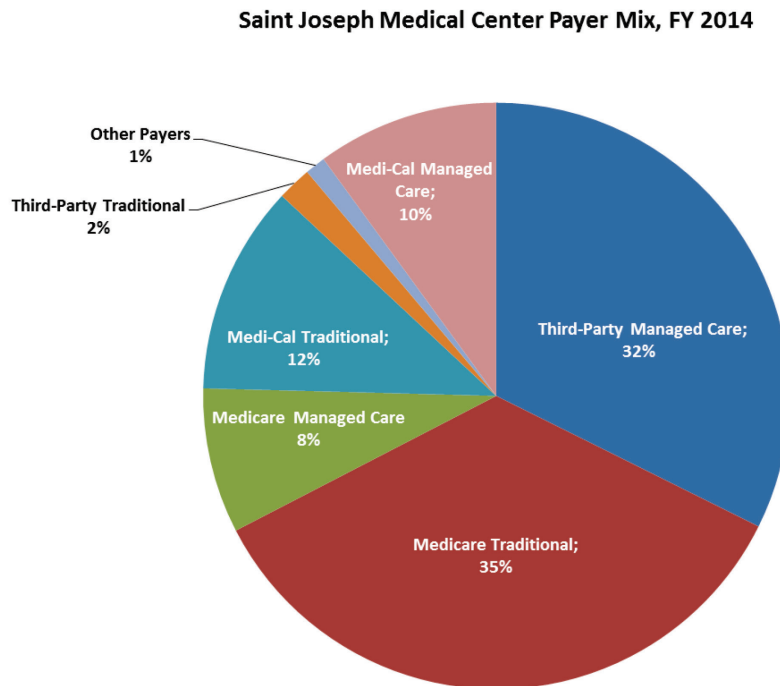
¹ OSHPD Alerts Annual Utilization Reports

A review of historical utilization trends supports the following conclusions:

- Total patient days decreased by 17% over the five-year period;
- Inpatient discharges have decreased 5% from 17,861 in FY 2010 to 17,049 in FY 2014;
- The average daily census has decreased by 17% from 248 patients in FY 2010 to 205 patients in FY 2014; and
- Obstetric deliveries have decreased 4% from 2,681 in FY 2010 to 2,565 in FY 2014.

Payer Mix

In FY 2014, approximately 43% of Saint Joseph Medical Center's inpatient payer mix consisted of Medicare Traditional (35%) and Medicare Managed Care (8%) patients. Approximately 34% of Saint Joseph Medical Center's inpatient payer mix consisted of Third-Party Managed Care (32%) and Third-Party Traditional (2%) patients. In addition, approximately 22% of Saint Joseph Medical Center's inpatient discharges consisted of Medi-Cal Traditional (12%) and Medi-Cal Managed Care (10%) patients. The remaining 1% consisted of Other Payers*.



Total Discharges = 17,049

* Other Payers includes self-pay, workers' compensation, other government, and other payers
Source: OSHPD Financial Disclosure Report, FY 2014 (based on inpatient discharges).

The following table illustrates Saint Joseph Medical Center's inpatient discharge payer mix compared to Los Angeles County and the State of California for FY 2014. The comparison shows that Saint Joseph Medical Center has higher percentages of Medicare Traditional and Third-Party Managed Care patients and lower percentages of Medi-Cal Traditional, Medi-Cal Managed Care, and Third-Party Traditional patients relative to other hospitals in Los Angeles County and California.

PAYER MIX COMPARISON						
	Saint Joseph Medical Center (FY 2014)		Los Angeles County (FY 2014)		California (FY 2014)	
	Discharges	% of Total	Discharges	% of Total	Discharges	% of Total
Medi-Cal Traditional	1,964	11.5%	157,394	18.5%	448,311	15.8%
Medi-Cal Managed Care	1,708	10.0%	135,429	16.0%	435,129	15.3%
Medi-Cal Total	3,672	21.5%	292,823	34.5%	883,440	31.1%
Medicare Traditional	5,968	35.0%	233,810	27.5%	805,912	28.4%
Medicare Managed Care	1,362	8.0%	85,330	10.1%	273,709	9.6%
Medicare Total	7,330	43.0%	319,140	37.6%	1,079,621	38.0%
Third-Party Managed Care	5,506	32.3%	158,487	18.7%	610,781	21.5%
Third-Party Managed Care Total	5,506	32.3%	158,487	18.7%	610,781	21.5%
Third-Party Traditional	322	1.9%	30,357	3.6%	121,054	4.3%
Other Payers	192	1.1%	22,969	2.7%	62,617	2.2%
Other Indigent	27	0.2%	7,231	0.9%	32,930	1.2%
County Indigent	0	0.0%	17,931	2.1%	51,759	1.8%
Other Total	541	3.2%	78,488	9.2%	268,360	9.4%
Total	17,049	100%	848,938	100%	2,842,202	100%

Source: OSHPD Disclosure Reports, FY 2014

Medi-Cal Managed Care

Saint Joseph Medical Center is contracted with L.A. Care Health Plan, the Local Initiative plan, and Health Net Community Solutions, Inc., the private commercial plan, to provide services to Medi-Cal Managed Care patients.

Medical Staff

Saint Joseph Medical Center has 715 members of the medical staff representing multiple specialties. The five largest specialties comprising 34% of the medical staff include: internal medicine, family practice, anesthesiology, radiology/imaging, and physician assistant. Of the 715 members of the medical staff, 251 are considered “active” users of Saint Joseph Medical Center (representing approximately 35% of the medical staff).

Saint Joseph Center is affiliated with Facey Medical Group, HealthCare Partners, Heritage Provider Network, and Pacific Accountable Care Network.

MEDICAL STAFF PROFILE 2016					
Specialty	Count	% of Total	Specialty	Count	% of Total
Allergy and Immunology	4	0.6%	Obstetrics and Gynecology	24	3.4%
Anesthesiology	45	6.3%	Oncology	9	1.3%
Cardiology	27	3.8%	Ophthalmology	25	3.5%
Cardiology - Interventional	2	0.3%	Oral Surgery	8	1.1%
Cardiothoracic Surgery	10	1.4%	Orthopedic Surgery	18	2.5%
Clinical Psychology	6	0.8%	Otolaryngology	8	1.1%
Colon/Rectal Surgery	2	0.3%	Palliative Care	1	0.1%
Dentistry	1	0.1%	Pathology	7	1.0%
Dermatology	8	1.1%	Pediatric Allergy/Immunology	1	0.1%
Diagnostic Radiology	1	0.1%	Pediatric Cardiology	5	0.7%
Emergency Medicine	19	2.7%	Pediatric Surgery	5	0.7%
Endocrinology	5	0.7%	Pediatrics	27	3.8%
Family Medicine	1	0.1%	Physical Medicine and Rehabilitation	2	0.3%
Family Practice	47	6.6%	Physician Assistant	34	4.8%
Gastroenterology	15	2.1%	Plastic Surgery	14	2.0%
General Surgery	9	1.3%	Podiatry	19	2.7%
Gynecological Oncology	4	0.6%	Psychiatry	8	1.1%
Gynecology	4	0.6%	Pulmonary Disease	12	1.7%
Hematology Oncology	13	1.8%	Pulmonary/Critical Care	2	0.3%
Hospital and Palliative Medicine	1	0.1%	Radiation Oncology	12	1.7%
Infectious Disease	6	0.8%	Radiation Therapy	1	0.1%
Internal Medicine	75	10.5%	Radiology - Imaging	43	6.0%
Maternal Fetal Medicine	13	1.8%	Reproductive Endocrinology/Infertility	2	0.3%
Neonatology	6	0.8%	Rheumatology	9	1.3%
Nephrology	21	2.9%	Surgical Oncology	2	0.3%
Neurology	8	1.1%	Teleneurology	5	0.7%
Neuroradiology	2	0.3%	Thoracic Surgery	2	0.3%
Neurosurgery	11	1.5%	Urogynecologist	2	0.3%
Nuclear Medicine	1	0.1%	Urology	14	2.0%
Nurse Practitioner	15	2.1%	Vascular Surgery	12	1.7%
Total Medical Staff	715				

Source: Providence Health & Services

Unionized Employees

Saint Joseph Medical Center has a CBA with Service Employees International Union, United Healthcare Workers West through March 31, 2016 that represents 792 employees. Saint Joseph Medical Center also has a CBA with Service Employees International Union, Local 121 RN through December 31, 2018 that represents 771 employees.

In total, approximately 71% of Saint Joseph Medical Center's employees are represented by CBAs.

EMPLOYEES REPRESENTED BY UNIONS	
Union	Total
Service Employees International Union, United Healthcare Workers West	792
Service Employees International Union, Local 121 RN	771
Total Employees Represented by Unions	1,563
Total Non-Union Employees	639
Total Employees	2,202
Total Percentage of Employees Represented by Unions	71%

Source: Providence Health & Services

Financial Profile

Over the five recently reported fiscal years, Saint Joseph Medical Center's net income has fluctuated from a high of \$47.6 million in FY 2012 to a loss of \$47.4 million in FY 2014. Much of this can be attributed to net patient revenue decreasing by nearly 3% (from \$397.0 million in FY 2010 to \$386.3 million in FY 2014) while operating expenses have increased by 15% (from \$384.6 million in FY 2010 to \$443.8 million in FY 2014). The increase in operating expenses is partly due to a change in accounting treatment of the allocation of corporate overhead in FY 2014. Other operating revenue, totaling more than \$68 million over the course of the five-year period, has served to offset some of these increased operating expenses. 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.

Saint Joseph Medical Center's current asset-to-liability ratio has increased over the last five years from 1.26 in FY 2010 to 1.52 in FY 2014 (the California average in 2014 was 1.72). Saint Joseph Medical Center's percentage of bad debt is approximately 0.6% and is lower than the State of California average of 1.3%.

FINANCIAL AND RATIO ANALYSIS: FY 2010-2014						
	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	-
Patient Days	90,616	87,197	83,825	78,907	74,980	-
Discharges	17,861	18,237	17,860	17,429	17,049	-
ALOS	5.1	4.8	4.7	4.5	4.4	-
Net Patient Revenue	\$397,030,274	\$405,118,670	\$405,160,314	\$387,457,222	\$386,262,326	-
Other Operating Revenue	\$5,172,463	\$14,835,374	\$17,017,410	\$16,010,234	\$14,839,308	-
Total Operating Revenue	\$402,202,737	\$419,954,044	\$422,177,724	\$403,467,456	\$401,101,634	-
Operating Expenses	\$384,564,943	\$405,227,558	\$394,813,204	\$401,064,864	\$443,754,808	-
Net from Operations	\$17,637,794	\$14,726,486	\$27,364,520	\$2,402,592	(\$42,653,174)	-
Net Non-Operating Revenue	\$2,687,864	\$2,022,552	\$24,746,289	\$6,602,785	\$3,107,508	-
Net Income	\$14,976,230	\$11,095,822	\$47,563,155	\$6,317,661	(\$47,350,262)	-
						2014 California Average
Current Ratio	1.26	1.36	1.36	1.21	1.52	1.72
Days in A/R	52.6	50.3	57.5	59.7	53.4	62.2
Bad Debt Rate	0.6%	0.5%	0.5%	0.5%	0.6%	1.3%
Operating Margin	4.39%	3.51%	6.48%	0.60%	-10.63%	2.48%

Source: OSHPD Disclosure Reports, 2010-2014

Cost of Hospital Services

Saint Joseph Medical Center's operating cost of services includes both inpatient and outpatient care. In FY 2014, approximately 48% of total costs were associated with Medicare patients, 32% with Third Party payers, and 18% with Medi-Cal patients. The remaining 2% is attributed to Other Indigent and Other Payers. In FY 2014, 40% of the total costs for all of the hospitals in California were associated with Medicare patients, 26% with Medi-Cal patients, 2% with County Indigent, 29% with Third Party, 1% with Other Indigent, and 2% with Other Payers.

COST OF SERVICES BY PAYER CATEGORY 2010-2014					
	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
Operating Expenses	\$384,564,943	\$405,227,558	\$394,813,204	\$401,064,864	\$443,754,808
Cost of Services By Payer:					
Medicare	\$185,033,667	\$196,789,982	\$192,950,521	\$197,518,783	\$214,167,256
Medi-Cal	\$58,308,046	\$61,410,613	\$58,895,194	\$65,719,262	\$78,650,990
County Indigent	\$0	\$0	\$0	\$0	\$0
Third Party	\$129,847,857	\$135,053,467	\$130,681,498	\$125,358,431	\$140,572,926
Other Indigent	\$49,442	\$5,861,020	\$10,273,823	\$10,345,881	\$7,572,244
Other Payers	\$11,325,932	\$6,112,475	\$2,012,168	\$2,122,506	\$2,791,390

Source: OSHPD Disclosure Reports, 2010-2014

Charity Care

According to OSHPD, Saint Joseph Medical Center's charity care charges have decreased from \$47.5 million in FY 2011 to approximately \$21.6 million in FY 2015. The five-year average for charity charges was approximately \$44.8 million.

CHARITY CARE TOTAL CHARGES: FY 2011-2015	
Year	OSHPD Disclosure Reports
2015	\$21,624,360
2014	\$37,800,699
2013	\$57,597,037
2012	\$59,337,632
2011	\$47,452,129
5-Year Average	\$44,762,371

Source: OSHPD Disclosure Reports, FY 2011-2015 & Providence Health & Services

The following table shows a comparison of charity care and bad debt for Saint Joseph Medical Center and all general acute care hospitals in the State of California. The five-year (FY 2011-2015) average of charity care and bad debt, as a percentage of gross patient revenue, was 2.5%. This is lower than the four-year statewide average of 3.5%.

CHARITY CARE COMPARISON CHARITY CARE - FY 2011 to FY 2015 (Millions)										
	2011		2012		2013		2014		2015	
	Hospital	CA	Hospital	CA	Hospital	CA	Hospital	CA	Hospital	CA
Gross Patient Revenue	\$2,345.8	\$288,636.7	\$2,280.3	\$303,278.6	\$2,232.8	\$317,543.8	\$2,215.2	\$337,773.2	\$2,275.8	-
Charity	\$47.5	\$6,171.5	\$59.3	\$6,251.0	\$57.6	\$6,209.9	\$37.8	\$4,571.0	\$21.6	-
Bad Debt	\$12.1	\$4,815.5	\$11.6	\$5,007.6	\$11.8	\$5,549.5	\$13.9	\$4,420.4	\$15.8	-
Total	\$59.5	\$10,987.0	\$71.0	\$11,258.6	\$69.4	\$11,759.4	\$51.7	\$8,991.4	\$37.4	-
Charity as a % of Gross Rev.	2.0%	2.1%	2.6%	2.1%	2.6%	2.0%	1.7%	1.4%	0.9%	-
Bad Debt as a % of Gross Rev.	0.5%	1.7%	0.5%	1.7%	0.5%	1.7%	0.6%	1.3%	0.7%	-
Total as a % of Gross Rev.	2.5%	3.8%	3.1%	3.7%	3.1%	3.7%	2.3%	2.7%	1.6%	-
Uncompensated Care										
Cost to Charge Ratio	16.6%	24.6%	16.6%	24.6%	17.2%	24.4%	19.4%	23.5%	17.5%	-
Cost of Charity	\$7.9	\$1,520.9	\$9.8	\$1,539.1	\$9.9	\$1,514.6	\$7.3	\$1,074.2	\$3.8	-
Cost of Bad Debt	\$2.0	\$1,186.8	\$1.9	\$1,232.9	\$2.0	\$1,353.5	\$2.7	\$1,038.8	\$2.8	-
Total	\$9.9	\$2,707.7	\$11.8	\$2,772.0	\$12.0	\$2,868.1	\$10.0	\$2,113.0	\$6.5	-

Source: OSHPD Disclosure Reports, 2011-2015 & Providence Health & Services

The table below shows Saint Joseph Medical Center's historical costs for charity care as reported by OSHPD. Saint Joseph Medical Center's charity care costs have decreased from approximately \$7.9 million in FY 2010 to \$3.8 million in FY 2015. The average cost of charity care for the last five-year period was approximately \$7.8 million.

COST OF CHARITY CARE				
Year	Charity Care Charges	Cost to Charge Ratio	Cost of Charity Care to the Hospital	Percent of Total Costs Represented by Charity Care
FY 2015	\$21,624,360	17.5%	\$3,784,263	1.3%
FY 2014	\$37,800,699	19.4%	\$7,319,026	1.6%
FY 2013	\$57,597,037	17.2%	\$9,932,881	2.5%
FY 2012	\$59,337,632	16.6%	\$9,830,997	2.5%
FY 2011	\$47,452,129	16.6%	\$7,897,228	1.9%
5-Year Average	\$44,762,371		\$7,752,879	

Source: OSHPD Disclosure Reports, 2011-2015 & Providence Health & Services

Saint Joseph Medical Center reported the following combined distribution of charity care by inpatient, outpatient, and emergency room charges.

COST OF CHARITY CARE BY SERVICE				
	Inpatient	Outpatient	Emergency Room	Total Costs
2015:				
Cost of Charity	\$670,771	\$565,502	\$1,661,123	\$2,897,397
Visits/Discharges	1,681	1,417	4,163	
2014:				
Cost of Charity	\$3,505,194	\$210,145	\$3,221,967	\$6,937,306
Visits/Discharges	4,052	243	3,724	
2013:				
Cost of Charity	\$5,674,495	\$200,168	\$3,296,141	\$9,170,804
Visits/Discharges	5,711	201	3,317	
2012:				
Cost of Charity	\$5,523,375	\$273,007	\$3,368,508	\$9,164,890
Visits/Discharges	6,025	298	3,674	
2011:				
Cost of Charity	\$4,082,678	\$1,091,256	\$1,984,988	\$7,158,923
Visits/Discharges	6,826	1,825	3,319	

Source: Providence Health & Services

Community Benefit Services

Saint Joseph Medical Center has consistently provided a contribution to community benefit services. As shown in the table below, the average annual cost of community benefit services over the five years has been \$4,671,290 per year.

COMMUNITY BENEFIT SERVICES							
Community Benefit Programs	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	5-Year Average	Total
Benefits for Persons Living in Poverty	\$1,844,586	\$1,887,641	\$1,643,781	\$1,712,624	\$1,741,808	\$1,766,088	\$8,830,440
Benefits for Broader Community	\$2,108,479	\$2,084,870	\$1,877,382	\$2,576,974	\$5,878,303	\$2,905,202	\$14,526,008
Total	\$3,953,065	\$3,972,511	\$3,521,163	\$4,289,598	\$7,620,112	\$4,671,290	\$23,356,449

Source: Providence Saint Joseph Medical Center

Note: Community Benefit programs and services excludes grants

- Saint Joseph Medical Center's five-year average cost of community benefit services for persons living in poverty is approximately \$1.8 million per year;
- Saint Joseph Medical Center's five-year average cost of community benefit services for the broader community is approximately \$2.9 million per year; and
- Over the five-year period, Saint Joseph Medical Center's combined total cost of community benefit services increased from nearly \$4.0 million in FY 2012 to \$7.6 million in FY 2015.

Saint Joseph Medical Center's community benefit services over the past five fiscal years included the following programs over \$10,000:

COST OF COMMUNITY BENEFIT SERVICES FY 2011-2015					
Services over \$10,000 in cost:	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
Access to Care Program	-	-	-	\$209,379	\$206,786
Beyond 50 Program	\$45,350	\$3,141	\$1,505	\$2,062	-
Cardiac Rehabilitation and Fitness Program	\$154,201	-	-	-	-
Center for Community Health Improvement	\$174,337	\$216,556	\$195,938	\$146,148	\$73,627
Clinical Pastoral Education Program	\$88,496	\$97,675	\$107,313	\$1,051	-
Faith Community Health Partnership	\$183,451	\$161,044	\$159,962	\$192,085	\$141,746
Financial Support for Leeza's Care Connection	-	-	\$150,000	\$238,084	\$57,604
Financial Support of Community Organizations	\$59,945	\$37,432	\$42,770	\$52,224	-
Health Resource Center	\$48,936	\$57,979	\$46,628	\$59,365	\$16,478
Home Health Services	-	\$238,633	\$373,761	-	-
Laboratory Services to Samuel Dixon Clinic Patients	-	\$20,180	\$20,259	\$17,954	\$14,199
Latino Health Promoter Program	\$123,022	\$113,439	\$97,162	\$90,659	\$227,636
Maternal Child Outreach and Education	\$112,300	\$175,384	\$150,771	\$139,064	\$384,981
Medical Library Services for Students & Community	\$37,941	\$48,491	\$32,256	\$6,208	-
Mental Health Outreach	-	-	-	-	\$20,312
Mother Joseph Fund to Support Outreach	\$327,086	\$165,643	\$165,640	\$165,636	\$165,643
Operational Excellence Community Outreach Program	-	\$10,343	-	-	-
Patient Transportation Program	\$95,172	\$97,124	\$89,682	\$63,532	\$123,690
Providence Mobile Health Program	-	-	-	\$50,000	\$60,223
School Nurse Outreach Program	\$124,604	\$141,310	\$77,263	\$88,617	\$99,557
Senior Outreach Program	\$173,523	\$174,113	\$133,112	\$98,777	\$122,192
Student Nursing Preceptorship	\$965,052	\$1,044,000	\$859,464	\$813,819	\$4,999,320
Supervision and Preceptoring of Dietetic Interns	-	-	\$33,843	-	-
Tattoo Removal Program	-	-	-	\$56,242	\$83,352

Source: Providence Saint Joseph Medical Center

Note: The cost of community benefit programs reflects direct and indirect expenses

Saint Joseph Medical Center's community benefit services have supported many programs for the community that includes various outreach efforts targeting the poor and vulnerable by providing financial support of community organizations, mobile health services, and others as described below²²:

- Access to Care: Offers free assistance to uninsured individuals and families accessing healthcare services and community resources;
- Beyond 50 Program: Administers health and wellness programs for community members over age 50;

²² The following community benefit programs and services merged into the Preceptorships program: Clinical Pastoral Education, Student Nursing Preceptorships, and Supervision and Preceptoring of Dietetic Interns.

- Cardiac Rehabilitation and Fitness Program: Provides cardiac fitness exercise and education to patients at risk for coronary disease;
- Center for Community Health Improvement: Provides oversight and administration of community outreach programs and activities;
- Faith Community Health Partnership: Supports parish nurses in developing health and wellness programs designed to meet the needs of their congregations and with particular emphasis on using trained volunteer promotoras in the delivery of services;
- Financial Support for Leeza's Care Connection: Provides financial support and physical space for Leeza's Care Connection, a community gathering place and resource center that provides free support services, resources, and programs for family caregivers taking care of an individual with a memory disorder or any chronic and/or progressive illness;
- Financial Support of Community Organizations: Offers cash and in-kind donations to nonprofit community organizations promoting healthy living and/or outreach to vulnerable populations;
- Health Resource Center: Facilitates health insurance outreach and enrollment, and provides access to Providence support groups;
- Home Health Services: Provides home health services for uninsured, low-income patients, including well-child visits for newborns;
- Laboratory Services to Samuel Dixon Clinic Patients: Provides free laboratory services to patients of the Samuel Dixon Clinic, a low-cost primary care clinic;
- Latino Health Promoter Program: Provides education, resource referral, and health screenings to underserved communities within schools and other community settings;
- Maternal Child Outreach and Education: Coordinates free parenting and maternal child classes for the community;
- Medical Library Services for Students & Community: Provides information and research services to physicians, students, and other health professionals in training;
- Mental Health Outreach: Identifies adults in need of mental health treatment and other related healthcare services and refers them to a contracting agency for services;
- Mother Joseph Fund: Provides financial support for community outreach activities targeting the poor and vulnerable;

- Operational Excellence Community Outreach Program: Develops collaborative relationships between various community organizations by, providing support to vulnerable and underserved individuals;
- Patient Transportation Program: Provides shuttle services to Saint Joseph Medical Center for patients without transportation;
- Providence Mobile Health Program: Administers medical assessments and screenings for chronic conditions and wellness visits for adults;
- School Nurse Outreach Program: Provides school nursing support for local private schools that includes vision, hearing, and scoliosis screenings;
- Senior Outreach Program: Offers support to frail, home-bound seniors that includes transportation to medical appointments, friendly visiting, and counseling; and
- Tattoo Removal Program: Operates an outpatient clinic to remove tattoos and provides outreach education on violence prevention in exchange for community service and/or job training.

ANALYSIS OF PROVIDENCE SAINT JOSEPH MEDICAL CENTER'S SERVICE AREA

Service Area Definition

Based upon Saint Joseph Medical Center's 2014 inpatient discharges, Saint Joseph Medical Center's service area is comprised of 37 ZIP Codes from which 78% of its inpatient discharges originated. Approximately 52% of Saint Joseph Medical Center's discharges originated from the top ten ZIP Codes that are located in Burbank, North Hollywood, Sun Valley, Valley Village, and Studio City. In 2014, Saint Joseph Medical Center's market share in the service area was approximately 12% based on total area discharges.

SERVICE AREA PATIENT ORIGIN MARKET SHARE BY ZIP CODE: 2014						
ZIP Codes	Community	Total Discharges	% of Discharges	Cumulative % of Discharges	Total Area Discharges	Market Share
91505	Burbank	1,376	8.2%	8.2%	2,636	52.2%
91606	North Hollywood	1,074	6.4%	14.5%	4,506	23.8%
91601	North Hollywood	1,019	6.0%	20.6%	3,112	32.7%
91504	Burbank	905	5.4%	25.9%	2,022	44.8%
91506	Burbank	824	4.9%	30.8%	1,702	48.4%
91352	Sun Valley	773	4.6%	35.4%	4,586	16.9%
91605	North Hollywood	736	4.4%	39.8%	5,448	13.5%
91607	Valley Village	709	4.2%	44.0%	2,895	24.5%
91501	Burbank	692	4.1%	48.1%	1,595	43.4%
91604	Studio City	637	3.8%	51.9%	2,638	24.1%
91201	Glendale	536	3.2%	55.0%	2,563	20.9%
91502	Burbank	487	2.9%	57.9%	1,235	39.4%
91602	North Hollywood	477	2.8%	60.8%	1,226	38.9%
91423	Sherman Oaks	273	1.6%	62.4%	2,601	10.5%
91401	Van Nuys	272	1.6%	64.0%	4,753	5.7%
91331	Pacoima	250	1.5%	65.5%	8,828	2.8%
90068	Los Angeles	206	1.2%	66.7%	1,482	13.9%
91402	Panorama City	196	1.2%	67.8%	6,828	2.9%
91342	Sylmar	190	1.1%	69.0%	9,017	2.1%
91405	Van Nuys	189	1.1%	70.1%	5,335	3.5%
91202	Glendale	183	1.1%	71.2%	2,261	8.1%
91040	Sunland	164	1.0%	72.2%	2,209	7.4%
91343	North Hills	129	0.8%	72.9%	5,297	2.4%
91406	Van Nuys	125	0.7%	73.7%	4,863	2.6%
91344	Granada Hills	124	0.7%	74.4%	4,756	2.6%
91042	Tujunga	114	0.7%	75.1%	2,968	3.8%
90027	Los Angeles	88	0.5%	75.6%	4,433	2.0%
91411	Van Nuys	76	0.5%	76.0%	2,590	2.9%
91207	Glendale	66	0.4%	76.4%	1,072	6.2%
91214	La Crescenta	62	0.4%	76.8%	2,360	2.6%
91208	Glendale	58	0.3%	77.1%	1,440	4.0%
91345	Mission Hills	43	0.3%	77.4%	1,809	2.4%
91340	San Fernando	40	0.2%	77.6%	2,937	1.4%
91510	Burbank	18	0.1%	77.7%	46	39.1%
91610	Toluca Lake	8	0.0%	77.8%	16	50.0%
91617	Valley Village	7	0.0%	77.8%	19	36.8%
91507	Burbank	7	0.0%	77.9%	23	30.4%
Subtotal		13,133	77.9%	77.9%	114,107	11.5%
Other ZIPs		3,731	22.1%	100%		
Total		16,864	100%			

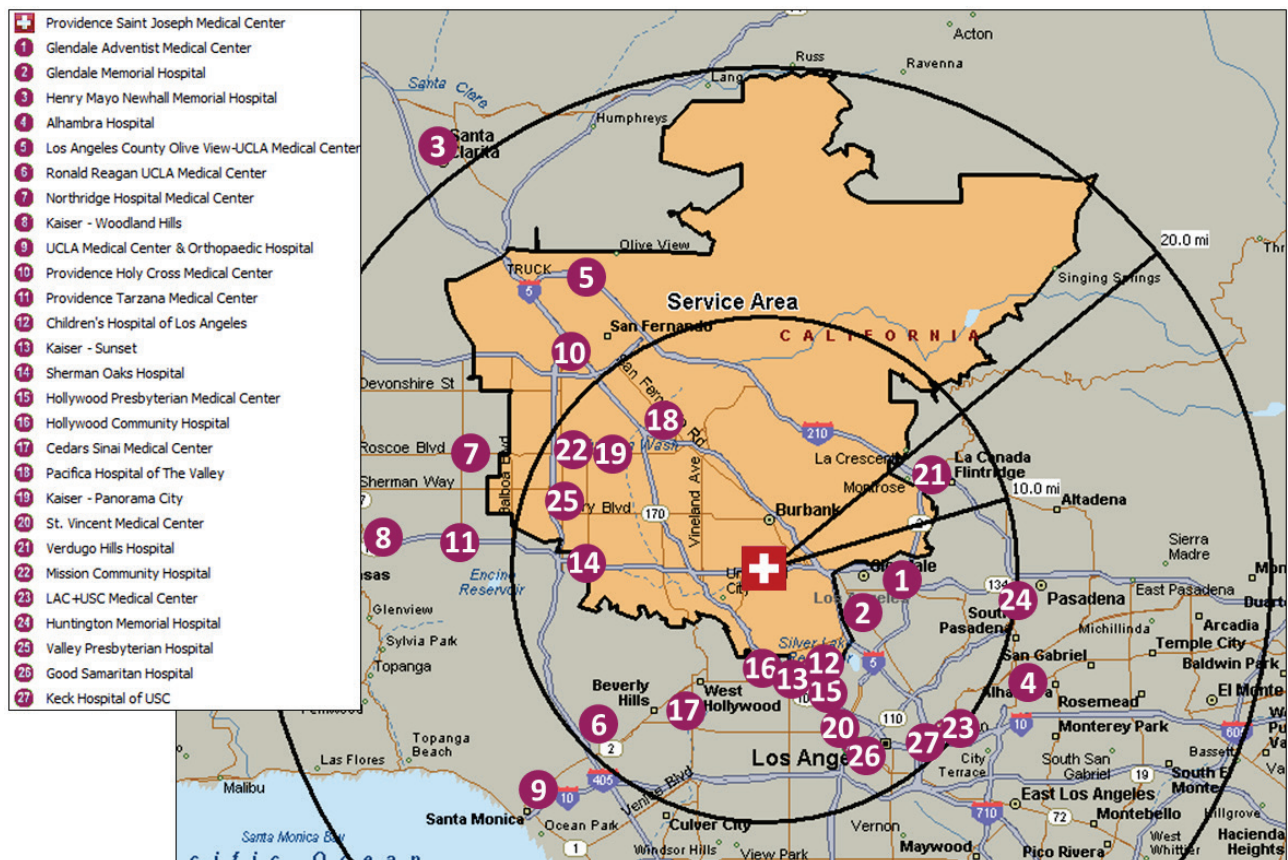
Note: Excludes normal newborns

Source: OSHPD Patient Discharge Database

Service Area Map

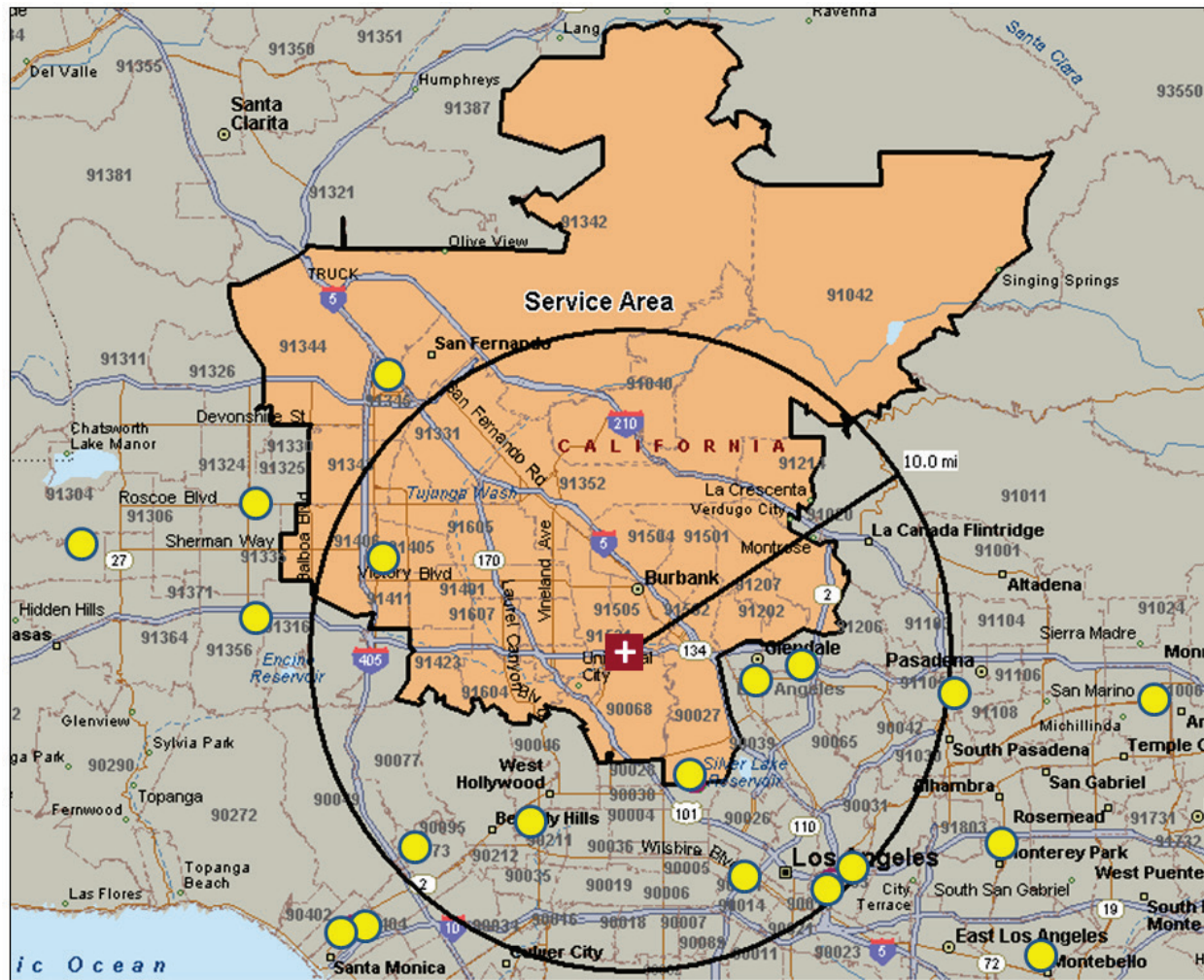
Saint Joseph Medical Center's service area, with approximately 1.3 million residents, includes the communities of Burbank, North Hollywood, Sun Valley, Valley Village, Studio City, Glendale, Sherman Oaks, Van Nuys, Pacoima, Los Angeles, Panorama City, Sylmar, Sunland, North Hills, Granada Hills, Tujunga, La Crescenta, Mission Hills, San Fernando, Toluca Lake, and Valley Village.

There are ten other hospitals located within Saint Joseph Medical Center's service area: Holy Cross Medical Center, Hollywood Presbyterian Medical Center, Children's Hospital of Los Angeles, Kaiser Foundation Hospitals-Sunset, Valley Presbyterian Hospital, Mission Community Hospital, Kaiser Foundation Hospitals-Panorama City, Pacifica Hospital of the Valley, USC Verdugo Hills Hospital, and Olive View-UCLA Medical Center. There are seven other hospitals located just outside of the service area that provide care to the service area population: Glendale Adventist Medical Center, Glendale Memorial Hospital, Hollywood Community Hospital, Tarzana Medical Center, Northridge Hospital Medical Center, Cedars Sinai Medical Center, and Sherman Oaks Hospital. Saint Joseph Medical Center is the inpatient market share leader in the service area.



Service Area STEMI Receiving Centers

Saint Joseph Medical Center is one of four STEMI Receiving Centers within its service area and is an important provider of percutaneous coronary intervention treatment services for service area residents experiencing an acute heart attack.



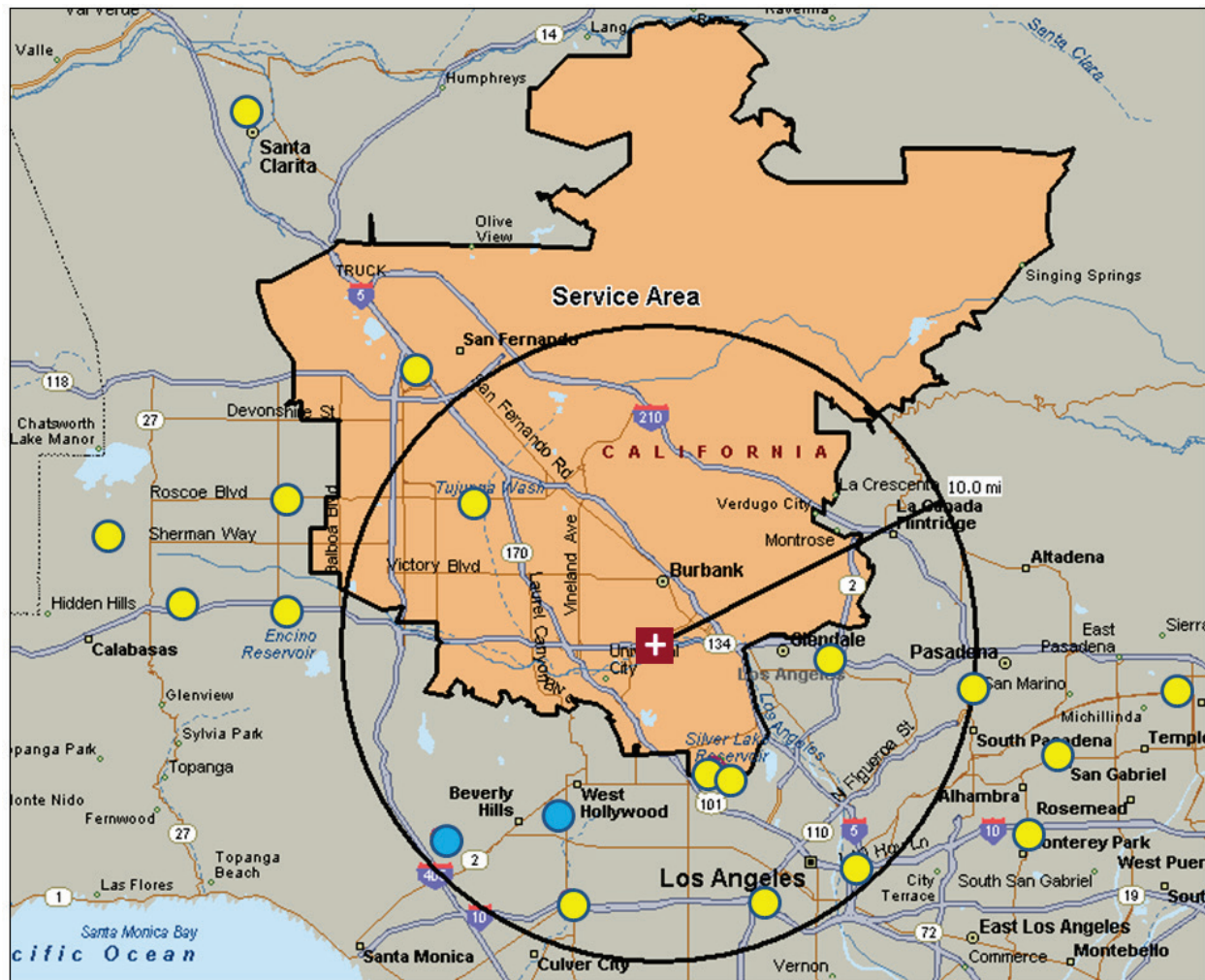
 = Providence Saint Joseph Medical Center

 = Service Area

 = STEMI Receiving Center

Service Area Certified Stroke Centers

Saint Joseph Medical Center is one of five stroke centers in its service area. The remaining four include: Holy Cross Medical Center, Hollywood Presbyterian Medical Center, Kaiser Foundation Hospitals-Panorama City, and Kaiser Foundation Hospitals-Los Angeles.



- + = Providence Saint Joseph Medical Center
- = Service Area
- = Primary Stroke Center
- = Comprehensive Stroke Center

Demographic Profile

Saint Joseph Medical Center's service area population is expected to grow 2.4% over the next five years. This is similar to the expected growth for Los Angeles County (2.5%) but lower than the expected growth for the State of California (3.7%).

SERVICE AREA POPULATION STATISTICS			
2015-2020			
	2015 Estimate	2020 Projection	% Change
Total Population	1,236,249	1,265,859	2.4%
Households	416,668	426,751	2.4%
Percentage Female	50.3%	50.2%	-

Source: Esri

The median age of the population of Saint Joseph Medical Center's service area is 36 years and is slightly higher than the statewide median age of 35.7 years. The percentage of adults over the age of 65 years old is the fastest growing age cohort and is forecasted to increase approximately 17% by 2020. The number of women of child-bearing age is expected to increase by only 0.1% over the next five years.

SERVICE AREA POPULATION AGE DISTRIBUTION: 2015-2020				
	2015 Estimate		2020 Projection	
	Population	% of Total	Population	% of Total
Age 0-14	227,068	18.4%	224,783	17.8%
Age 15-44	550,581	44.5%	553,743	43.7%
Age 45-64	312,955	25.3%	317,589	25.1%
Age 65+	145,645	11.8%	169,744	13.4%
Total	1,236,249	100%	1,265,859	100%
Female 15-44	269,949	21.8%	270,295	21.4%
Median Age	36.0	-	37.0	-

Source: Esri

The largest population cohorts in Saint Joseph Medical Center's service area are White (50%), Asian or Pacific Islander (23%), and Some Other Race (20%). Approximately 44% of the service area population is of Hispanic ethnicity. This is greater than the Los Angeles County Hispanic ethnic population (39%) but less than the State of California Hispanic ethnic population (49%).

SERVICE AREA POPULATION RACE/ETHNICITY: 2015-2020		
	2015	2020
White	50.2%	48.3%
Black	1.9%	2.0%
American Indian	0.7%	0.6%
Asian or Pacific Islander	22.9%	24.3%
Some Other Race	20.0%	20.3%
Two or More Races	4.3%	4.5%
Total	100%	100%
Hispanic Ethnicity	44.0%	44.9%
Non-Hispanic or Latino	56.0%	55.1%
Total	100%	100%

Source: Esri

Saint Joseph Medical Center's service area has an average household income of \$94,357. This is 13% higher than the average for Los Angeles County (\$82,066) and 8% higher than the State of California average (\$87,152). The percentage of high-income households (\$150,000+) is growing at an identical rate (17%) as that for Los Angeles County, but a lower rate than that of the State of California (19%).

SERVICE AREA POPULATION HOUSEHOLD INCOME DISTRIBUTION: 2015-2020						
Annual Income	2015 Estimate			2020 Estimate		
	Service Area	Los Angeles County	California	Service Area	Los Angeles County	California
\$0 - \$15,000	8.0%	13.2%	11.1%	7.1%	12.2%	10.3%
\$15 - \$24,999	7.6%	10.2%	9.0%	5.4%	7.6%	6.6%
\$25 - \$34,999	8.2%	9.9%	9.3%	6.7%	8.4%	7.7%
\$35 - \$49,999	11.3%	12.5%	12.2%	10.2%	11.7%	11.3%
\$50 - \$74,999	17.5%	16.7%	16.5%	16.5%	16.3%	15.9%
\$75 - \$99,999	14.3%	11.3%	12.3%	15.9%	13.1%	14.2%
\$100 - \$149,999	17.3%	13.1%	14.9%	19.6%	15.0%	16.6%
\$150,000+	15.9%	13.3%	14.6%	18.6%	15.5%	17.4%
Total	100%	100%	100%	100%	100%	100%
Average Household Income	\$94,357	\$82,066	\$87,152	\$107,236	\$94,026	\$99,512

Source: Esri

2013 Community Health Needs Assessment

In an effort to understand the communities served by Saint Joseph Medical Center, their most critical healthcare needs, and the resources available to meet those needs, Saint Joseph Medical Center conducts a Community Health Needs Assessment every three years. Saint Joseph Medical Center's most recent 2013 assessment incorporated primary data collected through interviews, focus groups and surveys conducted by the Valley Care Community Consortium, and it incorporated secondary data that included a variety of studies and reports compiled by numerous organizations at the local, state and national levels. Communities and ZIP Codes included in Saint Joseph Medical Center's assessment include:

ZIP Code	Community	ZIP Code	Community
91011	La Canada-Flintridge	91403	Sherman Oaks
91020	Montrose	91423	Sherman Oaks
91040	Sunland	91501	Burbank
91042	Tujunga	91502	Burbank
91201	Glendale	91504	Burbank
91202	Glendale	91505	Burbank
91203	Glendale	91506	Burbank
91204	Glendale	91604	Studio City
91205	Glendale	91601	North Hollywood
91206	Glendale	91602	North Hollywood
91207	Glendale	91605	North Hollywood
91208	Glendale	91606	North Hollywood
91214	La Crescenta	91607	Valley Village
91352	Sun Valley	-	-

Based on feedback from community stakeholders the following five priorities, in order of priority, were identified as the most important healthcare needs:

- Affordable and expanded services for a growing senior population;
- Access to affordable primary and specialty care;
- Expanded primary care capacity;
- Access to affordable mental health services;
- Coordination of existing programs and services that are culturally and language appropriate; and
- Heart disease, hypertension, diabetes, and cancer screening and prevention programs.

Hospital Supply, Demand & Market Share

There are 11 general acute care hospitals within the defined service area. In FY 2014, the service area hospitals had a combined total of 3,726 licensed beds and an aggregate occupancy rate of 56%. Saint Joseph Medical Center had 426 licensed beds that operated at an occupancy rate approximately 48%. Furthermore, Saint Joseph Medical Center was responsible for nearly 12% of the service area discharges and approximately 10% of the patient days. While OSHPD reported 426 licensed beds at Saint Joseph Medical Center in FY 2014, Saint Joseph Medical Center is currently licensed for 446 beds²³ (this includes 54 skilled nursing beds that are currently in suspense).

An analysis of the services offered by Saint Joseph Medical Center in comparison to services offered by other providers is shown on the following pages. The hospitals shown in the table below were analyzed to determine area hospital available bed capacity by service.

AREA HOSPITAL DATA FY 2014									
Hospital	Ownership/Affiliation	City	Within Service Area	Licensed Beds	Discharges	Patient Days	Occupied Beds	Percent Occupied	Miles from Hospital
Saint Joseph Medical Center	Providence Health & Services	Burbank	X	426	17,049	74,980	205	48.2%	-
Kaiser Foundation Hospitals - Los Angeles	Kaiser Foundation Hospitals	Los Angeles	X	464	25,563	124,070	340	73.3%	7.2
Hollywood Presbyterian Medical Center	CHA Hollywood Presbyterian Med Ctr, LP	Los Angeles	X	434	12,995	83,642	229	52.8%	7.2
Pacifica Hospital of the Valley	Pacifica of the Valley Corporation	Sun Valley	X	231	5,105	50,637	139	60.1%	7.4
Children's Hospital of Los Angeles	Children's Hospital of Los Angeles	Los Angeles	X	568	14,604	100,954	277	48.7%	7.4
Kaiser Foundation Hospitals - Panorama City	Kaiser Foundation Hospitals	Panorama City	X	218	9,460	32,896	90	41.3%	9.6
Valley Presbyterian Hospital	Valley Presbyterian Hospital	Van Nuys	X	350	15,265	66,745	183	52.2%	10.0
USC Verdugo Hills Hospital	USC Verdugo Hills Hospital	Glendale	X	158	5,506	26,257	72	45.5%	10.3
Mission Community Hospital	Deanco Healthcare, LLC	Panorama City	X	145	8,184	42,948	118	81.1%	11.1
Holy Cross Medical Center	Providence Health and Services	Mission Hills	X	377	17,007	90,353	248	65.7%	14.0
LA County Olive View - UCLA Medical Center	Los Angeles County	Sylmar	X	355	12,633	67,482	185	52.1%	19.5
SUB-TOTAL				3,726	143,371	760,964	2,085	56.0%	
Southern California Hospital at Hollywood	Alta Hospitals Systems, LLC	Hollywood		565	17,653	114,403	313	55.5%	5.6
Glendale Memorial Hospital and Health Center	Dignity Health	Glendale		334	9,849	50,271	138	41.2%	6.0
Glendale Adventist Medical Center	Adventist Health	Glendale		515	19,665	101,216	277	53.8%	6.2
Sherman Oaks Hospital	Prime Healthcare Svcs Foundation, Inc	Sherman Oaks		153	6,027	30,604	84	54.8%	7.6
Cedars-Sinai Medical Center	Cedars-Sinai Medical Center	Los Angeles		886	45,343	234,271	642	72.4%	9.0
LAC+USC Medical Center	County of LA - Dept of Health Services	Los Angeles		676	31,067	194,088	532	78.7%	11.1
Huntington Memorial Hospital	Pasadena Hospital Association	Pasadena		548	25,491	113,188	310	56.6%	11.6
Tarzana Medical Center	Providence Health & Services	Tarzana		249	13,461	58,776	161	64.7%	12.7
Northridge Hospital Medical Center	Dignity Health	Northridge		409	14,471	64,161	176	43.0%	15.7
Kaiser Foundation Hospitals - Woodland Hills	Kaiser Foundation Hospitals	Woodland Hills		262	10,874	40,528	111	42.4%	16.0
Ronald Reagan UCLA Medical Center	Regents of the University of California	Los Angeles		466	23,453	165,333	453	97.2%	17.4
TOTAL				8,789	360,725	1,927,803	5,282	60.1%	

Source: OSHPD Disclosure Reports, 2014; Google

²³ Saint Joseph Medical Center's current hospital license is included in the Appendix.

Hospital Market Share

The table below illustrates service area hospital inpatient market share from 2012 to 2014:

MARKET SHARE BY HOSPITAL: 2012-2014				
Hospital	2012	2013	2014	Trend
Saint Joseph Medical Center	12.0%	12.1%	11.5%	↘
Holy Cross Medical Center	10.4%	10.2%	10.6%	↔
Valley Presbyterian Hospital	10.2%	10.3%	10.1%	↔
Los Angeles County Olive View-UCLA Medical Center	6.9%	6.6%	6.5%	↔
Glendale Adventist Medical Center	5.6%	5.8%	5.7%	↔
Kaiser Foundation Hospital - Panorama City	6.3%	6.1%	5.3%	↘
Mission Community Hospital - Panorama Campus	3.5%	4.0%	4.0%	↔
Cedars Sinai Medical Center	4.0%	4.0%	3.9%	↔
Sherman Oaks Hospital	2.4%	2.5%	3.2%	↗
Northridge Hospital Medical Center	3.6%	3.1%	3.0%	↘
Other Discharges	35.0%	35.3%	36.1%	↗
Total Percentage	100%	100%	100%	
Total Discharges	117,662	115,172	114,107	↘

Note: Excludes normal newborns

Source: OSHPD Patient Discharge Database

- The number of discharges in the Saint Joseph Medical Center's service area decreased by over 3% between 2012 and 2014; and
- Saint Joseph Medical Center has consistently been the market share leader for its service area based on discharges (approximately 12% in 2014). Holy Cross Medical Center ranked second in inpatient discharges with 11% market share in 2014.

Market Share by Payer Type

The following table illustrates hospital market share by payer category for 2014:

MARKET SHARE BY PAYER TYPE: 2014											
Payer Type	Total Discharges	Saint Joseph Medical Center	Holy Cross Medical Center	Valley Presbyterian Hospital	Los Angeles County Olive View-UCLA Medical Center	Glendale Adventist Medical Center	Kaiser Foundation Hospital - Panorama City	Mission Community Hospital - Panorama Campus	Cedars Sinai Medical Center	All Others	Total
Medicare	39,232	14.8%	12.3%	6.1%	2.1%	7.2%	6.2%	5.4%	3.4%	42.5%	100%
Medi-Cal	36,034	8.9%	11.4%	9.8%	16.5%	4.7%	1.3%	4.8%	1.0%	41.6%	100%
Private Coverage	33,269	10.9%	7.2%	16.1%	0.2%	5.3%	9.1%	1.6%	7.8%	41.7%	100%
All Other	2,931	6.7%	6.7%	3.0%	17.7%	5.0%	0.2%	1.7%	2.4%	56.6%	100%
Self Pay	2,641	11.0%	20.4%	6.9%	3.0%	4.9%	4.6%	4.4%	1.9%	43.0%	100%
Total Percentage		11.5%	10.6%	10.1%	6.5%	5.7%	5.3%	4.0%	3.9%	42.3%	100%
Total Discharges	114,107	13,133	12,050	11,572	7,444	6,549	6,072	4,561	4,430	48,296	

Note: Excludes normal newborns

Source: OSHPD Patient Discharge Database

- The largest categories of service area inpatient discharges are comprised of Medicare at approximately 39,200 discharges (34%), Medi-Cal at nearly 36,000 discharges (32%), and Private Coverage at approximately 33,300 discharges (29%):
- Saint Joseph Medical Center is the market share leader for Medicare with 15% market share;
- Holy Cross Medical Center is market share leader in Self-Pay (20%) and Los Angeles County Olive View-UCLA Medical Center is market share leader in Medi-Cal (17%); and
- Saint Joseph Medical Center provides care to a small proportion of Medi-Cal patients with a 9% market share.

Market Share by Service Line

The following table illustrates service area hospital market share by service line for 2014:

MARKET SHARE BY SERVICE LINE: 2014											
Service Line	Total Discharges	Saint Joseph Medical Center	Holy Cross Medical Center	Valley Presbyterian Hospital	Los Angeles County Olive View-UCLA Medical Center	Glendale Adventist Medical Center	Kaiser Foundation Hospital - Panorama City	Mission Community Hospital - Panorama Campus	Cedars Sinai Medical Center	All Others	Total
General Medicine	34,542	12.0%	11.0%	10.2%	8.1%	4.9%	5.9%	5.2%	2.3%	40.5%	100%
Obstetrics	16,374	13.1%	15.8%	19.8%	2.8%	5.6%	8.3%	0.0%	6.0%	28.4%	100%
Cardiac Services	12,838	12.5%	11.0%	10.6%	9.5%	7.9%	3.9%	3.3%	2.7%	38.6%	100%
Behavioral Health	10,558	0.6%	0.5%	0.5%	3.2%	7.4%	0.2%	14.3%	0.1%	73.0%	100%
General Surgery	8,425	14.2%	10.7%	8.5%	10.0%	3.9%	4.8%	1.5%	5.4%	41.0%	100%
Orthopedics	6,125	11.8%	10.7%	6.3%	1.9%	5.9%	10.7%	2.3%	5.6%	44.9%	100%
Neurology	4,830	16.3%	10.5%	9.4%	6.0%	4.7%	4.1%	4.1%	2.7%	42.2%	100%
Neonatology	4,218	12.1%	12.0%	16.3%	4.6%	4.1%	9.6%	0.0%	10.9%	30.6%	100%
Oncology/Hematology (Medical)	3,553	10.9%	11.0%	7.3%	11.8%	5.5%	3.4%	2.9%	3.7%	43.4%	100%
Spine	2,005	12.4%	7.0%	5.5%	0.8%	7.9%	0.3%	3.4%	9.7%	52.9%	100%
Gynecology	1,929	13.9%	9.3%	5.8%	13.7%	5.5%	4.7%	1.1%	6.2%	39.8%	100%
Vascular Services	1,684	17.0%	11.3%	9.1%	4.8%	6.8%	3.8%	2.6%	3.6%	41.2%	100%
Urology	1,622	13.9%	9.1%	5.9%	8.1%	6.2%	3.3%	2.6%	6.4%	44.6%	100%
Other	1,559	10.7%	16.2%	4.2%	3.0%	3.8%	4.0%	1.3%	6.4%	50.4%	100%
ENT	1,412	6.1%	8.1%	10.2%	12.3%	4.1%	2.9%	1.6%	3.3%	51.4%	100%
Rehabilitation	1,334	12.6%	7.6%	12.5%	0.0%	16.1%	0.0%	0.0%	5.4%	45.7%	100%
Neurosurgery	770	16.4%	11.8%	2.5%	0.8%	5.3%	0.8%	1.3%	7.0%	54.2%	100%
<All others>	329	4.3%	10.0%	4.6%	15.8%	4.0%	7.0%	2.4%	6.7%	45.3%	100%
Total Percentage		11.5%	10.6%	10.1%	6.5%	5.7%	5.3%	4.0%	3.9%	42.3%	100%
Total Discharges	114,107	13,133	12,050	11,572	7,444	6,549	6,072	4,561	4,430	48,296	

Note: Excludes normal newborns

Source: OSHPD Patient Discharge Database

- Saint Joseph Medical Center is the service line leader in ten of 16 service lines: general medicine (12%), cardiac services (13%), general surgery (14%), orthopedics (12%), neurology (16%), spine (12%), gynecology (14%), vascular services (17%), urology (14%), and neurosurgery (16%);
- Saint Joseph Medical Center also has a significant service line market share in obstetrics (13%), neonatology (12%), oncology/hematology (11%), and rehabilitation (13%);
- Valley Presbyterian Hospital is the market share leader for two service lines: obstetrics (20%) and neonatology (16%); and
- Los Angeles County Olive View-UCLA Medical Center has the highest market share in oncology/hematology (12%) and in ear, nose, and throat (12%).

Market Share by ZIP Code

The following table illustrates service area hospital market share by ZIP Code for 2014:

MARKET SHARE BY ZIP CODE: 2014												
ZIP Code	Community	Total Discharges	Saint Joseph Medical Center	Holy Cross Medical Center	Valley Presbyterian Hospital	Los Angeles County Olive View-UCLA Medical Center	Glendale Adventist Medical Center	Kaiser Foundation Hospital - Panorama City	Mission Community Hospital - Panorama Campus	Cedars Sinai Medical Center	All Others	Total
91342	Sylmar	9,017	2.1%	31.7%	5.5%	14.5%	1.4%	8.4%	3.7%	0.7%	32.0%	100%
91331	Pacoima	8,828	2.8%	28.1%	9.8%	14.2%	1.0%	8.6%	3.3%	0.8%	31.4%	100%
91402	Panorama City	6,828	2.9%	9.0%	19.7%	10.4%	1.4%	7.6%	18.9%	1.0%	29.0%	100%
91605	North Hollywood	5,448	13.5%	4.6%	17.9%	8.3%	2.9%	7.8%	4.7%	2.3%	38.0%	100%
91405	Van Nuys	5,335	3.5%	3.5%	37.1%	7.1%	1.6%	5.1%	5.2%	2.5%	34.3%	100%
91343	North Hills	5,297	2.4%	14.7%	17.4%	7.8%	0.7%	7.2%	10.4%	1.9%	37.5%	100%
91406	Van Nuys	4,863	2.6%	4.9%	25.1%	6.5%	0.7%	3.8%	4.4%	2.5%	49.5%	100%
91344	Granada Hills	4,756	2.6%	33.0%	4.0%	4.2%	1.8%	7.1%	2.7%	2.6%	41.9%	100%
91401	Van Nuys	4,753	5.7%	1.5%	16.9%	3.4%	2.0%	3.9%	2.2%	3.7%	60.7%	100%
91352	Sun Valley	4,586	16.9%	9.0%	9.4%	8.0%	4.0%	7.2%	1.9%	1.4%	42.3%	100%
91606	North Hollywood	4,506	23.8%	2.6%	11.9%	6.1%	2.9%	5.6%	5.5%	3.5%	38.1%	100%
90027	Los Angeles	4,433	2.0%	0.1%	0.2%	0.8%	6.1%	0.1%	0.4%	8.7%	81.5%	100%
91601	North Hollywood	3,112	32.7%	1.5%	5.5%	5.1%	4.2%	5.3%	2.0%	6.3%	37.3%	100%
91042	Tujunga	2,968	3.8%	2.6%	1.2%	4.6%	19.8%	3.8%	1.5%	1.5%	61.1%	100%
91340	San Fernando	2,937	1.4%	41.7%	6.5%	15.8%	0.4%	7.3%	2.0%	0.5%	24.4%	100%
91607	Valley Village	2,895	24.5%	1.4%	5.1%	1.9%	2.8%	5.7%	1.8%	10.9%	46.0%	100%
91604	Studio City	2,638	24.1%	0.6%	1.9%	0.9%	1.9%	2.7%	1.3%	17.8%	48.9%	100%
91505	Burbank	2,636	52.2%	1.0%	1.1%	2.0%	5.0%	3.5%	0.7%	5.0%	29.6%	100%
91423	Sherman Oaks	2,601	10.5%	1.2%	5.5%	1.9%	1.9%	3.5%	1.6%	12.7%	61.2%	100%
91411	Van Nuys	2,590	2.9%	2.4%	29.7%	4.7%	0.9%	4.4%	6.4%	3.9%	44.6%	100%
91201	Glendale	2,563	20.9%	0.7%	0.6%	1.5%	27.3%	1.1%	1.2%	2.6%	44.1%	100%
91214	La Crescenta	2,360	2.6%	0.3%	0.4%	1.2%	19.5%	2.0%	0.2%	2.2%	71.5%	100%
91202	Glendale	2,261	8.1%	0.1%	0.4%	1.4%	41.3%	0.3%	0.2%	2.3%	45.8%	100%
91040	Sunland	2,209	7.4%	3.8%	1.1%	5.4%	14.7%	5.7%	1.4%	1.5%	58.9%	100%
91504	Burbank	2,022	44.8%	1.5%	1.1%	2.6%	8.9%	3.8%	0.6%	4.5%	32.2%	100%
91345	Mission Hills	1,809	2.4%	39.5%	5.9%	6.0%	0.7%	9.2%	7.1%	1.2%	28.1%	100%
91506	Burbank	1,702	48.4%	1.2%	1.1%	2.0%	6.6%	2.4%	1.2%	3.1%	34.0%	100%
91501	Burbank	1,595	43.4%	0.8%	0.8%	1.4%	14.9%	2.5%	1.1%	3.2%	31.9%	100%
90068	Los Angeles	1,482	13.9%	0.3%	0.6%	0.1%	2.4%	0.7%	0.2%	36.5%	45.3%	100%
91208	Glendale	1,440	4.0%	0.0%	0.0%	0.7%	29.7%	0.6%	0.0%	2.2%	62.9%	100%
91502	Burbank	1,235	39.4%	1.1%	1.1%	3.3%	15.5%	1.7%	0.9%	3.0%	33.8%	100%
91602	North Hollywood	1,226	38.9%	1.3%	1.5%	1.7%	3.9%	3.8%	1.1%	13.9%	33.9%	100%
91207	Glendale	1,072	6.2%	0.6%	0.1%	0.4%	39.3%	1.0%	0.1%	3.1%	49.3%	100%
91510	Burbank	46	39.1%	4.3%	2.2%	4.3%	6.5%	0.0%	0.0%	10.9%	32.6%	100%
91507	Burbank	23	30.4%	4.3%	4.3%	0.0%	4.3%	0.0%	0.0%	4.3%	52.2%	100%
91617	Valley Village	19	36.8%	0.0%	0.0%	0.0%	0.0%	5.3%	0.0%	21.1%	36.8%	100%
91610	Toluca Lake	16	50.0%	0.0%	6.3%	0.0%	6.3%	6.3%	6.3%	6.3%	18.8%	100%
Total Percentage			11.5%	10.6%	10.1%	6.5%	5.7%	5.3%	4.0%	3.9%	42.3%	100%
Total Discharges			114,107	13,133	12,050	11,572	7,444	6,549	6,072	4,561	4,430	48,296

Note: Excludes normal newborns

Source: OSHPD Patient Discharge Database

- Saint Joseph Medical Center is the market share leader in 15 of the service area ZIP Codes. In five of these ZIP Codes, represented by Burbank and Toluca Lake, Saint Joseph Medical Center had over 40% of the market share in 2014;
- Valley Presbyterian Hospital is the market share leader in the communities of Panorama City, North Hollywood, Van Nuys, and North Hills; and
- Holy Cross Medical Center is the market share leader in five service area ZIP Codes located in the communities of Sylmar, Pacoima, Granada Hills, San Fernando, and Mission Hills.

Service Availability by Bed Type

Using FY 2014 data, the tables on the following pages show Saint Joseph Medical Center's existing hospital bed capacity, occupancy, and availability for medical/surgical, intensive/coronary care, obstetrics, neonatal intensive care, rehabilitation, and emergency services.

Medical/Surgical Capacity Analysis

The medical/surgical beds within Saint Joseph Medical Center's service area operated at an overall occupancy rate of 55%. Saint Joseph Medical Center's 249 licensed medical/surgical beds²⁴ represented nearly 16% of the beds in this category for the service area.

MEDICAL/SURGICAL BEDS FY 2014							
Hospital	Miles from Hospital	Within Service Area	Licensed Beds	Discharges	Patient Days	Average Daily Census	Percent Occupied
Saint Joseph Medical Center	-	X	249	13,025	49,300	135	54.2%
Kaiser Foundation Hospitals - Los Angeles	7.2	X	192	14,626	57,209	157	81.6%
Hollywood Presbyterian Medical Center	7.2	X	176	5,295	16,105	44	25.1%
Pacifica Hospital of the Valley	7.4	X	48	2,760	7,504	21	42.8%
Children's Hospital of Los Angeles	7.4	X	-	-	-	-	-
Kaiser Foundation Hospitals - Panorama City	9.6	X	128	6,723	21,320	58	45.6%
Valley Presbyterian Hospital	10.0	X	188	8,897	38,081	104	55.5%
USC Verdugo Hills Hospital	10.3	X	84	3,150	9,950	27	32.5%
Mission Community Hospital	11.1	X	75	4,462	20,143	55	73.6%
Holy Cross Medical Center	14.0	X	245	12,684	52,162	143	58.3%
LA County Olive View - UCLA Medical Center	19.5	X	200	10,444	46,611	128	63.9%
SUB-TOTAL			1,585	82,066	318,385	872	55.0%
Southern California Hospital at Hollywood	5.6		337	10,103	49,296	135	40.1%
Glendale Memorial Hospital and Health Center	6.0		118	3,709	19,337	53	44.9%
Glendale Adventist Medical Center	6.2		143	6,264	22,796	62	43.7%
Sherman Oaks Hospital	7.6		96	4,717	15,635	43	44.6%
Cedars-Sinai Medical Center	9.0		383	26,437	119,302	327	85.3%
LAC+USC Medical Center	11.1		310	20,791	103,263	283	91.3%
Huntington Memorial Hospital	11.6		301	18,093	69,871	191	63.6%
Tarzana Medical Center	12.7		118	6,849	26,874	74	62.4%
Northridge Hospital Medical Center	15.7		144	6,037	19,370	53	36.9%
Kaiser Foundation Hospitals - Woodland Hills	16.0		191	8,486	32,173	88	46.1%
Ronald Reagan UCLA Medical Center	17.4		204	12,310	74,116	203	99.5%
TOTAL			3,930	205,862	870,418	2385	60.7%

Source: OSHPD Disclosure Reports, FY 2014; Google Maps

- Saint Joseph Medical Center reported 13,025 hospital discharges and 49,300 patient days that resulted in an occupancy rate of approximately 54% and an average daily census of 135 patients.

²⁴ Since FY 2014, Saint Joseph Medical Center increased its bed licensure and is currently licensed for 269 medical/surgical beds. Additionally, nine of Saint Joseph Medical Center's 269 medical/surgical beds are currently in suspense.

Intensive Care Unit/Coronary Care Unit Capacity Analysis

There were 335 intensive care unit/coronary care unit beds within the service area that operated at an overall occupancy rate of nearly 59%. Saint Joseph Medical Center had 38 licensed intensive care beds and 16 licensed coronary care beds, with a combined occupancy rate of approximately 53% and an average daily census of 29 patients.

INTENSIVE CARE UNIT/CORONARY CARE UNIT BEDS FY 2014							
Hospital	Miles from Hospital	Within Service Area	Licensed Beds	Discharges	Patient Days	Average Daily Census	Percent Occupied
Saint Joseph Medical Center	-	-	54	744	10,528	29	53.4%
Kaiser Foundation Hospitals - Los Angeles	7.2	X	96	2,816	28,562	78	81.5%
Hollywood Presbyterian Medical Center	7.2	X	36	432	6,360	17	48.4%
Pacifica Hospital of the Valley	7.4	X	7	168	1,923	5	75.3%
Children's Hospital of Los Angeles	7.4	X	-	-	-	-	-
Kaiser Foundation Hospitals - Panorama City	9.6	X	24	158	2,654	7	30.3%
Valley Presbyterian Hospital	10.0	X	30	348	5,416	15	49.5%
USC Verdugo Hills Hospital	10.3	X	12	182	1,944	5	44.4%
Mission Community Hospital	11.1	X	10	144	2,300	6	63.0%
Holy Cross Medical Center	14.0	X	24	401	8,049	22	91.9%
LA County Olive View - UCLA Medical Center	19.5	X	42	275	4,123	11	26.9%
SUB-TOTAL			335	5,668	71,859	197	58.8%
Southern California Hospital at Hollywood	5.6		28	661	7,122	20	69.7%
Glendale Memorial Hospital and Health Center	6.0		24	508	4,183	11	47.8%
Glendale Adventist Medical Center	6.2		52	395	8,498	23	44.8%
Sherman Oaks Hospital	7.6		16	173	2,856	8	48.9%
Cedars-Sinai Medical Center	9.0		118	1,057	25,604	70	59.4%
LAC+USC Medical Center	11.1		120	2,246	32,131	88	73.4%
Huntington Memorial Hospital	11.6		30	373	7,304	20	66.7%
Tarzana Medical Center	12.7		20	496	5,458	15	74.8%
Northridge Hospital Medical Center	15.7		46	317	5,376	15	32.0%
Kaiser Foundation Hospitals - Woodland Hills	16.0		22	284	3,660	10	45.6%
Ronald Reagan UCLA Medical Center	17.4		117	3,325	41,704	114	97.7%
TOTAL			928	15,503	215,755	591	63.7%

Source: OSHPD Disclosure Reports, FY 2014; Google Maps

- Among the service area hospitals, the average daily census was 197 patients based on 71,859 days;
- Saint Joseph Medical Center provided approximately 16% of the service area's intensive care/coronary care beds; and
- Saint Joseph Medical Center accounted for nearly 13% of the service area's intensive care/coronary care discharges.

Obstetrics Capacity Analysis

As shown below, there were 277 obstetric beds located in the service area with an aggregate occupancy rate of 50%. Saint Joseph Medical Center reported 24 licensed obstetric beds with an occupancy rate of 80% and an average daily census of 19 patients.

OBSTETRICS BEDS FY 2014							
Hospital	Miles from Hospital	Within Service Area	Licensed Beds	Discharges	Patient Days	Average Daily Census	Percent Occupied
Saint Joseph Medical Center	-	X	24	2,682	7,020	19	80.1%
Kaiser Foundation Hospitals - Los Angeles	7.2	X	27	2,593	4,402	12	44.7%
Hollywood Presbyterian Medical Center	7.2	X	34	3,843	10,540	29	84.9%
Pacifica Hospital of the Valley	7.4	X	16	399	1,122	3	19.2%
Children's Hospital of Los Angeles	7.4	X	-	-	-	-	-
Kaiser Foundation Hospitals - Panorama City	9.6	X	42	2,348	5,166	14	33.7%
Valley Presbyterian Hospital	10.0	X	58	3,854	9,726	27	45.9%
USC Verdugo Hills Hospital	10.3	X	12	631	1,543	4	35.2%
Mission Community Hospital	11.1	X	-	-	-	-	-
Holy Cross Medical Center	14.0	X	35	3,399	8,614	24	67.4%
LA County Olive View - UCLA Medical Center	19.5	X	29	724	2,471	7	23.3%
SUB-TOTAL			277	20,473	50,604	139	50.1%
Southern California Hospital at Hollywood	5.6		-	-	-	-	-
Glendale Memorial Hospital and Health Center	6.0		24	1,873	5,760	16	65.8%
Glendale Adventist Medical Center	6.2		30	2,364	6,526	18	59.6%
Sherman Oaks Hospital	7.6		-	-	-	-	-
Cedars-Sinai Medical Center	9.0		112	6,007	17,467	48	42.7%
LAC+USC Medical Center	11.1		12	1,272	4,097	11	93.5%
Huntington Memorial Hospital	11.6		56	3,482	10,796	30	52.8%
Tarzana Medical Center	12.7		29	2,226	7,901	22	74.6%
Northridge Hospital Medical Center	15.7		35	1,470	4,288	12	33.6%
Kaiser Foundation Hospitals - Woodland Hills	16.0		24	1,775	2,873	8	32.8%
Ronald Reagan UCLA Medical Center	17.4		17	2,034	5,845	16	94.2%
TOTAL			616	42,976	116,157	318	51.7%

Source: OSHPD Disclosure Reports, FY 2014; Google Maps
All Kaiser facilities have Alternative Birthing Centers

- Saint Joseph Medical Center provided nearly 9% of licensed obstetrics beds within its service area and reported approximately 13% of the service area's 20,473 discharges; and
- Hospitals within the service area had varying levels of occupancy rates ranging from approximately 19% at Pacifica Hospital of the Valley to nearly 85% at Hollywood Presbyterian Medical Center.

Neonatal Intensive Care Capacity Analysis

There were 238 neonatal intensive care beds within the service area that operated at an overall occupancy rate of approximately 58%. Saint Joseph Medical Center had 20 licensed neonatal intensive care beds with an average occupancy rate of nearly 71% and an average daily census of 14 patients.

NEONATAL INTENSIVE CARE BEDS FY 2014							
Hospital	Miles from Hospital	Within Service Area	Licensed Beds	Discharges	Patient Days	Average Daily Census	Percent Occupied
Saint Joseph Medical Center	-	X	20	358	5,156	14	70.6%
Kaiser Foundation Hospitals - Los Angeles	7.2	X	33	376	8,120	22	67.4%
Hollywood Presbyterian Medical Center	7.2	X	15	260	4,192	11	76.6%
Pacifica Hospital of the Valley	7.4	X	-	-	-	-	-
Children's Hospital of Los Angeles	7.4	X	98	394	17,926	49	50.1%
Kaiser Foundation Hospitals - Panorama City	9.6	X	24	231	3,756	10	42.9%
Valley Presbyterian Hospital	10.0	X	22	312	5,673	16	70.6%
USC Verdugo Hills Hospital	10.3	X	-	-	-	-	-
Mission Community Hospital	11.1	X	-	-	-	-	-
Holy Cross Medical Center	14.0	X	12	231	3,412	9	77.9%
LA County Olive View - UCLA Medical Center	19.5	X	14	136	2,492	7	48.8%
SUB-TOTAL			238	2,298	50,727	139	58.4%
Southern California Hospital at Hollywood	5.6		-	-	-	-	-
Glendale Memorial Hospital and Health Center	6.0		13	254	3,394	9	71.5%
Glendale Adventist Medical Center	6.2		14	189	3,020	8	59.1%
Sherman Oaks Hospital	7.6		-	-	-	-	-
Cedars-Sinai Medical Center	9.0		45	489	9,953	27	60.6%
LAC+USC Medical Center	11.1		40	470	6,461	18	44.3%
Huntington Memorial Hospital	11.6		51	390	6,807	19	36.6%
Tarzana Medical Center	12.7		21	388	3,870	11	50.5%
Northridge Hospital Medical Center	15.7		22	244	3,024	8	37.7%
Kaiser Foundation Hospitals - Woodland Hills	16.0		18	185	1,380	4	21.0%
Ronald Reagan UCLA Medical Center	17.4		29	346	9,360	26	88.4%
TOTAL			491	5,253	97,996	268	54.7%

Source: OSHPD Disclosure Reports, FY 2014; Google Maps

- Among the combined service area hospitals, the average daily census was 139 patients based on 50,727 days; and
- Saint Joseph Medical Center provided approximately 8% of the service area's neonatal intensive care beds, and accounted for nearly 16% of the service area's discharges.

Rehabilitation Capacity Analysis

Only four of the 11 hospitals within the service area provided rehabilitation beds. There were 83 total rehabilitation beds within the service area that operated at an overall occupancy rate of 48%.

PHYSICAL REHABILITATION ACUTE BEDS FY 2014							
Hospital	Miles from Hospital	Within Service Area	Licensed Beds	Discharges	Patient Days	Average Daily Census	Percent Occupied
Saint Joseph Medical Center	-	X	25	240	2,976	8	32.6%
Kaiser Foundation Hospitals - Los Angeles	7.2	X	-	-	-	-	-
Hollywood Presbyterian Medical Center	7.2	X	28	379	4,903	13	48.0%
Pacifica Hospital of the Valley	7.4	X	-	-	-	-	-
Children's Hospital of Los Angeles	7.4	X	-	-	-	-	-
Kaiser Foundation Hospitals - Panorama City	9.6	X	-	-	-	-	-
Valley Presbyterian Hospital	10.0	X	17	328	4,067	11	65.5%
USC Verdugo Hills Hospital	10.3	X	-	-	-	-	-
Mission Community Hospital	11.1	X	-	-	-	-	-
Holy Cross Medical Center	14.0	X	13	185	2,583	7	54.4%
LA County Olive View - UCLA Medical Center	19.5	X	-	-	-	-	-
SUB-TOTAL			83	1,132	14,529	40	48.0%
Southern California Hospital at Hollywood	5.6		32	409	5,080	14	43.5%
Glendale Memorial Hospital and Health Center	6.0		14	163	2,009	6	39.3%
Glendale Adventist Medical Center	6.2		28	575	6,632	18	64.9%
Sherman Oaks Hospital	7.6		-	-	-	-	-
Cedars-Sinai Medical Center	9.0		29	723	7,723	21	73.0%
LAC+USC Medical Center	11.1		-	-	-	-	-
Huntington Memorial Hospital	11.6		24	337	4,586	13	52.4%
Tarzana Medical Center	12.7		-	-	-	-	-
Northridge Hospital Medical Center	15.7		36	243	4,414	12	33.6%
Kaiser Foundation Hospitals - Woodland Hills	16.0		-	-	-	-	-
Ronald Reagan UCLA Medical Center	17.4		-	-	-	-	-
TOTAL			246	3,582	44,973	123	50.1%

Source: OSHPD Disclosure Reports, FY 2014; Google Maps

- Saint Joseph Medical Center had 25 licensed rehabilitation beds with an average occupancy rate of nearly 33% and an average daily census of eight patients; and
- Saint Joseph Medical Center provided approximately 30% of the service area's rehabilitation beds and approximately 21% of the discharges.

Emergency Department Volume at Hospitals in the Service Area

In 2014, Saint Joseph Medical Center had 38 emergency treatment stations. There were 314 treatment stations among all service area hospitals combined. As shown below, Saint Joseph Medical Center reported 50,818 visits, totaling approximately 9% of all visits among the service area hospitals (549,773 visits).

The table below shows the visits by severity category for area emergency departments as reported by OSHPD Automated Licensing Information and Report Tracking System.

EMERGENCY DEPARTMENT VISITS BY CATEGORY 2014												
Hospital	Miles from Hospital	Within Service Area	ER Level	Stations	Total Visits	Minor	Low/Moderate	Moderate	Severe w/o Threat	Severe w/Threat	Percentage Admitted	Hours of Diversion
Saint Joseph Medical Center	-	X	Basic	38	50,818	551	5,330	16,210	15,298	13,429	14.5%	91
Kaiser Foundation Hospitals - Los Angeles	7.2	X	Basic	45	66,365	487	11,083	47,799	6,123	873	12.4%	3,349
Hollywood Presbyterian Medical Center	7.2	X	Basic	20	34,482	4,483	6,493	7,567	4,464	11,475	17.5%	125
Pacifica Hospital of the Valley	7.4	X	Basic	7	13,642	3,123	4,018	2,204	1,344	2,953	19.1%	203
Children's Hospital of Los Angeles	7.4	X	Basic	39	74,195	13,812	21,953	25,518	12,165	747	9.2%	19
Kaiser Foundation Hospitals - Panorama City	9.6	X	Basic	34	59,309	349	3,539	39,964	12,891	2,566	7.8%	1,448
Valley Presbyterian Hospital	10.0	X	Basic	27	61,819	1,321	14,256	21,660	17,881	6,701	12.8%	341
USC Verdugo Hills Hospital (1)	10.3	X	Basic	13	22,078	4,329	2,866	4,824	4,579	1,827	16.5%	290
Mission Community Hospital	11.1	X	Basic	8	19,580	2,463	5,946	4,427	5,979	765	27.3%	21
Holy Cross Medical Center	14.0	X	Basic	32	90,426	894	9,145	34,534	27,439	18,414	9.8%	512
LA County Olive View - UCLA Medical Center	19.5	X	Basic	51	57,059	3,277	30,168	23,330	279	5	14.6%	1,637
SUB-TOTAL				314	549,773	35,089	114,797	228,037	108,442	59,755	12.7%	8,036
Southern California Hospital at Hollywood	5.6	-	-	-	-	-	-	-	-	-	-	-
Glendale Memorial Hospital and Health Center	6.0	-	Basic	15	36,183	1,710	6,798	14,931	10,995	1,749	14.8%	495
Glendale Adventist Medical Center	6.2	-	Basic	36	52,097	756	6,509	15,297	14,822	14,713	24.1%	889
Sherman Oaks Hospital (2)	7.6	-	Basic	12	24,393	548	1,654	5,691	5,120	6,336	20.7%	-
Cedars-Sinai Medical Center	9.0	-	Basic	51	87,061	3,319	13,778	23,771	18,919	27,274	24.4%	97
LAC+USC Medical Center	11.1	-	Comprehensive	106	164,542	7,300	36,018	90,088	29,168	1,968	13.4%	-
Huntington Memorial Hospital	11.6	-	Basic	50	60,721	1,663	6,393	19,881	18,042	14,742	24.0%	385
Tarzana Medical Center	12.7	-	Basic	15	28,888	325	1,976	9,514	8,335	8,738	22.4%	218
Northridge Hospital Medical Center	15.7	-	Basic	25	56,767	2,081	10,310	19,524	18,412	6,440	17.0%	837
Kaiser Foundation Hospitals - Woodland Hills	16.0	-	Basic	27	39,945	176	3,634	26,154	8,269	1,712	13.2%	1,128
Ronald Reagan UCLA Medical Center	17.4	-	Comprehensive	33	43,945	5,170	4,485	8,561	11,236	14,493	20.4%	3,242
TOTAL				684	1,144,315	58,137	206,352	461,449	251,760	157,920	15.8%	7,291

Source: OSHPD Alirits Annual Utilization Reports, 2014; Google Maps.

(1) The 3,653 admitted patients are not included in the service totals

(2) The 5,044 admitted patients are not included in the service totals

- Nearly 15% of Saint Joseph Medical Center's emergency department visits resulted in admission to the hospital;
- Saint Joseph Medical Center went on diversion for 91 hours; and
- Nearly 56% of Saint Joseph Medical Center's emergency department visits were classified as severe with/without threat and is higher than the service area average of nearly 31%.

Emergency Department Capacity

In 2014, Saint Joseph Medical Center's emergency department was operating at nearly 67% of its 38-bed capacity.

EMERGENCY DEPARTMENT CAPACITY 2014							
Hospital	Miles from Hospital	Within Service Area	ER Level	Stations	Total Visits	Capacity	Remaining Capacity
Saint Joseph Medical Center	-	-	Basic	38	50,818	76,000	25,182
Kaiser Foundation Hospitals - Los Angeles	7.2	X	Basic	45	66,365	90,000	23,635
Hollywood Presbyterian Medical Center	7.2	X	Basic	20	34,482	40,000	5,518
Pacifica Hospital of the Valley	7.4	X	Basic	7	13,642	14,000	358
Children's Hospital of Los Angeles	7.4	X	Basic	39	74,195	78,000	3,805
Kaiser Foundation Hospitals - Panorama City	9.6	X	Basic	34	59,309	68,000	8,691
Valley Presbyterian Hospital	10.0	X	Basic	27	61,819	54,000	(7,819)
USC Verdugo Hills Hospital (1)	10.3	X	Basic	13	22,078	26,000	3,922
Mission Community Hospital	11.1	X	Basic	8	19,580	16,000	(3,580)
Holy Cross Medical Center	14.0	X	Basic	32	90,426	64,000	(26,426)
LA County Olive View - UCLA Medical Center	19.5	X	Basic	51	57,059	102,000	44,941
SUB-TOTAL				314	549,773	628,000	78,227
Southern California Hospital at Hollywood	5.6		-	-	-	-	-
Glendale Memorial Hospital and Health Center	6.0		Basic	15	36,183	30,000	(6,183)
Glendale Adventist Medical Center	6.2		Basic	36	52,097	72,000	19,903
Sherman Oaks Hospital (2)	7.6		Basic	12	24,393	24,000	(393)
Cedars-Sinai Medical Center	9.0		Basic	51	87,061	102,000	14,939
LAC+USC Medical Center	11.1		Comprehensive	106	164,542	212,000	47,458
Huntington Memorial Hospital	11.6		Basic	50	60,721	100,000	39,279
Tarzana Medical Center	12.7		Basic	15	28,888	30,000	1,112
Northridge Hospital Medical Center	15.7		Basic	25	56,767	50,000	(6,767)
Kaiser Foundation Hospitals - Woodland Hills	16.0		Basic	27	39,945	54,000	14,055
Ronald Reagan UCLA Medical Center	17.4		Comprehensive	33	43,945	66,000	22,055
TOTAL				684	1,144,315	1,368,000	223,685

Source: OSHPD A1irts Annual Utilization Reports, 2014; Google Maps.

(1) The 3,653 admitted patients are not included in the service totals

(2) The 5,044 admitted patients are not included in the service totals

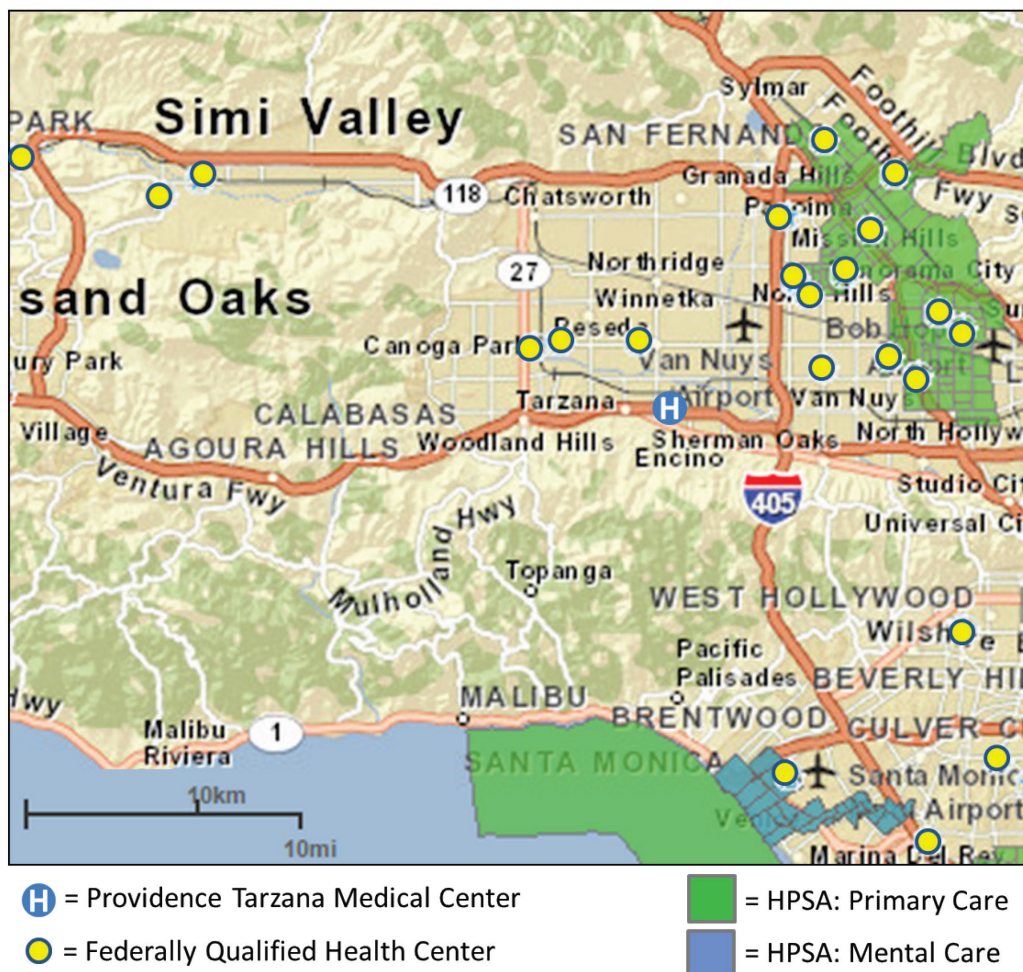
- The only service area hospital that operated its emergency department at a lower capacity than Saint Joseph Medical Center was LA County Olive View-UCLA Medical Center (56%);
- Both Valley Presbyterian Hospital and Holy Cross Medical Center operated beyond 100% capacity, at 115% and 141%, respectively; and
- The combined service area hospitals' emergency departments were at nearly 88% capacity.

ANALYSIS OF NORTH LOS ANGELES COUNTY

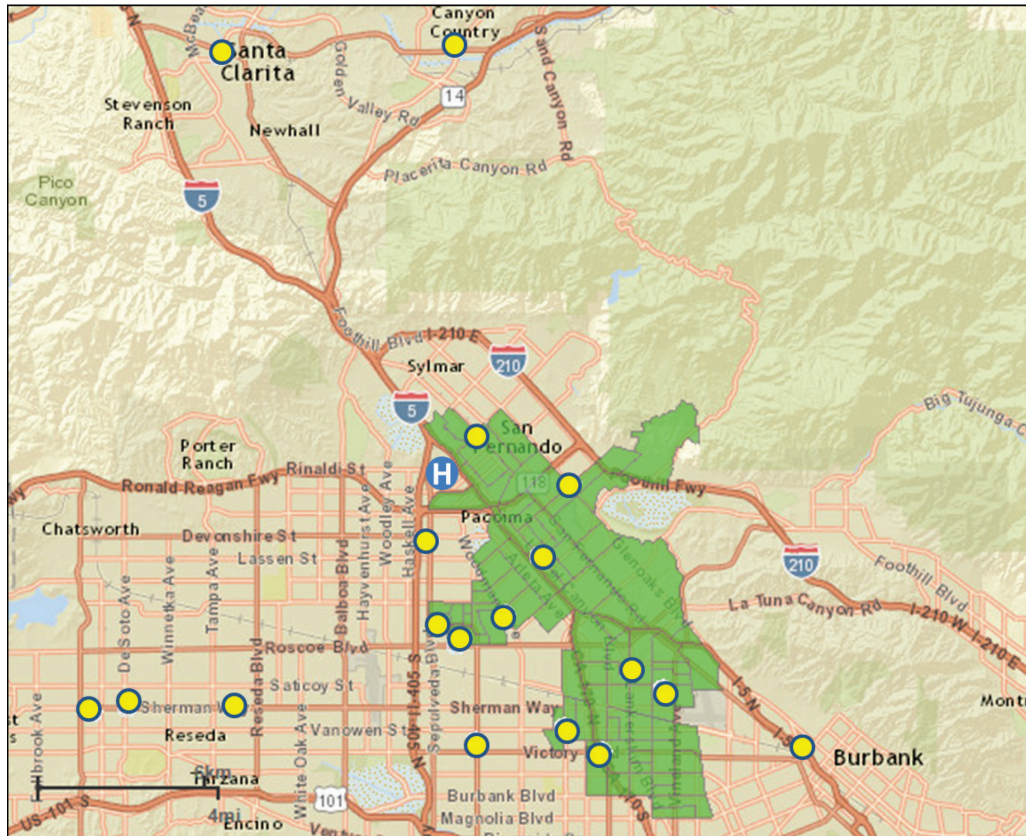
Health Professional Shortage Areas, Medically Underserved Areas, & Medically Underserved Populations


The Federal Health Resources and Services Administration designates Health Professional Shortage Areas as areas with a shortage of primary medical care, dental care, or mental health providers. They are designated according to geography (e.g., service area), demographics (e.g., low-income population), or institutions (e.g., comprehensive health centers).

The maps below depict these shortage areas relative to Tarzana Medical Center, Holy Cross Medical Center, and Saint Joseph Medical Center's location.




- A small area located east of Tarzana Medical Center's service area is designated as a Health Professional Shortage Area and indicates a need for additional primary care physicians.



 = Providence Holy Cross Medical Center

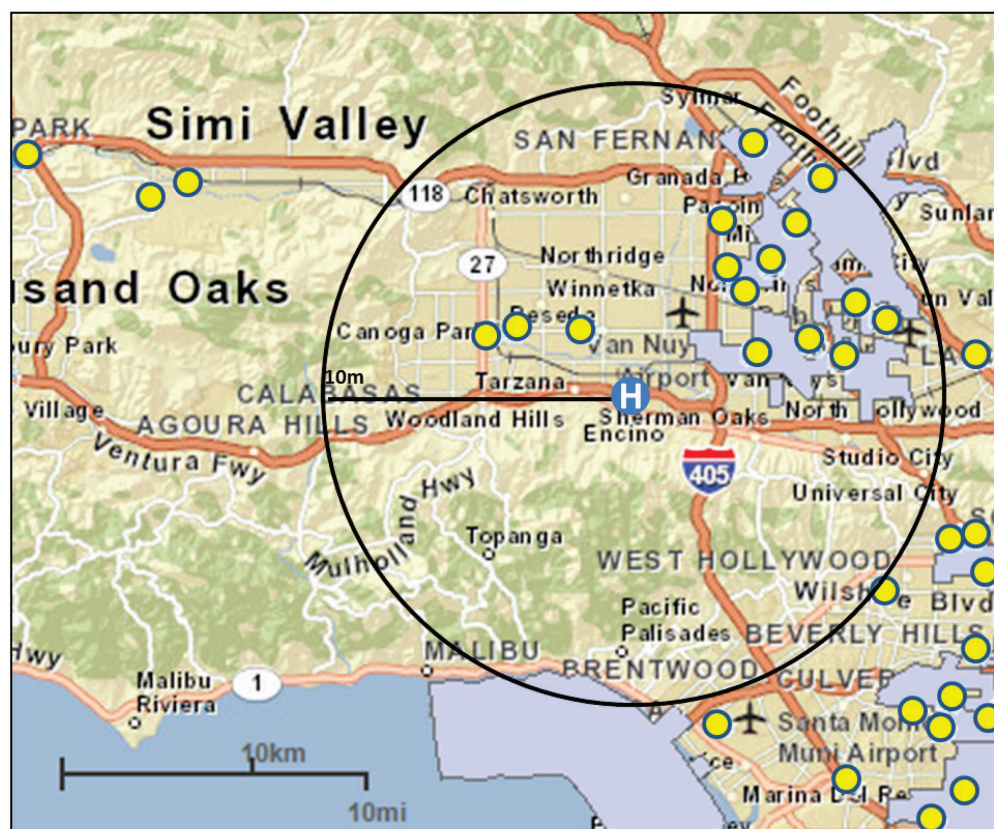
 = HPSA: Primary Care

 = Federally Qualified Health Center

- Although Holy Cross Medical Center is not located in a Health Professional Shortage Area, portions of Holy Cross Medical Center's service area are designated as Health Professional Shortage Areas.

Medically Underserved Areas and Medically Underserved Populations are defined by the Federal Government to include areas or population groups that demonstrate a shortage of healthcare services. This designation process was originally established to assist the government in allocating community health center grant funds to the areas of greatest need. Medically Underserved Areas are identified by calculating a composite index of need indicators compiled and compared with national averages to determine an area's level of medical "under service." Medically Underserved Populations are identified based on documentation of unusual local conditions that result in access barriers to medical services. Medically Underserved Areas and Medically Underserved Populations are permanently set, and no renewal process is necessary.

The maps below depict the Medically Underserved Areas/Medically Underserved Populations relative to Tarzana Medical Center, Holy Cross Medical Center, and Saint Joseph Medical Center's location.

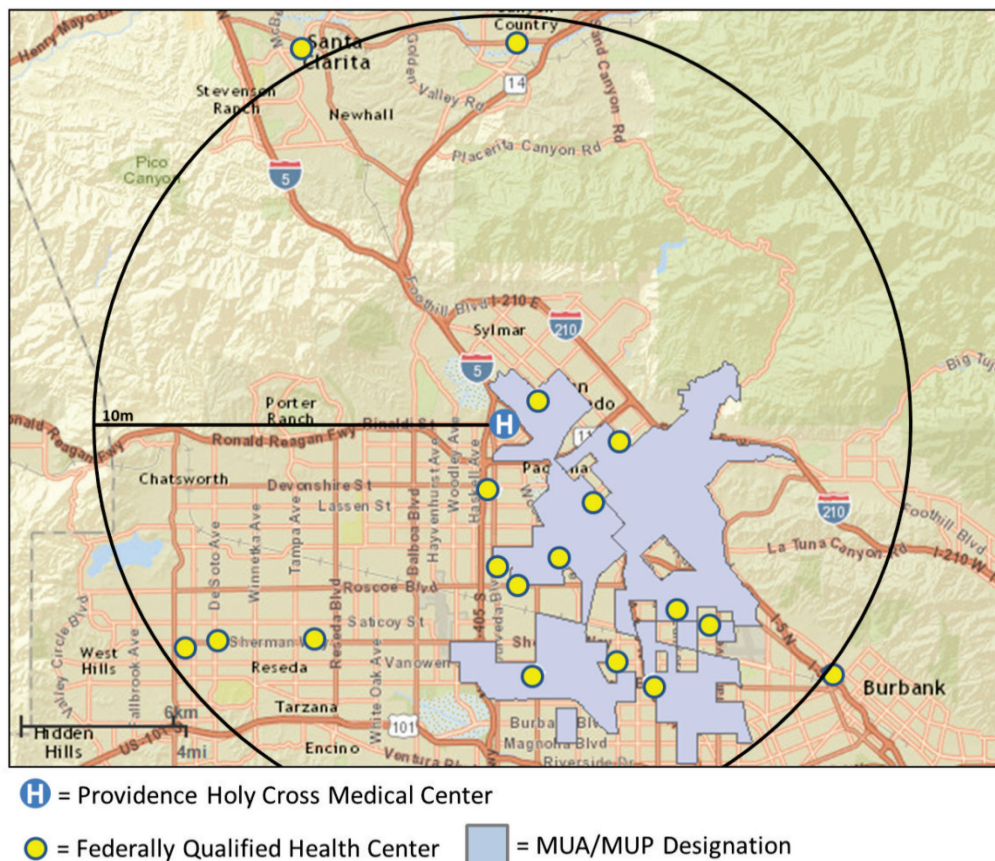


H = Providence Tarzana Medical Center

● = Federally Qualified Health Center **■** = MUA/MUP Designation

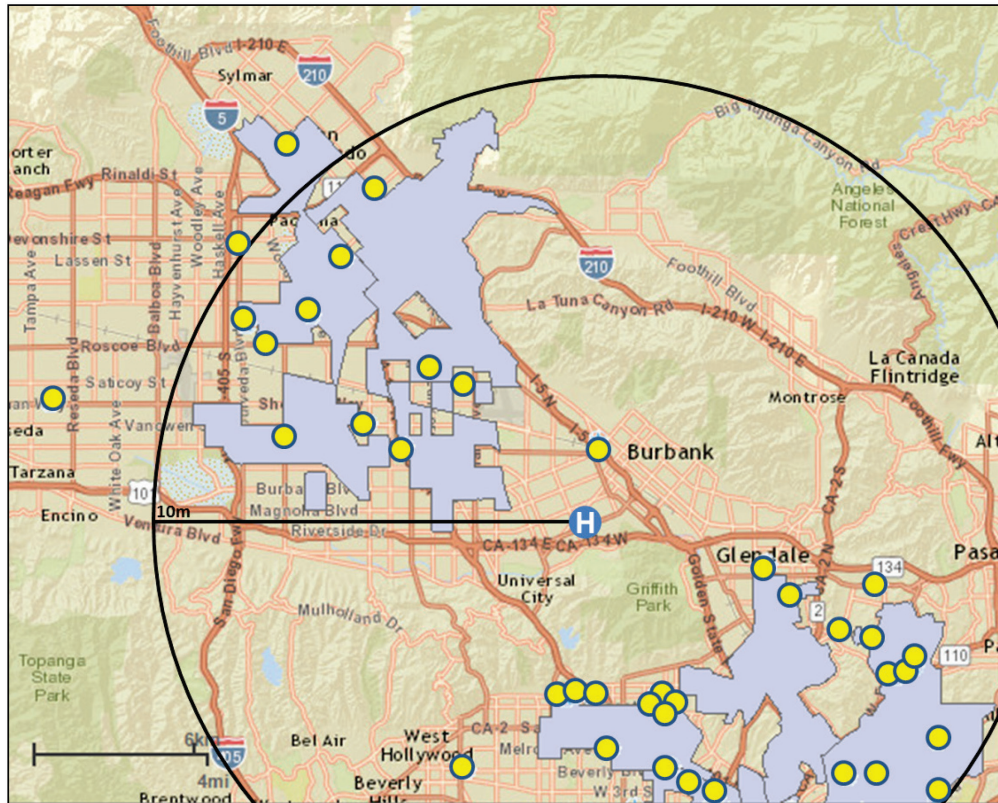
- Large areas to the east and northeast of Tarzana Medical Center are designated as Medically Underserved Area/Medically Underserved Population areas; and

- There are also approximately 15 Federally Qualified Health Centers²⁵ within a ten-mile radius of Tarzana Medical Center.



- Holy Cross Medical Center is not located in a Medically Underserved Area/Medically Underserved Population area; however, large portions of Holy Cross Medical Center's service area to the south and east are designated as Medically Underserved Area/Medically Underserved Population areas; and
- There are 15 Federally Qualified Health Centers within a ten-mile radius of Holy Cross Medical Center.

²⁵ Federally Qualified Health Centers are health clinics that qualify for enhanced reimbursement from Medicare and Medicaid. They must provide primary care services to an underserved area or population, offer a sliding fee scale, have an ongoing quality assurance program, and have a governing board of directors. The ACA included provisions that increased federal funding to Federally Qualified Health Centers to help meet the anticipated demand for healthcare services by those individuals who gained healthcare coverage through the various health exchanges. A large percentage of area residents depend on the Federally Qualified Health Centers to receive their healthcare services.



H = Providence Saint Joseph Medical Center

● = Federally Qualified Health Center **■** = MUA/MUP Designation

- Large areas to the north and southeast of Saint Joseph Medical Center are designated as Medically Underserved Area/Medically Underserved Population areas; and
- There are over 35 Federally Qualified Health Centers within a ten-mile radius of Saint Joseph Medical Center.

Medi-Cal Eligibility

As of 2011, the California Department of Health Care Services reported that 18% of the population in Tarzana Medical Center's service area, 23% of the population in Holy Cross Medical Center's service area, and 24% of the population in Saint Joseph Medical Center's service area was eligible for Medi-Cal coverage (compared to the State of California average of 21%). With the implementation of the ACA and the statewide expansion of Medi-Cal, the number and percentage of the State of California's population that is currently eligible for Medi-Cal have greatly increased, reporting a historic increase to more than 12 million total enrollees in the Medi-Cal program in 2015. Based on the service area income demographics and payer mix for Tarzana Medical Center, Holy Cross Medical Center, and Saint Joseph Medical Center, a lower percentage of service area residents will qualify for Medi-Cal coverage under the ACA expansion than seen on average statewide.

Selected Health Indicators

A review of health indicators for Los Angeles County (deaths, diseases, and births) supports the following conclusions:

- Los Angeles County's rates of first trimester prenatal care and adequate/adequate plus care are superior to statewide rates and the associated goals. The rate of low birth weight infants and first trimester prenatal care are higher in Los Angeles County than in the State of California and superior to the national goal.

NATALITY STATISTICS: 2015			
Health Status Indicator	Los Angeles County	California	National Goal
Low Birth Weight Infants	7.0%	6.8%	7.8%
First Trimester Prenatal Care	85.1%	83.6%	77.9%
Adequate/Adequate Plus Care	81.2%	79.2%	77.6%

Source: California Department of Public Health

- The overall age-adjusted mortality rate for Los Angeles County is lower than that of the State of California. Los Angeles County's age-adjusted rates for 11 of the 18 causes of mortality are lower than the State of California rate. Los Angeles County's age-adjusted rates are higher in colorectal cancer, female breast cancer, diabetes, coronary heart disease, influenza/pneumonia, chronic liver disease and cirrhosis, and homicide. Based on underlying and contributing cause of death statistics, Los Angeles County reported lower age-adjusted death rates for ten out of the 14 reported national goals.

MORTALITY STATISTICS: 2015 RATE PER 100,000 POPULATION				
Selected Cause	Los Angeles County		(Age Adjusted)	
	Crude Death Rate	Age Adjusted Death Rate	California	National Goal
All Causes	593.3	609.8	641.1	N/A
- All Cancers	141.2	146.2	151.0	161.4
- Colorectal Cancer	14.0	14.4	13.9	14.5
- Lung Cancer	28.3	29.8	33.6	45.5
- Female Breast Cancer	23.0	21.3	20.7	20.7
- Prostate Cancer	14.7	19.2	20.2	21.8
- Diabetes	22.1	23.0	20.8	N/A
- Alzheimer's Disease	24.9	25.7	30.8	N/A
- Coronary Heart Disease	119.3	122.3	103.8	103.4
- Cerebrovascular Disease (Stroke)	33.4	34.7	35.9	34.8
- Influenza/Pneumonia	21.4	22.3	16.3	N/A
- Chronic Lower Respiratory Disease	29.5	31.2	35.9	N/A
- Chronic Liver Disease And Cirrhosis	12.9	12.7	11.7	8.2
- Accidents (Unintentional Injuries)	20.5	20.3	27.9	36.4
- Motor Vehicle Traffic Crashes	6.7	6.5	7.6	12.4
- Suicide	7.8	7.6	10.2	10.2
- Homicide	6.0	5.8	5.1	5.5
- Firearm-Related Deaths	7.3	7.1	7.8	9.3
- Drug-Induced Deaths	7.3	7.0	11.1	11.3

Source: California Department of Public Health

- Los Angeles County has higher morbidity rates for the reported conditions than California overall. As shown in the table below, the measured Los Angeles County incidence of the following health status indicators is higher than the national goals for gonorrhea in males 15-44 years of age and tuberculosis.

MORBIDITY STATISTICS: 2015			
RATE PER 100,000 POPULATION			
Health Status Indicator	Los Angeles		
	County	California	National Goal
AIDS	12.1	8.1	12.4
Chlamydia	514.5	442.6	N/A
Gonorrhea Female 15-44	169.9	152.8	251.9
Gonorrhea Male 15-44	305.7	213.1	194.8
Tuberculosis	7.0	5.9	1.0

Source: California Department of Public Health

SUMMARY OF INTERVIEWS FOR TARZANA MEDICAL CENTER, HOLY CROSS MEDICAL CENTER, AND SAINT JOSEPH MEDICAL CENTER

Between December 2015 and February 2016, both in-person and telephone interviews were conducted with representatives of Tarzana Medical Center, Holy Cross Medical Center, Saint Joseph Medical Center, Providence Health & Services, and St. Joseph Health System. Interviews were also held with physicians, hospital employees, Los Angeles County representatives, insurance plan representatives, and other community representatives. The purpose of these interviews was to gather information from area healthcare professionals and community members regarding any potential impact on healthcare availability and accessibility as a result of the proposed combination of system level governance between St. Joseph Health System and Providence Health & Services to form Providence St. Joseph Health. The list of individuals who were interviewed is located in the Appendix of this report. The major findings of these interviews are summarized below.

Reasons for the Proposed Transaction

Members of Tarzana Medical Center, Holy Cross Medical Center, and Saint Joseph Medical Center's Board of Directors, respective management teams, and medical staffs cited a number of reasons why the proposed combination would be beneficial, including the following:

- The opportunity for Providence Health & Services and St. Joseph Health System to play a more dominant role in the future of healthcare, using their combined strengths to better serve uninsured and underinsured populations and to fulfill community benefit commitments;
- The proposed combination will better position Providence Health & Services and St. Joseph Health System to participate in the continued transformation of their healthcare delivery system, including the implementation of population health management and the coordination of healthcare services in their respective communities;
- The potential for collaboration and the sharing of best practices in emergency services, behavioral health, orthopedics, and neurosciences;
- Providence Health & Services and St. Joseph Health System are complementary, and the proposed combination may result in greater access to services and community benefits, an expansion of general and specialty services, and the opportunity for mutual learning;
- The proposed combination will put two already fiscally strong health systems in an even stronger financial position by increasing their bargaining power, allowing greater economies of scale, and providing greater access to capital at a lower cost; and

While the proposed combination was viewed positively by almost all who were interviewed, some of those who were interviewed felt that a change in system-level governance could negatively impact local participation and timeliness in decision-making and strategic planning, noting the following concerns:

- The potential for the newly formed Providence St. Joseph Health Board to have different priorities than the local boards;
- The need to educate the Providence St. Joseph Health Board on the complexities of the local hospital initiatives and strategic visions;
- The ability of the Providence St. Joseph Health Board to be immediately responsive to and understanding of the urgency of local community needs;
- The budgetary process, including the establishment of new policies that may not be consistent with existing strategic plans and local community needs; and
- Assurance of equitable board representation at the health system level and ability of the local hospital leadership to set community-based strategic priorities.

Importance of Tarzana Medical Center, Holy Cross Medical Center, and Saint Joseph Medical Center to the Community

According to all who were interviewed, Tarzana Medical Center, Holy Cross Medical Center, and Saint Joseph Medical Center are important providers of healthcare services to the local community and are known for providing services to the uninsured and under-served populations.

Tarzana Medical Center is one of seven general acute care hospitals in its service area. Among all service area facilities, Tarzana Medical Center ranks second in market share, with 12% of the hospital market share in 2014. According to some of those who were interviewed, Tarzana is a growing community and Tarzana Medical Center must plan for expansion of the emergency room and additional medical/surgical beds to meet this demand. Some of those who were interviewed characterized Tarzana Medical Center as a full service community hospital which also provides additional specialty care services, including the following, which were mentioned as being especially important:

- Emergency services, including designation as an Emergency Department Approved for Pediatrics;
- Pediatric services, and the partnership with Children's Hospital of Los Angeles for the provision of Pediatric Hospitalists;

- Neonatology services, including designation as a Level III Neonatal Intensive Care Unit;
- Obstetric services;
- Neuroscience services, including Primary Stroke Center certification and plans for continued development of this program in the future; and,
- Orthopedic services, including plans for continued development of this program in the future.

Holy Cross Medical Center is one of seven general acute care facilities within its service area, with Medi-Cal and Medicare payers representing over 70% of the patient population. As the sole provider of Level II Trauma Services in the service area, most of those who were interviewed cited Holy Cross Medical Center as being especially important for trauma patients. Some of those who were interviewed also indicated the importance of maintaining designation as an EMS base hospital. Some of the additional programs and services that were mentioned in the interviews as being especially important at Holy Cross Medical Center included the following:

- Emergency services;
- Imaging services;
- Acute and sub-acute rehabilitation services;
- Several Community Benefit programs, including,
 - Tattoo Removal Program;
 - Faith Community Health Partnership; and
 - Latino Health Promoter.
- Neurology services; and
- Obstetric and neonatal intensive care services.

Saint Joseph Medical Center is the market share leader in its service area, with nearly 12% of the hospital market share in 2014. Some of those who were interviewed indicated the importance of maintaining a regional Telestroke Center at Saint Joseph Medical Center due to the specialty Neuroscience services and rapid evaluation response times. In addition, many of those who were interviewed spoke about the future vision for Saint Joseph Medical Center to become a full service community based hospital offering a broad range of specialty services, including Cardiovascular, Cancer Research and additional Neuroscience Services. Some of the current programs and services that were mentioned in the interviews as being especially

important at Saint Joseph Medical Center included the following:

- Several Community Benefit programs, including,
 - Parish Nurse Program;
 - Tattoo Removal Program;
 - Mother-Baby Prenatal and Postnatal Programs; and
 - Diabetes Screening Fairs;
- Oncology services;
- Emergency services;
- Neuroscience services, including the Telestroke program;
- Regional nurse training services;
- Telepsychiatry program services; and
- Bariatric services.

Almost all who were interviewed believed that it was important for Tarzana Medical Center, Holy Cross Medical Center, and Saint Joseph Medical Center to retain all of the services that they currently offer.

Selection of St. Joseph Health System for the Proposed Combination

In addition to the reasons set forth in the Health System Combination Agreement, members of Tarzana Medical Center, Holy Cross Medical Center, and Saint Joseph Medical Center's Board of Directors, respective management teams, and medical staffs cited a number of reasons why the proposed combination with St. Joseph Health System would be beneficial, including the common and unifying charitable mission to promote and improve healthcare delivery and the mutual desire to provide high quality, affordable healthcare. Many who were interviewed explained that the partnership between Providence Health & Services and St. Joseph Health System would help to ensure the continued vibrancy of nonprofit, Catholic healthcare, and create the potential for sustaining, and even expanding, services to the communities that each hospital currently serves. Some of those who were interviewed also cited the expertise that St. Joseph Health System has in Neuroscience, the use of evidence based medicine to achieve better outcomes and achieving nursing excellence through Magnet designation.

Impact on the Availability and Accessibility of Healthcare Services

Almost all believed that the proposed combination would not impact the accessibility or availability of current services, and recognized that there is no geographical overlap in the service areas currently served by Providence Health & Services and St. Joseph Health System. Many also believed that the proposed combination would create the opportunity to develop Centers of Excellence and further regionalize program offerings, both of which were seen as having the potential to positively impact population health initiatives and the communities currently served.

Alternatives

Almost all interviewed believed that the proposed combination was not necessary. Rather, they believed it was instead driven by an opportunity to operate from a position of strength, by bringing two solvent health systems together to explore best practices and learn from each other while creating economies of scale. While some interviewed had no direct knowledge of St. Joseph Health System or interactions with St. Joseph Health System's staff, many other individuals were confident that combining efforts with a financially strong, Catholic, faith-based health system would ensure that fulfilling the mission of caring for the poor would remain a priority. None of the interviewees believed that a more suitable partner could have been found for this proposed combination.

Views of National and Regional Health Plan Representatives

The majority of health plan representatives expressed that they had enjoyed strong, long-lasting relationships with both St. Joseph Health System and Providence Health & Services. The views of these representatives can be divided into the following two categories: views from the larger, national health plans whose membership is primarily insured by commercial health products, and views from representatives of health plans that are regional, with a focus on lower income Medi-Cal and dual Medicare/Medi-Cal eligible patient populations.

The representatives from the nationally-based health plans stated that their relationship with St. Joseph Health System and Providence Health & Services has always been strong. These plans view the proposed combination positively and did not express any concerns about the effects of the transaction on their membership. Despite some uncertainty regarding how the larger size of the new organization will impact contract negotiations, they believed they would be able to establish a contractual relationship with Providence St. Joseph Health.

Representatives from the locally-based health plan, LA Care, expressed similar views and did not express any concerns surrounding the proposed combination. LA Care has had strong and longstanding relationships with Tarzana Medical Center, Holy Cross Medical Center, and Saint Joseph Medical Center since a large percentage of their patient populations, especially at Tarzana Medical Center and Holy Cross Medical Center, is comprised of low-income and Medi-

Cal eligible individuals. These Medi-Cal payers view the proposed combination positively because of the potential to expand coverage to additional members for the patient populations they serve.

The nationally-based health plans in Southern California indicated that there have been no member complaints regarding access to services, including women's reproductive services, at any of the Providence Health & Services or St. Joseph Health System facilities. They indicated that the proposed combination has the potential to improve physician recruitment efforts for the hospitals, particularly in specialty services.

Some health plan representatives cited the benefits of the proposed combination, including expansion of geographic coverage, greater access, and the opportunity to gain efficiencies and reduce costs. Others expressed hope that the larger size of the organization will increase physician specialty participation in Medi-Cal products due to economies of scale and the ability to offset the lower reimbursement from those plans. All spoke positively of the decision Providence Health & Services and St. Joseph Health System made in coming together to capitalize on their opportunities to lower costs, expand physician networks, and offer patients greater service offerings.

ASSESSMENT OF POTENTIAL ISSUES ASSOCIATED WITH THE AVAILABILITY OR ACCESSIBILITY OF HEALTHCARE SERVICES

Importance of Tarzana Medical Center, Holy Cross Medical Center, and Saint Joseph Medical Center to the Community

Tarzana Medical Center, Holy Cross Medical Center, and Saint Joseph Medical Center are important providers of general healthcare services to residents of the surrounding communities. Tarzana Medical Center is important for its provision of obstetrics, neonatology, vascular, and emergency services.

Holy Cross Medical Center is an important provider of emergency, trauma, neurology, and obstetric services.

Saint Joseph Medical Center is an important provider of oncology, cardiovascular, and neuroscience services.

In addition to the provision of key medical services, all three facilities have historically provided a significant level of charity care and community benefit programs for low-income, uninsured, and under-insured populations residing in the surrounding communities.

Continuation as General Acute Care Hospitals

The Health System Combination Agreement states that all three facilities will continue to operate as licensed general acute care facilities for a minimum of five years.

Emergency Services

All three facilities are important providers of basic emergency services to residents of the surrounding communities. In FY 2014, Tarzana Medical Center reported nearly 29,000 visits on its 15 emergency treatment stations, operating at a capacity of 96% (based on a standard of 2,000 visits per station, per year).

In FY 2014, Holy Cross Medical Center (a Level II Trauma Center) reported almost 90,500 visits that included treatment for nearly 1,300 trauma patients on its 32 emergency treatment stations, operating at 141% capacity.

In FY 2014, Saint Joseph Medical Center (a Paramedic Base Hospital) reported nearly 51,000 visits for its 38 emergency treatment stations, operating at a capacity of 67%.

Additionally, all three facilities are designated as STEMI Receiving Centers and Primary Stroke Centers. Tarzana Medical Center and Saint Joseph Medical Center are both designated as an Emergency Department Approved for Pediatrics.

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 their emergency departments open is important to providing access to emergency services within their three respective service areas.

Medical/Surgical Services

In FY 2014, Tarzana Medical Center operated 118 licensed medical/surgical beds with an average daily census of approximately 74 patients, representing a 62% occupancy rate.

In FY 2014, Holy Cross Medical Center operated 245 licensed medical/surgical beds with an average daily census of approximately 143 patients that represented a 58% occupancy rate.

In FY 2014, Saint Joseph Medical Center operated 249 licensed medical/surgical beds with an average daily census of approximately 135 patients (54% occupancy).

All three facilities are important providers of traditional medical/surgical needs.

Intensive Care/Coronary Care Services

In FY 2014, Tarzana Medical Center reported an occupancy rate of approximately 75% on its 20 licensed intensive/coronary care beds.

In FY 2014, Holy Cross Medical Center reported an occupancy rate of approximately 92% on its 24 licensed intensive care beds.

In FY 2014, Saint Joseph Medical Center had occupancy rate of approximately 53% on its 54 licensed intensive care beds.

For all three facilities, these services are an important resource for supporting emergency services and other medical and surgical services.

Obstetrics Services

In FY 2014, Tarzana Medical Center had an occupancy rate of 75% on its 29 licensed obstetrics beds based on an average daily census of 22 patients.

In FY 2014, Holy Cross Medical Center reported an occupancy rate of over 67% on its 35

licensed obstetrics beds based on an average daily census of 24 patients.

In FY 2014, Saint Joseph Medical Center had an occupancy rate of 80% on its 24 licensed obstetrics beds based on an average daily census of 19 patients.

With over 7,800 combined live births in FY 2014, all three facilities are important providers of obstetrics services. Furthermore, in FY 2014, Tarzana Medical Center, Holy Cross Medical Center, and Saint Joseph Medical Center were responsible for 22%, 35%, and 13% market share, respectively, within their individual service areas. Each of the three facilities is an important provider of obstetrics services.

Neonatal Intensive Care Services

In FY 2014, Tarzana Medical Center operated a 21-bed Level II Neonatal Intensive Care Unit that maintained a steady occupancy rate of 51% with an average daily census of 11 patients per day. In FY 2014, Tarzana Medical Center was responsible for 32% of all discharges within its service area.

In FY 2014, Holy Cross Medical Center, recognized as a Baby Friendly Hospital, operated a 12-bed Level II Neonatal Intensive Care Unit. Over the same time period, Holy Cross Medical Center reported an occupancy rate of 78% with an average daily census of nine patients per day. In FY 2014, Holy Cross Medical Center was responsible for 23% of all discharges within its service area.

In FY 2014, Saint Joseph Medical Center operated a 20-bed Level III Neonatal Intensive Care Unit that had an occupancy rate of 71% with an average daily census of 14 patients per day. In FY 2014, Saint Joseph Medical Center was responsible for 16% of all service area discharges.

All three facilities are important providers of neonatal intensive care services.

Pediatric Services

In FY 2014, Tarzana Medical Center was licensed for 18 pediatric beds that represented 29% of the total service area beds with a steady occupancy rate of 45% and an average daily census of approximately eight patients per day. The three additional hospitals in the service area, Kaiser Foundation Hospitals-Woodland Hills, Valley Presbyterian Hospital, and Northridge Hospital Medical Center's pediatric beds ran at occupancy rates of 17%, 33%, and 42%, respectively, in FY 2014. Approximately 23% of Tarzana Medical Center's emergency services visits were pediatric patients, making Tarzana Medical Center's designation as an Emergency Department Approved for Pediatrics very important to the residents of the surrounding communities.

While Holy Cross Medical Center is not specifically licensed for pediatric beds, approximately 31% of patients seen in the Emergency Department in 2014 were pediatric patients. The high

number of pediatric patients seen in the Emergency Department indicates the importance of maintaining competencies in pediatric imaging as well as other services currently offered to pediatric patients, including outpatient therapies and hospice services.

Pediatric Intensive Care Services

In FY 2014, Tarzana Medical Center reported an occupancy rate of approximately 44% on its seven pediatric intensive care beds. These services are an important resource for supporting the emergency department and other medical and surgical services within Tarzana Medical Center. There are only two other providers of pediatric intensive care beds within Tarzana Medical Center's service area: Valley Presbyterian Hospital that ran at an occupancy rate of 21% with an average daily census of two patients, and Northridge Hospital Medical Center that ran at an occupancy rate of 25% with an average daily census of two patients in FY 2014.

Rehabilitation Services

In FY 2014, Saint Joseph Medical Center was one of four providers of inpatient rehabilitation services with its defined service area, with 25 licensed rehabilitation beds (representing 30% of total inpatient rehabilitation beds available) and a steady occupancy of approximately 33%.

In FY 2014, Holy Cross Medical Center was one of only three providers of inpatient rehabilitation services within its defined service area. In FY 2014, Holy Cross Medical Center operated 13 licensed rehabilitation beds and reported a steady occupancy rate of 54%.

Both facilities are important providers of rehabilitation services.

Sub-Acute Care Services

In FY 2014, Holy Cross Medical Center had 48 licensed skilled nursing beds that operated as sub-acute care beds. Holy Cross Medical Center's Sub Acute Care Unit provides a specialized level of care to medically fragile ventilator or tracheostomy-dependent patients who do not need acute care services but typically require a higher level of care than what is provided by skilled nursing facilities. While sub-acute care beds are licensed as skilled nursing beds, they are reimbursed differently and are subject to additional staffing and patient criteria requirements. Pacifica Hospital of the Valley is the only other provider of sub-acute care services within Holy Cross Medical Center's service area. In FY 2014, both hospitals ran at high occupancy rates, with Holy Cross Medical Center reporting an occupancy rate of 89% and Pacifica Hospital of the Valley reporting an occupancy rate of 73%. Maintaining sub-acute care beds at Holy Cross Medical Center is important in ensuring the availability and accessibility of sub-acute care services within the service area.

Reproductive Health Services

Providence Health & Services and St. Joseph Health System are subject to the Ethical and Religious Directives for Catholic Health Care Services (the Ethical and Religious Directives). The Ethical and Religious Directives is a document that offers moral guidance based on the Catholic Church's teachings regarding various aspects of healthcare delivery. The Ethical and Religious Directives were created as a discernment tool to be used in the application of healthcare decisions regarding beginning-of-life and end-of life-issues, and to safeguard the sacredness of the physician-patient relationship.

Within each Catholic Diocese, the local Bishop has the authority to interpret the practical application of the Ethical and Religious Directives at area hospitals. Since the Catholic Church vests this authority to the Bishop in each Diocese, there may be slight variations in the application of the Ethical and Religious Directives among various Dioceses. Tarzana Medical Center, Holy Cross Medical Center, and Saint Joseph Medical Center are all located within the Archdiocese of Los Angeles.

Under the Ethical and Religious Directives, some women's reproductive health services, including elective abortions and tubal ligations, are prohibited. According to interviews with the ethicists of Providence Health & Services and St. Joseph Health System, each hospital facility has an Ethics Committee in place to provide timely review and consultation with physicians, as needed, to ensure the physicians are supported throughout the decision-making process regarding the application of the Ethical and Religious Directives. Although the Ethical and Religious Directives prohibit tubal ligations and abortions, many of these procedures are performed at Providence Health & Services and St. Joseph Health System's hospitals when the pathology is determined to present a medical need and/or a clear and present danger to the patient.

Tarzana Medical Center, Holy Cross Medical Center, and Saint Joseph Medical Center are important providers of a range of women's reproductive services and provide these services to a large underserved population that has low rates of prenatal care, resulting in an increased number of high risk births. This can increase instances of stillborn delivery, miscarriage, and fetal abnormalities.

Below is a table showing instances where Tarzana Medical Center, Holy Cross Medical Center, and Saint Joseph Medical Center recorded reproductive-related procedures in 2014 that were in accordance with the Ethical and Religious Directives.

REPRODUCTIVE HEALTH SERVICES BY DIAGNOSTIC RELATED GROUP					
Diagnostic Related Group	Providence	Providence Holy	Providence Saint	Providence	St. Joseph
	Tarzana Medical Center	Cross Medical Center	Joseph Medical Center	Health & Services	
778-Threatened Abortion	38	49	22	183	239
779-Abortion w/o D&C	3	12	8	33	48
777-Ectopic Pregnancy	16	22	19	81	49
767-Vaginal Delivery w Sterilization &/or D&C	9	4	4	31	69
770-Abortion w D&C, Aspiration Curettage or Hysterectomy	9	18	18	61	32
Total 2014 Discharges:	75	105	71	389	437

Source: OSHPD 2014

Women's reproductive services are available at other area providers, including, but not limited to, Valley Presbyterian Hospital, Kaiser Foundation Hospitals-Woodland Hills, Encino Hospital Medical Center, Sherman Oaks Hospital, West Hills Hospital and Medical Center, Mission Community Hospital, Pacifica Hospital of the Valley, Kaiser Foundation Hospitals-Panorama City, Olive View-UCLA Medical Center, Hollywood Presbyterian Medical Center, USC Verdugo Hills Hospital, Planned Parenthood, and Family Planning Associates.

Since both St. Joseph Health System and Providence Health & Services are Catholic-sponsored health systems, both adhere to the Ethical and Religious Directives, and no changes in reproductive health services are expected as a result of the Health System Combination Agreement.

Effects on Services to Medi-Cal, County Indigent, and Other Classes of Patients

Approximately 65% of Tarzana Medical Center's inpatient discharges are reimbursed through Medicare (43%) and Medi-Cal (22%), with an additional 1% classified as indigent.

Approximately 70% of Holy Cross Medical Center's inpatient discharges are reimbursed through Medicare (41%) and Medi-Cal (29%), with an additional 2% classified as indigent.

Approximately 65% of Saint Joseph Medical Center's inpatient discharges are reimbursed through Medicare (43%) and Medi-Cal (22%).

All three facilities currently participate in the Medicare program and the Medi-Cal managed care program, and maintain managed care contracts for these types of patients.

The Health System Combination Agreement includes a commitment to keep Tarzana Medical Center, Holy Cross Medical Center, and Saint Joseph Medical Center's emergency departments open for at least five years in order to ensure access of services to Medicare and Medi-Cal patients. In order for Medicare and Medi-Cal patients to access other key services not provided through the hospital's emergency departments, Tarzana Medical Center, Holy Cross Medical Center, and Saint Joseph Medical Center must maintain participation in both programs and maintain their managed care contractual agreements with payers. Providence St. Joseph Health has made a five year commitment for Tarzana Medical Center, Holy Cross Medical Center, and Saint Joseph Medical Center to continue to remain certified in the Medicare program and to

maintain Medi-Cal contracts, on competitive terms, that provide the same types and levels of emergency services and non-emergency services as their existing Medicare and Medi-Cal contracts.

If any of the three facilities did not participate in the Medicare and Medi-Cal managed care programs, these classes of patients would be denied access to certain non-emergency healthcare services. A denial of access would negatively impact the availability or accessibility of services for these patient populations.

Effects on the Level and Type of Charity Care Historically Provided

Many uninsured and under-insured individuals in the community rely on Tarzana Medical Center, Holy Cross Medical Center, and Saint Joseph Medical Center for healthcare services.

Tarzana Medical Center provides a lower percentage of charity care and bad debt than the statewide average (1.2% of its gross patient revenue, as compared to 2.7% for the State of California). Over the last five years, Tarzana Medical Center averaged \$3.2 million in charity care costs.

Holy Cross Medical Center provides a higher percentage of charity care and bad debt (2.9%) than California. Over the last five years, Holy Cross Medical Center averaged \$11.5 million in charity care costs.

Saint Joseph Medical Center provides a lower percentage of charity care and bad debt (1.6%) than the state as a whole. Over the last five years, Saint Joseph Medical Center averaged \$7.8 million in charity care costs.

California's expansion of Medi-Cal coverage and coverage through Covered California has reduced the number of uninsured patients resulting in diminished charity care usage at Tarzana Medical Center, Holy Cross Medical Center, and Saint Joseph Medical Center.

Effects on Community Benefit Programs

Tarzana Medical Center, Holy Cross Medical Center, and Saint Joseph Medical Center support a significant number of ongoing community benefit programs that serve lower income residents from the surrounding communities. In the Health System Combination Agreement, Providence St. Joseph Health has made a commitment for Tarzana Medical Center, Holy Cross Medical Center, and Saint Joseph Medical Center to maintain expenditures for community benefit services based on the average expenditure for the years FY 2011-2014.

This equates to a commitment of \$597,000 per year for Tarzana Medical Center, \$1.0 million per year for Holy Cross Medical Center, and \$1.1 million per year for Saint Joseph Medical Center. However, the five-year average was \$2.2 million per year for Tarzana Medical Center,

\$3.4 million per year for Holy Cross Medical Center, and \$4.7 million per year at Saint Joseph Medical Center.

While all three facilities offer various community benefit programs, the Health System Combination Agreement includes a commitment to maintain some, but not all, of the community benefit programs. The Health System Combination Agreement includes a commitment to maintain Senior Outreach, Tattoo Removal, and the School Nurse Outreach Program at Tarzana Medical Center, the Access to Care program at Holy Cross Medical Center, and the Faith Community Health Partnership/Latino Health Promoter Program at Saint Joseph Medical Center. The loss of financial support for these valuable programs would likely have a negative impact on the residents of the surrounding communities.

Effects on County Contracts

Tarzana Medical Center, Holy Cross Medical Center, and Saint Joseph Medical Center have a number of contracts with the County of Los Angeles to provide and support specific services. According to the Health System Combination Agreement, these contracts must be maintained for a period of 5 years unless the contract is terminated for cause or expires in accordance with its current terms.

Effects on Staffing and Employee Rights

The Health System Combination Agreement states that all non-executive employees of Tarzana Medical Center, Holy Cross Medical Center, and Saint Joseph Medical Center shall remain employees of their current employer, with compensation and benefits established by their respective employer. The Health System Combination Agreement does not specify a time commitment for this intention.

None of Holy Cross Medical Center's employees are currently covered by collective bargaining agreements. Approximately 93% of Tarzana Medical Center's employees and 71% of Saint Joseph Medical Center's employees are currently covered by collective bargaining agreements. Management has made no specific assurances to the unions.

Almost all who were interviewed indicated that some administrative functions may be regionalized and/or centralized over time in order to leverage the strength of the respective health systems, capitalize on best practices, or to achieve efficiencies. It is also expected that the number of patient care employees could change with fluctuations in patient volumes, which is consistent with past business practices.

Effects on Medical Staff

The Health System Combination Agreement states that it is the intent of the parties not to adversely affect (or require a change to) the medical staff privileges held by any member of a

medical staff of a health care facility owned or controlled by a party. The Health System Combination Agreement, however, does not contain any specific commitments to maintain physician contracts, including on-call services. Nor does it contain any specific commitments to maintain the medical staff officers, department or committee chairs/heads, or vice-chairs/heads of all three facilities' medical staff.

Alternatives

If the proposed combination is not approved, neither the health systems, nor the communities they serve, are expected to be negatively impacted. Community benefit programs and charity care provisions would be expected to continue at their present levels, due to the mission and commitment of the respective organizations' to serve the poor and underserved. However, due to the ACA and changes in the marketplace, Providence Health & Services and St. Joseph Health System may not realize the same anticipated benefits if they remained as independent organizations.

CONCLUSIONS

Potential Conditions for Transaction Approval by the California Attorney General

If the California Attorney General approves the proposed transaction, MDS Consulting recommends the following conditions be required in order to minimize any potential negative healthcare impact that might result from the transaction:

Tarzana Medical Center

1. For at least five years from closing, Tarzana Medical Center shall continue to operate as a general acute care hospital;
2. For at least five years from closing, Tarzana 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. A minimum of 15 emergency treatment stations; and
 - b. Designation as an Emergency Department Approved for Pediatrics.
3. For at least five years from closing, Tarzana Medical Center shall maintain the following services at current licensure, types, and/or levels of services:
 - a. Cardiology services, including the 2 cardiac catheterization labs and the designation as a STEMI Receiving Center;
 - b. Critical care services, including a minimum of 17 intensive care beds and 10 coronary care beds;
 - c. Neuroscience services, including certification as a Primary Stroke Center;
 - d. Obstetrics services, including a minimum of 29 obstetrics beds;
 - e. Neonatal intensive care services, including a minimum of 21 neonatal intensive care beds and, at minimum, the designation as a Level III Neonatal Intensive Care Unit; and
 - f. Pediatric services, including a minimum of 18 pediatric beds.
4. Additionally, for at least five years from closing, Tarzana Medical Center shall maintain the following services as committed to in Exhibit 8.13 of the Health System Combination Agreement:
 - a. Ambulatory surgery services;
 - b. Endoscopy services;
 - c. Imaging/radiology services;
 - d. Interventional radiology services;
 - e. Laboratory services;

- f. Oncology services;
 - g. Orthopedics services;
 - h. Palliative care services;
 - i. Pulmonary services;
 - j. Surgical services;
 - k. Telemetry services;
 - l. Vascular services; and
 - m. Women's services.
5. For at least five years from closing, Tarzana Medical Center shall maintain a charity care policy that is no less favorable than Tarzana Medical Center's current charity care policy and in compliance with California and Federal law, and Tarzana Medical Center shall provide an annual amount of Charity Care equal to or greater than \$3,236,608 (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. For purposes herein, the term "Charity Care" shall mean the amount of charity care costs (not charges) incurred by Tarzana Medical Center in connection with the operations and provision of services at Tarzana 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 for Los Angeles-Riverside-Orange County, California;
6. For at least five years from closing, Tarzana Medical Center shall continue to expend an average of no less than \$2,185,074 annually in community benefit services. This amount should be increased annually based on the Consumer Price Index for Los Angeles-Riverside-Orange County, California. The following community benefit programs shall continue to be offered on an ongoing basis:
- a. Access to Care Program;
 - b. Faith Community Health Partnership;
 - c. Latino Health Promoter Program;
 - d. Senior Outreach Program;
 - e. Tattoo Removal Program; and
 - f. School Nurse Outreach Program.
7. For at least five years from closing, Tarzana 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 or their

successors:

- a. LA Care Health Plan or its successor; and
 - b. Health Net or its successor.
8. For at least five years from closing, Tarzana 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 closing, Tarzana Medical Center shall maintain its current contracts with the County of Los Angeles, including the following:
 - a. Emergency Medical Services Agency for Hospital and Medical Care Agreement (CHIP-Formula);
 - b. Hospital Bioterrorism Preparedness;
 - c. Child Support Services for Intra-County Plan of Cooperation;
 - d. Department of Health Services Stroke Center Confirmation Agreement;
 - e. Emergency Department Approved for Pediatrics Agreement;
 - f. Emergency Medical Services Agency SRC Confirmation Agreement re: Approved ST-Elevation Myocardial Infarction Receiving Center; and
 - g. Department of Public Health Confidential Data Use Agreement.
10. Providence St. Joseph Health and Tarzana Medical Center shall commit the necessary investments required to maintain OSHPD seismic compliance requirements at Tarzana Medical Center through 2030 under the Alfred E. Alquist Hospital Facilities Seismic Safety Act of 1983, as amended by the California Hospital Facilities Seismic Safety Act, (Health & Saf. Code, § 129675-130070); and
11. Providence St. Joseph Health and Tarzana Medical Center shall complete any capital projects as committed to in the Health System Combination Agreement.

Holy Cross Medical Center

1. For at least ten years from closing, Holy Cross Medical Center shall continue to operate as a general acute care hospital;
2. For at least ten years from closing, Holy Cross Medical Center shall maintain 24-hour emergency and trauma services at no less than current licensure and designation with the same types and/or levels of services, including the following:
 - a. A minimum of 32 emergency treatment stations;
 - b. Designation as a Level II Trauma Center; and

- c. Designation as a Paramedic Base Hospital.
- 3. For at least five years from closing, Holy Cross Medical Center shall maintain the following services at current licensure, types, and/or levels of services:
 - a. Cardiology services, including two cardiac catheterization labs and designation as a STEMI Receiving Center;
 - b. Critical care services, including, at a minimum, 12 intensive care beds and 12 coronary care beds;
 - c. Neurosciences, including certification as a Primary Stroke Center;
 - d. Rehabilitation services, including a minimum of 13 inpatient rehabilitation beds;
 - e. Obstetrics services, including a minimum of 35 obstetrics beds;
 - f. Neonatal intensive care services, including a minimum of 12 neonatal intensive care beds and, at minimum, the designation as a Level II Neonatal Intensive Care Unit; and
 - g. Pediatric services.
- 4. For at least ten years from closing, Holy Cross Medical Center shall maintain its sub-acute care services at current licensure, types, and/or levels of services, including a minimum of 48 skilled nursing beds.
- 5. Additionally, for at least five years from closing, Holy Cross Medical Center shall maintain the following services as committed to in Exhibit 8.13 of the Health System Combination Agreement:
 - a. Ambulatory surgery services;
 - b. Cancer care services;
 - c. Endoscopy services;
 - d. Imaging/radiology services;
 - e. Interventional radiology services;
 - f. Laboratory services;
 - g. Orthopedics services;
 - h. Palliative care services;
 - i. Pulmonary services;
 - j. Telemetry services;
 - k. Vascular services; and
 - l. Women's services.
- 6. For at least five years from closing, Holy Cross Medical Center shall maintain a charity care policy that is no less favorable than Holy Cross Medical Center's current charity care policy and in compliance with California and Federal law, and Holy Cross Medical Center shall provide an annual amount of Charity Care equal to or greater than \$11,481,188 (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. For purposes herein, the term “Charity Care” shall mean the amount of charity care costs (not charges) incurred by Holy Cross Medical Center in connection with the operations and provision of services at Holy Cross 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 for Los Angeles-Riverside-Orange County, California;

7. For at least five years from closing, Holy Cross Medical Center shall continue to expend an average of no less than \$3,418,134 annually in community benefit services. This amount should be increased annually based on the Consumer Price Index for Los Angeles-Riverside-Orange County, California. The following community benefit programs shall be maintained with the same or greater level of financial support and in-kind services currently being provided:
 - a. Access to Care;
 - b. Faith Community Health Partnership;
 - c. Latino Health Promoter Program;
 - d. Maternal Child Outreach and Education; and
 - e. Mental Health Outreach.
8. For at least five years from closing, Holy Cross 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 or their successors:
 - a. L.A. Care Health Plan or its successor; and
 - b. Health Net or its successor.
9. For at least five years from closing, Holy Cross 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;
10. For at least ten years from closing, Holy Cross Medical Center shall maintain its current Trauma Services Agreement with the County of Los Angeles;
11. For at least five years from closing, Holy Cross Medical Center shall maintain its current

contracts with the County of Los Angeles, including the following:

- a. Emergency Medical Services Agency ASC Confirmation Agreement re: Stroke Center;
 - b. Emergency Medical Services Agency ASC Confirmation Agreement re: STEMI Receiving Center; and
 - c. Paramedic Base Hospital Services Agreement.
12. Providence St. Joseph Health and Holy Cross Medical Center shall commit the necessary investments required to maintain OSHPD seismic compliance requirements at Holy Cross Medical Center through 2030 under the Alfred E. Alquist Hospital Facilities Seismic Safety Act of 1983, as amended by the California Hospital Facilities Seismic Safety Act, (Health & Saf. Code, § 129675-130070); and
13. Providence St. Joseph Health and Holy Cross Medical Center shall complete any capital projects as committed to in the Health System Combination Agreement.

Saint Joseph Medical Center

1. For at least ten years from closing, Saint Joseph Medical Center shall continue to operate as a general acute care hospital;
2. For at least five years from closing, Saint Joseph 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. A minimum of 38 emergency treatment stations;
 - b. Designation as an Emergency Department Approved for Pediatrics; and
 - c. Designation as a Paramedic Base Hospital.
3. For at least five years from closing, Saint Joseph Medical Center shall maintain the following services at current licensure, types, and/or levels of services:
 - a. Cardiology services, including the one cardiac catheterization lab and the designation as a STEMI Receiving Center;
 - b. Critical care services, including a minimum of 38 intensive care beds and 16 coronary care beds;
 - c. Neurosciences services, including certification as a Primary Stroke Center;
 - d. Obstetrics services, including a minimum of 24 obstetrics beds;
 - e. Neonatal intensive care services, including a minimum of 20 neonatal intensive care beds and, at minimum, the designation as a Level III Neonatal Intensive Care Unit;
 - f. Rehabilitation services, including a minimum of 15 physical rehabilitation beds; and
 - g. Pediatric services.

4. Additionally, for at least five years from closing, Saint Joseph Medical Center shall maintain the following services as committed to in Exhibit 8.13 of the Health System Combination Agreement:
 - a. Ambulatory surgery services;
 - b. Cancer care services;
 - c. Endoscopy services;
 - d. Imaging/radiology services;
 - e. Interventional radiology services;
 - f. Laboratory services;
 - g. Orthopedics services;
 - h. Palliative care services;
 - i. Pulmonary services;
 - j. Rehabilitation services;
 - k. Surgical services;
 - l. Telemetry services;
 - m. Vascular services; and
 - n. Women's services.
5. For at least five years from closing, Saint Joseph Medical Center shall maintain a charity care policy that is no less favorable than Saint Joseph Medical Center's current charity care policy and in compliance with California and Federal law, and Saint Joseph Medical Center shall provide an annual amount of Charity Care equal to or greater than \$7,752,879 (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. For purposes herein, the term "Charity Care" shall mean the amount of charity care costs (not charges) incurred by Saint Joseph Medical Center in connection with the operations and provision of services at Saint Joseph 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 for Los Angeles-Riverside-Orange County, California;
6. For at least five years from closing, Saint Joseph Medical Center shall continue to expend an average of no less than \$4,671,290 annually in community benefit services. This amount should be increased annually based on the Consumer Price Index for Los Angeles-Riverside-Orange County, California. The following community benefit programs shall continue to be offered on an ongoing basis:

- a. Access to Care Program;
 - b. Faith Community Health Partnership;
 - c. Latino Health Promoter Program; and
 - d. Maternal Child Outreach and Education.
7. For at least five years from closing, Saint Joseph Medical Center shall maintain its participation in the Medi-Cal managed care, 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 or their successors:
 - a. L.A. Care Health Plan or its successor; and
 - b. Health Net or its successor.
8. For at least five years from closing, Saint Joseph 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 closing, Saint Joseph Medical Center shall maintain its current contracts with County of Los Angeles, including the following:
 - a. Hospital Preparedness Program;
 - b. Emergency Medical Services – ASC Confirmation Agreement;
 - c. Emergency Department Approved for Pediatrics Confirmation Agreement;
 - d. Agreement for Paramedic Base Hospital Services; and
 - e. Emergency Medical Services Agency SRC Confirmation Agreement.
10. Providence St. Joseph Health and Saint Joseph Medical Center shall commit the necessary investments required to maintain OSHPD seismic compliance requirements at Saint Joseph Medical Center through 2030 under the Alfred E. Alquist Hospital Facilities Seismic Safety Act of 1983, as amended by the California Hospital Facilities Seismic Safety Act, (Health & Saf. Code, § 129675-130070); and
11. Providence St. Joseph Health and Saint Joseph Medical Center shall complete any capital projects as committed to in the Health System Combination Agreement.

APPENDIX

List of Interviewees

Last Name	First Name	Position	Affiliation
Afable, MD	Rick	EVP, Southern California / President & CEO, St. Joseph Hoag Health	St. Joseph Health System
Apland	Judy	Regional Director, Contracting	Providence Health & Services
Arevalo	Ruth	Regional Director, Clinical Program Services	Providence Health & Services
Arjoyan	Aliza	Vice President, Network Management	Humana
Baltau	Mark	Pre-Hospital Care Coordinator	Providence Holy Cross Medical Center
Blackstock	Missy	Director, Emergency Department	Providence Holy Cross Medical Center
Brewster, MD	G. Scott	Chief Medical Officer, Emergency Medicine Division	Providence Tarzana Medical Center
Bushart	Phyllis	Chief Operations Officer	Providence Tarzana Medical Center
Butler	Mike	President & Chief Operating Officer	Providence Health & Services
Carrier	Karl	Interim Chief Executive Officer	Providence Health & Services, Southern California
Carrillo	Norma	Manager, Provider Contracting	LA Care Health Plan
Cochran	Elizabeth	Chief Operating Officer	Providence Saint Joseph Medical Center
Cruz	Connie	Director, Parish Nursing	Providence Health & Services
Davis, MD	Howard	Chief Medical Officer	Providence Tarzana Medical Center
Dechairo-Marino	Ann	Chief Nursing Officer	Providence Holy Cross Medical Center
Eason, MD	Lanny	Chief Medical Officer	Providence Health & Services, Southern California
Escasa-Haigh	Jo Ann	Chief Financial Officer	St. Joseph Health System
Fisher, MD	Jason	Administrator, Emergency Department	Providence Holy Cross Medical Center
Forrester	Shawn	Vice President, Provider Solutions	Anthem Blue Cross of California
Georgino	Vic	Board Member	Providence Holy Cross Medical Center
Gray	Sr. Katherine	Chair	St. Joseph Health Ministry
Hart	Betsy	Chief Nursing Officer	Providence Saint Joseph Medical Center
Igram	Rick	Senior Vice President, Network Development & Contracting	St. Joseph Health System
Jurecki	Sr. Nancy	Director, Mission Leadership & Spiritual Care	Providence Health & Services, Southern California
Khurana	Prub (P.K.)	Chief Strategic Services Officer	Providence Health & Services, Southern California
Kleam	Doug	Chief Operating Officer	Providence Holy Cross Medical Center
Klein, MD	Bernie	Chief Executive Officer	Providence Holy Cross Medical Center
LaBorde	Elizabeth	Vice President & Executive Director	Providence Saint Joseph Foundation
Largoza	Francis	Chief Nursing Officer	Providence Tarzana Medical Center
Leonard	Carrie	Board Member	Providence Holy Cross Medical Center
Macready	Neil A.	President, Foundation	Providence Tarzana Medical Center
Manemann	Kevin	Chief Executive Officer	St. Joseph Heritage Healthcare
Mast	Dave	Chief Integration Officer, Shared Services	Providence Health & Services, Southern California
Mohr	Steven	Vice President, Finance & Operations	Providence Health & Services, Southern California
Montalvo	Darrin	President, Integrated Services	St. Joseph Health System
Murphy	Kevin	Vice President, Theology & Ethics	St. Joseph Health System
Noce	Bill	Chair, Board of Trustees	St. Joseph Health System
Ockey	Shayna	Contract Manager, Regional Contracting	Providence Health & Services
Papouchian	Arminé	Vice President, Contracting Relations & Analytics	Blue Shield
Pavic-Zabinski	Karen	Regional Director, Ethics	Providence Health & Services, Southern California
Proctor	Deborah	President & Chief Executive Officer	St. Joseph Health System
Puchlik	Gerry	Administrator, Foundation	Providence Holy Cross Medical Center
Raggi, MD	Bob	Chief Medical Officer	Providence Holy Cross Medical Center
Robinson	Ronald	Community Representative & Retired Healthcare Administrator	Area Resident & Los Angeles Jewish Home
Saddiq, MD	Kaliq	Regional Medical Director	St. Joseph Heritage Healthcare
Schubert	Sr. Marian	Executive Vice President, Mission Integration	St. Joseph Health System
Siebert	Greg	Senior Vice President, Network Management	UnitedHealthcare
Sloggett-O'Dell	Stephanie	Vice President, Labor & Employee Relations	St. Joseph Health System
Springer	Julie	Chief Executive Officer	Providence Saint Joseph Medical Center
Stahl	Pam	Chief Human Resources Officer	Providence Health & Services, Southern California
Stanislaw	Sherry	Senior Vice President & General Manager	SCAN Health Plan
Steinke	Paul	Chief Financial Officer	Providence Holy Cross Medical Center
Sulka	Jeanne	Director, Business Development	Providence Tarzana Medical Center
Surowitz	Dale	Chief Executive Officer	Providence Tarzana Medical Center
Tadeo	Richard	Assistant Director,	Los Angeles County Emergency Medical Services Agency
Tadeo	Richard	Assistant Director	Los Angeles County Emergency Medical Services Agency
Tessa, MD	Nicholas	Chief Medical Officer	Providence Saint Joseph Medical Center
Treanor	Joline	Senior Vice President, Human Resources	St. Joseph Health System
Van Brunt	Sonoma	Director, Business Development	Providence Saint Joseph Medical Center
Walker	Annette	Executive Vice President, Strategic Services / Newly Appointed President & CEO	St. Joseph Health System
Walker	Terry	Community Relations Manager	Providence Saint Joseph Medical Center
Wyard	Kim	Chief Executive Officer	Northeast Valley Health Corporation
Yasharpour, MD	Farid	Physician, OB/GYN	Providence Holy Cross Medical Center
Ziegeler	Doug	Vice President, Business Development	Providence Holy Cross Medical Center

Hospital Licenses

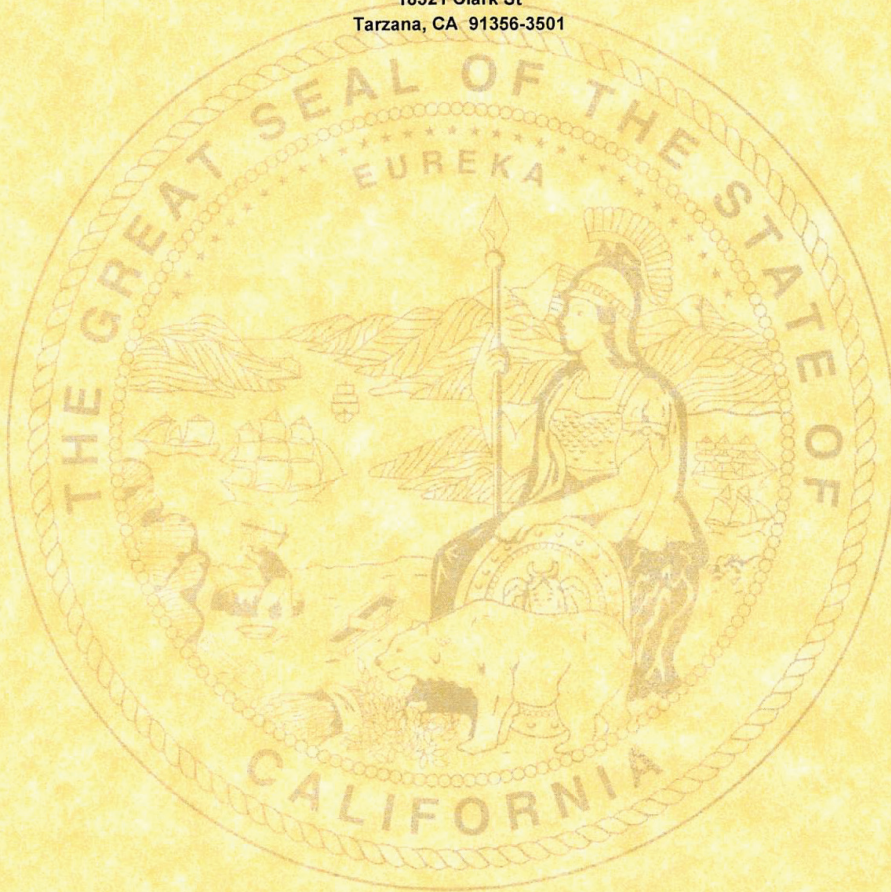
Tarzana Medical Center

License: 930000097 Effective: 11/19/2015 Expires: 11/18/2016 Licensed Capacity: 249	
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	
<i>this License to</i>	
Providence Health System-Southern California	
to operate and maintain the following General Acute Care Hospital	
PROVIDENCE TARZANA MEDICAL CENTER	
18321 Clark St Tarzana, CA 91356-3501	
Bed Classifications/Services 249 General Acute Care 29 Perinatal 21 Intensive Care Newborn Nursery 18 Pediatric 17 Intensive Care 10 Coronary Care 154 Unspecified General Acute Care	Other Approved Services Audiology Basic Emergency Medical Cardiac Catheterization Laboratory Services Cardiovascular Surgery Nuclear Medicine Occupational Therapy Outpatient Service - Outpatient Clinic - Cardiac Rehab. at Outpt. Cardiac Rehab. at Tarzana Garden Plaza, 18411 Clark Street, Suite 200, Tarzana Outpatient Service - Outpatient Clinic - Imaging/Women's Center at Providence Tarzana Imaging Center, 18344 Clark St., #101/110, Tarzana Outpatient Service - Outpatient Clinic - Laboratory/Surgery/Infusions Outpatient Service - Outpatient Clinic - MRI at Providence Tarzana MRI Center, 18360 Burbank Blvd., Tarzana Outpatient Service - Outpatient Clinic - Radiology/Cardiology/NST Test. Outpatient Service - Outpatient Clinic - Wound Care at Providence Tarzana Wound Center, 18411 Clark St., #210, Tarzana Physical Therapy Respiratory Care Services Social Services Speech Pathology
(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: 930000097
Effective: 11/19/2015
Expires: 11/18/2016
Licensed Capacity: 249

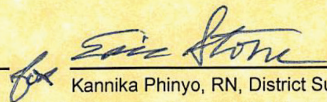
PROVIDENCE TARZANA MEDICAL CENTER (Continued)
18321 Clark St
Tarzana, CA 91356-3501



This LICENSE is not transferable and is granted solely upon the following conditions, limitations and comments:
None

Karen L. Smith, MD, MPH

Director and State Public Health Officer


Kannika Phinyo, RN, District Supervisor

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

Holy Cross Medical Center

License: 930000404
Effective: 05/01/2015
Expires: 04/30/2016
Licensed Capacity: 377

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

Providence Health System - Southern California

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

PROVIDENCE HOLY CROSS MEDICAL CENTER

15031 Rinaldi St.
Mission Hills, CA 91345-1207

Bed Classifications/Services

329 General Acute Care
35 Perinatal
13 Rehabilitation
12 Coronary Care
12 Intensive Care
12 Intensive Care Newborn Nursery
245 Unspecified General Acute Care

Other Approved Services

Basic Emergency Medical
Cardiac Catheterization Laboratory Services
Cardiovascular Surgery
Nuclear Medicine
Occupational Therapy
Outpatient Services - Infusion Therapy/Surgery
Outpatient Services - Lab/Imaging/Radiology
Outpatient Services - Pulmonary Laboratory
Outpatient Services - Radiology, AntepTest,
DM Ed. at 11570 INDIAN HILLS ROAD,
MISSION HILLS
Outpatient Services - Radiology; Baby-Wise at
19950 Rinaldi Street, Suite #101, Porter
Ranch
Outpatient Services - Radiology; Oncology
Rehab. at 26357 McBean Parkway, Suite
#155, Santa Clarita
Outpatient Services - Special Procedures/GI
Lab
Physical Therapy
Respiratory Care Services
Social Services
Speech Pathology
Speech Therapy

PROVIDENCE HOLY CROSS MEDICAL CENTER D/P SNF
11600A Indian Hills Rd
Mission Hills, CA 91345-1225

(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

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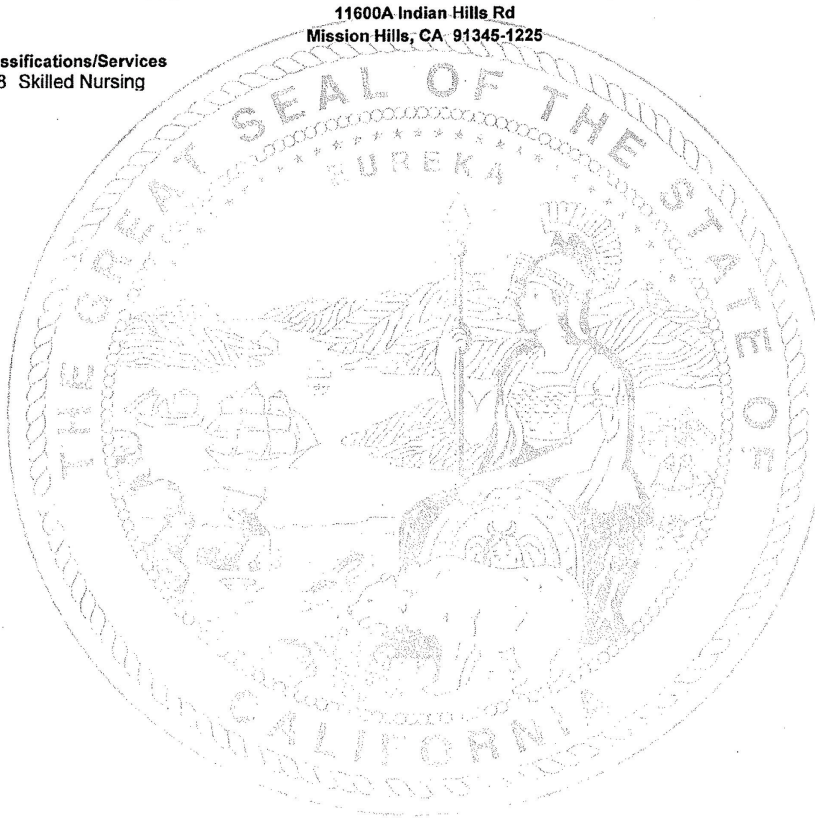
State of California
Department of Public Health
License Addendum

License: 930000404
Effective: 05/01/2015
Expires: 04/30/2016
Licensed Capacity: 377

PROVIDENCE HOLY CROSS MEDICAL CENTER D/P SNF (Continued)

11600A Indian Hills Rd
Mission Hills, CA 91345-1225

Bed Classifications/Services
48 Skilled Nursing



This LICENSE is not transferable and is granted solely upon the following conditions, limitations and comments:
48 Skilled Nursing (D/P) beds located at 11600A Indian Hills Road, Mission Hills.

Karen L. Smith, MD, MPH

Director and State Health Officer

Kannika Phinyo
Kannika Phinyo, RN, District Supervisor

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

Saint Joseph Medical Center

License: 930000159

Effective: 06/01/2015

Expires: 05/31/2016

Licensed Capacity: 446

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

Providence Health System - Southern California

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

Providence Saint Joseph Medical Center

501 S Buena Vista St
Burbank, CA 91505-4809

Bed Classifications/Services

392 General Acute Care
38 Intensive Care
25 Rehabilitation
24 Perinatal
20 Intensive Care Newborn Nursery
16 Coronary Care
269 Unspecified General Acute Care
54 Skilled Nursing (D/P)

Other Approved Services

Audiology
Basic Emergency Medical
Cardiac Catheterization Laboratory Services
Cardiovascular Surgery
Nuclear Medicine
Occupational Therapy
Outpatient Clinics - Mammography at
Providence St. Joseph Breast Health
Center, 181 S. Buena Vista Street, Suite
300, Burbank
Outpatient Clinics - PT/OT/Home Health at
Providence Rehabilitation services, 3413
Pacific Ave, Burbank
Outpatient Clinics - Rad. Onco./PT/OT/Infu.
Therapy at The Roy & Patricia Disney
Family Cancer Center, 181 S. Buena Vista
St., 1ST, 2ND AND 3RD FLOOR,
BURBANK
Outpatient Clinics - Radiology/Draw Station at
Providence St. Joseph Diagnostic Center,
201 S. Buena Vista St., #125, Burbank
Outpatient Services -
Neurology/Nutrition/Lab/EKG
Outpatient Services - Surgery/Radiology/GI
Lab
Outpatient Services - Vascular Lab/Cardiology
Physical Therapy
Radiation Therapy
Respiratory Care Services

(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: 930000159
Effective: 06/01/2015
Expires: 05/31/2016
Licensed Capacity: 446

Providence Saint Joseph Medical Center (Continued)
501 S Buena Vista St
Burbank, CA 91505-4809

Other Approved Services (cont'd)

Social Services
Speech Pathology
Speech Therapy



This LICENSE is not transferable and is granted solely upon the following conditions, limitations and comments:
54 Skilled Nursing beds suspended from 06/01/2015 to 05/31/2016.
9 General Acute Care beds suspended from 06/01/2015 to 05/31/2016.

Karen L. Smith, MD, MPH

Director and State Health Officer

Eann Stone
Kannika Phinyo, RN, District Supervisor

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