

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 St. Jude Medical Center and St. Joseph  
Hospital of Orange

Prepared for the Office of the California Attorney General

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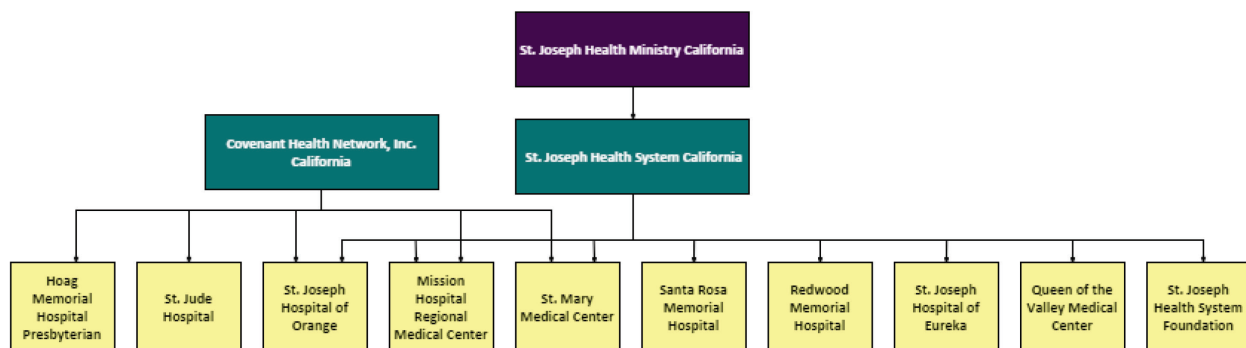
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## INTRODUCTION & PURPOSE

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 St. Jude Medical Center and St. Joseph Hospital of Orange. St. Joseph Health System owns and operates St. Jude Medical Center, general acute care hospital located in Fullerton, California, and St. Joseph Hospital of Orange, a general acute care hospital located in Orange, California (St. Joseph Hospital).

St. Joseph Health System and Providence Health & Services are multi-institutional, Catholic healthcare systems that are sponsored by a Public Juridic Person<sup>1</sup>. 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.<sup>2</sup> 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 District<sup>3</sup>. Please refer to the summary organizational chart below:

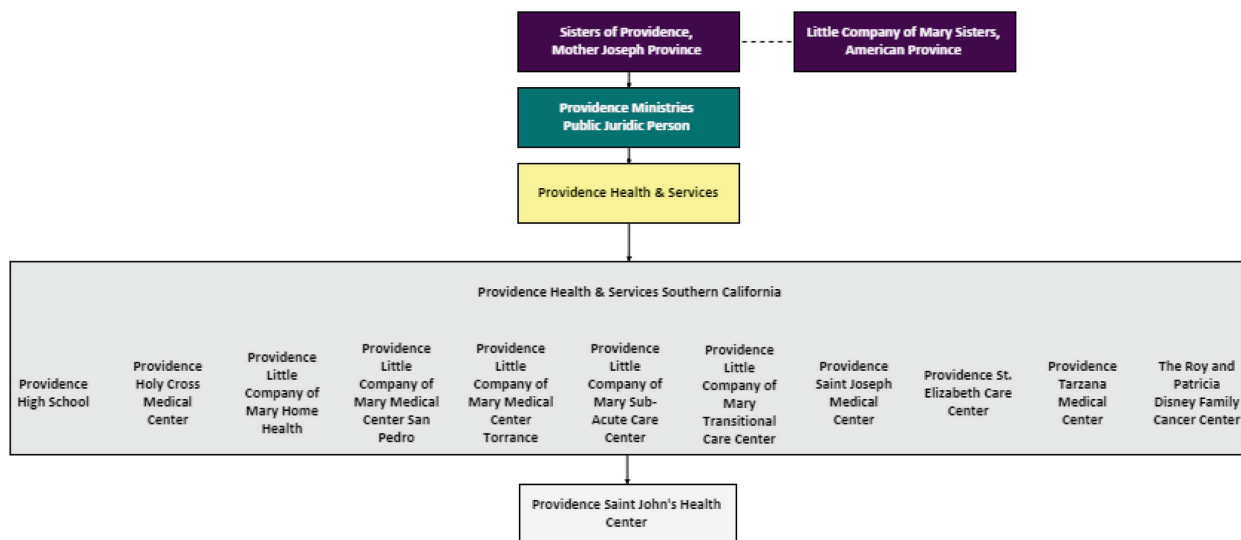


<sup>1</sup> A Public Juridic Person is a group of persons approved by the Roman Catholic Church to oversee and ensure that the mission of its healthcare organization is carried out according to Catholic principles.

<sup>2</sup> Covenant Health Network, Inc., established in 2013, is a nonprofit public benefit corporation created by Hoag Memorial Hospital Presbyterian and St. Joseph Health System.

<sup>3</sup> 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, union representatives, health plan representatives, representatives of St. Jude Medical Center and St. Joseph Hospital’s Board of Trustees, management, medical staff, 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 St. Jude Medical Center and St. Joseph Hospital, 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 St. Jude Medical Center and St. Joseph Hospital’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 Aim<sup>4</sup> 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;

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<sup>4</sup> 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
<b>St. Joseph Health System</b>	
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
<b>Providence Health &amp; Services</b>	
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**

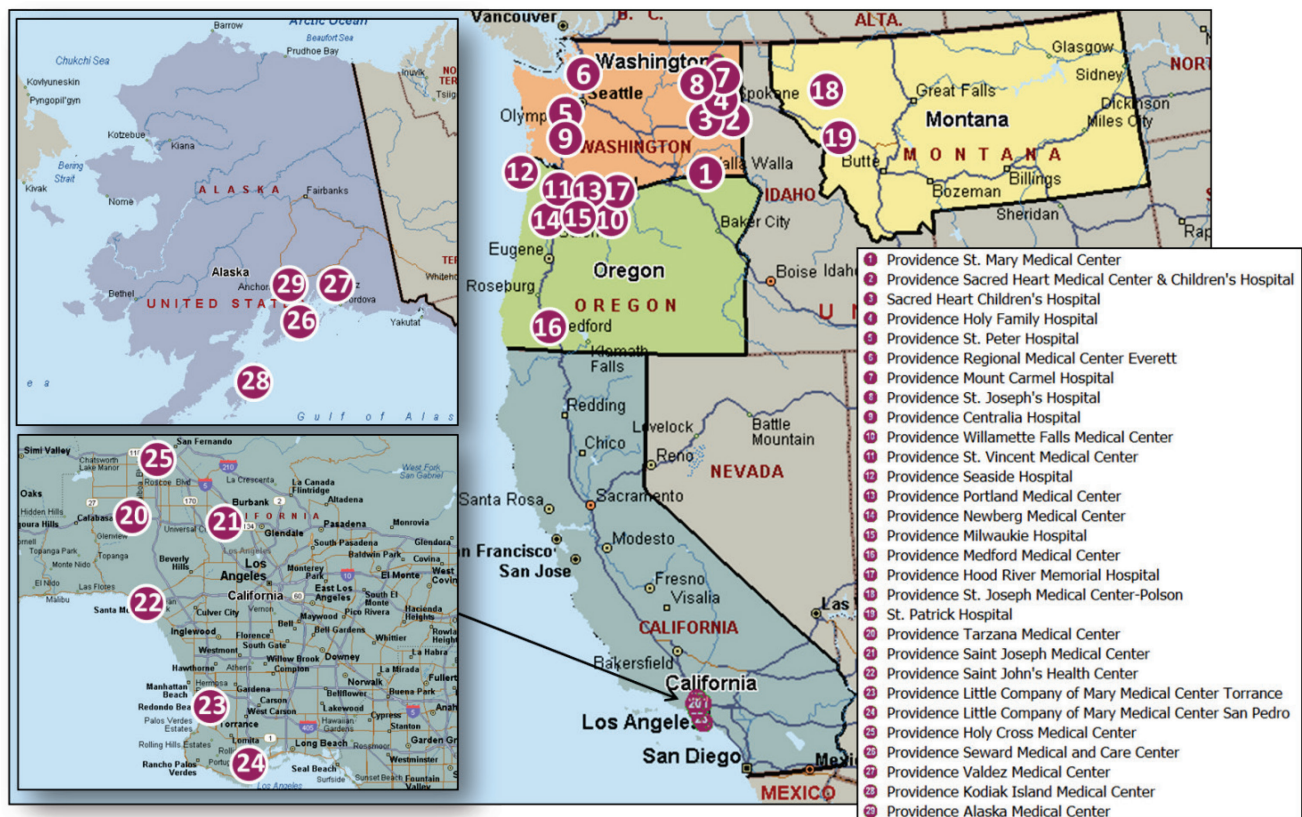
There will be no net proceeds as a result of the proposed transaction.



## 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 582 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 342 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 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, 690 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 845 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 foundation<sup>5</sup> 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

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<sup>5</sup> 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%
<b>Medi-Cal Total</b>	<b>17,345</b>	<b>20.2%</b>	<b>292,823</b>	<b>34.5%</b>	<b>883,440</b>	<b>31.1%</b>
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%
<b>Medicare Total</b>	<b>38,820</b>	<b>45.3%</b>	<b>319,140</b>	<b>37.6%</b>	<b>1,079,621</b>	<b>38.0%</b>
Third-Party Managed Care	20,981	24.5%	158,487	18.7%	610,781	21.5%
<b>Third-Party Managed Care Total</b>	<b>20,981</b>	<b>24.5%</b>	<b>158,487</b>	<b>18.7%</b>	<b>610,781</b>	<b>21.5%</b>
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%
<b>Other Total</b>	<b>8,613</b>	<b>10.0%</b>	<b>78,488</b>	<b>9.2%</b>	<b>268,360</b>	<b>9.4%</b>
<b>Total</b>	<b>85,759</b>	<b>100%</b>	<b>848,938</b>	<b>100%</b>	<b>2,842,202</b>	<b>100%</b>

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
<b>State of California Average</b>	<b>96.9%</b>	<b>19.4%</b>	<b>68.0%</b>	<b>97.9%</b>
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)
<b>Net Patient Service Revenue Less Provision for Bad Debts</b>	<b>\$9,057,738</b>	<b>\$10,101,619</b>	<b>\$1,598,680</b>	<b>\$1,768,646</b>
Premium and Capitation Revenues	\$1,445,107	\$1,682,968	\$198,965	\$243,103
Other Revenues	\$633,835	\$696,390	\$65,332	\$92,240
<b>Total Operating Revenues</b>	<b>\$11,136,680</b>	<b>\$12,480,977</b>	<b>\$1,862,977</b>	<b>\$2,103,989</b>
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
<b>Total Operating Expenses</b>	<b>\$11,099,009</b>	<b>\$12,261,825</b>	<b>\$1,889,962</b>	<b>\$1,829,715</b>
<b>Excess of Revenues Over Expenses from Operations</b>	<b>\$37,671</b>	<b>\$219,152</b>	<b>(\$26,985)</b>	<b>\$274,274</b>
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)	-	-
<b>Total Net Nonoperating Gains</b>	<b>\$215,599</b>	<b>\$552,270</b>	<b>\$16,132</b>	<b>\$143,908</b>
<b>Excess of Revenues Over Expenses</b>	<b>\$253,270</b>	<b>\$771,422</b>	<b>(\$10,853)</b>	<b>\$418,182</b>
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)
<b>Increase in Unrestricted Net Assets</b>	<b>\$616,579</b>	<b>\$528,002</b>	<b>(\$38,096)</b>	<b>(\$7,606)</b>

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

### Providence Health & Services System-Wide Performance

Providence Health & Services' audited combined financial statements<sup>6</sup> 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.

- 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;

<sup>6</sup> Providence Health & Services' audited combined financial statements, prepared by KPMG, pertain to the entire Providence Health & Services system, including its operations outside of California.

- 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 certified 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 foundation<sup>7</sup> 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.

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<sup>7</sup> 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%
<b>Medi-Cal Total</b>	<b>20,098</b>	<b>20.6%</b>	<b>883,440</b>	<b>31.1%</b>
Medicare Traditional	32,046	32.8%	805,912	28.4%
Medicare Managed Care	11,039	11.3%	273,709	9.6%
<b>Medicare Total</b>	<b>43,085</b>	<b>44.1%</b>	<b>1,079,621</b>	<b>38.0%</b>
Third-Party Managed Care	27,166	27.8%	610,781	21.5%
<b>Third-Party Managed Care Total</b>	<b>27,166</b>	<b>27.8%</b>	<b>610,781</b>	<b>21.5%</b>
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%
<b>Other Total</b>	<b>7,437</b>	<b>7.6%</b>	<b>268,360</b>	<b>9.4%</b>
<b>Total</b>	<b>97,786</b>	<b>100%</b>	<b>2,842,202</b>	<b>100%</b>

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
<b>State of California Average</b>	<b>96.9%</b>	<b>19.4%</b>	<b>68.0%</b>	<b>97.9%</b>
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
<b>Net Patient Service Revenue, Net of Provision for Doubtful Accounts</b>	<b>\$4,275,223</b>	<b>\$4,773,551</b>	<b>\$3,329,333</b>	<b>\$3,715,153</b>
Premium and Capitation Revenues	\$1,130,559	\$1,192,711	\$316,304	\$137,830
Other Revenues	\$225,884	\$272,254	\$66,751	\$69,744
<b>Total Revenues</b>	<b>\$5,631,666</b>	<b>\$6,238,516</b>	<b>\$3,712,388</b>	<b>\$3,922,727</b>
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	-
<b>Total Expenses</b>	<b>\$5,647,754</b>	<b>\$6,183,136</b>	<b>\$3,547,022</b>	<b>\$3,651,920</b>
Operating Income	(\$16,088)	\$55,380	\$165,366	\$270,807
Net Nonoperating Gains	\$324,875	\$4,899	\$297,152	\$39,652
<b>Excess of Revenues Over Expenses</b>	<b>\$308,787</b>	<b>\$60,279</b>	<b>\$462,518</b>	<b>\$310,459</b>
Less Excess of Revenues of Expenses Attributable to Noncontrolling Interests	\$15,985	\$17,192	\$17,443	\$20,106
<b>Excess of Revenues Over Expenses Attributable to Controlling Interests</b>	<b>\$292,802</b>	<b>\$43,087</b>	<b>\$445,075</b>	<b>\$290,353</b>
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	-	-
<b>Increase in Unrestricted Net Assets</b>	<b>\$326,433</b>	<b>\$132,256</b>	-	-
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	-	-
<b>Increase in Net Assets</b>	<b>\$353,254</b>	<b>\$167,870</b>	-	-
<b>Net Assets at Beginning of Period</b>	<b>\$4,963,861</b>	<b>\$5,317,115</b>	-	-
<b>Net Assets at End of Period</b>	<b>\$5,317,115</b>	<b>\$5,484,985</b>	-	-

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 ST. JUDE MEDICAL CENTER

### Overview of St. Jude Medical Center

St. Joseph Health System operates St. Jude Medical Center, a 351 licensed-bed general acute care facility, located at 101 East Valencia Mesa Drive in Fullerton. St. Jude Medical Center has a “basic” emergency department<sup>8</sup> with 36 licensed treatment stations. It also has 19 surgical operating rooms and six cardiac catheterization labs.

BED DISTRIBUTION 2015	
Bed Type	Number of Beds
General Acute Care	222
Intensive Care	52
Neonatal Intensive Care	14
Perinatal	33
Rehabilitation	30
<b>Total Licensed Beds</b>	<b>351</b>

Source: Hospital License 2016

### St. Jude Memorial Foundation

St. Jude Memorial Foundation provides financial support through philanthropy for St. Jude Medical Center. St. Jude Memorial 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 St. Jude Memorial Foundation have supported the construction of the Northwest Patient Tower, the Southwest Patient Tower, and the freestanding Endoscopy Center.

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<sup>8</sup> 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	15,285	14,955	13,562
Licensed Beds	372	362	329
Patient Days	75,306	71,188	60,668
Average Daily Census	206	195	166
Occupancy	55.5%	53.9%	50.5%
Average Length of Stay	4.9	4.8	4.5
Emergency Services Visits <sup>1</sup>	64,426	63,436	62,782
Cardiac Catheterization Procedures <sup>1</sup>	3,053	3,047	3,703
Coronary Artery Bypass Graft (CABG) Surgeries <sup>1</sup>	87	78	81
Total Live Births	2,068	2,194	2,187

Medical Staff	565
Employees (Full-Time Equivalents) <sup>2</sup>	1,669

Sources: OSHPD Disclosure Reports, FY 2012-2014

<sup>1</sup> OSHPD Alerts Annual Utilization Reports

<sup>2</sup> St. Joseph Health System

For FY 2014, St. Jude Medical Center had a total of 13,562 inpatient discharges, 60,668 patient days, and an average daily census of 166 patients (approximately 51% occupancy on the total licensed beds).

- Since FY 2012, both inpatient discharges and patient days have decreased by approximately 11% and 19%, respectively;
- In FY 2014, St. Jude Medical Center reported 62,782 emergency department visits;
- In FY 2014, St. Jude Medical Center reported approximately 3,703 cardiac catheterization procedures and 81 coronary artery bypass graft surgeries; and
- Total live births at St. Jude Medical Center have increased from 2,068 in FY 2012 to 2,187 in FY 2014.

## ***Programs & Services***

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

- Brain injury services include: Therapy, education, and day healthcare services for traumatic brain injury survivors, provided by the Brain Injury Network;
- Oncology services include: Diagnosis and treatment of cancers, including bladder, brain, breast, cervical, lymphoma, kidney, liver, lung, ovarian, pancreatic, thyroid, and uterine cancer. Services are provided at the Kathryn T. McCarty Breast Center, the Center for Thoracic and Esophageal Diseases, the Diagnostic Imaging Center, the Endoscopy Center, the Infusion Center, and the Radiation Oncology Center;
- Cardiology services include: Cardiothoracic surgery, cardiac catheterization, interventional cardiology, electrophysiology, three-dimensional echocardiography, valve repair and replacement, cardiac rehabilitation services, and a STEMI Receiving Center;
  - Ornish Reversal Program services include: 72 hours of lifestyle intervention, including nutrition, monitored fitness, stress management, and group support, to reverse and prevent heart damage.
- Pain management services include: Physical and emotional treatment for chronic pain, including physical and occupational therapy, interventional procedures, medication management, and nutrition services;
- Emergency services include: 24-hour “basic” emergency department services that includes 36 licensed treatment stations, a STEMI Receiving Center, designation as a Paramedic Base Station, and Comprehensive Stroke Center services;
- Gastroenterology services include: Diagnosis and treatment, including endoscopy, ablative therapy, and monitoring for gastroesophageal reflux disease, bile duct, and pancreatic conditions;
- Wound care services include: Treatment (including hyperbaric therapy) for chronic wounds that includes diabetic foot wounds, lymphedema, failing skin grafts, pressure ulcers, non-healing surgical incisions, venous ulcers, neuropathic ulcers, traumatic injuries, and chronic osteomyelitis;
- Imaging services include: CT, PET/CT, and MRI services provided by The Ann G. Fetters Diagnostic Imaging Center;

- Obstetric services include: Prenatal, labor and delivery, postpartum, and breastfeeding support, and Level III Neonatal Intensive Care Unit services provided in affiliation with Children’s Hospital of Orange County. St. Jude Medical Center is designated as a “Baby Friendly Hospital<sup>9</sup>”;
- Neuroscience and stroke services include: Diagnosis, intervention, and rehabilitation for stroke patients. St. Jude Medical Center is a certified Comprehensive Stroke Center;
- Orthopedic services include: Diagnosis and treatment that includes cartilage transplantation and non-surgical interventions for bone and joint conditions;
- Rehabilitation services include: Inpatient and outpatient rehabilitation that includes orthopedics and sports rehabilitation, chronic pain rehabilitation, brain injury, stroke recovery, and spinal cord injury rehabilitation;
- Sleep services include: Evaluation, diagnosis, and treatment that includes including polysomnography technology and at-home sleep testing for sleep disorders;
- Women’s health services include: Breast cancer, incontinence, pelvic pain, maternity, well-woman, and fitness services; and
- Wellness services include: Exercise and fitness programs in combination with disease prevention, management, and rehabilitation provided by The Synergy Wellness Center.

### ***Accreditations, Certifications, & Awards***

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

- Certification as an Advanced Comprehensive Stroke Center by The Joint Commission, effective April 2015 through April 2017;
- Recognition as a Magnet Hospital in FY 2015 by the American Nursing Credentialing Center, the most prestigious distinction a health care organization can receive for nursing excellence and quality patient outcomes;
- The 2015 Physicians of Excellence Award from the Orange County Medical Association;
- A Three-Star Rating for cardiac surgery from the Society of Thoracic Surgeons;

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<sup>9</sup> 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.

- The 2015 Gold Plus Award for the Get With the Guidelines Stroke Program from the American Heart/American Stroke Association;
- Recognition as a Blue Distinction Center for cardiac care, knee and hip replacement, and spine surgery by Blue Cross and Blue Shield; and
- The Outstanding Achievement Award from the American College of Surgeons Commission on Cancer.

## 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 St. Jude Medical Center by 0.21%. For FY 2016, the Centers for Medicare & Medicaid services will reduce payments to St. Jude Medical Center by 0.28%.

The following table reports St. Jude Medical Center’s average scores for each of the measures within the four domains in comparison to the statewide and national averages:

QUALITY SCORES COMPARISON				
Domain	Measure	St. Jude 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	96.9%	97.6%	97.3%
Patient Experience of Care Domain	Average of Measures for the Hospital Consumer Assessment of Healthcare Providers and Systems (HCAHPS) Survey	69.0%	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	11.6%	12.1%	12.4%
Efficiency Domain	Medicare Spending per Beneficiary Ratio	1.04	0.99	0.98

Source: Medicare.gov Hospital Compare, 2015

- For the clinical process of care domain, St. Jude Medical Center scored slightly below (96.9%) the California average (97.6%) and the national average (97.3%);
- St. Jude Medical Center scored between (69.0%) the California average of 67.0% and the national average of 71.0% for the patient experience of care domain;
- Within the outcome domain, St. Jude Medical Center has a better average 30-day mortality rate and central-line bloodstream infection rate (11.6%) than the California and national averages (12.1% and 12.4%, respectively); and

- With a ratio of 1.04, St. Jude 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 Program<sup>10</sup>, 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.

In FY 2014, St. Jude Medical Center was not penalized. However, in FY 2015, St. Jude Medical Center was penalized with a 0.07% reduction in reimbursement. The following graph shows St. Jude Medical Center’s 30-day readmission rates for heart attack, heart failure, and pneumonia patients:

30-DAY READMISSION RATES			
Condition	St. Jude Medical Center	National Average	California Average
Heart Attack	16.9%	17.0%	17.0%
Heart Failure	20.9%	22.0%	22.1%
Pneumonia	16.2%	16.9%	16.9%
<b>Average 30-Day Readmission Rate</b>	<b>18.0%</b>	<b>18.6%</b>	<b>18.6%</b>

Source: IPRO & Medicare.gov Hospital Compare, 2015

- St. Jude Medical Center had fewer 30-day readmissions (18.0%) than the national and statewide averages of 18.6%; however, St. Jude Medical Center will be penalized with a 0.10% reduction in reimbursement in FY 2016.

<sup>10</sup> 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 criteria<sup>11</sup>, St. Jude 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 St. Jude 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/Canopies/Boiler Room	SPC-1	NPC-2
2) West Building	SPC-1	NPC-2
3) North Building	SPC-2	NPC-2
4) CT Scan Building	SPC-3	NPC-2
5) Outpatient/Admitting Building	SPC-3	NPC-2
6) Linear Accelerator	SPC-5	NPC-2
7) Emergency Generator Enclosure	SPC-5	NPC-4
8) MRI and Surgery Building	SPC-3	NPC-2
9) E.R. Waiting/Canopy	SPC-3	NPC-2
10) Basement Expansion	SPC-1	NPC-2
11) Boiler Room Expansion/Chiller Rm	SPC-2	NPC-2
12) Southwest Acute Care Bed Tower	SPC-5	NPC-4
13) Main Entrance Canopy	SPC-5s*	N/A

Source: OSHPD

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

- St. Jude Medical Center has five buildings that are rated as either SPC-1 or SPC-2. In order to continue providing the delivery of acute care services, the buildings with a SPC-1 rating must be seismically retrofitted by January 1, 2020, and the buildings with a SPC-2 rating must be seismically retrofitted by January 1, 2030.

<sup>11</sup> 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 St. Jude 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	37,817	34,576	33,099	39,622	42,719
Neonatal Intensive Care	2,285	2,354	1,657	2,579	1,990
Intensive Care	20,490	18,939	16,776	10,284	11,572
Pediatric Acute*	1,632	593	-	-	-
Obstetrics	5,901	6,144	5,787	5,843	5,601
Skilled Nursing*	11,627	11,853	10,686	5,102	-
Physical Rehabilitation	7,973	7,673	7,301	7,758	7,776
<b>Total</b>	<b>87,725</b>	<b>82,132</b>	<b>75,306</b>	<b>71,188</b>	<b>69,658</b>
DISCHARGES					
Medical/Surgical	8,583	8,046	7,846	9,143	10,164
Neonatal Intensive Care	166	212	167	217	209
Intensive Care	4,383	3,939	3,612	2,253	4,655
Pediatric Acute	762	287	-	-	-
Obstetrics	2,221	2,216	2,126	2,184	2,223
Skilled Nursing	993	970	937	494	-
Physical Rehabilitation	564	602	597	664	621
<b>Total</b>	<b>17,672</b>	<b>16,272</b>	<b>15,285</b>	<b>14,955</b>	<b>17,872</b>
AVERAGE LENGTH OF STAY					
Medical/Surgical	4.4	4.3	4.2	4.3	4.2
Neonatal Intensive Care	13.8	11.1	9.9	11.9	9.5
Intensive Care	4.7	4.8	4.6	4.6	2.5
Pediatric Acute	2.1	2.1	-	-	-
Obstetrics	2.7	2.8	2.7	2.7	2.5
Skilled Nursing	11.7	12.2	11.4	10.3	-
Physical Rehabilitation	14.1	12.7	12.2	11.7	12.5
<b>Total</b>	<b>5.0</b>	<b>5.0</b>	<b>4.9</b>	<b>4.8</b>	<b>3.9</b>
AVERAGE DAILY CENSUS					
Medical/Surgical	103.6	94.7	90.7	108.6	117.0
Neonatal Intensive Care	6.3	6.4	4.5	7.1	5.5
Intensive Care	56.1	51.9	46.0	28.2	31.7
Pediatric Acute	4.5	1.6	-	-	-
Obstetrics	16.2	16.8	15.9	16.0	15.3
Skilled Nursing	31.9	32.5	29.3	14.0	-
Physical Rehabilitation	21.8	21.0	20.0	21.3	21.3
<b>Total</b>	<b>240.3</b>	<b>225.0</b>	<b>206.3</b>	<b>195.0</b>	<b>190.8</b>
OTHER SERVICES					
Inpatient Surgeries	9,090	4,304	3,790	4,114	4,006
Outpatient Surgeries	4,833	4,071	4,429	3,750	4,067
Emergency Visits <sup>1</sup>	59,636	55,645	64,426	63,436	62,782
Cardiac Catheterization Procedures <sup>1</sup>	3,836	3,523	3,053	3,047	3,703
Obstetric Deliveries	2,206	2,145	2,068	2,194	2,187

Sources: OSHPD Disclosure Reports, FY 2010-2014

<sup>1</sup> OSHPD Alerts Annual Utilization Reports

\*Pediatric and skilled nursing services are no longer provided at St. Jude Medical Center



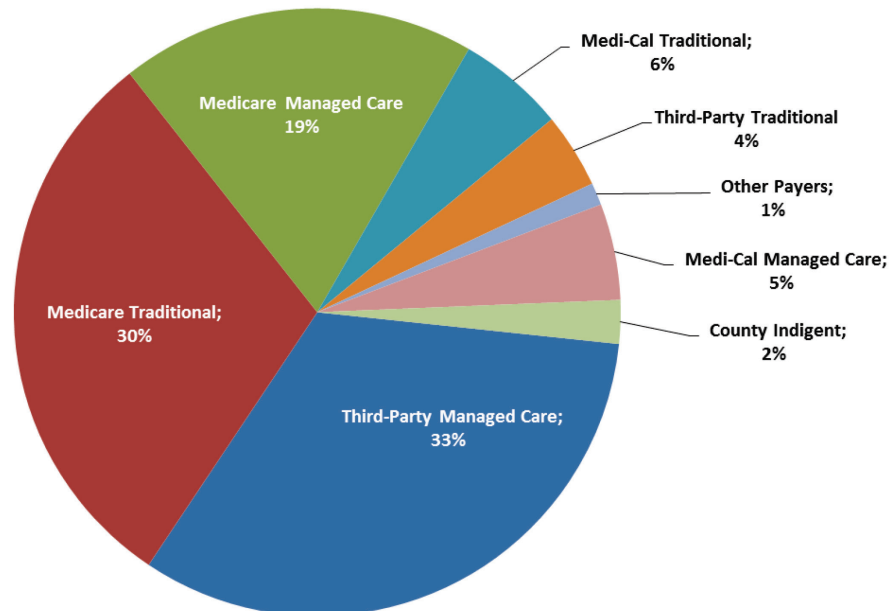
A review of historical utilization trends supports the following conclusions:

- St. Jude Medical Center provided pediatric services until FY 2012 and skilled nursing services until FY 2014;
- Total patient days decreased by 21% between FY 2010-2014;
- The average daily census has decreased from 240 patients in FY 2010 to 191 patients in FY 2014; and
- Obstetric deliveries have remained relatively stable over the five-year period.

### ***Payer Mix***

In FY 2014, approximately 49% of St. Jude Medical Center’s inpatient payer mix consisted of Medicare Traditional (30%) and Medicare Managed Care (19%) patients. Approximately 37% of St. Jude Medical Center’s inpatient payer mix consisted of Third-Party Managed Care (33%) and Third-Party Traditional (4%) patients. The remaining 14% of the inpatient discharges consisted of Medi-Cal Traditional (6%), Medi-Cal Managed Care (5%), County Indigent (2%), and Other Payers\* (1%).

**St. Jude Medical Center Payer Mix, FY 2014**



**Total Discharges = 17,872**

\* 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 St. Jude Medical Center’s inpatient discharge payer mix compared to Orange County and the State of California for FY 2014. The comparison shows that St. Jude Medical Center has higher percentages of Medicare Traditional, Medicare Managed Care, and Third-Party Managed Care patients and lower percentages of Medi-Cal Traditional, Medi-Cal Managed Care, and Other Payers relative to other hospitals in Orange County and the State of California.

PAYER MIX COMPARISON						
	St. Jude Medical Center (FY 2014)		Orange County (FY 2014)		California (FY 2014)	
	Discharges	% of Total	Discharges	% of Total	Discharges	% of Total
Medi-Cal Traditional	776	4.3%	26,591	12.2%	448,311	15.8%
Medi-Cal Managed Care	694	3.9%	28,215	12.9%	435,129	15.3%
<b>Medi-Cal Total</b>	<b>1,470</b>	<b>8.2%</b>	<b>54,806</b>	<b>25.1%</b>	<b>883,440</b>	<b>31.1%</b>
Medicare Traditional	4,068	22.8%	53,982	24.7%	805,912	28.4%
Medicare Managed Care	2,567	14.4%	30,670	14.1%	273,709	9.6%
<b>Medicare Total</b>	<b>6,635</b>	<b>37.1%</b>	<b>84,652</b>	<b>38.8%</b>	<b>1,079,621</b>	<b>38.0%</b>
Third-Party Managed Care	4,434	24.8%	62,636	28.7%	610,781	21.5%
<b>Third-Party Managed Care Total</b>	<b>4,434</b>	<b>24.8%</b>	<b>62,636</b>	<b>28.7%</b>	<b>610,781</b>	<b>21.5%</b>
Third-Party Traditional	541	3.0%	5,168	2.4%	121,054	4.3%
Other Payers	161	0.9%	6,098	2.8%	62,617	2.2%
Other Indigent	7	0.0%	1,436	0.7%	32,930	1.2%
County Indigent	314	1.8%	3,401	1.6%	51,759	1.8%
<b>Other Total</b>	<b>1,023</b>	<b>5.7%</b>	<b>16,103</b>	<b>7.4%</b>	<b>268,360</b>	<b>9.4%</b>
<b>Total</b>	<b>17,872</b>	<b>76%</b>	<b>218,197</b>	<b>100%</b>	<b>2,842,202</b>	<b>100%</b>

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.

Orange County has a County Organized Health System, a local agency created by the County Board of Supervisors. The County Organized Health System contracts with the Medi-Cal Managed Care program. In FY 2014, Orange County reported approximately 54,806 inpatient discharges from either Medi-Cal Traditional (51%) or Medi-Cal Managed Care (49%) coverage. The percentage of Orange County residents with Medi-Cal Managed Care coverage is expected to increase significantly as a result of the ACA and California initiatives to expand managed care.

In Orange County, the County Organized Health System plan is provided by CalOptima. Currently, St. Jude Medical Center is contracted with CalOptima to provide services for Medi-Cal Managed Care patients.

## Medical Staff

St. Jude Medical Center has 565 medical staff members representing multiple specialties. The five largest specialties that comprise 39% of the medical staff are: family medicine, internal medicine, pediatrics, cardiovascular disease, and anesthesiology. Of the 565 physicians, 315 physicians are considered “active” users of St. Jude Medical Center and represent approximately 56% of the medical staff.

St. Jude Medical Center is affiliated with St. Jude Heritage Medical Group, a medical group that contracts exclusively with St. Joseph Heritage Healthcare. St. Jude Medical Center is also affiliated with St. Jude Affiliated Physician Network, a contracted physician network of St. Joseph Heritage Healthcare.

MEDICAL STAFF PROFILE 2016					
Specialty	Count	% of Total	Specialty	Count	% of Total
Allergy & Immunology	4	0.6%	Neurological Surgery	5	0.8%
Anesthesiology	24	3.8%	Neurology	12	1.9%
Cardiovascular Surgery	6	1.0%	Obstetrics	1	0.2%
Cardiovascular Disease	26	4.1%	Obstetrics Gynecology	10	1.6%
Clinical Cardiac Electrophysiology	5	0.8%	Occupational Medicine	1	0.2%
Clinical Genetics	1	0.2%	Oncology	2	0.3%
Clinical Psychology	6	1.0%	Ophthalmology	15	2.4%
Critical Care Medicine	11	1.8%	Oral Surgery	2	0.3%
Dermatology	15	2.4%	Orthopedic Surgery	18	2.9%
Diagnostic Radiology	18	2.9%	Otolaryngology	8	1.3%
Emergency Medicine	16	2.5%	Pain Medicine	7	1.1%
Endocrinology, Diabetes & Metabolism	6	1.0%	Palliative Care Medicine	1	0.2%
Family Medicine	80	12.7%	Pathology	5	0.8%
General Dentistry	2	0.3%	Pediatric Cardiology	10	1.6%
General Surgery	16	2.5%	Pediatrics	37	5.9%
Geriatric Medicine	2	0.3%	Physical Medicine & Rehabilitation	11	1.8%
Gynecologic Oncology	4	0.6%	Plastic Surgery	4	0.6%
Gynecology	11	1.8%	Podiatry	10	1.6%
Hematology Oncology	8	1.3%	Psychiatry	1	0.2%
Industrial Medicine	1	0.2%	Pulmonary Disease	11	1.8%
Infectious Disease	4	0.6%	Radiation Oncology	4	0.6%
Internal Medicine	79	12.6%	Reproductive Endocrinology	3	0.5%
Interventional Cardiology	15	2.4%	Rheumatology	5	0.8%
Interventional Radiology	7	1.1%	Teleradiology	20	3.2%
Maternal Fetal Medicine	7	1.1%	Thoracic Surgery	7	1.1%
Neonatal-Perinatal Medicine	16	2.5%	Urology	6	1.0%
Nephrology	14	2.2%	Vascular Neurology	1	0.2%
Neurointerventional Radiology	3	0.5%	Vascular Surgery	4	0.6%
<b>Total Medical Staff</b>	<b>565</b>				

Source: St. Jude Medical Center

(1) Some members of the medical staff have more than one medical specialty

## Unionized Employees

St. Jude Medical Center does not currently have any Collective Bargaining Agreements (CBA)<sup>12</sup> in place.

## Financial Profile

Over the five reported fiscal years, St. Jude Medical Center has maintained positive net income ranging from \$32.6 million to \$84.6 million. Net patient revenue has increased by nearly 4% from \$432.5 million in FY 2010 to \$447.7 million in FY 2014. Over the same period, St. Jude Medical Center's total operating expenses increased by 7% from \$406.1 million to \$434.1 million. Net non-operating revenue, totaling more nearly \$174 million over the five-year period, helped offset any increases in operating expenses. Net non-operating revenue represents revenue received or recognized for services that are not directly related to the provision of healthcare services. Examples of non-operating revenue include unrestricted contributions, income and gains from investments, and various government assessments, taxes, and appropriations.

St. Jude Medical Center's current asset-to-liability ratio<sup>13</sup> has decreased over the last five years from 2.55 in FY 2010 to 1.18 in FY 2014. In 2014 the California average was 1.72. St. Jude Medical Center's average percentage of bad debt is approximately 1.2%, slightly lower than the California average of 1.3%.

FINANCIAL AND RATIO ANALYSIS: FY 2010-2014						
	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	-
Patient Days	87,725	82,132	75,306	71,188	69,658	-
Discharges	17,672	16,272	15,285	14,955	17,872	-
ALOS	5.0	5.0	4.9	4.8	3.9	-
Net Patient Revenue	\$432,552,962	\$466,898,822	\$459,116,933	\$469,051,085	\$447,741,568	-
Other Operating Revenue	\$17,587,956	\$16,135,529	\$14,916,539	\$7,411,483	\$10,308,502	-
Total Operating Revenue	\$450,140,918	\$483,034,351	\$474,033,472	\$476,462,568	\$458,050,070	-
Operating Expenses	\$406,059,833	\$449,822,861	\$443,217,277	\$449,226,423	\$434,064,613	-
Net from Operations	\$44,081,085	\$33,211,490	\$30,816,195	\$27,236,145	\$23,985,457	-
Net Non-Operating Revenue	\$31,205,717	\$51,412,651	\$4,380,401	\$36,561,889	\$50,215,427	-
Net Income	\$75,286,802	\$84,624,141	\$32,660,322	\$62,775,478	\$72,770,653	-
						2014 California Average
Current Ratio	2.55	2.72	3.48	3.75	1.18	1.72
Days in A/R	37.1	34.5	38.9	38.8	40.6	62.2
Bad Debt Rate	1.5%	1.9%	1.6%	1.1%	1.2%	1.3%
Operating Margin	9.79%	6.88%	6.50%	5.72%	5.24%	2.48%

Source: OSHPD Disclosure Reports, 2010-2014

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

<sup>13</sup> 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.

## Cost of Hospital Services

St. Jude 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, 38% with Third Party payers, 10% with Medi-Cal patients, and 3% with Other Payers. The remaining 1% is attributed to County Indigent. 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	\$406,059,833	\$449,822,861	\$443,217,277	\$449,226,423	\$434,064,613
<b>Cost of Services By Payer:</b>					
Medicare	\$189,411,728	\$204,821,201	\$200,476,405	\$205,154,332	\$206,956,548
Medi-Cal	\$23,060,611	\$27,435,187	\$27,937,444	\$32,554,418	\$41,454,600
County Indigent	\$8,711,368	\$11,001,240	\$11,620,380	\$14,219,237	\$7,206,416
Third Party	\$171,689,597	\$191,348,766	\$188,321,090	\$184,580,376	\$166,272,156
Other Indigent	\$1,179,229	\$1,386,425	\$1,206,776	\$1,410,688	\$1,458,082
Other Payers	\$12,007,300	\$13,830,042	\$13,655,181	\$11,307,372	\$10,716,811

Source: OSHPD Disclosure Reports, 2010-2014

## Charity Care

According to OSHPD, St. Jude Medical Center's charity care charges have decreased from \$27.5 million in FY 2011 to approximately \$22.1 million in FY 2015. The five-year average for charity charges was approximately \$28.0 million.

CHARITY CARE TOTAL CHARGES: FY 2011-2015	
Year	OSHPD Disclosure Reports
2015	\$22,119,413
2014	\$29,996,494
2013	\$29,631,478
2012	\$30,686,464
2011	\$27,525,945
<b>5-Year Average</b>	<b>\$27,991,959</b>

Source: OSHPD Disclosure Reports, FY 2011-2015

The following table shows a comparison of charity care and bad debt for St. Jude 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 St. Jude Medical Center, as a percentage of gross patient revenue, was 3.1%. 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	\$1,625.08	\$288,636.7	\$1,650.5	\$303,278.6	\$1,666.44	\$317,543.8	\$1,642.90	\$337,773.16	\$1,762.05	-
Charity	\$27.53	\$6,171.5	\$30.69	\$6,251.0	\$29.63	\$6,209.9	\$30.00	\$4,571.00	\$22.12	-
Bad Debt	\$31.41	\$4,815.5	\$26.77	\$5,007.6	\$18.19	\$5,549.5	\$19.76	\$4,420.44	\$21.69	-
<b>Total</b>	<b>\$58.94</b>	<b>\$10,987.0</b>	<b>\$57.46</b>	<b>\$11,258.6</b>	<b>\$47.82</b>	<b>\$11,759.4</b>	<b>\$49.75</b>	<b>\$8,991.45</b>	<b>\$43.81</b>	<b>-</b>
Charity as a % of Gross Rev.	1.7%	2.1%	1.9%	2.1%	1.8%	2.0%	1.8%	1.4%	1.3%	-
Bad Debt as a % of Gross Rev.	1.9%	1.7%	1.6%	1.7%	1.1%	1.7%	1.2%	1.3%	1.2%	-
Total as a % of Gross Rev.	3.6%	3.8%	3.5%	3.7%	2.9%	3.7%	3.0%	2.7%	2.5%	-
<b>Uncompensated Care</b>										
Cost to Charge Ratio	26.7%	24.6%	26.0%	24.6%	26.5%	24.4%	25.8%	23.5%	27.6%	-
Cost of Charity	\$7.3	\$1,520.9	\$8.0	\$1,539.1	\$7.9	\$1,514.6	\$7.74	\$1,074.2	\$6.1	-
Cost of Bad Debt	\$8.4	\$1,186.8	\$6.9	\$1,232.9	\$4.8	\$1,353.5	\$5.10	\$1,038.8	\$6.0	-
<b>Total</b>	<b>\$15.7</b>	<b>\$2,707.7</b>	<b>\$14.9</b>	<b>\$2,772.0</b>	<b>\$12.68</b>	<b>\$2,868.1</b>	<b>\$12.83</b>	<b>\$2,113.0</b>	<b>\$12.1</b>	<b>-</b>

Source: OSHPD Disclosure Reports, 2011-2015

The table below shows St. Jude Medical Center’s historical costs for charity care as reported by OSHPD. St. Jude Medical Center’s charity care costs have decreased from approximately \$7.3 million in FY 2011 to \$6.1 million in FY 2015. The average cost of charity care for the last five-year period was approximately \$7.4 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	\$22,119,413	27.6%	\$6,104,958	1.2%
FY 2014	\$29,996,494	25.8%	\$7,737,027	1.8%
FY 2013	\$29,631,478	26.5%	\$7,856,028	1.7%
FY 2012	\$30,686,464	26.0%	\$7,963,232	1.8%
FY 2011	\$27,525,945	26.7%	\$7,345,891	1.6%
<b>5-Year Average</b>	<b>\$27,991,959</b>		<b>\$7,401,427</b>	

Source: OSHPD Disclosure Reports, 2011-2015

St. Jude 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
<b>2015:</b>				
Cost of Charity	\$1,195,479	\$2,120,302	\$2,280,533	\$5,596,314
Visits/Discharges	783	10,293	5,696	
<b>2014:</b>				
Cost of Charity	\$2,318,830	\$2,269,003	\$3,001,561	\$7,589,394
Visits/Discharges	8,441	8,966	7,248	
<b>2013:</b>				
Cost of Charity	\$2,577,569	\$2,075,946	\$2,727,103	\$7,380,619
Visits/Discharges	754	7,642	6,400	
<b>2012:</b>				
Cost of Charity	\$2,954,079	\$2,022,364	\$2,792,035	\$7,768,479
Visits/Discharges	967	8,247	6,650	
<b>2011:</b>				
Cost of Charity	\$2,716,838	\$1,909,909	\$2,534,038	\$7,158,785
Visits/Discharges	1,196	9,057	6,928	

Source: St. Joseph Health

### Community Benefit Services

St. Jude 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 last five fiscal years has been \$6,178,843 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	\$1,978,328	\$1,501,161	\$2,767,085	\$5,416,484	\$4,555,776	\$3,243,767	\$16,218,833
Benefits for Broader Community	\$5,177,222	\$5,279,053	\$3,610,359	\$308,712	\$300,037	\$2,935,077	\$14,675,383
<b>Total</b>	<b>\$7,155,550</b>	<b>\$6,780,214</b>	<b>\$6,377,444</b>	<b>\$5,725,196</b>	<b>\$4,855,813</b>	<b>\$6,178,843</b>	<b>\$30,894,216</b>

Source: St. Jude Medical Center

Note: Community Benefit programs and services excludes grants

- St. Jude Medical Center’s five-year average cost of community benefit services for persons living in poverty is approximately \$3.2 million per year;
- St. Jude 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 last five fiscal years, St. Jude Medical Center’s total cost of community benefit services has decreased from a high of \$7.2 million in FY 2011 to a low of \$4.9 million in



FY 2015.

St. Jude 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 Initiative	-	\$16,422	\$58,615	\$37,899	-
Asthma Disease Management Program	\$55,344	-	-	-	-
Behavioral Health Services	-	-	-	-	\$73,771
Bin Arra	-	\$94,040	\$82,434	-	-
Bin Co Op	-	-	-	\$83,949	\$73,736
Bridges for Newborn	-	-	-	\$100,571	-
Cancer Center Community Program	\$821,982	\$699,297	\$654,766	-	-
Care for the Poor Mobile Family Health Clinic	\$344,359	\$119,842	-	-	-
Care Transitions	-	\$998,863	-	-	-
Caregiver Resource Center	\$236,425	\$218,454	-	-	-
CFP Dental Clinic	\$376,532	\$308,492	\$41,792	-	-
CFP Neighborhood Health Center	\$1,761,490	\$1,485,636	\$383,665	-	-
CHF Clinic	\$230,866	-	-	-	-
Community Care Navigation	-	-	\$95,417	\$108,511	\$72,508
Community Education and Health Fairs	\$643,954	-	-	\$38,394	-
Community Health Education	\$221,183	\$126,534	\$172,094	-	-
Donation of Medical Supplies and Equipment (In-Kind)	-	-	\$27,578	-	-
Family Caregiver Support Program	\$789,185	\$837,338	\$812,136	\$840,143	\$1,008,879
Health Profession Education - Rehabilitation Professional	\$124,079	\$140,929	\$135,259	\$58,295	\$75,294
Health Professions Education - Nursing And Ancillary	-	-	\$19,645	\$26,443	\$20,430
Healthy Communities	\$360,536	\$297,238	\$312,385	\$314,343	\$326,861
Healthy Communities Initiative Re Obesity	-	-	-	\$168,546	\$198,243
Healthy For Life OC Children's Obesity Program-Grants	-	-	-	-	\$694,467
Healthy For Life OC Children's Obesity Program	\$150,000	\$545,421	\$97,500	-	-
Healthy Steps Tapp Program Low Income	\$158,206	\$181,958	\$170,321	\$177,079	\$93,270
Meals On Wheels	\$11,584	\$10,538	\$10,680	\$12,453	\$10,372
Mother Baby Assessment	\$71,986	\$56,723	\$44,813	-	-
Nurse Advice Line	\$1,660,696	\$1,595,202	\$1,261,316	-	-
Orange Caregiver Resource Center	-	-	\$209,508	\$102,105	-
Prop 10 Dental Clinic	\$29,956	\$31,369	-	-	-
Prop 10 Pediatric Clinic	\$111,209	\$115,265	\$20,130	-	-
Regional CPE Program	-	-	\$30,000	\$30,105	\$30,026
Rehab Community Follow-up	\$49,517	\$54,540	\$55,675	\$53,904	\$54,484
Rehab Community Reintegration for Broader Community	\$78,443	\$84,568	\$64,888	\$80,501	\$88,902
Richman Neighborhood Healthy Weight Initiative	-	\$232,384	\$210,324	-	-
Senior Services	\$331,172	\$293,610	\$284,979	\$249,014	-
St. Jude Neighborhood Health Center Dental Clinic	\$566,595	\$518,784	\$99,472	-	-
St. Jude Brain Injury Network	\$150,000	\$198,676	\$225,528	\$210,165	\$164,118
St. Jude Neighborhood Health Centers	-	-	\$2,809,977	\$2,166,561	\$1,204,063
Supersurgery Saturday	-	-	-	-	\$10,596
Transportation Program	\$234,136	\$262,298	\$279,263	\$286,683	\$285,815
Women's Health Education for Broader Community	\$401,694	\$384,931	-	-	-

Source: St. Jude Medical Center

Note: Includes Community Benefit Expenses to St. Jude Medical Center before Grants and Offsets

St. Jude Medical Center’s community benefit services have supported many programs for the community that include various case management services, educational interventions, mobile health and dental services, and others as described below<sup>14</sup>:

- Behavioral Health Services: Administers the Positive Behavioral Intervention and Support Program in Title I schools located in North Orange County;
- Bridges for Newborn: Identifies postpartum, high-risk families for referrals to appropriate community resources;
- Care for the Poor Mobile Family Health Clinic 2: Offers primary medical services to the indigent;
- Community Care Navigation: Administers a community case management program designed for homeless individuals;
- Community Education and Health Fairs: Manages health fairs and community health outreach efforts;
- Donation of Medical Supplies and Equipment: Organizes the in-kind donation of medical supplies;
- Health Profession Education - Rehabilitation Professional: Offers supervision for student interns in the areas of physical therapy, occupational therapy, and speech therapy;
- Health Professions Education - Nursing and Ancillary: Coordinates intern supervision for registered nurses and ancillary professionals;
- Healthy Communities: Oversees community benefit operations;
- Healthy Communities Initiative Re Obesity: Supports policy, system, and environmental changes to reduce obesity;
- Healthy for Life OC Children's Obesity Program - Grants: Provides school-based physical activity and nutrition education;

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<sup>14</sup> The following community benefit programs and services are no longer being provided: Access to Care Initiative, Asthma Disease Management Program, Bin Arra, Bin Co-Op, Cancer Center Community Program, Care Transitions, Caregiver Resource Center, CFP Dental Clinic, CFP Neighborhood Health Center, CHF Clinic, Community Health Education, Family Caregiver Support Program, Healthy For Life OC Children’s Obesity Program, Healthy Steps Tapp Program Low Income, Mother Baby Assessment, Nurse Advice Line, Orange Caregiver Resource Center, Prop 10 Dental Clinic, Prop 10 Pediatric Clinic, Richman Neighborhood Healthy Weight Initiative, St. Jude Neighborhood Health Center Dental Clinic, and Women’s Health Education for Broader Community.

- Meals on Wheels: Supplies home delivered meals for individuals who are elderly, homebound, disabled, frail, or at risk;
- Regional CPE Program: Facilitates regional clinical pastoral education programs;
- Rehab Community Follow up: Facilitates nurse follow up of acute rehabilitation patients;
- Rehab Community Reintegration for Broader Community: Provides recreational, exercise, communication, and other support groups for individuals with a disability in order to assist in their re-entry into the community;
- Senior Services: Offers support services to frail seniors;
- St. Jude Brain Injury Network: Offers community case management for patients with brain injuries;
- St. Jude Neighborhood Health Centers: Provides grant support for primary medical, dental, and psychological care;
- Supersurgery Saturday: Provides free surgeries to low-income patients in partnership with AccessOC; and
- Transportation Program: Offers non-emergency medical transportation for frail seniors.

## ANALYSIS OF ST. JUDE MEDICAL CENTER'S SERVICE AREA

### Service Area Definition

Based upon St. Jude Medical Center's 2014 inpatient discharges, St. Jude Medical Center's service area is comprised of 35 ZIP Codes from which 81% of its inpatient discharges originated. Approximately 50% of St. Jude Medical Center's discharges originated from the top seven ZIP Codes located in La Habra, Brea, Fullerton, and Yorba Linda. In 2014, St. Jude Medical Center's market share in the service area was approximately 13% based on total area discharges.

SERVICE AREA PATIENT ORIGIN MARKET SHARE BY ZIP CODE: 2014						
ZIP Codes	Community	Total Discharges	% of Discharges	Cumulative		Market Share
				% of Discharges	Total Area Discharges	
90631	La Habra	1,606	11.7%	11.7%	5,553	28.9%
92821	Brea	999	7.3%	19.0%	2,703	37.0%
92835	Fullerton	955	7.0%	26.0%	2,014	47.4%
92833	Fullerton	922	6.7%	32.7%	3,742	24.6%
92870	Placentia	921	6.7%	39.4%	4,027	22.9%
92831	Fullerton	785	5.7%	45.1%	2,589	30.3%
92886	Yorba Linda	723	5.3%	50.4%	3,380	21.4%
92832	Fullerton	594	4.3%	54.7%	2,228	26.7%
90638	La Mirada	484	3.5%	58.3%	4,380	11.1%
91748	Rowland Heights	381	2.8%	61.1%	6,686	5.7%
91765	Diamond Bar	349	2.5%	63.6%	3,211	10.9%
90621	Buena Park	299	2.2%	65.8%	2,760	10.8%
92807	Anaheim	232	1.7%	67.5%	2,811	8.3%
92801	Anaheim	232	1.7%	69.2%	6,183	3.8%
91709	Chino Hills	223	1.6%	70.8%	4,491	5.0%
92887	Yorba Linda	212	1.5%	72.3%	1,225	17.3%
91789	Walnut	200	1.5%	73.8%	2,983	6.7%
92805	Anaheim	182	1.3%	75.1%	5,911	3.1%
90620	Buena Park	157	1.1%	76.3%	4,796	3.3%
92806	Anaheim	148	1.1%	77.4%	3,246	4.6%
90604	Whittier	118	0.9%	78.2%	3,718	3.2%
90603	Whittier	92	0.7%	78.9%	2,133	4.3%
92808	Anaheim	84	0.6%	79.5%	1,162	7.2%
92823	Brea	67	0.5%	80.0%	275	24.4%
92834	Fullerton	30	0.2%	80.2%	70	42.9%
92822	Brea	19	0.1%	80.3%	55	34.5%
92885	Yorba Linda	15	0.1%	80.5%	48	31.3%
92837	Fullerton	15	0.1%	80.6%	30	50.0%
92838	Fullerton	11	0.1%	80.6%	31	35.5%
92871	Placentia	10	0.1%	80.7%	50	20.0%
90632	La Habra	10	0.1%	80.8%	40	25.0%
90637	La Mirada	8	0.1%	80.8%	34	23.5%
92836	Fullerton	8	0.1%	80.9%	41	19.5%
90609	Whittier	5	0.0%	80.9%	51	9.8%
92811	Atwood	4	0.0%	81.0%	25	16.0%
<b>Subtotal</b>		<b>11,100</b>	<b>81.0%</b>	<b>81.0%</b>	<b>82,682</b>	<b>13.4%</b>
Other ZIPs		2,609	19.0%	100%		
<b>Total</b>		<b>13,709</b>	<b>100%</b>			

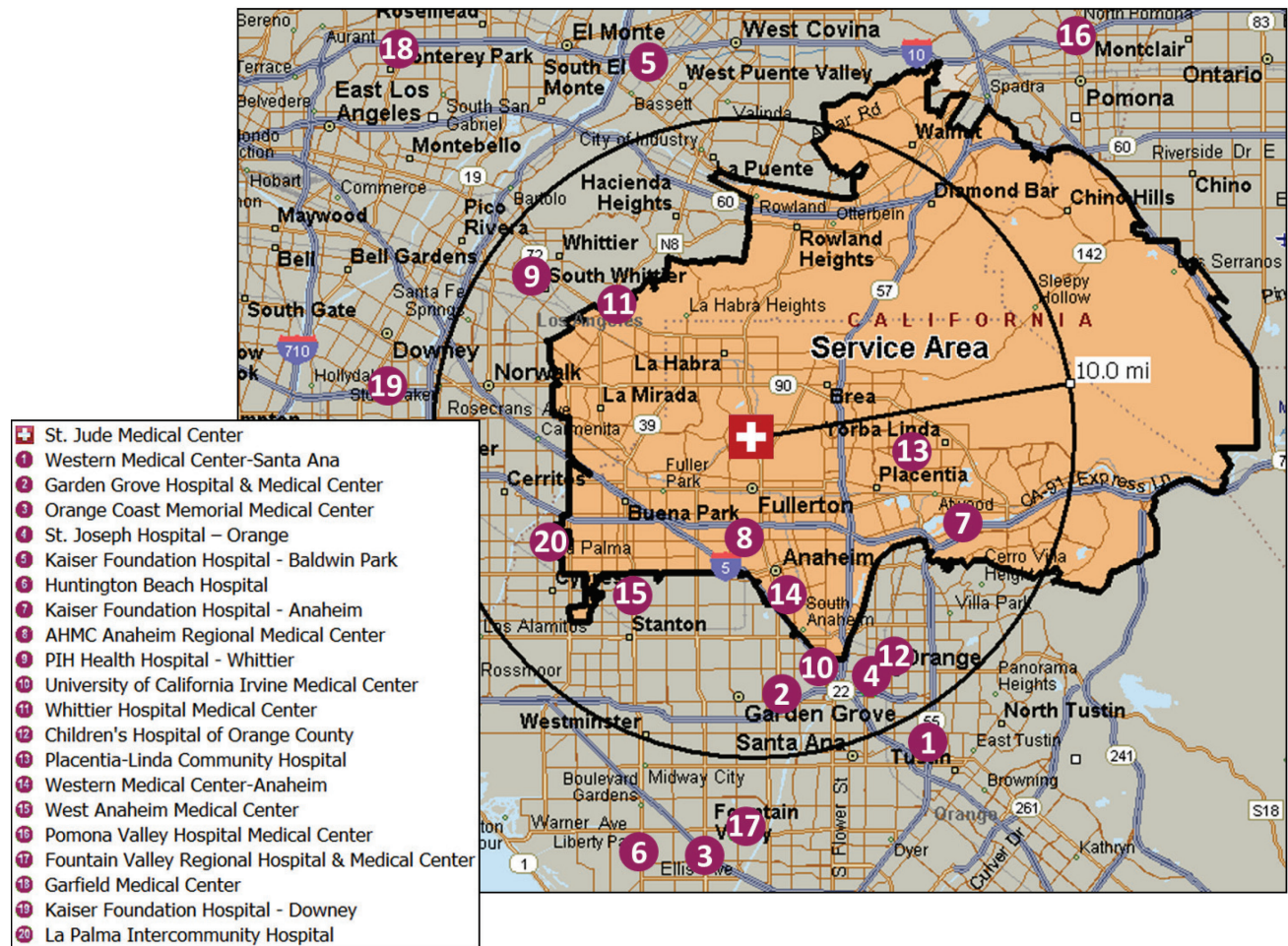
Note: Excludes normal newborns

Source: OSHPD Patient Discharge Database

## Service Area Map

St. Jude Medical Center service area, with approximately 1.0 million residents, includes the communities of La Habra, Brea, Fullerton, Yorba Linda, La Mirada, Rowland Heights, Diamond Bar, Buena Park, Anaheim, Chino Hills, Walnut, Whittier, Placentia, and Atwood.

There are four other hospitals located within St. Jude Medical Center’s service area, including AHMC Anaheim Regional Medical Center, Anaheim Global Medical Center, Placentia-Linda Community Hospital, and Kaiser Foundation Hospitals-Anaheim. There are eight other hospitals located just outside of the service area and within approximately ten miles of St. Jude Medical Center: PIH Health Hospital-Whittier, Whittier Hospital Medical Center, La Palma Intercommunity Hospital, West Anaheim Medical Center, Garden Grove Hospital & Medical Center, University of California Irvine Medical Center, St. Joseph Hospital of Orange, and Children's Hospital of Orange County. St. Jude Medical Center ranks first in inpatient market share in the service area.

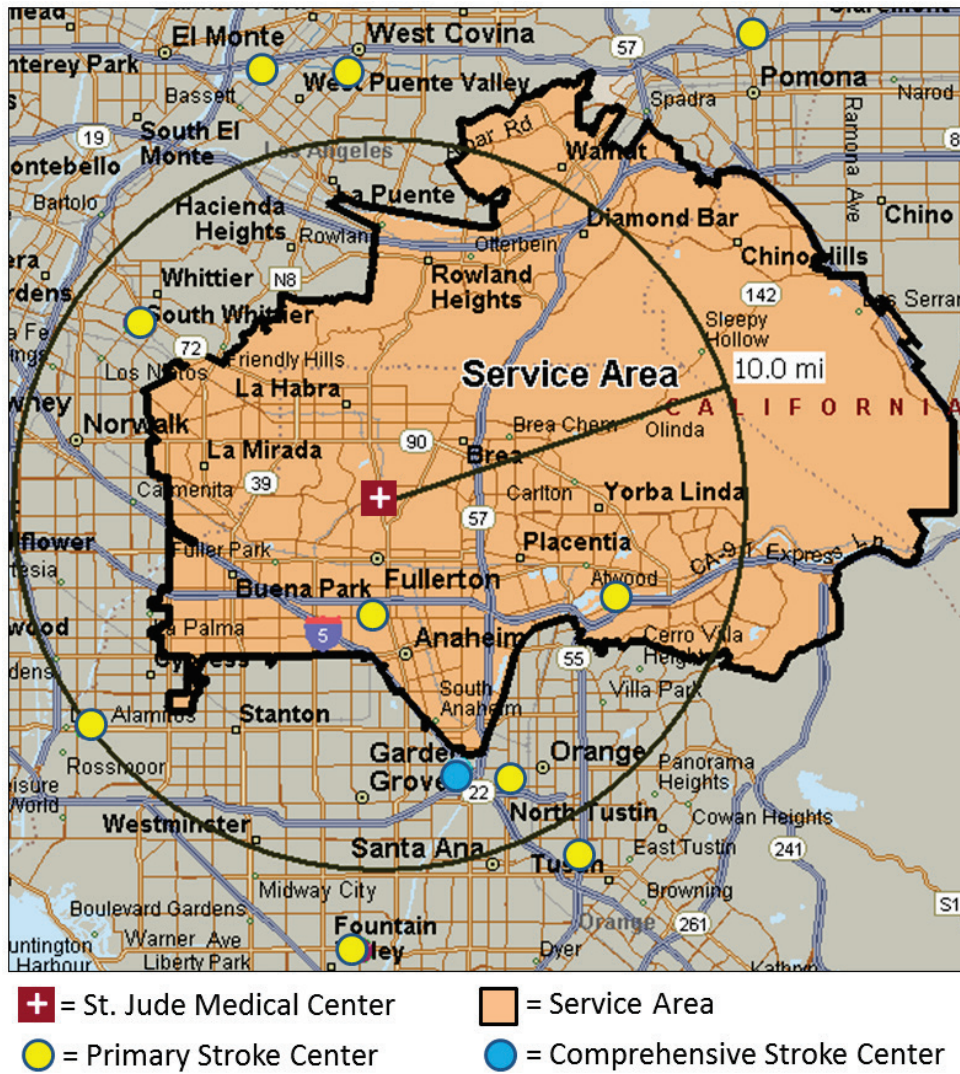






## Service Area Certified Stroke Centers

St. Jude Medical Center is certified as a Comprehensive Stroke Center. It is one of three stroke centers in the service area. The two others are AHMC Anaheim Regional Medical Center and Kaiser Foundation Hospitals-Anaheim. Within Orange County, there are ten stroke centers certified through The Joint Commission. Two of these are Comprehensive Stroke Centers and eight are Primary Stroke Centers<sup>15</sup>.



<sup>15</sup> Eligibility standards for the Comprehensive Stroke Center Certification include all components of a Primary Stroke Center plus: availability of advanced imaging techniques; availability of personnel trained in vascular neurology, neurosurgery and endovascular procedures; 24/7 availability of personnel, imaging, operating room, and endovascular facilities; ICU/neuroscience facilities and capabilities; and experience and expertise treating patients with large ischemic strokes, intracerebral hemorrhage, and subarachnoid hemorrhage.



## Demographic Profile

St. Jude Medical Center’s service area is expected to grow 3.6% over the next five years. This is lower than the expected growth for both Orange County (4.1%) and the State of California (3.7%).

SERVICE AREA POPULATION STATISTICS 2015-2020			
	2015 Estimate	2020 Projection	% Change
Total Population	1,020,317	1,057,032	3.6%
Households	317,829	329,259	3.6%
Percentage Female	50.7%	50.6%	-

Source: Esri

The median age of the population of St. Jude Medical Center’s service area is 36.7 years, which is higher than the State of California 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 19% by 2020. The number of women of child-bearing age is expected to increase by 1.3% 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	191,023	18.7%	190,084	18.0%
Age 15-44	428,676	42.0%	438,101	41.4%
Age 45-64	270,618	26.5%	274,109	25.9%
Age 65+	130,000	12.7%	154,738	14.6%
<b>Total</b>	<b>1,020,317</b>	<b>100%</b>	<b>1,057,032</b>	<b>100%</b>
Female 15-44	213,075	20.9%	215,900	20.4%
Median Age	36.7	-	37.8	-

Source: Esri

The largest population cohorts in St. Jude Medical Center’s service area are White (52%), Asian or Pacific Islander (24%), and Some Other Race (17%). Approximately 40% of the service area population is of Hispanic ethnicity. This is greater than the Orange County Hispanic ethnic population (35%) but less than the State of California Hispanic ethnic population (49%).

SERVICE AREA POPULATION RACE/ETHNICITY: 2015-2020		
	2015	2020
White	51.6%	49.9%
Black	2.6%	2.6%
American Indian	0.7%	0.7%
Asian or Pacific Islander	24.1%	25.3%
Some Other Race	16.6%	17.0%
Two or More Races	4.5%	4.6%
<b>Total</b>	<b>100%</b>	<b>100%</b>
Hispanic Ethnicity	40.3%	41.7%
Non-Hispanic or Latino	59.7%	58.3%
<b>Total</b>	<b>100%</b>	<b>100%</b>

Source: Esri

St. Jude Medical Center’s service area has an average household income of \$100,353. This amount is 6% below the average for Orange County (\$106,158) and 13% higher than the State of California average (\$87,152). The percentage of high-income households (\$150,000+) is growing at a faster rate (18%) than that of Orange County (16%) but slower than the State of California (19%).

SERVICE AREA POPULATION HOUSEHOLD INCOME DISTRIBUTION: 2015-2020						
Annual Income	2015 Estimate			2020 Estimate		
	Service Area	Orange County	California	Service Area	Orange County	California
\$0 - \$15,000	7.1%	7.2%	11.1%	6.2%	6.4%	10.3%
\$15 - \$24,999	6.7%	6.6%	9.0%	4.7%	4.6%	6.6%
\$25 - \$34,999	7.6%	7.4%	9.3%	6.1%	5.9%	7.7%
\$35 - \$49,999	10.8%	10.4%	12.2%	9.6%	9.2%	11.3%
\$50 - \$74,999	16.7%	16.5%	16.5%	15.6%	15.3%	15.9%
\$75 - \$99,999	14.0%	13.6%	12.3%	15.4%	15.0%	14.2%
\$100 - \$149,999	19.6%	18.0%	14.9%	21.9%	19.8%	16.6%
\$150,000+	17.5%	20.3%	14.6%	20.6%	23.6%	17.4%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>
<b>Average Household Income</b>	<b>\$100,353</b>	<b>\$106,158</b>	<b>\$87,152</b>	<b>\$114,176</b>	<b>\$120,649</b>	<b>\$99,512</b>

Source: Esri

## ***2014 Community Health Needs Assessment***

In an effort to better understand the health status, behaviors, and lifestyles of the communities served by St. Jude Medical Center, St. Jude Medical Center conducts a Community Health Needs Assessment every three years. St. Jude Medical Center's most recent 2013 assessment utilized both primary and secondary data in order to incorporate priorities that emerged through community input, identifying issues among those who are most vulnerable. In order to focus their community benefit programs in the areas of greatest need, St. Jude Medical Center defined a Community Benefit Service Area which encompasses the cities of Brea, Buena Park, Fullerton, La Habra, Placentia, and Yorba Linda.

The Community Health Needs Assessment identified the most important healthcare needs in the community to be the following:

- Medical care for the underserved;
- Obesity;
- Behavioral health; and
- Infant and child health.

## Hospital Supply, Demand & Market Share

In FY 2014, the service area hospitals had a combined total of 1,290 licensed beds and an aggregate occupancy rate of approximately 57%. In FY 2014, St. Jude Medical Center had 329 licensed beds that operated at an occupancy rate of nearly 58%. Furthermore, St. Jude Medical Center was responsible for approximately 28% of the service area discharges and 26% of the patient days. While OSHPD reported 329 licensed beds at St. Jude Medical Center in FY 2014, St. Jude Medical Center is currently licensed for 351 beds<sup>16</sup>.

An analysis of the services offered by St. Jude 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		Licensed Beds	Discharges	Patient Days	Occupied Beds	Percent Occupied	Miles from Hospital
			Service Area							
St. Jude Medical Center	St. Joseph Health System	Fullerton	X		329	17,872	69,658	191	58.0%	-
AHMC Anaheim Regional Medical Center	AHMC Healthcare Inc.	Anaheim	X		223	12,145	52,936	145	65.0%	4.1
Anaheim Global Medical Center	Integrated Healthcare Holdings, Inc.	Anaheim	X		188	6,903	40,027	110	58.3%	6.2
Placentia Linda Hospital	Tenet Healthcare Corporation	Placentia	X		114	3,183	10,800	30	26.0%	6.2
Kaiser Foundation Hospitals - Anaheim	Kaiser Foundation Hospitals	Anaheim	X		436	24,959	92,726	254	58.3%	9.9
<b>SUB-TOTAL</b>					<b>1,290</b>	<b>65,062</b>	<b>266,147</b>	<b>729</b>	<b>56.5%</b>	
Whittier Hospital Medical Center	Whittier Hospital Medical Center	Whittier			178	8,273	33,062	91	50.9%	8.1
West Anaheim Medical Center	Prime Healthcare Services	Anaheim			219	5,923	33,653	92	42.1%	8.4
La Palma Intercommunity Hospital	Prime Healthcare Services	La Palma			141	3,627	17,531	48	34.1%	9.7
Presbyterian Intercommunity Hospital	InterHealth Corporation	Whittier			558	20,583	90,084	247	44.2%	10.0
UCI Medical Center	Regents of the University of California	Orange			411	19,268	107,782	295	71.8%	11.1
St. Joseph Hospital – Orange	St. Joseph Health System	Orange			491	20,298	76,932	211	42.9%	11.4
Children's Hospital of Orange County	Children's Hospital of Orange County	Orange			279	11,247	56,996	156	56.0%	11.8
Fountain Valley Regional Medical Center	Tenet Healthcare Corporation	Fountain Valley			400	18,495	87,046	238	59.6%	13.0
Kaiser Foundation Hospitals - Downey	Kaiser Foundation Hospitals	Downey			352	18,772	68,136	187	53.0%	13.0
Garden Grove Hospital and Medical Center	Prime Healthcare Services	Garden Grove			140	6,042	21,567	59	42.2%	13.6
Orange County Global Medical Center	Integrated Healthcare Holdings, Inc.	Santa Ana			228	7,008	33,393	91	40.1%	15.4
<b>TOTAL</b>					<b>4,687</b>	<b>204,598</b>	<b>892,329</b>	<b>2,445</b>	<b>52.2%</b>	

Source: OSHPD Disclosure Reports, FY 2014, Google Maps

<sup>16</sup> St. Jude 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:

HOSPITAL MARKET SHARE: 2012-2014				
Hospital	2012	2013	2014	Trend
<b>St. Jude Medical Center</b>	<b>14.9%</b>	<b>14.5%</b>	<b>13.4%</b>	↘
Kaiser Foundation Hospital - Anaheim	8.1%	8.8%	9.0%	↗
AHMC Anaheim Regional Medical Center	9.2%	9.1%	8.6%	↘
Presbyterian Intercommunity Hospital	6.5%	7.3%	7.6%	↗
University of California, Irvine Medical Center	5.4%	5.7%	5.8%	↗
Whittier Hospital Medical Center	4.0%	4.2%	5.2%	↗
St. Joseph Hospital - Orange	4.6%	4.8%	4.8%	↔
Children's Hospital of Orange County	3.1%	3.2%	3.1%	↔
Placentia Linda Hospital	3.5%	3.4%	3.0%	↘
Anaheim Global Medical Center	5.2%	3.0%	2.8%	↘
Other Discharges	35.6%	36.0%	36.7%	↗
<b>Total Percentage</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	
<b>Total Discharges</b>	<b>84,827</b>	<b>82,170</b>	<b>82,642</b>	↘

Note: Excludes normal newborns

Source: OSHPD Patient Discharge Database

- The number of discharges in the St. Jude Medical center's service area decreased by nearly 3% between 2012 and 2014; and
- In 2014, St. Jude Medical Center was the market share leader for its service area based on discharges at approximately 13%. Also in 2014, Kaiser Foundation Hospitals-Anaheim ranked second in inpatient discharges with 9% 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	St. Jude Medical Center	Kaiser Foundation Hospital - Anaheim	AHMC Anaheim Memorial Medical Center	Presbyterian Intercommunity Hospital	University of California Irvine Medical Center	Whittier Hospital	St. Joseph Hospital Medical Center	Children's Hospital - Orange	All Others	Total
Medicare	27,567	20.1%	9.5%	8.8%	10.4%	4.1%	3.5%	3.3%	0.0%	40.4%	100%
Private Coverage	27,407	14.0%	15.5%	5.5%	6.2%	3.9%	3.0%	7.7%	3.6%	40.5%	100%
Medi-Cal	19,138	7.8%	2.6%	14.9%	2.7%	12.4%	6.3%	4.4%	8.1%	40.9%	100%
Self Pay	6,594	2.1%	1.1%	4.0%	16.7%	1.6%	19.4%	0.6%	0.2%	54.3%	100%
All Other	1,936	4.5%	0.4%	3.4%	5.7%	4.4%	2.2%	3.4%	1.0%	74.9%	100%
<b>Total Percentage</b>		<b>13.4%</b>	<b>9.0%</b>	<b>8.6%</b>	<b>7.6%</b>	<b>5.8%</b>	<b>5.2%</b>	<b>4.8%</b>	<b>3.1%</b>	<b>42.5%</b>	<b>100%</b>
<b>Total Discharges</b>	<b>82,642</b>	<b>11,090</b>	<b>7,430</b>	<b>7,105</b>	<b>6,318</b>	<b>4,755</b>	<b>4,315</b>	<b>3,972</b>	<b>2,555</b>	<b>35,102</b>	

Note: Excludes normal newborns

Source: OSHPD Patient Discharge Database

- The largest categories of service area inpatient discharges are comprised of Medicare at approximately 27,600 discharges (33%), Private Coverage at approximately 27,400 discharges (33%), and Medi-Cal at nearly 19,100 discharges (23%);
- St. Jude Medical Center is the market share leader for Medicare (20%) and has significant market share in Private Coverage (14%) and Medi-Cal (8%);
- Kaiser Foundation Hospitals-Anaheim ranks first in Private Coverage (16%); and
- AHMC Anaheim Memorial Medical Center is market share leader in Medi-Cal (15%).

## 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	St. Jude Medical Center	Kaiser	AHMC	University of	Whittier	St. Joseph	Children's	All Others	Total	
			Foundation Hospital - Anaheim	Regional Medical Center	California Irvine Medical Center	Hospital Medical Center	Hospital - Orange	Hospital of Orange County			
General Medicine	22,830	15.8%	10.1%	10.8%	7.1%	4.5%	5.5%	2.9%	4.5%	38.9%	100%
Obstetrics	16,710	10.5%	10.6%	7.7%	10.1%	4.6%	10.2%	6.5%	0.0%	39.8%	100%
Cardiac Services	7,371	16.3%	6.1%	14.0%	9.8%	3.0%	4.9%	3.3%	1.0%	41.4%	100%
General Surgery	6,188	12.1%	8.6%	8.0%	6.7%	7.2%	3.2%	4.9%	4.8%	44.6%	100%
Behavioral Health	5,034	0.9%	1.0%	2.1%	0.4%	7.2%	0.5%	9.6%	0.5%	78.0%	100%
Orthopedics	4,836	17.6%	11.8%	5.1%	9.1%	6.1%	1.9%	4.2%	1.1%	43.1%	100%
Neonatology	4,572	12.0%	13.7%	6.3%	6.7%	8.7%	5.5%	6.9%	3.9%	36.2%	100%
Neurology	3,384	16.9%	7.5%	8.6%	7.8%	7.4%	3.5%	2.5%	9.3%	36.4%	100%
Oncology/Hematology (Medical)	2,639	12.2%	8.4%	9.3%	5.7%	6.3%	3.3%	3.7%	9.2%	41.9%	100%
Spine	1,669	17.2%	3.4%	4.7%	5.3%	5.2%	1.3%	12.0%	2.2%	48.7%	100%
Gynecology	1,200	9.2%	10.7%	7.6%	7.2%	5.0%	5.2%	5.9%	1.3%	48.1%	100%
Other	1,193	12.5%	8.8%	4.9%	5.8%	23.9%	2.3%	3.9%	3.7%	34.2%	100%
Urology	1,160	11.6%	9.2%	12.1%	5.9%	7.4%	4.5%	4.1%	2.3%	42.9%	100%
Vascular Services	1,136	17.3%	8.0%	16.5%	9.2%	5.5%	2.8%	7.5%	0.9%	32.3%	100%
Rehabilitation	949	37.6%	0.0%	0.0%	18.0%	5.2%	0.0%	0.0%	0.0%	39.2%	100%
ENT	801	4.6%	10.7%	8.4%	5.4%	6.4%	3.0%	1.9%	17.9%	41.8%	100%
Neurosurgery	782	21.1%	7.7%	1.8%	5.8%	15.9%	0.1%	5.0%	6.3%	36.4%	100%
<All others>	188	4.3%	5.3%	9.0%	4.3%	6.4%	4.8%	2.1%	7.4%	56.4%	100%
<b>Total Percentage</b>		<b>13.4%</b>	<b>9.0%</b>	<b>8.6%</b>	<b>7.6%</b>	<b>5.8%</b>	<b>5.2%</b>	<b>4.8%</b>	<b>3.1%</b>	<b>42.5%</b>	<b>100%</b>
<b>Total Discharges</b>	<b>82,642</b>	<b>11,090</b>	<b>7,430</b>	<b>7,105</b>	<b>6,318</b>	<b>4,755</b>	<b>4,315</b>	<b>3,972</b>	<b>2,555</b>	<b>35,102</b>	

Note: Excludes normal newborns

Source: OSHPD Patient Discharge Database

- St. Jude Medical Center is the service line leader in ten of 16 service lines: general medicine (16%), cardiac services (16%), general surgery (12%), orthopedics (18%), neurology (17%), oncology/hematology (12%), spine (17%), vascular services (17%), rehabilitation (38%), and neurosurgery (21%);
- St. Jude Medical Center also has significant service line market share in obstetrics (10%), neonatology (12%), gynecology (9%), and urology (12%);
- In 2014, Kaiser Foundation Hospitals-Anaheim was the market share leader for three service lines including obstetrics (11%), neonatology (14%), and gynecology (11%);
- AHMC Anaheim Regional Medical Center has the highest market share in urology (12%); and
- Children's Hospital of Orange County has the highest market share in ear, nose, and throat (18%).



## 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	St. Jude Medical Center	Kaiser Foundation Hospital - Anaheim	AHMC Anaheim Regional Medical Center	Presbyterian Intercommunity Hospital	University of California Irvine Medical Center	Whittier Hospital Medical Center	St. Joseph Hospital - Orange	Children's Hospital of Orange County	All Others	Total
91748	Rowland Heights	6,686	5.7%	0.9%	0.1%	14.8%	0.7%	21.7%	0.2%	0.4%	55.6%	100%
92801	Anaheim	6,183	3.8%	9.0%	30.3%	0.1%	11.2%	0.2%	5.7%	4.6%	35.1%	100%
92805	Anaheim	5,911	3.1%	9.1%	23.4%	0.2%	15.0%	0.0%	7.9%	6.3%	35.0%	100%
90631	La Habra	5,553	28.9%	7.5%	3.7%	15.6%	3.7%	9.5%	2.3%	3.9%	24.8%	100%
90620	Buena Park	4,796	3.3%	12.2%	12.8%	0.5%	6.1%	0.1%	3.6%	2.2%	59.3%	100%
91709	Chino Hills	4,491	5.0%	4.0%	0.3%	3.1%	1.8%	1.3%	1.3%	1.2%	82.1%	100%
90638	La Mirada	4,380	11.1%	6.6%	1.4%	26.4%	1.9%	14.7%	1.0%	1.4%	35.6%	100%
92870	Placentia	4,027	22.9%	13.9%	5.9%	0.5%	8.0%	0.2%	7.5%	4.3%	36.9%	100%
92833	Fullerton	3,742	24.6%	11.9%	17.6%	0.9%	6.9%	0.6%	3.3%	4.4%	29.9%	100%
90604	Whittier	3,718	3.2%	2.5%	0.6%	37.6%	1.4%	16.5%	0.4%	1.2%	36.7%	100%
92886	Yorba Linda	3,380	21.4%	17.3%	2.5%	0.8%	4.3%	0.4%	9.3%	3.7%	40.2%	100%
92806	Anaheim	3,246	4.6%	13.9%	16.0%	0.6%	14.3%	0.2%	14.8%	4.4%	31.3%	100%
91765	Diamond Bar	3,211	10.9%	4.0%	0.5%	5.3%	1.6%	6.7%	1.1%	1.1%	68.9%	100%
91789	Walnut	2,983	6.7%	1.4%	0.2%	6.5%	1.5%	8.5%	0.3%	0.4%	74.4%	100%
92807	Anaheim	2,811	8.3%	19.6%	5.4%	0.2%	6.1%	0.1%	18.7%	3.5%	38.2%	100%
90621	Buena Park	2,760	10.8%	10.9%	16.5%	1.8%	8.6%	0.9%	3.7%	5.4%	41.4%	100%
92821	Brea	2,703	37.0%	13.6%	3.3%	5.5%	4.3%	1.5%	5.5%	2.7%	26.7%	100%
92831	Fullerton	2,589	30.3%	9.6%	7.4%	1.5%	7.3%	2.0%	4.9%	3.3%	33.7%	100%
92832	Fullerton	2,228	26.7%	9.3%	15.8%	0.4%	6.4%	0.1%	3.8%	3.7%	33.8%	100%
90603	Whittier	2,133	4.3%	1.6%	0.3%	44.4%	1.5%	15.9%	0.5%	2.0%	29.6%	100%
92835	Fullerton	2,014	47.4%	11.6%	2.9%	1.5%	4.8%	0.6%	3.9%	2.6%	24.7%	100%
92887	Yorba Linda	1,225	17.3%	17.1%	2.1%	0.3%	4.5%	0.0%	11.8%	4.3%	42.4%	100%
92808	Anaheim	1,162	7.2%	21.9%	3.4%	0.7%	6.2%	0.3%	17.2%	6.6%	36.5%	100%
92823	Brea	275	24.4%	21.8%	4.7%	1.5%	4.4%	0.4%	4.7%	4.0%	34.2%	100%
92834	Fullerton	70	42.9%	7.1%	5.7%	0.0%	10.0%	0.0%	1.4%	2.9%	30.0%	100%
92822	Brea	55	34.5%	16.4%	5.5%	0.0%	1.8%	0.0%	0.0%	0.0%	41.8%	100%
90609	Whittier	51	9.8%	5.9%	0.0%	23.5%	0.0%	7.8%	0.0%	0.0%	52.9%	100%
92871	Placentia	50	20.0%	4.0%	2.0%	0.0%	8.0%	2.0%	16.0%	0.0%	48.0%	100%
92885	Yorba Linda	48	31.3%	12.5%	0.0%	0.0%	8.3%	0.0%	12.5%	2.1%	33.3%	100%
92836	Fullerton	41	19.5%	9.8%	12.2%	0.0%	2.4%	0.0%	4.9%	7.3%	43.9%	100%
90637	La Mirada	34	23.5%	11.8%	2.9%	14.7%	2.9%	0.0%	2.9%	2.9%	38.2%	100%
92838	Fullerton	31	35.5%	0.0%	3.2%	6.5%	3.2%	0.0%	3.2%	6.5%	41.9%	100%
92837	Fullerton	30	50.0%	6.7%	23.3%	0.0%	0.0%	0.0%	3.3%	0.0%	16.7%	100%
92811	Atwood	25	16.0%	8.0%	0.0%	8.0%	0.0%	0.0%	12.0%	12.0%	44.0%	100%
<b>Total Percentage</b>			<b>13.4%</b>	<b>9.0%</b>	<b>8.6%</b>	<b>7.6%</b>	<b>5.8%</b>	<b>5.2%</b>	<b>4.8%</b>	<b>3.1%</b>	<b>42.5%</b>	<b>100%</b>
<b>Total Discharges</b>		<b>82,642</b>	<b>11,090</b>	<b>7,430</b>	<b>7,105</b>	<b>6,318</b>	<b>4,755</b>	<b>4,315</b>	<b>3,972</b>	<b>2,555</b>	<b>35,102</b>	

Note: Excludes normal newborns

Source: OSHPD Patient Discharge Database

- St. Jude Medical Center is the market share leader in 21 of the service area ZIP Codes. St. Jude Medical Center had over 35% of the market share in five of these ZIP Codes in 2014. The communities represented by these ZIP Codes include Brea and Fullerton;
- Kaiser Foundation Hospitals-Anaheim is the market share leader in two service area ZIP Codes, both located in Anaheim; and
- AHMC Anaheim Regional Medical Center is the market share leader in five service area ZIP Codes located in Anaheim and Buena Park.

## Service Availability by Bed Type

Using FY 2014 data, the tables on the following pages illustrate St. Jude 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 St. Jude Medical Center's service area operated at an overall occupancy rate of 56%. St. Jude Medical Center's 160 licensed medical/surgical beds represented approximately 23% of the beds in this category for the service area<sup>17</sup>.

MEDICAL/SURGICAL BEDS FY 2014							
Hospital	Miles from Hospital	Within Service Area	Licensed Beds	Discharges	Patient Days	Average Daily Census	Percent Occupied
St. Jude Medical Center	-	X	160	10,164	32,430	89	55.5%
AHMC Anaheim Regional Medical Center	4.1	X	153	8,161	36,467	100	65.3%
Anaheim Global Medical Center	6.2	X	11	252	2,225	6	55.4%
Placentia Linda Hospital	6.2	X	92	1,712	4,984	14	14.8%
Kaiser Foundation Hospitals - Anaheim	9.9	X	276	17,013	65,364	179	64.9%
<b>SUB-TOTAL</b>			<b>692</b>	<b>37,302</b>	<b>141,470</b>	<b>388</b>	<b>56.0%</b>
Whittier Hospital Medical Center	8.1		63	2,671	7,901	22	34.4%
West Anaheim Medical Center	8.4		109	4,808	16,805	46	42.2%
La Palma Intercommunity Hospital	9.7		91	2,760	11,141	31	33.5%
Presbyterian Intercommunity Hospital	10.0		254	10,293	37,548	103	40.5%
UCI Medical Center	11.1		143	10,072	46,281	127	88.7%
St. Joseph Hospital – Orange	11.4		283	6,789	22,245	61	21.5%
Children's Hospital of Orange County	11.8		-	-	-	-	-
Fountain Valley Regional Medical Center	13.0		163	6,708	28,160	77	47.3%
Kaiser Foundation Hospitals - Downey	13.0		182	12,813	42,523	117	64.0%
Garden Grove Hospital and Medical Center	13.6		89	3,840	14,235	39	43.8%
Orange County Global Medical Center	15.4		69	3,168	13,660	37	54.2%
<b>TOTAL</b>			<b>2,138</b>	<b>101,224</b>	<b>381,969</b>	<b>1046</b>	<b>48.8%</b>

Source: OSHPD Disclosure Reports, FY 2014, Google Maps

- St. Jude Medical Center reported 10,164 hospital discharges and 32,430 patient days, resulting in an occupancy rate of nearly 56% and an average daily census of 89 patients.

<sup>17</sup> Since FY 2014, St. Jude Medical Center increased its bed licensure and is currently licensed for 222 medical/surgical beds.

## Intensive Care Unit/Coronary Care Unit Capacity Analysis

There were 214 intensive care unit/coronary care unit beds within the service area that operated at an overall occupancy rate of approximately 38%. St. Jude Medical Center had 52 licensed intensive care beds and 40 licensed coronary care beds<sup>18</sup>. It had a combined occupancy rate of approximately 35% and an average daily census of 32 patients.

INTENSIVE CARE UNIT/CORONARY CARE UNIT BEDS FY 2014							
Hospital	Miles from	Within	Licensed	Discharges	Patient Days	Average	Percent
	Hospital	Service Area	Beds				
St. Jude Medical Center	-	X	92	4,655	11,572	32	34.5%
AHMC Anaheim Regional Medical Center	4.1	X	32	1,877	7,826	21	67.0%
Anaheim Global Medical Center	6.2	X	22	169	1,518	4	18.9%
Placentia Linda Hospital	6.2	X	8	172	1,219	3	41.7%
Kaiser Foundation Hospitals - Anaheim	9.9	X	60	351	7,170	20	32.7%
<b>SUB-TOTAL</b>			<b>214</b>	<b>7,224</b>	<b>29,305</b>	<b>80</b>	<b>37.5%</b>
Whittier Hospital Medical Center	8.1		16	256	2,883	8	49.4%
West Anaheim Medical Center	8.4		20	210	2,977	8	40.8%
La Palma Intercommunity Hospital	9.7		8	120	1,501	4	51.4%
Presbyterian Intercommunity Hospital	10.0		108	3,914	18,160	50	46.1%
UCI Medical Center	11.1		88	2,890	17,555	48	54.7%
St. Joseph Hospital – Orange	11.4		52	1,209	6,234	17	32.8%
Children's Hospital of Orange County	11.8		-	-	-	-	-
Fountain Valley Regional Medical Center	13.0		25	557	8,830	24	96.8%
Kaiser Foundation Hospitals - Downey	13.0		30	199	3,476	10	31.7%
Garden Grove Hospital and Medical Center	13.6		12	213	2,494	7	56.9%
Orange County Global Medical Center	15.4		34	462	6,821	19	55.0%
<b>TOTAL</b>			<b>607</b>	<b>17,254</b>	<b>100,236</b>	<b>275</b>	<b>45.1%</b>

Source: OSHPD Disclosure Reports, FY 2014, Google Maps

- Among the service area hospitals, the average daily census was 80 patients based on 29,305 days; and
- St. Jude Medical Center provided 43% of the service area's intensive care/coronary care beds and approximately 64% of the discharges.

<sup>18</sup> Since FY 2014, St. Jude Medical Center reduced its bed licensure and is currently licensed for 52 intensive care beds.

## Obstetrics Capacity Analysis

As shown below, there were 157 obstetric beds located in the service area with an aggregate occupancy rate of nearly 49%. St. Jude Medical Center reported 33 licensed obstetric beds with an occupancy rate of nearly 47% and an average daily census of 15 patients.

OBSTETRICS BEDS FY 2014							
Hospital	Miles from Hospital	Within Service Area	Licensed Beds	Discharges	Patient Days	Average Daily Census	Percent Occupied
St. Jude Medical Center	-	X	33	2,223	5,601	15	46.5%
AHMC Anaheim Regional Medical Center	4.1	X	27	1,901	5,979	16	60.7%
Anaheim Global Medical Center	6.2	X	35	2,382	5,866	16	45.9%
Placentia Linda Hospital	6.2	X	-	-	-	-	-
Kaiser Foundation Hospitals - Anaheim	9.9	X	62	6,348	10,537	29	46.6%
<b>SUB-TOTAL</b>			<b>157</b>	<b>12,854</b>	<b>27,983</b>	<b>77</b>	<b>48.8%</b>
Whittier Hospital Medical Center	8.1		28	3,068	6,780	19	66.3%
West Anaheim Medical Center	8.4		-	-	-	-	-
La Palma Intercommunity Hospital	9.7		25	473	1,095	3	12.0%
Presbyterian Intercommunity Hospital	10.0		66	4,298	15,247	42	63.3%
UCI Medical Center	11.1		35	1,786	6,081	17	47.6%
St. Joseph Hospital – Orange	11.4		89	5,371	13,062	36	40.2%
Children's Hospital of Orange County	11.8		-	-	-	-	-
Fountain Valley Regional Medical Center	13.0		38	3,765	9,970	27	71.9%
Kaiser Foundation Hospitals - Downey	13.0		66	4,198	8,028	22	33.3%
Garden Grove Hospital and Medical Center	13.6		27	1,795	3,426	9	34.8%
Orange County Global Medical Center	15.4		52	2,081	5,083	14	26.8%
<b>TOTAL</b>			<b>583</b>	<b>39,689</b>	<b>96,755</b>	<b>265</b>	<b>45.3%</b>

Source: OSHPD Disclosure Reports, FY 2014, Google Maps

(1) Anaheim Global Medical Center, Presbyterian Intercommunity Hospital, and both Kaiser facilities have Alternative Birthing Centers

- St. Jude Medical Center provided 21% of licensed obstetrics beds within its service area, and it reported approximately 17% of the service area's 12,854 discharges; and
- Hospitals within the service area had available capacity with occupancy rates ranging from nearly 46% at Anaheim Global Medical Center to approximately 61% at AHMC Anaheim Regional Medical Center.

## Neonatal Intensive Care Capacity Analysis

There were 56 neonatal intensive care beds within the service area that operated at an overall occupancy rate of approximately 59%. St. Jude Medical Center had 14 licensed neonatal intensive care beds with an average occupancy rate of nearly 39% (average daily census of five patients).

NEONATAL INTENSIVE CARE BEDS FY 2014							
Hospital	Miles from Hospital	Within Service Area	Licensed Beds	Discharges	Patient Days	Average Daily Census	Percent Occupied
St. Jude Medical Center	-	X	14	209	1,990	5	38.9%
AHMC Anaheim Regional Medical Center	4.1	X	11	206	2,664	7	66.4%
Anaheim Global Medical Center	6.2	X	5	-	-	-	-
Placentia Linda Hospital	6.2	X	-	-	-	-	-
Kaiser Foundation Hospitals - Anaheim	9.9	X	26	385	7,373	20	77.7%
<b>SUB-TOTAL</b>			<b>56</b>	<b>800</b>	<b>12,027</b>	<b>33</b>	<b>58.8%</b>
Whittier Hospital Medical Center	8.1		-	-	-	-	-
West Anaheim Medical Center	8.4		-	-	-	-	-
La Palma Intercommunity Hospital	9.7		-	-	-	-	-
Presbyterian Intercommunity Hospital	10.0		34	446	5,849	16	47.1%
UCI Medical Center	11.1		45	393	10,078	28	61.4%
St. Joseph Hospital – Orange	11.4		-	-	-	-	-
Children's Hospital of Orange County	11.8		67	799	14,489	40	59.2%
Fountain Valley Regional Medical Center	13.0		23	535	7,130	20	84.9%
Kaiser Foundation Hospitals - Downey	13.0		49	597	10,407	29	58.2%
Garden Grove Hospital and Medical Center	13.6		12	194	1,412	4	32.2%
Orange County Global Medical Center	15.4		16	193	1,769	5	30.3%
<b>TOTAL</b>			<b>302</b>	<b>3,957</b>	<b>63,161</b>	<b>173</b>	<b>57.1%</b>

Source: OSHPD Disclosure Reports, FY 2014, Google Maps

- Among the service area hospitals, the average daily census was 33 patients based on 12,027 days; and
- St. Jude Medical Center provided 25% of the service area's neonatal intensive care beds, and it accounted for approximately 26% of the service area's discharges.

## Rehabilitation Capacity Analysis

St. Jude Medical Center was the only provider of licensed rehabilitation beds within the service area. St. Jude Medical Center had 30 rehabilitation beds that were 71% occupied on average and had an average daily census of 21 patients.

REHABILITATION BEDS FY 2014							
Hospital	Miles from Hospital	Within Service Area	Licensed Beds	Discharges	Patient Days	Average Daily Census	Percent Occupied
St. Jude Medical Center	-	X	30	621	7,776	21	71.0%
AHMC Anaheim Regional Medical Center	4.1	X	-	-	-	-	-
Anaheim Global Medical Center	6.2	X	-	-	-	-	-
Placentia Linda Hospital	6.2	X	-	-	-	-	-
Kaiser Foundation Hospitals - Anaheim	9.9	X	-	-	-	-	-
<b>SUB-TOTAL</b>			<b>30</b>	<b>621</b>	<b>7,776</b>	<b>21</b>	<b>71.0%</b>
Whittier Hospital Medical Center	8.1	-	-	-	-	-	-
West Anaheim Medical Center	8.4	-	-	-	-	-	-
La Palma Intercommunity Hospital	9.7	-	-	-	-	-	-
Presbyterian Intercommunity Hospital	10.0	-	17	281	3,452	9	55.6%
UCI Medical Center	11.1	-	14	267	4,071	11	79.7%
St. Joseph Hospital – Orange	11.4	-	-	-	-	-	-
Children's Hospital of Orange County	11.8	-	-	-	-	-	-
Fountain Valley Regional Medical Center	13.0	-	-	-	-	-	-
Kaiser Foundation Hospitals - Downey	13.0	-	-	-	-	-	-
Garden Grove Hospital and Medical Center	13.6	-	-	-	-	-	-
Orange County Global Medical Center	15.4	-	-	-	-	-	-
<b>TOTAL</b>			<b>61</b>	<b>1,169</b>	<b>15,299</b>	<b>42</b>	<b>68.5%</b>

Source: OSHPD Disclosure Reports, FY 2014, Google Maps

- The closest hospital with rehabilitation beds outside of the service area is Presbyterian Intercommunity Hospital. It is located 10 miles away from St. Jude Medical Center.

## Emergency Department Volume at Hospitals in the Service Area

In 2014, St. Jude Medical Center had 36 emergency treatment stations. In total, there were 124 treatment stations among all service area hospitals. As shown below, St. Jude Medical Center reported 62,782 visits that totaled nearly 31% of all visits among the service area hospitals (205,273 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
<b>St. Jude Medical Center</b>	-	X	Basic	36	<b>62,782</b>	<b>1,315</b>	<b>3,919</b>	<b>37,157</b>	<b>17,444</b>	<b>2,947</b>	<b>11.4%</b>	<b>39</b>
AHMC Anaheim Regional Medical Center	4.1	X	Basic	21	42,877	2,436	16,195	9,690	10,578	3,978	18.9%	184
Anaheim Global Medical Center	6.2	X	Basic	11	15,493	1,326	6,646	3,681	2,740	1,100	14.8%	197
Placentia Linda Hospital	6.2	X	Basic	20	27,064	968	1,305	9,560	10,508	4,723	8.6%	2
Kaiser Foundation Hospitals - Anaheim	9.9	X	Basic	36	57,057	215	6,232	40,890	8,794	926	11.9%	48
<b>SUB-TOTAL</b>				<b>124</b>	<b>205,273</b>	<b>6,260</b>	<b>34,297</b>	<b>100,978</b>	<b>50,064</b>	<b>13,674</b>	<b>13.0%</b>	<b>470</b>
Whittier Hospital Medical Center	8.1		Basic	11	28,215	46	790	11,571	6,833	8,975	16.7%	24
West Anaheim Medical Center	8.4		Basic	24	31,451	2,251	1,525	4,451	7,548	15,676	18.0%	-
La Palma Intercommunity Hospital	9.7		Basic	10	16,319	673	881	3,370	4,363	7,032	20.3%	-
Presbyterian Intercommunity Hospital	10.0		Basic	61	76,411	1,108	6,001	25,385	33,348	10,569	15.4%	8
UCI Medical Center	11.1		Comprehensive	36	44,380	50	3,032	11,346	13,636	16,316	25.1%	320
St. Joseph Hospital – Orange	11.4		Basic	53	77,950	2,048	8,745	39,332	20,330	7,495	12.4%	434
Children's Hospital of Orange County (1)	11.8		Basic	31	69,537	17,601	20,754	17,425	7,123	789	8.4%	2
Fountain Valley Regional Medical Center	13.0		Basic	25	45,920	2,638	3,112	12,616	16,800	10,754	12.8%	50
Kaiser Foundation Hospitals - Downey	13.0		Basic	63	95,144	1,731	9,486	64,529	17,172	2,226	10.7%	1,612
Garden Grove Hospital and Medical Center	13.6		Basic	12	27,093	644	1,074	6,594	6,261	12,520	13.3%	-
Orange County Global Medical Center	15.4		Basic	20	22,321	950	9,846	6,499	3,104	1,922	17.5%	604
<b>TOTAL</b>				<b>470</b>	<b>740,014</b>	<b>36,000</b>	<b>99,543</b>	<b>304,096</b>	<b>186,582</b>	<b>107,948</b>	<b>13.8%</b>	<b>3,524</b>

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

(1) Visit types do not include the 5,845 admitted patients

- Approximately 11% of St. Jude Medical Center's 2014 emergency department visits resulted in admission to the hospital; and
- St. Jude Medical Center went on diversion<sup>19</sup> for 39 hours in 2014.

<sup>19</sup> 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, have used a benchmark of 2,000 visits per emergency station/bed to estimate the capacity of an emergency department. Based upon this benchmark, in 2014, St. Jude Medical Center’s emergency department had 35 treatment stations and was operating at approximately 87% capacity.

EMERGENCY DEPARTMENT CAPACITY 2014							
Hospital	Miles from Hospital	Within Service Area	ER Level	Stations	Total Visits	Capacity	Remaining Capacity
<b>St. Jude Medical Center</b>	-	X	Basic	36	62,782	72,000	9,218
AHMC Anaheim Regional Medical Center	4.1	X	Basic	21	42,877	42,000	(877)
Anaheim Global Medical Center	6.2	X	Basic	11	15,493	22,000	6,507
Placentia Linda Hospital	6.2	X	Basic	20	27,064	40,000	12,936
Kaiser Foundation Hospitals - Anaheim	9.9	X	Basic	36	57,057	72,000	14,943
<b>SUB-TOTAL</b>				<b>124</b>	<b>205,273</b>	<b>248,000</b>	<b>42,727</b>
Whittier Hospital Medical Center	8.1		Basic	11	28,215	22,000	(6,215)
West Anaheim Medical Center	8.4		Basic	24	31,451	48,000	16,549
La Palma Intercommunity Hospital	9.7		Basic	10	16,319	20,000	3,681
Presbyterian Intercommunity Hospital	10.0		Basic	61	76,411	122,000	45,589
UCI Medical Center	11.1		Comprehensive	36	44,380	72,000	27,620
St. Joseph Hospital - Orange	11.4		Basic	53	77,950	106,000	28,050
Children's Hospital of Orange County (1)	11.8		Basic	31	69,537	62,000	(7,537)
Fountain Valley Regional Medical Center	13.0		Basic	25	45,920	50,000	4,080
Kaiser Foundation Hospitals - Downey	13.0		Basic	63	95,144	126,000	30,856
Garden Grove Hospital and Medical Center	13.6		Basic	12	27,093	24,000	(3,093)
Orange County Global MC (Western Med-SA)	15.4		Basic	20	22,321	40,000	17,679
<b>TOTAL</b>				<b>470</b>	<b>740,014</b>	<b>940,000</b>	<b>199,986</b>

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

- In 2014, the service area hospitals’ emergency departments were at a combined capacity of approximately 83%.



## PROFILE OF ST. JOSEPH HOSPITAL OF ORANGE

### *Overview of St. Joseph Hospital of Orange*

St. Joseph Health System operates St. Joseph Hospital, a 463 licensed-bed general acute care facility, located at 1100 West Stewart Drive in Orange. St. Joseph Hospital has a “basic” emergency department with 53 licensed treatment stations. It also has 23 surgical operating rooms and four cardiac catheterization labs. Children’s Hospital of Orange County leases space at St. Joseph Hospital and has the license to operate a 13-bed Level II Neonatal Intensive Care Unit.

BED DISTRIBUTION 2016	
Bed Type	Number of Beds
General Acute Care	279
Intensive Care	32
Coronary Care	20
Perinatal	89
Renal Transplant	6
<b>Total General Acute Care Beds</b>	<b>426</b>
Acute Psychiatric (D/P)	37
<b>Total Licensed Beds</b>	<b>463</b>

Source: Hospital License 2016

### **St. Joseph Hospital Foundation**

St. Joseph Hospital Foundation provides financial support through philanthropy for St. Joseph Hospital. St. Joseph Hospital 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 St. Joseph Hospital Foundation have supported La Amistad Family Health Center, the Puente a la Salud Mobile Community Clinic, the construction of maternal-child health private patient rooms, and the development of the Center for Cancer Prevention and Treatment.

## Key Statistics

KEY STATISTICS: FY 2012 - 2014			
	FY 2012	FY 2013	FY 2014
Inpatient Discharges	20,342	20,106	20,298
Licensed Beds	525	491	491
Patient Days	79,084	77,863	76,932
Average Daily Census	217	213	211
Occupancy	41.3%	43.4%	42.9%
Average Length of Stay	3.9	3.9	3.8
Emergency Services Visits <sup>1</sup>	58,960	80,655	77,950
Cardiac Catheterization Procedures <sup>1</sup>	4,471	3,871	4,330
Coronary Artery Bypass Graft (CABG) Surgeries <sup>1</sup>	107	107	136
Total Live Births	4,833	4,963	5,709

Medical Staff	1,132
Employees (Full-Time Equivalents) <sup>2</sup>	2,166

Sources: OSHPD Disclosure Reports, FY 2012-2014

<sup>1</sup> OSHPD Alerts Annual Utilization Reports

<sup>2</sup> St. Joseph Health System

For FY 2014, St. Joseph Hospital had a total of 20,298 inpatient discharges, 76,932 patient days, and an average daily census of 211 patients with approximately 43% occupancy on the total licensed beds.

- Since FY 2012, patient days have decreased by approximately 3%;
- In FY 2014, St. Joseph Hospital reported 77,950 emergency department visits, a 32% increase since FY 2012;
- In 2014, St. Joseph Hospital reported 4,330 cardiac catheterization procedures and 136 coronary artery bypass graft surgeries; and
- Between FY 2012 and FY 2014, total live births at St. Joseph Hospital have increased by 18%.

## ***Programs & Services***

St. Joseph Hospital offers a broad spectrum of medical services, including cardiology, gastroenterology, behavioral health, ophthalmology, and emergency services.

- Bariatric services include: Bariatric surgery, physical therapy, dietician, and education services;
- Behavioral health services include: Psychiatric and chemical dependency services for patients affected by mental illness, eating disorders, mood/anxiety disorders, and substance abuse disorders;
- Imaging services include: Diagnostic radiology, ultrasound, CT, MRI, nuclear medicine, and the Center for Breast Imaging and Diagnosis, which provides digital mammography, breast ultrasound, breast MRI, ductography, galactography, and positron emission topography;
- Oncology services include: Nurse navigation, infusion, imaging, radiation therapy, and genetic consultation services;
- Emergency services include: 24-hour “basic” emergency department services that include 53 licensed treatment stations, a Primary Stroke Center, and STEMI Receiving Center services;
- Gastroenterology services include: Diagnosis and treatment of digestive disorders and diseases, including the Heartburn Center, bronchoscopy, colonoscopy, endoscopy, and enteroscopy services;
- Cardiovascular services include: Comprehensive care for patients with coronary artery disease, arrhythmia, valve disease, congenital heart defects, vascular disease, and aneurysms. This includes the Adult Congenital Heart Disease Program, the STEMI Receiving Center, cryoablation, the Center for Heart and Vascular Wellness and Prevention, diagnostic services, the Heart Failure Program, interventional radiology, open heart surgery, the Valve Heart Center, and the Women’s Heart Center;
- Nephrology services include: Adult and pediatric treatment for patients with chronic kidney disease, including inpatient acute dialysis, outpatient hemodialysis, home dialysis, and kidney transplant services;
- Neurosurgery services include: Diagnostics, minimally invasive techniques, implantable therapies, and clinical research studies to treat brain and pituitary tumors, brain and spine trauma, aneurysm, hemorrhagic stroke, hydrocephalus, and multiple sclerosis;

- Obstetric services include: Prenatal, labor and delivery, and postpartum services, including a Transitional Care Unit and the Level II Neonatal Intensive Care Unit;
- Urology services include: Pediatric and adult services for patients with urological health needs, including bladder cancer, kidney and ureteral stones, enlarged prostate, prostate cancer, urinary incontinence, hematuria, and minimally invasive laparoscopic surgery, provided at the Minimally Invasive Urology and Stone Center;
- Ear, nose, and throat services include: Treatment for allergies and sinus, snoring, and sleep apnea issues such as sleep testing and somnoplasty;
- Ophthalmology services include: Cataract, corneal and retinal disease, glaucoma, macular degeneration, orbital disease, and strabismus treatment, including corneal transplant, trabeculectomy, cataract removal, oculoplastics, cryothermia, laser procedure, eye muscle surgery, and retinal therapy services;
- Orthopedic services include: Foot and ankle, hand and elbow, hip and knee, shoulder, and spine services, including minimally invasive orthopedic surgery, hip and total knee replacement, artificial disc replacement, and pain management services;
- Respiratory services include: Arterial blood gas, pulmonary function, bronchoscopy, and EKG testing, and treatment planning for respiratory disease, cardiac and lung surgery, and asthma and emphysema patients;
- Stroke services include: Primary Stroke Center services, including emergency, neurointerventional radiology, thrombectomy, and rehabilitation services;
- Rehabilitation services include: Work injury, post-operative, lymphedema, speech, occupational, and physical therapy services;
- Surgical services include: Bariatric, cardiothoracic, colorectal, general surgery, gynecology, kidney transplant, neurology, oncology, ophthalmology, orthopedic, otolaryngology, and urology services;
- Women's health services include: Breast care services, gynecology, pelvic floor reconstruction, robotic hysterectomy, total laparoscopic hysterectomy, obstetrics, and cardiology services; and
- Wound care services include: Treatment for arterial ulcers, collagen vascular wounds, diabetic ulcers, ischemic ulcers, post-operative wounds, pressure ulcers, trauma wounds, venous stasis ulcers, and insect bites.

## Accreditations, Certifications, & Awards

St. Joseph Hospital is accredited by The Joint Commission, effective January 2015 through January 2018. Over the years, St. Joseph Hospital 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 2015 through November 2017;
- Recognition as a Magnet Hospital by the American Nursing Credentialing Center since 2007;
- Recognition as a 2015 Top 20 Hospital in Los Angeles/Orange County for providing clinical excellence in five specialties by U.S. News & World Report;
- Placement in the 2013 highest rated group for patient safety by Consumer Report; and
- Naming among the top 60 hospitals for outstanding orthopedics by Becker’s Hospital Review.

## Quality Measures

In FY 2015, the Centers for Medicare & Medicaid Services reduced Medicare payments to St. Joseph Hospital by 0.02%. For FY 2016, the Centers for Medicare & Medicaid services will reward St. Joseph Hospital with a 0.02% payment bonus.

The following table reports St. Joseph Hospital’s average scores as reported by Hospital Compare for each of the measures within the four domains in comparison to the statewide and national averages:

QUALITY SCORES COMPARISON				
Domain	Measure	St. Joseph Hospital of Orange	California Average	National Average
Clinical Process of Care Domain	Average of Acute Myocardial Infarction, Heart Failure, Pneumonia, Surgical Care Improvement & Healthcare Associated Infection Measures	99.5%	97.6%	97.3%
Patient Experience of Care Domain	Average of Measures for the Hospital Consumer Assessment of Healthcare Providers and Systems (HCAHPS) Survey	72.5%	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	14.0%	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, St. Joseph Hospital scored slightly above (99.5%) the California average (97.6%) and the national average (97.3%);

- St. Joseph Hospital scored above (72.5%) the California average of 67.0% and the national average of 71.0% for the patient experience of care domain;
- Within the outcome domain, St. Joseph Hospital has a higher average 30-day mortality rate and central-line bloodstream infection rate (14.0%) than the California and national averages (12.1% and 12.4%, respectively); and
- With a ratio of 1.01, St. Joseph Hospital spends more per patient for an episode of care initiated at its facility than California hospitals (0.99) and national hospitals (0.98).

In FY 2014, St. Joseph Hospital was not penalized for its 30-day readmission rates. However, in FY 2015, St. Joseph Hospital was penalized by a 0.06% reduction in reimbursement. The following graph shows St. Joseph Hospital’s 30-day readmission rates for heart attack, heart failure, and pneumonia patients:

30-DAY READMISSION RATES			
Condition	St. Joseph Hospital of Orange	National Average	California Average
Heart Attack	14.0%	17.0%	17.0%
Heart Failure	21.2%	22.0%	22.1%
Pneumonia	15.8%	16.9%	16.9%
<b>Average 30-Day Readmission Rate</b>	<b>17.0%</b>	<b>18.6%</b>	<b>18.6%</b>

Source: IPRO & Medicare.gov Hospital Compare, 2015

- St. Joseph Hospital had fewer 30-day readmissions (17.0%) than the national and State of California averages of 18.6%; and
- In FY 2016, St. Joseph Hospital will be penalized with a 0.04% reduction in payment.

## Seismic Issues

Using the HAZUS seismic criteria, St. Joseph Hospital'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 St. Joseph Hospital'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 A	SPC-2	NPC-2
2) Central Plant	SPC-2	NPC-2
3) East/West Wing	SPC-2	NPC-2
4) South Tower	SPC-2	NPC-2
5) North Wing/Lobby	SPC-4	NPC-2
6) Main Hospital Building B	SPC-4	NPC-2
7) Main Hospital Building C	SPC-4	NPC-2
8) Regional Cancer Center	SPC-4	NPC-2
9) Emergency Department Expansion	SPC-5	NPC-2
10) Generator Enclosure	SPC-5	NPC-2
11) ICU/CCU Addition	SPC-5	NPC-2
12) Patient Care Center/Plaza Tower	SPC-5s*	NPC-4
13) Facilities Services Building	SPC-5s*	NPC-4
14) PCC Lobby/Canopy	SPC-5s*	NPC-4
15) South Entry Canopy	SPC-5s*	NPC-4

Source: OSHPD

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

- St. Joseph Hospital has four buildings that are rated as SPC-2. These buildings must be seismically retrofitted by January 1, 2030 in order to continue providing the delivery of acute care services.



## Patient Utilization Trends

The following table shows volume trends at St. Joseph Hospital 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	30,845	26,639	28,834	29,139	22,245
Intensive Care	7,924	7,208	7,710	8,776	6,234
Psychiatric Acute	9,628	11,076	11,146	10,840	10,049
Obstetrics	17,206	17,685	16,060	12,630	13,062
Definitive Observation	16,656	14,876	15,334	16,478	25,342
<b>Total</b>	<b>82,259</b>	<b>77,484</b>	<b>79,084</b>	<b>77,863</b>	<b>76,932</b>
DISCHARGES					
Medical/Surgical	7,786	7,759	7,947	7,675	6,789
Intensive Care	596	569	599	662	1,209
Psychiatric Acute	1,718	2,023	2,054	2,286	2,297
Obstetrics	6,684	5,132	5,556	5,045	5,371
Definitive Observation	4,434	4,777	4,186	4,438	4,632
<b>Total</b>	<b>21,218</b>	<b>20,260</b>	<b>20,342</b>	<b>20,106</b>	<b>20,298</b>
AVERAGE LENGTH OF STAY					
Medical/Surgical	4.0	3.4	3.6	3.8	3.3
Intensive Care	13.3	12.7	12.9	13.3	5.2
Psychiatric Acute	5.6	5.5	5.4	4.7	4.4
Obstetrics	2.6	3.4	2.9	2.5	2.4
Definitive Observation	3.8	3.1	3.7	3.7	5.5
<b>Total</b>	<b>3.9</b>	<b>3.8</b>	<b>3.9</b>	<b>3.9</b>	<b>3.8</b>
AVERAGE DAILY CENSUS					
Medical/Surgical	84.5	73.0	79.0	79.8	60.9
Intensive Care	21.7	19.7	21.1	24.0	17.1
Psychiatric Acute	26.4	30.3	30.5	29.7	27.5
Obstetrics	47.1	48.5	44.0	34.6	35.8
Definitive Observation	45.6	40.8	42.0	45.1	69.4
<b>Total</b>	<b>225.4</b>	<b>212.3</b>	<b>216.7</b>	<b>213.3</b>	<b>210.8</b>
OTHER SERVICES					
Inpatient Surgeries	7,509	6,797	5,692	5,533	3,757
Outpatient Surgeries	2,642	2,820	3,422	3,896	1,438
Emergency Services Visits <sup>1</sup>	55,569	55,297	58,960	80,655	77,950
Cardiac Catheterization Procedures <sup>1</sup>	4,473	4,061	4,471	3,871	4,330
Obstetric Deliveries	5,064	5,055	4,833	4,963	5,709

Sources: OSHPD Disclosure Reports, 2010-2014

<sup>1</sup> OSHPD Alerts Annual Utilization Reports

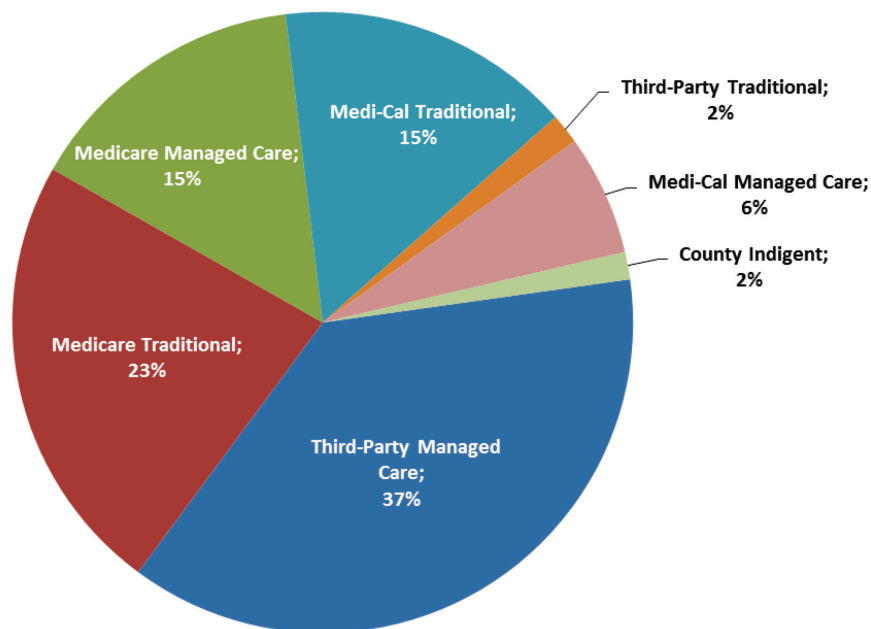
A review of historical utilization trends between supports the following conclusions:

- Total patient days have decreased by 6% over the five-year period;
- Inpatient discharges have decreased 4% from 21,218 in FY 2010 to 20,298 in FY 2014;
- The average daily census has decreased 6% from 225 patients in FY 2010 to 211 patients in FY 2014; and
- Obstetric deliveries have increased 13% from 5,064 in FY 2010 to 5,709 in FY 2014.
- Total surgeries decreased 49% from 10,151 in FY 2010 to 5,195 in FY 2014, largely due to the loss of surgical volume to a nearby ambulatory surgery center that was opened near the St. Joseph Hospital campus in FY 2013.

### ***Payer Mix***

In FY 2014, approximately 39% of St. Joseph Hospital’s inpatient payer mix consisted of Third-Party Managed Care (37%) and Third-Party Traditional (2%) patients. Approximately 38% of St. Joseph Hospital’s inpatient payer mix consisted of Medicare Traditional (23%) and Medicare Managed Care (15%) patients. The remaining 23% of the inpatient discharges consisted of Medi-Cal Traditional (15%), Medi-Cal Managed Care (6%), and County Indigent (2%) patients.

**St. Joseph Hospital of Orange Payer Mix, FY 2014**



**Total Discharges = 20,298**

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

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

PAYER MIX COMPARISON						
	St. Joseph Hospital of Orange (FY 2014)		Orange County (FY 2014)		California (FY 2014)	
	Discharges	% of Total	Discharges	% of Total	Discharges	% of Total
Medi-Cal Traditional	3,099	15.3%	26,591	12.2%	448,311	15.8%
Medi-Cal Managed Care	1,261	6.2%	28,215	12.9%	435,129	15.3%
<b>Medi-Cal Total</b>	<b>4,360</b>	<b>21.5%</b>	<b>54,806</b>	<b>25.1%</b>	<b>883,440</b>	<b>31.1%</b>
Medicare Traditional	4,640	22.9%	53,982	24.7%	805,912	28.4%
Medicare Managed Care	2,990	14.7%	30,670	14.1%	273,709	9.6%
<b>Medicare Total</b>	<b>7,630</b>	<b>37.6%</b>	<b>84,652</b>	<b>38.8%</b>	<b>1,079,621</b>	<b>38.0%</b>
Third-Party Managed Care	7,510	37.0%	62,636	28.7%	610,781	21.5%
<b>Third-Party Managed Care Total</b>	<b>7,510</b>	<b>37.0%</b>	<b>62,636</b>	<b>28.7%</b>	<b>610,781</b>	<b>21.5%</b>
Third-Party Traditional	318	1.6%	5,168	2.4%	121,054	4.3%
Other Payers	151	0.7%	6,098	2.8%	62,617	2.2%
Other Indigent	43	0.2%	1,436	0.7%	32,930	1.2%
County Indigent	286	1.4%	3,401	1.6%	51,759	1.8%
<b>Other Total</b>	<b>798</b>	<b>3.9%</b>	<b>16,103</b>	<b>7.4%</b>	<b>268,360</b>	<b>9.4%</b>
<b>Total</b>	<b>20,298</b>	<b>100%</b>	<b>218,197</b>	<b>100%</b>	<b>2,842,202</b>	<b>100%</b>

Source: OSHPD Disclosure Reports, FY 2014

### ***Medi-Cal Managed Care***

St. Joseph Hospital is currently contracted with CalOptima, the County Organized Health System plan in Orange County, to provide services to Medi-Cal Managed Care patients.

## Medical Staff

St. Joseph Hospital has 1,132 medical staff members. Of the 1,132 medical staff members, 953 are Board-Certified in multiple specialties and represent approximately 84% of the medical staff. The five largest specialties that comprise 31% of the Board-Certified medical staff are: pediatrics, family practice, anesthesiology, internal medicine, and orthopedic surgery.

St. Joseph Hospital is affiliated with St. Joseph Heritage Medical Group, a medical group that contracts exclusively with St. Joseph Heritage Healthcare. St. Joseph Hospital is also affiliated with St. Joseph Hospital Affiliated Physician Network, a contracted physician network of St. Joseph Heritage Healthcare.

MEDICAL STAFF PROFILE 2016					
Specialty	Count	% of Total	Specialty	Count	% of Total
			Board-Certified Medical Staff		
Allergy & Immunology	6	0.6%	Ophthalmology	36	3.8%
Anesthesiology	51	5.4%	Oral & Maxillofacial Surgery	7	0.7%
Cardiology	27	2.8%	Orthopedic Surgery	46	4.8%
Clinical Biochemical Genetics	3	0.3%	Otolaryngology	12	1.3%
Clinical Genetics	2	0.2%	Pain Management	1	0.1%
Clinical Psychology	2	0.2%	Pathology	6	0.6%
Colon & Rectal Surgery	3	0.3%	Pediatric Allergy & Immunology	3	0.3%
Dental Assistant	1	0.1%	Pediatric Cardiology	19	2.0%
Dentistry	2	0.2%	Pediatric Critical Care	14	1.5%
Dermatology	16	1.7%	Pediatric Dentistry	4	0.4%
Emergency Medicine	21	2.2%	Pediatric Gastroenterology	9	0.9%
Endocrinology & Metabolism	11	1.2%	Pediatric Hematology Oncology	10	1.0%
Family Practice	71	7.5%	Pediatric Nephrology	5	0.5%
Gastroenterology	12	1.3%	Pediatric Neurology	5	0.5%
General Surgery	22	2.3%	Pediatric Orthopedic Surgery	1	0.1%
Geriatric Medicine	1	0.1%	Pediatric Otolaryngology	3	0.3%
Gynecology	4	0.4%	Pediatric Pulmonology	1	0.1%
Gynecology/Oncology	10	1.0%	Pediatric Surgery	7	0.7%
Hand Surgery	1	0.1%	Pediatrics	75	7.9%
Hematology	2	0.2%	Physical Medical & Rehabilitation	6	0.6%
Hematology Oncology	14	1.5%	Physician Assistant	40	4.2%
Hospitalist Medicine	17	1.8%	Physician Assistant, Surgical	1	0.1%
Infectious Disease	6	0.6%	Plastic & Reconstructive Surgery	18	1.9%
Intensivist Medicine	7	0.7%	Podiatry	8	0.8%
Internal Medicine	49	5.1%	Psychiatry	9	0.9%
Interventional Cardiology	1	0.1%	Pulmonary Disease	16	1.7%
Interventional Radiology	3	0.3%	Radiation Oncology	5	0.5%
Maternal Fetal Medicine	8	0.8%	Radiology	41	4.3%
Medical Oncology	4	0.4%	Reproductive Endocrinology	2	0.2%
Metabolic Disorders	1	0.1%	Rheumatology	6	0.6%
Neonatal Perinatal	26	2.7%	Sleep Medicine	2	0.2%
Nephrology	17	1.8%	Surgery	1	0.1%
Neurology	9	0.9%	Thoracic Surgery	9	0.9%
Neurosurgery	10	1.0%	Urology	13	1.4%
Nurse Practitioner	28	2.9%	Vascular Surgery	7	0.7%
Obstetrics Gynecology	37	3.9%	-	-	-
<b>Total Board Certified</b>			<b>953</b>		
<b>Total Non-Board Certified</b>			<b>179</b>		
<b>Total Medical Staff</b>			<b>1,132</b>		

Source: St. Joseph Hospital of Orange

## Unionized Employees

St. Joseph Hospital does not currently have any CBAs in place.

## Financial Profile

Over the last five reported fiscal years, St. Joseph Hospital has maintained positive net income ranging from \$9.0 million to \$55.6 million. Net patient revenue has increased by 6% from \$515.6 million in FY 2010 to \$547.9 million in FY 2014. Over the same period, St. Joseph Hospital's total operating expenses have increased by 2% from \$570.7 million to \$581.6 million. Other operating revenue and net non-operating revenue, totaling more than \$515 million over the course of the five-year period, has served to offset the net loss from operations in recent years. 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.

St. Joseph Hospital's current ratio has increased over the last five years from 3.57 in FY 2010 to 5.73 in FY 2014. In 2014 the California average was 1.72. St. Joseph Hospital's percentage of bad debt is approximately 0.4%, which 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	82,259	77,484	79,084	77,863	76,932	-
Discharges	21,218	20,260	20,342	20,106	20,298	-
ALOS	3.9	3.8	3.9	3.9	3.8	-
Net Patient Revenue	\$515,625,303	\$560,354,777	\$553,081,072	\$584,312,132	\$547,850,996	-
Other Operating Revenue	\$82,111,220	\$87,739,508	\$18,369,556	\$17,111,588	\$12,995,226	-
Total Operating Revenue	\$597,736,523	\$648,094,285	\$571,450,628	\$601,423,720	\$560,846,222	-
Operating Expenses	\$570,659,400	\$625,216,004	\$613,839,394	\$634,658,129	\$581,593,767	-
Net from Operations	\$27,077,123	\$22,878,281	(\$42,388,766)	(\$33,234,409)	(\$20,747,545)	-
Net Non-Operating Revenue	\$43,462,353	\$50,779,992	\$81,843,882	\$87,543,318	\$33,223,852	-
Net Income	\$41,927,220	\$55,595,192	\$21,535,944	\$43,317,446	\$9,048,187	-
						2014 California Average
Current Ratio	3.57	3.83	4.07	4.84	5.73	1.72
Days in A/R	41.0	34.1	35.5	43.8	42.1	62.2
Bad Debt Rate	1.7%	0.7%	0.6%	1.0%	0.4%	1.3%
Operating Margin	4.53%	3.53%	-7.42%	-5.53%	-3.70%	2.48%

Source: OSHPD Disclosure Reports, 2010-2014

## Cost of Hospital Services

St. Joseph Hospital's operating cost of services includes both inpatient and outpatient care. In FY 2014, approximately 45% of total costs were associated with Medicare patients, 36% with Third Party payers, 14% with Medi-Cal patients, and 3% with Other Payers. The remaining 2% is attributed to County Indigent and Other Indigent. 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	\$570,659,400	\$625,216,004	\$613,839,394	\$634,658,129	\$581,593,767
<b>Cost of Services By Payer:</b>					
Medicare	\$249,095,733	\$273,912,868	\$276,594,145	\$283,599,618	\$259,733,190
Medi-Cal	\$56,586,347	\$66,967,343	\$68,133,354	\$76,604,349	\$82,920,552
County Indigent	\$13,439,709	\$15,588,089	\$15,414,288	\$19,091,572	\$9,827,104
Third Party	\$230,894,524	\$244,621,787	\$227,579,276	\$228,939,202	\$208,818,276
Other Indigent	\$11,470,267	\$13,148,573	\$11,574,905	\$9,117,786	\$3,155,873
Other Payers	\$9,172,820	\$10,977,345	\$14,543,426	\$17,305,602	\$17,138,772

Source: OSHPD Disclosure Reports, 2010-2014

## Charity Care

According to OSHPD, St. Joseph Hospital's charity care charges have decreased from approximately \$41.7 million in FY 2011 to approximately \$29.3 million in FY 2015. The five-year average for charity charges was approximately \$33.3 million.

CHARITY CARE TOTAL CHARGES: FY 2011-2015	
Year	Reports
2015	\$29,256,664
2014	\$27,497,581
2013	\$30,072,835
2012	\$37,729,879
2011	\$41,710,597
<b>5-Year Average</b>	<b>\$33,253,511</b>

Source: OSHPD Disclosure Reports 2011-2015

The following table shows a comparison of charity care and bad debt for St. Joseph Hospital and all general acute care hospitals in the State of California for the last five years. The five-year average of charity care and bad debt, as a percentage of gross patient revenue, was 2.2%. This is slightly 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	\$1,983.34	\$288,636.7	\$2,000.9	\$303,278.6	\$2,093.27	\$317,543.8	\$2,187.03	\$337,773.16	\$2,304.11	-
Charity	\$41.71	\$6,171.5	\$37.73	\$6,251.0	\$30.07	\$6,209.9	\$27.50	\$4,571.00	\$29.26	-
Bad Debt	\$13.12	\$4,815.5	\$11.35	\$5,007.6	\$21.24	\$5,549.5	\$8.85	\$4,420.44	\$6.92	-
<b>Total</b>	<b>\$54.83</b>	<b>\$10,987.0</b>	<b>\$49.08</b>	<b>\$11,258.6</b>	<b>\$51.31</b>	<b>\$11,759.4</b>	<b>\$36.35</b>	<b>\$8,991.45</b>	<b>\$36.18</b>	<b>-</b>
Charity as a % of Gross Rev.	2.1%	2.1%	1.9%	2.1%	1.4%	2.0%	1.3%	1.4%	1.3%	-
Bad Debt as a % of Gross Rev.	0.7%	1.7%	0.6%	1.7%	1.0%	1.7%	0.4%	1.3%	0.3%	-
Total as a % of Gross Rev.	2.8%	3.8%	2.5%	3.7%	2.5%	3.7%	1.7%	2.7%	1.6%	-
<b>Uncompensated Care</b>										
Cost to Charge Ratio	27.1%	24.6%	29.8%	24.6%	29.5%	24.4%	26.0%	23.5%	26.2%	-
Cost of Charity	\$11.3	\$1,520.9	\$11.2	\$1,539.1	\$8.9	\$1,514.6	\$7.15	\$1,074.2	\$7.7	-
Cost of Bad Debt	\$3.6	\$1,186.8	\$3.4	\$1,232.9	\$6.3	\$1,353.5	\$2.30	\$1,038.8	\$1.8	-
<b>Total</b>	<b>\$14.9</b>	<b>\$2,707.7</b>	<b>\$14.6</b>	<b>\$2,772.0</b>	<b>\$15.14</b>	<b>\$2,868.1</b>	<b>\$9.45</b>	<b>\$2,113.0</b>	<b>\$9.5</b>	<b>-</b>

Source: OSHPD Disclosure Reports, 2011-2015

The table below shows St. Joseph Hospital's historical costs for charity care as reported by OSHPD. St. Joseph Hospital's charity care costs have decreased from approximately \$11.3 million in FY 2011 to \$7.7 million in FY 2015. The average cost of charity care for the last five-year period was approximately \$9.2 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	\$29,256,664	26.2%	\$7,665,246	1.2%
FY 2014	\$27,497,581	26.0%	\$7,149,011	1.2%
FY 2013	\$30,072,835	29.5%	\$8,871,953	1.4%
FY 2012	\$37,729,879	29.8%	\$11,228,518	1.8%
FY 2011	\$41,710,597	27.1%	\$11,303,371	1.8%
<b>5-Year Average</b>	<b>\$33,253,511</b>		<b>\$9,243,620</b>	

Source: OSHPD Disclosure Reports, 2011-2015



St. Joseph Hospital 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
<b>2015:</b>				
Cost of Charity	\$3,377,635	\$2,057,083	\$2,009,960	\$7,444,678
Visits/Discharges	1,942	6,318	9,290	
<b>2014:</b>				
Cost of Charity	\$862,012	\$3,008,085	\$3,157,388	\$7,027,485
Visits/Discharges	3,878	11,387	23,198	
<b>2013:</b>				
Cost of Charity	\$2,709,370	\$2,849,803	\$3,000,367	\$8,559,839
Visits/Discharges	4,231	11,360	34,223	
<b>2012:</b>				
Cost of Charity	\$3,588,512	\$4,005,884	\$3,430,710	\$11,025,106
Visits/Discharges	4,877	17,953	22,491	
<b>2011:</b>				
Cost of Charity	\$4,010,335	\$4,456,694	\$3,597,339	\$12,064,368
Visits/Discharges	2,338	8,451	12,834	

Source: St. Joseph Health

### Community Benefit Services

St. Joseph Hospital 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 last five years has been \$7,223,852 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	\$3,584,810	\$4,118,941	\$3,666,101	\$2,498,421	\$3,218,921	\$3,417,439	\$17,087,194
Benefits for Broader Community	\$5,167,671	\$4,483,959	\$2,380,864	\$3,893,089	\$3,106,482	\$3,806,413	\$19,032,065
<b>Total</b>	<b>\$8,752,481</b>	<b>\$8,602,900</b>	<b>\$6,046,965</b>	<b>\$6,391,510</b>	<b>\$6,325,403</b>	<b>\$7,223,852</b>	<b>\$36,119,259</b>

Source: St. Joseph Hospital-Orange

Note: Community Benefit programs and services excludes grants

- St. Joseph Hospital’s five-year average cost of community benefit services for persons living in poverty is approximately \$3.4 million per year;
- St. Joseph Hospital’s five-year average cost of community benefit services for the broader community is approximately \$3.8 million per year; and
- Over the five-year period, St. Joseph Hospital’s combined total cost of community benefit services has decreased from \$8.8 million in FY 2011 to \$6.3 million in FY 2015.

St. Joseph Hospital's community benefit services over the past five 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
Children's Health Access	\$152,830	\$144,000	\$142,270	\$111,900	\$71,238
Clinical Pastoral Education Program (Regional) CC	-	\$243,005	\$31,537	\$63,993	\$166,583
Community Services	\$497,412	\$333,281	-	-	\$509,455
Edwards from The Heart Grant / Heart Center	\$21,082	\$28,563	\$16,260	\$23,764	\$23,267
El Club de Salud - Cal Wellness	\$58,443	\$72,003	\$32,970	\$6,208	-
El Club De Salud Grant	\$151,679	\$159,492	\$114,517	\$75,645	\$70,470
Free or Reduced Cost Prescription Drug Program	\$14,310	\$11,772	\$10,339	\$12,007	-
Free Surgeries for the Poor	-	\$162,190	-	-	\$166,464
Health Screenings-Lab Tests for Amistad	\$303,850	\$300,422	\$1,120,239	\$162,146	\$188,508
Healthy 4 Life	-	\$56,000	-	-	-
Home Health/SNF Charity Care for Unfunded Patients	-	-	\$314,335	\$481,576	\$384,054
Interpreter Services	\$295,308	-	-	-	-
La Amistad - Dental Clinic	\$200,995	\$202,820	\$222,803	\$237,498	\$301,443
La Amistad de Jose Family Health Clinic - Free Rent Allocation	\$67,212	\$67,212	\$67,212	\$67,212	\$67,212
La Amistad Grant (dental services)	\$432,858	\$458,380	\$472,587	\$183,883	\$138,789
Meal Programs for Senior and Disabled Persons-Dietary	\$19,151	\$20,564	\$22,637	\$24,915	\$35,088
Medical Clinic - La Amistad de Jose Family Health Center	\$1,695,123	\$1,754,760	\$1,555,727	\$1,652,161	\$1,318,763
Mother Baby Assessment Center	\$339,049	\$318,780	\$277,435	\$287,457	\$238,307
Nursing Program	\$60,000	\$60,000	\$60,000	\$60,000	\$60,000
Other Community Health Program	\$3,323,147	\$2,748,619	\$1,331,318	\$2,370,273	\$1,975,804
Palliative Care Grant Funded Program	\$45,070	\$109,458	\$9,401	\$19,429	-
Pastoral Care (5%)	\$34,610	\$29,897	\$18,989	-	-
Perinatal Education	\$223,184	\$229,826	\$214,705	\$166,738	\$121,060
Pharmacy Meds for Post Renal Transplant Underserved Patients	-	-	\$194,051	\$59,261	\$48,788
PPD Grant / Outpatient Perinatal Services	\$90,142	\$36,142	\$58,007	\$35,477	-
Prop 10 Funding- Bridges Program	\$156,352	\$167,763	\$138,170	\$160,754	\$136,966
Proposition 10 La Amistad Grant	\$46,498	\$53,691	\$30,543	\$60,561	\$27,633
Public Assistance Program (Health Advocates)	\$808,261	\$1,359,701	-	\$15,438	-
Puente a la Salud Admin	\$274,058	\$230,469	\$159,207	\$166,574	\$106,535
Puente Adult Dental Program	-	-	-	\$101,153	\$110,762
Puente Clinic Screenings	\$34,067	-	-	-	-
Puente Dental Peds (0-18 yrs)	\$218,589	\$249,037	\$268,442	\$251,458	\$102,165
Puente Medical Program	\$294,648	\$139,805	\$85,483	-	-
Puente Vision Program	\$248,088	\$262,373	\$324,448	\$338,753	\$282,757
Waste Not OC	-	-	-	-	\$12,245
Women's Heart Center	\$308,605	\$287,874	\$272,911	\$223,482	\$217,058

Source: St. Joseph Hospital - Orange

Note: Includes Community Benefit Expenses to St. Joseph Hospital - Orange before Grants and Offsets

St. Joseph Hospital's community benefit services have supported many programs for the community that include various outreach efforts targeting underserved communities, mobile health services, dental care, and others as described below<sup>20</sup>:

- Clinical Pastoral Education Program (Regional) CC: Provides a clinical setting and funding for the education of pastoral care, spiritual care, and chaplaincy students;

<sup>20</sup> The following community benefit services and programs are no longer being provided: Children's Health Access, Edwards from the Heart Grant/Heart Center, El Club de Salud Grant, Healthy 4 Life, Interpreter Services, Pastoral Care (5%), Perinatal Education, Public Assistance Program (Health Advocates), and Puente a la Salud Admin.

- Community Services: Offers mission integration and mission services support for community benefit operations;
- El Club de Salud: Administers health education and support to low income, diabetic patients;
- Free or Reduced Cost Prescription Drug Program: Allows low income patients to access affordable prescription medication;
- Free Surgeries for the Poor: Collaborates with Access OC to provide hospital facilities, staff, and supplies for outpatient surgeries for low income populations;
- Health Screenings - Lab Tests for Amistad: Provides laboratory and radiology ancillary services to low income patients from La Amistad Clinic and Lestonnac Clinic;
- Home Health/SNF Charity Care for Unfunded Patients: Offers home health services to low income patients being discharged from the hospital;
- La Amistad - Dental Clinic: Provides low cost/no-cost dental services to the clinic's low income patient population;
- La Amistad de Jose Family Health Clinic - Free Rent Allocation: Offers a fair-market value cost/allocation for La Amistad clinic facility;
- La Amistad Grant (Dental Services): Offers grant funding for dental services, prevention initiatives, and educational outreach for low income patients;
- Meal Programs for Senior and Disabled Persons - Dietary: Supplies free meals for seniors and disabled persons;
- Medical Clinic - La Amistad de Jose Family Health Center: Provides low cost/no cost medical and primary care services to low income individuals;
- Mother Baby Assessment Center: Administers clinical and psycho-social assessments to women and their infants one-to-three days post-delivery;
- Nursing Program: Forms a partnership between the Clinical Education Department and Santa Ana College Nursing Program in order to provide onsite clinical training and rotation opportunities for nursing students;
- Other Community Health Program: Provides inpatient and outpatient clinical services to low income, underserved patients;

- Palliative Care Grant Funded Program: Offers multidisciplinary palliative care services to hospital patients and their families;
- Pharmacy Meds for Post Renal Transplant Underserved Patients: Facilitates access to free prescription medication for low income patients;
- PPD Grant/Outpatient Perinatal Services: Provides screenings and treatment for postpartum depression;
- Prop 10 Funding - Bridges Program: Provides health screenings and medical referrals to underserved women covered by Medi-Cal or CalOptima;
- Proposition 10 La Amistad Grant: Offers oral health services to uninsured, low income individuals;
- Puente Adult Dental Program: Administers mobile oral health services and educational outreach throughout low income communities;
- Puente Clinic Screenings: Offers mobile health screenings for individuals living in low income communities;
- Puente Dental Peds (0-18 yrs.): Provides mobile, pediatric oral health services and educational outreach throughout low income communities;
- Puente Medical Program: Administers mobile primary care services to individuals living in low income communities;
- Puente Vision Program: Provides mobile vision services to individuals living in low income communities;
- Waste Not OC: Donates unused food to Waste Not OC to be distributed to local Orange County food pantries; and
- Women's Heart Center: Provides cardiovascular health screenings, treatments, and referrals for women ages 55 and older.

## ANALYSIS OF ST. JOSEPH HOSPITAL OF ORANGE'S SERVICE AREA

### Service Area Definition

Based upon St. Joseph Hospital's 2014 inpatient discharges, St. Joseph Hospital's service area is comprised of 51 ZIP Codes from which 79% of its inpatient discharges originated. Approximately 50% of St. Joseph Hospital's discharges originated from the top 14 ZIP Codes and are located in Santa Ana, Orange, Tustin, Garden Grove, and Anaheim. In 2014, St. Joseph Hospital'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
92705	Santa Ana	1,128	5.3%	5.3%	3,579	31.5%
92867	Orange	1,050	4.9%	10.2%	3,177	33.1%
92780	Tustin	991	4.7%	14.9%	4,154	23.9%
92869	Orange	937	4.4%	19.3%	2,705	34.6%
92703	Santa Ana	836	3.9%	23.2%	5,294	15.8%
92706	Santa Ana	807	3.8%	27.0%	2,793	28.9%
92701	Santa Ana	792	3.7%	30.7%	4,054	19.5%
92868	Orange	719	3.4%	34.1%	2,205	32.6%
92704	Santa Ana	675	3.2%	37.3%	6,382	10.6%
92707	Santa Ana	672	3.2%	40.4%	4,330	15.5%
92840	Garden Grove	541	2.5%	43.0%	4,625	11.7%
92865	Orange	539	2.5%	45.5%	1,656	32.5%
92807	Anaheim	525	2.5%	48.0%	2,811	18.7%
92866	Orange	522	2.5%	50.4%	1,256	41.6%
92806	Anaheim	479	2.2%	52.7%	3,246	14.8%
92805	Anaheim	468	2.2%	54.9%	5,911	7.9%
92802	Anaheim	407	1.9%	56.8%	3,692	11.0%
92804	Anaheim	394	1.9%	58.6%	8,761	4.5%
92801	Anaheim	353	1.7%	60.3%	6,183	5.7%
92843	Garden Grove	322	1.5%	61.8%	3,794	8.5%
92886	Yorba Linda	314	1.5%	63.3%	3,380	9.3%
92683	Westminster	301	1.4%	64.7%	8,051	3.7%
92870	Placentia	301	1.4%	66.1%	4,027	7.5%
92841	Garden Grove	206	1.0%	67.1%	2,862	7.2%
92620	Irvine	200	0.9%	68.0%	2,732	7.3%
92808	Anaheim	200	0.9%	68.9%	1,162	17.2%
92782	Tustin	195	0.9%	69.9%	1,366	14.3%
92626	Costa Mesa	162	0.8%	70.6%	4,023	4.0%
92861	Villa Park	156	0.7%	71.4%	444	35.1%
92821	Brea	148	0.7%	72.0%	2,703	5.5%
92708	Fountain Valle	147	0.7%	72.7%	5,054	2.9%
92887	Yorba Linda	145	0.7%	73.4%	1,225	11.8%
92831	Fullerton	126	0.6%	74.0%	2,589	4.9%
90680	Stanton	126	0.6%	74.6%	2,959	4.3%
92833	Fullerton	123	0.6%	75.2%	3,742	3.3%
92604	Irvine	122	0.6%	75.8%	1,994	6.1%
92602	Irvine	101	0.5%	76.2%	1,105	9.1%
92832	Fullerton	85	0.4%	76.6%	2,228	3.8%
92844	Garden Grove	85	0.4%	77.0%	1,779	4.8%
92606	Irvine	80	0.4%	77.4%	1,303	6.1%
92835	Fullerton	78	0.4%	77.8%	2,014	3.9%
92614	Irvine	54	0.3%	78.0%	1,331	4.1%
92655	Midway City	33	0.2%	78.2%	930	3.5%
92781	Tustin	30	0.1%	78.3%	86	34.9%
92711	Santa Ana	24	0.1%	78.4%	106	22.6%
92863	Orange	23	0.1%	78.5%	114	20.2%
92803	Anaheim	18	0.1%	78.6%	122	14.8%
92856	Orange	16	0.1%	78.7%	78	20.5%
92842	Garden Grove	12	0.1%	78.8%	84	14.3%
92817	Anaheim	10	0.0%	78.8%	28	35.7%
92859	Orange	8	0.0%	78.8%	17	47.1%
<b>Subtotal</b>		<b>16,786</b>	<b>78.8%</b>	<b>78.8%</b>	<b>140,246</b>	<b>12.0%</b>
Other ZIPs		4,505	21.2%	100%		
<b>Total</b>		<b>21,291</b>	<b>100%</b>			

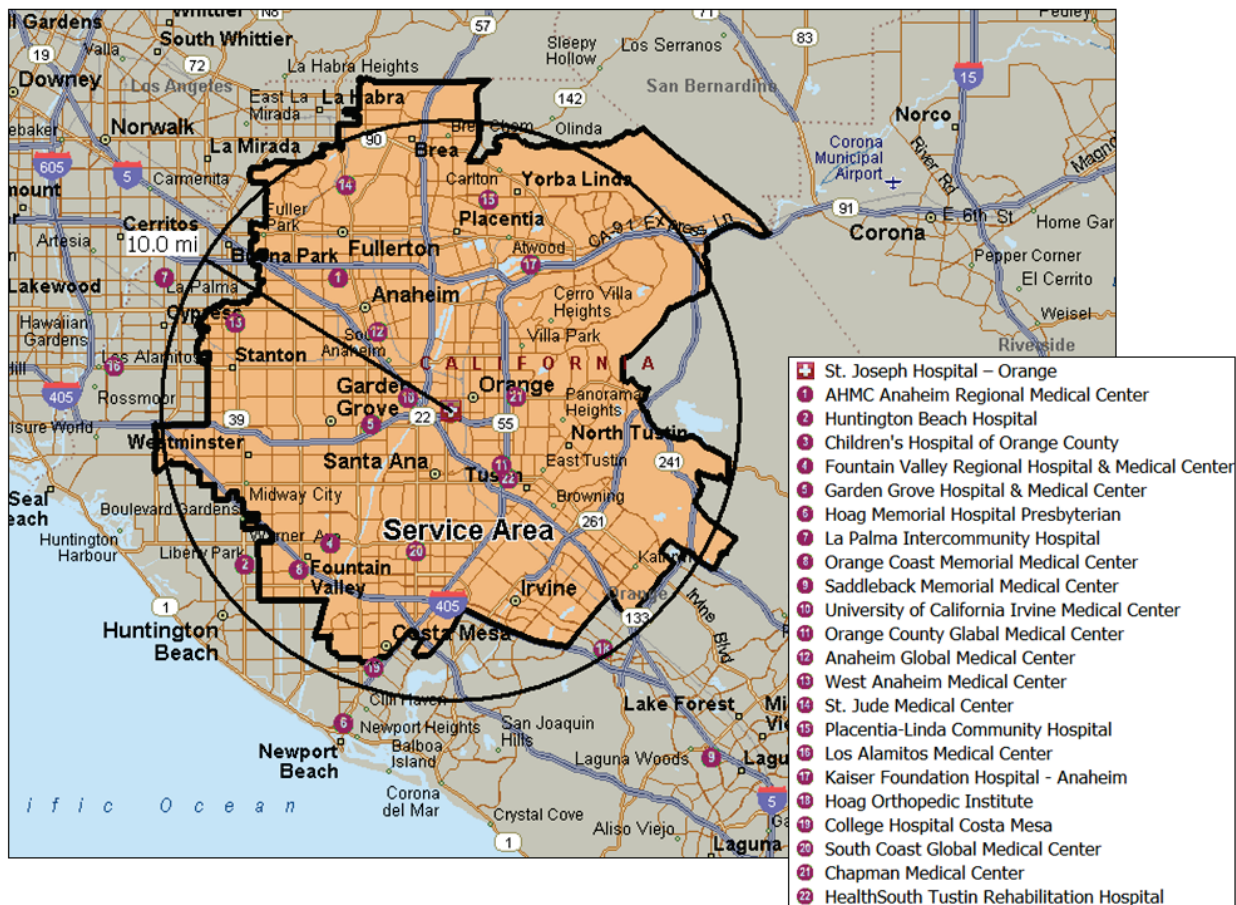
Note: Excludes normal newborns

Source: OSHPD Patient Discharge Database

## Service Area Map

St. Joseph Hospital's service area, with approximately 1.9 million residents, includes the communities of Santa Ana, Orange, Tustin, Garden Grove, Anaheim, Yorba Linda, Westminster, Placentia, Irvine, Costa Mesa, Villa Park, Brea, Fountain Valley, Fullerton, Stanton, and Midway City.

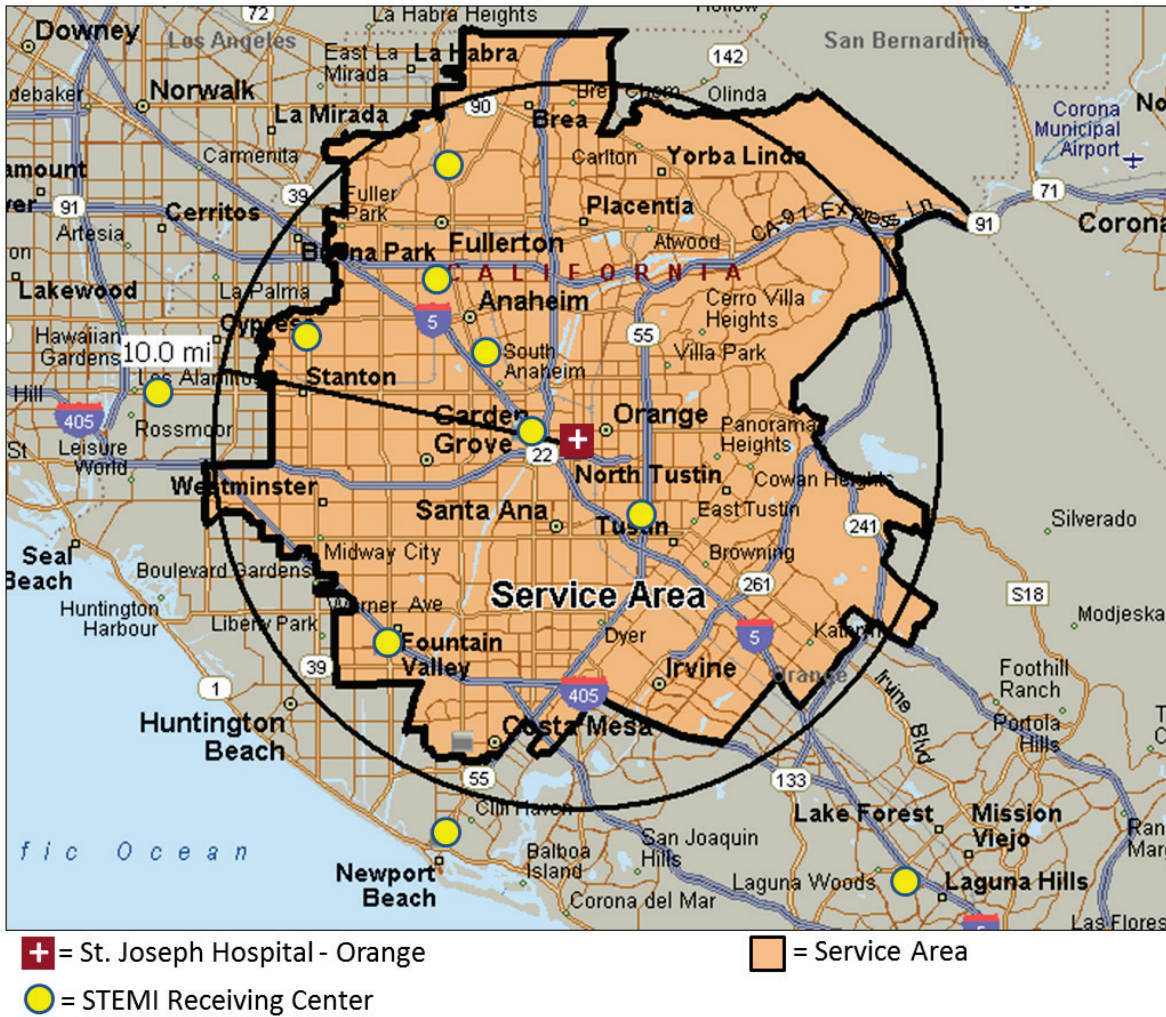
There are 15 other hospitals located within St. Joseph Hospital's service area, including AHMC Anaheim Regional Medical Center, West Anaheim Medical Center, St. Jude Medical Center, Placentia Linda Hospital, Kaiser Foundation Hospitals-Anaheim, Anaheim Global Medical Center, Garden Grove Hospital & Medical Center, University of California, Irvine Medical Center, Children's Hospital of Orange County, Chapman Medical Center, Orange County Global Medical Center, South Coast Global Medical Center, Fountain Valley Regional Medical Center, HealthSouth Tustin Rehabilitation Hospital, and Orange Coast Memorial Medical Center. There are five other hospitals located just outside of the service area within approximately ten miles of St. Joseph Hospital: La Palma Intercommunity Hospital, Huntington Beach Hospital, College Hospital Costa Mesa, Hoag Memorial Hospital Presbyterian, and Hoag Orthopedic Institute. St. Joseph Hospital ranks first in inpatient market share in the service area.





## Service Area STEMI Receiving Centers

St. Joseph Hospital is one of eight STEMI Receiving Centers within its service area and is an important provider of percutaneous coronary intervention treatment services for service area residents.





## Service Area Certified Stroke Centers


St. Joseph Hospital is one of seven stroke centers in the service area. The other six are St. Jude Medical Center, AHMC Anaheim Regional Medical Center, Kaiser Foundation Hospitals-Anaheim, University of California, Irvine Medical Center, Orange County Global Medical Center, and Fountain Valley Regional Hospital & Medical Center.



 = St. Joseph Hospital - Orange

 = Service Area

 = Primary Stroke Center

 = Comprehensive Stroke Center

## Demographic Profile

St. Joseph Hospital’s service area is expected to grow 4.0% over the next five years. This is lower than the expected growth for Orange County (4.1%) but greater than the expected growth for the State of California (3.7%).

SERVICE AREA POPULATION STATISTICS 2015-2020			
	2015 Estimate	2020 Projection	% Change
Total Population	1,813,194	1,884,959	4.0%
Households	538,249	560,567	4.1%
Percentage Female	50.2%	50.2%	-

Source: Esri

The median age of the population of St. Joseph Hospital’s service area is 34.7 years, which is lower than the State of California 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 18% by 2020. The number of women of child-bearing age is expected to increase by 1.6% 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	369,488	20.4%	368,804	19.6%
Age 15-44	791,203	43.6%	807,873	42.9%
Age 45-64	443,332	24.5%	461,775	24.5%
Age 65+	209,171	11.5%	246,507	13.1%
<b>Total</b>	<b>1,813,194</b>	<b>100%</b>	<b>1,884,959</b>	<b>100%</b>
Female 15-44	388,637	21.4%	395,004	21.0%
Median Age	34.7	-	36.0	-

Source: Esri

The largest population cohorts in St. Joseph Hospital’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 Orange County Hispanic ethnic population (35%) 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%
<b>Total</b>	<b>100%</b>	<b>100%</b>
Hispanic Ethnicity	44.0%	44.9%
Non-Hispanic or Latino	56.0%	55.1%
<b>Total</b>	<b>100%</b>	<b>100%</b>

Source: Esri

St. Joseph Hospital’s service area has an average household income of \$94,357. This is 13% below the average for Orange County (\$106,158) but 8% higher than the State of California average (\$87,152). The percentage of high-income households (\$150,000+) is growing at a faster rate (17%) than that of Orange County (16%) but slower than the State of California (19%).

SERVICE AREA POPULATION HOUSEHOLD INCOME DISTRIBUTION: 2015-2020						
Annual Income	2015 Estimate			2020 Estimate		
	Service Area	Orange County	California	Service Area	Orange County	California
\$0 - \$15,000	8.0%	7.2%	11.1%	7.1%	6.4%	10.3%
\$15 - \$24,999	7.6%	6.6%	9.0%	5.4%	4.6%	6.6%
\$25 - \$34,999	8.2%	7.4%	9.3%	6.7%	5.9%	7.7%
\$35 - \$49,999	11.3%	10.4%	12.2%	10.2%	9.2%	11.3%
\$50 - \$74,999	17.5%	16.5%	16.5%	16.5%	15.3%	15.9%
\$75 - \$99,999	14.3%	13.6%	12.3%	15.9%	15.0%	14.2%
\$100 - \$149,999	17.3%	18.0%	14.9%	19.6%	19.8%	16.6%
\$150,000+	15.9%	20.3%	14.6%	18.6%	23.6%	17.4%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>
<b>Average Household Income</b>	<b>\$94,357</b>	<b>\$106,158</b>	<b>\$87,152</b>	<b>\$107,236</b>	<b>\$120,649</b>	<b>\$99,512</b>

Source: Esri

## **2014 Community Health Needs Assessment**

In order to generate discussions regarding the diverse communities in St. Joseph Hospital's service area and design more responsive program and policies, St. Joseph Hospital conducts a Community Health Needs Assessment every three years. St. Joseph Hospital's most recent 2014 assessment incorporated primary data collected through a phone survey, five focus groups, and interviews with key stakeholders. It also incorporated secondary data collected from OSHPD, the 2010 Census, and the American Community Survey. St. Joseph Hospital's primary Community Benefit Service Area has been defined to include the cities of Anaheim, Garden Grove, Midway City, Orange, Santa Ana, Tustin, Villa Park, and Westminster. The secondary service area includes Buena Park, Corona, Costa Mesa, Cypress, Foothill Ranch, Fountain Valley, Fullerton, Huntington Beach, Irvine, Lake Forest, Placentia, Silverado, Stanton, and Yorba Linda.

The Community Health Needs Assessment identified the fifteen most important healthcare needs in the community. The top eight concerns are as follows:

- Access to affordable, healthy food;
- Access to health care;
- Dental health;
- Diabetes;
- Lack of green space and parks;
- Mental health;
- Obesity; and
- Substance abuse.

Seven additional concerns were identified to be:

- Affordable and accessible transportation;
- Asthma in adults;
- Chronic Heart Disease;
- Cultural competency;
- Depression;
- Stress; and
- Stroke.

## Hospital Supply, Demand & Market Share

In FY 2014, the service area hospitals had a combined total of 4,016 licensed beds and an aggregate occupancy rate of approximately 54%. In FY 2014, St. Joseph Hospital had 491 licensed beds that operated at an occupancy rate of nearly 43%. Furthermore, St. Joseph Hospital was responsible for approximately 12% of the service area discharges and nearly 10% of the patient days. While OSHPD reported 491 licensed beds at St. Joseph Hospital in FY 2014, St. Joseph Hospital is currently licensed for 463 beds<sup>21,22</sup>.

An analysis of the services offered by St. Joseph Hospital 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	
<b>St. Joseph Hospital</b>	<b>St. Joseph Health System</b>	<b>Orange</b>	<b>X</b>	<b>491</b>	<b>20,298</b>	<b>76,932</b>	<b>211</b>	<b>42.9%</b>	<b>-</b>	
Children's Hospital of Orange County	Children's Hospital of Orange County	Orange	X	279	11,247	56,996	156	56.0%	0.3	
UCI Medical Center	Regents of the University of California	Orange	X	411	19,268	107,782	295	71.8%	1.9	
Chapman Medical Center	Integrated Healthcare Holdings, Inc.	Orange	X	114	2,173	19,990	55	48.0%	2.8	
Garden Grove Hospital & Medical Center	Prime Healthcare Services	Garden Grove	X	140	6,042	21,567	59	42.2%	3.3	
Orange County Global Medical Center	Integrated Healthcare Holdings, Inc.	Santa Ana	X	228	7,008	33,393	91	40.1%	3.8	
HealthSouth Tustin Rehabilitation Hospital	HealthSouth Corporation	Tustin	X	48	1,319	15,330	42	87.5%	3.9	
Anaheim Global Medical Center	Integrated Healthcare Holdings, Inc.	Anaheim	X	188	6,903	40,027	110	58.3%	4.3	
South Coast Global Medical Center	Integrated Healthcare Holdings, Inc.	Santa Ana	X	178	3,298	33,459	92	51.5%	5.9	
AHMC Anaheim Regional Medical Center	AHMC Healthcare Inc.	Anaheim	X	223	12,145	52,936	145	65.0%	7.4	
Kaiser Foundation Hospitals - Anaheim	Kaiser Foundation Hospitals	Anaheim	X	436	24,959	92,726	254	58.3%	7.9	
Fountain Valley Regional Medical Center	Tenet Healthcare Corporation	Fountain Valley	X	400	18,495	87,046	238	59.6%	8.2	
Placentia Linda Hospital	Tenet Healthcare Corporation	Placentia	X	114	3,183	10,800	30	26.0%	8.8	
Orange Coast Memorial Medical Center	Memorial Health Services	Fountain Valley	X	218	12,292	44,688	122	56.2%	10.2	
St. Jude Medical Center	St. Joseph Health System	Fullerton	X	329	13,562	60,668	166	50.5%	11.8	
West Anaheim Medical Center	Prime Healthcare Services	Anaheim	X	219	5,923	33,653	92	42.1%	11.9	
<b>SUB-TOTAL</b>				<b>4,016</b>	<b>168,115</b>	<b>787,993</b>	<b>2,159</b>	<b>53.8%</b>		
Hoag Orthopedic Institute	Hoag Memorial Hosp. Presb. & Phys.	Irvine		70	3,308	7,716	21	30.2%	8.6	
College Hospital Costa Mesa	CHCM, Inc.	Costa Mesa		122	3,668	40,775	112	91.6%	8.6	
Hoag Memorial Hospital Presbyterian	Hoag Memorial Hospital Presbyterian	Newport Beach		569	18,326	75,627	207	36.4%	10.9	
Huntington Beach Hospital	Prime Healthcare Services, Inc.	Huntington Beach		102	3,454	18,338	50	49.3%	12.0	
Saddleback Memorial Medical Center	Memorial Health Services	Laguna Beach		325	14,708	54,349	149	45.8%	13.5	
Mission Hospital Regional Medical Center	St. Joseph Health System	Mission Viejo		552	19,789	82,911	227	41.2%	17.7	
Los Alamitos Medical Center	Tenet Healthcare Corporation	Los Alamitos		167	9,477	42,717	117	70.1%	18.0	
College Hospital	Cerritos Townhouse Investment Co.	Cerritos		187	6,490	64,284	176	94.2%	20.0	
Long Beach Memorial Medical Center	Memorial Health Services	Long Beach		420	21,182	97,377	267	63.5%	25.3	
Keck Hospital of USC	University of Southern California	Los Angeles		401	11,072	79,490	218	54.3%	33.3	
Cedars-Sinai Medical Center	Cedars-Sinai Medical Center	Los Angeles		886	45,343	234,271	642	72.4%	42.4	
Ronald Reagan UCLA Medical Center	Regents of the University of California	Los Angeles		466	23,453	165,333	453	97.2%	50.7	
<b>TOTAL</b>				<b>8,283</b>	<b>348,385</b>	<b>1,751,181</b>	<b>4,798</b>	<b>57.9%</b>		

Source: OSHPD Disclosure Reports, 2014, Google Maps

<sup>21</sup> St. Joseph Hospital's current hospital license is included in the Appendix.

<sup>22</sup> Currently, St. Joseph Hospital is licensed for 285 general acute care beds that include six renal transplant beds and 37 acute psychiatric beds. St. Joseph Hospital has been undergoing recent discussions to transition 35 of the 285 general acute care beds into 24 Level II acute psychiatric beds, and transition the current 37 acute psychiatric beds into 24 Level I acute psychiatric beds. In total, St. Joseph Hospital would lose 35 general acute care beds and gain 11 acute psychiatric beds (48 total acute psychiatric beds). Under these plans, St. Joseph Hospital would be licensed for 439 beds.

## 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
<b>St. Joseph Hospital of Orange</b>	<b>11.6%</b>	<b>12.1%</b>	<b>12.0%</b>	↔
Kaiser Foundation Hospital - Anaheim	9.3%	9.6%	9.8%	↗
Fountain Valley Regional Hospital & Medical Center	8.7%	9.3%	9.7%	↗
University Of California Irvine Medical Center	7.6%	8.3%	8.3%	↔
AHMC Anaheim Regional Medical Center	6.8%	6.6%	6.4%	↘
Hoag Memorial Hospital Presbyterian	5.8%	5.7%	6.0%	↔
St. Jude Medical Center	6.1%	5.8%	5.6%	↘
Orange Coast Memorial Medical Center	5.2%	5.2%	5.0%	↔
Children's Hospital Of Orange County	4.4%	4.8%	4.6%	↔
Other Discharges	34.4%	32.6%	32.7%	↔
<b>Total Percentage</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	
<b>Total Discharges</b>	<b>146,131</b>	<b>140,893</b>	<b>140,246</b>	↘

Note: Excludes normal newborns

Source: OSHPD Patient Discharge Database

- The number of discharges in the St. Joseph Hospital's service area decreased by nearly 4% between 2012 and 2014;
- St. Joseph Hospital has consistently been the market share leader for its service area based on discharges (approximately 12% in 2014). In 2014, Kaiser Foundation Hospitals- Anaheim ranked second in inpatient discharges with 10% market share; and
- In FY 2014, Fountain Valley Regional Medical Center increased its market share slightly to 10%.

## 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	St. Joseph Hospital of Orange	Kaiser Foundation Hospital - Anaheim	Fountain Valley Hospital & Medical Center	University of California Irvine Medical Center	AHMC Anaheim Regional Medical Center	Hoag Memorial Hospital Presbyterian	St. Jude Medical Center	Orange Coast Medical Center	All Others	Total
Medicare	46,181	10.3%	9.8%	9.1%	6.6%	7.2%	6.3%	8.4%	6.9%	35.5%	100%
Private Coverage	43,207	16.2%	18.8%	4.3%	5.0%	4.1%	10.2%	6.3%	5.5%	29.8%	100%
Medi-Cal	42,868	10.8%	2.3%	12.1%	13.9%	8.0%	2.3%	2.4%	3.0%	45.3%	100%
Self Pay	4,010	4.5%	3.1%	23.4%	7.6%	7.9%	3.4%	2.2%	2.5%	45.4%	100%
All Other	3,980	5.1%	0.3%	35.1%	5.2%	2.3%	2.2%	1.6%	2.1%	46.2%	100%
<b>Total Percentage</b>		<b>12.0%</b>	<b>9.8%</b>	<b>9.7%</b>	<b>8.3%</b>	<b>6.4%</b>	<b>6.0%</b>	<b>5.6%</b>	<b>5.0%</b>	<b>37.3%</b>	<b>100%</b>
<b>Total Discharges</b>	<b>140,246</b>	<b>16,786</b>	<b>13,749</b>	<b>13,599</b>	<b>11,640</b>	<b>8,918</b>	<b>8,471</b>	<b>7,786</b>	<b>6,998</b>	<b>52,299</b>	

Note: Excludes normal newborns

Source: OSHPD Patient Discharge Database

- The largest categories of service area inpatient discharges are comprised of Medicare at approximately 46,200 discharges (33%), Private Coverage at approximately 43,200 discharges (31%), and Medi-Cal at nearly 42,900 discharges (31%);
- St. Joseph Hospital is the market share leader for Medicare with 10% market share;
- Kaiser Foundation Hospitals-Anaheim is the market share leader in private coverage (19%);
- University of California Irvine, Medical Center is the market share leader in Medi-Cal (14%); and
- St. Joseph Hospital also provides care to a large proportion of Private Coverage (16%) and Medi-Cal (11%) patients.



## Market Share by Service Line

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

HOSPITAL MARKET SHARE: 2012-2014											
Service Line	Total Discharges	St. Joseph Hospital of Orange	Kaiser Foundation Hospital - Anaheim	Fountain Valley Regional Hospital & Medical Center	University of California Irvine Medical Center	AHMC Anaheim Regional Medical Center	Hoag Memorial Hospital Presbyterian	St. Jude Medical Center	Orange Coast Memorial Medical Center	All Others	Total
		General Medicine	39,979	10.0%	10.4%	10.0%	7.2%	7.9%	6.2%	6.0%	
Obstetrics	25,807	16.3%	13.5%	10.6%	5.8%	5.4%	9.6%	5.1%	4.2%	29.5%	100%
Cardiac Services	12,023	9.8%	7.0%	12.1%	6.1%	11.4%	5.1%	6.6%	6.8%	35.0%	100%
General Surgery	11,499	10.9%	9.0%	12.4%	9.1%	5.3%	6.2%	4.2%	8.1%	34.7%	100%
Behavioral Health	9,319	13.5%	0.9%	1.1%	11.9%	1.4%	2.4%	0.3%	0.5%	68.0%	100%
Neonatology	7,850	16.3%	15.1%	8.1%	9.7%	4.0%	7.6%	5.5%	3.3%	30.5%	100%
Orthopedics	7,772	11.4%	12.2%	7.8%	8.1%	4.3%	1.4%	7.7%	6.2%	40.9%	100%
Neurology	6,048	9.8%	8.0%	9.7%	11.9%	6.4%	5.4%	6.4%	3.6%	38.7%	100%
Oncology/Hematology (Medical)	4,383	9.8%	9.9%	10.1%	10.4%	7.6%	4.6%	4.8%	6.8%	36.1%	100%
Spine	2,874	19.3%	3.2%	13.8%	6.4%	4.2%	3.0%	7.8%	5.4%	37.0%	100%
Other	2,159	7.5%	7.7%	7.2%	24.5%	3.5%	4.8%	4.5%	3.3%	36.9%	100%
Gynecology	2,118	10.2%	11.0%	13.9%	7.0%	5.8%	5.3%	3.5%	7.5%	35.9%	100%
Vascular Services	2,003	17.8%	7.2%	14.4%	8.0%	12.4%	5.5%	6.5%	5.3%	22.8%	100%
Urology	1,901	8.9%	9.8%	11.7%	11.5%	9.6%	5.7%	5.5%	8.5%	28.8%	100%
ENT	1,471	6.3%	10.3%	12.0%	9.6%	5.5%	3.3%	1.7%	3.8%	47.5%	100%
Rehabilitation	1,452	0.0%	0.0%	0.0%	8.6%	0.0%	0.0%	25.7%	0.0%	65.7%	100%
Neurosurgery	1,261	11.7%	8.0%	4.9%	20.9%	1.6%	9.2%	8.4%	2.9%	32.4%	100%
<All others>	327	4.3%	8.9%	4.6%	9.5%	6.4%	3.1%	1.8%	2.8%	58.7%	100%
<b>Total Percentage</b>		<b>12.0%</b>	<b>9.8%</b>	<b>9.7%</b>	<b>8.3%</b>	<b>6.4%</b>	<b>6.0%</b>	<b>5.6%</b>	<b>5.0%</b>	<b>37.3%</b>	<b>100%</b>
<b>Total Discharges</b>	<b>140,246</b>	<b>16,786</b>	<b>13,749</b>	<b>13,599</b>	<b>11,640</b>	<b>8,918</b>	<b>8,471</b>	<b>7,786</b>	<b>6,998</b>	<b>52,299</b>	

Note: Excludes normal newborns

Source: OSHPD Patient Discharge Database

- St. Joseph Hospital is the service line leader in five of 16 service lines: obstetrics (16%), behavioral health (14%), neonatology (16%), spine (19%), and vascular services (18%);
- St. Joseph Hospital also has significant service line market share in general medicine (10%), general surgery (11%), orthopedics (11%), oncology/hematology (10%), gynecology (10%), and neurosurgery (12%);
- Fountain Valley Regional Medical Center is market share leader for five service lines: cardiac services (12%), general surgery (12%), gynecology (14%), urology (12%), and ear, nose, and throat (12%);
- Kaiser Foundation Hospitals-Anaheim has the highest market share in general medicine (10%) and orthopedics (12%);
- University of California, Irvine Medical Center has the highest market share in neurology (12%), oncology/hematology (10%), and neurosurgery (21%); and
- St. Jude Medical Center has the highest market share in rehabilitation (26%).



## Market Share by ZIP Code

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

HOSPITAL MARKET SHARE BY SERVICE LINE: 2014													
ZIP Code	Community	Total Discharges	St. Joseph Hospital of Orange	Kaiser Foundation Hospital - Anaheim	Fountain Valley Regional Hospital & Medical Center	University Of California Irvine Medical Center	Ahmc Anaheim Regional Medical Center	Hoag Memorial Hospital Presbyterian	St. Jude Medical Center	Orange Coast Memorial Medical Center	All Others	Total	
92804	Anaheim	8,761	4.5%	8.4%	5.3%	9.8%	15.1%	1.2%	1.8%	3.2%	50.7%	100%	
92683	Westminster	8,051	3.7%	7.3%	29.5%	5.9%	0.9%	5.3%	0.3%	16.1%	30.9%	100%	
92704	Santa Ana	6,382	10.6%	9.0%	25.8%	7.2%	0.8%	4.2%	0.3%	8.0%	34.0%	100%	
92801	Anaheim	6,183	5.7%	9.0%	3.8%	11.2%	30.3%	0.6%	3.8%	1.6%	34.1%	100%	
92805	Anaheim	5,911	7.9%	9.1%	3.1%	15.0%	23.4%	1.1%	3.1%	1.3%	36.1%	100%	
92703	Santa Ana	5,294	15.8%	5.8%	20.1%	9.8%	1.1%	1.4%	0.2%	6.3%	39.6%	100%	
92708	Fountain Valley	5,054	2.9%	8.5%	23.9%	3.5%	0.4%	13.9%	0.2%	26.9%	19.8%	100%	
92840	Garden Grove	4,625	11.7%	9.3%	11.0%	14.2%	3.4%	1.5%	0.7%	5.8%	42.5%	100%	
92707	Santa Ana	4,330	15.5%	8.7%	12.6%	7.6%	0.9%	4.3%	0.1%	6.7%	43.7%	100%	
92780	Tustin	4,154	23.9%	9.6%	4.7%	6.6%	0.7%	8.5%	0.5%	2.6%	42.9%	100%	
92701	Santa Ana	4,054	19.5%	6.1%	7.4%	7.6%	1.3%	1.9%	0.3%	2.8%	53.0%	100%	
92870	Placentia	4,027	7.5%	13.9%	1.7%	8.0%	5.9%	1.5%	22.9%	1.4%	37.3%	100%	
92626	Costa Mesa	4,023	4.0%	7.9%	9.5%	4.4%	0.3%	38.3%	0.2%	7.1%	28.2%	100%	
92843	Garden Grove	3,794	8.5%	7.2%	24.1%	8.4%	1.8%	2.1%	0.4%	8.0%	39.5%	100%	
92833	Fullerton	3,742	3.3%	11.9%	2.3%	6.9%	17.6%	1.4%	24.6%	1.4%	30.6%	100%	
92802	Anaheim	3,692	11.0%	9.0%	5.2%	17.0%	15.5%	1.4%	1.7%	2.7%	36.5%	100%	
92705	Santa Ana	3,579	31.5%	7.4%	3.2%	5.3%	1.0%	6.9%	1.3%	1.8%	41.6%	100%	
92886	Yorba Linda	3,380	9.3%	17.3%	1.4%	4.3%	2.5%	2.0%	21.4%	0.9%	40.8%	100%	
92806	Anaheim	3,246	14.8%	13.9%	3.4%	14.3%	16.0%	2.0%	4.6%	1.4%	29.7%	100%	
92867	Orange	3,177	33.1%	12.7%	2.0%	7.4%	1.8%	4.2%	2.5%	1.4%	35.0%	100%	
90680	Stanton	2,959	4.3%	7.3%	8.1%	9.9%	7.7%	1.9%	0.6%	4.6%	55.7%	100%	
92841	Garden Grove	2,862	7.2%	10.1%	15.1%	11.2%	4.9%	1.4%	0.6%	8.1%	41.5%	100%	
92807	Anaheim	2,811	18.7%	19.6%	1.7%	6.1%	5.4%	4.1%	8.3%	1.6%	34.5%	100%	
92706	Santa Ana	2,793	28.9%	8.7%	6.3%	8.9%	1.4%	2.1%	0.8%	4.1%	38.8%	100%	
92620	Irvine	2,732	7.3%	10.8%	7.0%	5.0%	0.4%	30.7%	0.5%	2.1%	36.3%	100%	
92869	Orange	2,705	34.6%	10.8%	2.2%	6.1%	0.7%	5.7%	2.1%	1.6%	36.3%	100%	
92821	Brea	2,703	5.5%	13.6%	1.0%	4.3%	3.3%	1.2%	37.0%	0.9%	33.4%	100%	
92831	Fullerton	2,589	4.9%	9.6%	2.6%	7.3%	7.4%	1.0%	30.3%	1.2%	35.8%	100%	
92832	Fullerton	2,228	3.8%	9.3%	2.1%	6.4%	15.8%	1.0%	26.7%	0.6%	34.3%	100%	
92868	Orange	2,205	32.6%	7.9%	2.9%	18.0%	1.1%	2.4%	1.2%	1.7%	32.2%	100%	
92835	Fullerton	2,014	3.9%	11.6%	1.3%	4.8%	2.9%	1.0%	47.4%	0.2%	26.8%	100%	
92604	Irvine	1,994	6.1%	9.0%	12.5%	4.1%	0.7%	30.8%	0.3%	1.4%	35.1%	100%	
92844	Garden Grove	1,779	4.8%	5.2%	27.9%	9.2%	3.0%	1.9%	0.4%	12.1%	35.5%	100%	
92865	Orange	1,656	32.5%	16.6%	2.4%	5.7%	3.7%	4.0%	3.3%	1.3%	30.4%	100%	
92782	Tustin	1,366	14.3%	12.6%	3.1%	5.3%	0.7%	21.7%	1.2%	2.3%	38.7%	100%	
92614	Irvine	1,331	4.1%	9.6%	5.4%	5.2%	0.2%	37.9%	0.2%	2.0%	35.4%	100%	
92606	Irvine	1,303	6.1%	10.1%	15.4%	4.8%	1.1%	26.7%	0.9%	1.7%	33.2%	100%	
92866	Orange	1,256	41.6%	9.5%	2.0%	6.8%	1.4%	4.3%	1.5%	1.4%	31.7%	100%	
92887	Yorba Linda	1,225	11.8%	17.1%	2.2%	4.5%	2.1%	3.0%	17.3%	0.7%	41.1%	100%	
92808	Anaheim	1,162	17.2%	21.9%	1.0%	6.2%	3.4%	6.0%	7.2%	1.1%	36.0%	100%	
92602	Irvine	1,105	9.1%	9.5%	5.2%	5.9%	1.4%	27.0%	0.5%	2.0%	39.5%	100%	
92655	Midway City	930	3.5%	4.2%	28.3%	6.8%	0.9%	3.0%	0.0%	11.7%	41.6%	100%	
92861	Villa Park	444	35.1%	14.2%	1.6%	4.7%	1.8%	5.9%	2.5%	0.7%	33.6%	100%	
92803	Anaheim	122	14.8%	8.2%	2.5%	13.9%	18.0%	1.6%	3.3%	1.6%	36.1%	100%	
92863	Orange	114	20.2%	4.4%	1.8%	16.7%	8.8%	0.9%	0.0%	7.0%	40.4%	100%	
92711	Santa Ana	106	22.6%	10.4%	0.0%	17.9%	0.9%	2.8%	0.9%	1.9%	42.5%	100%	
92781	Tustin	86	34.9%	12.8%	8.1%	2.3%	0.0%	8.1%	0.0%	4.7%	29.1%	100%	
92842	Garden Grove	84	14.3%	11.9%	10.7%	13.1%	7.1%	1.2%	1.2%	6.0%	34.5%	100%	
92856	Orange	78	20.5%	2.6%	1.3%	23.1%	7.7%	1.3%	0.0%	3.8%	39.7%	100%	
92817	Anaheim	28	35.7%	7.1%	0.0%	0.0%	0.0%	3.6%	3.6%	0.0%	50.0%	100%	
<b>Total Percentage</b>			<b>12.0%</b>	<b>9.8%</b>	<b>9.7%</b>	<b>8.3%</b>	<b>6.4%</b>	<b>6.0%</b>	<b>5.6%</b>	<b>5.0%</b>	<b>37.3%</b>	<b>100%</b>	
<b>Total Discharges</b>		<b>140,229</b>	<b>16,778</b>	<b>13,749</b>	<b>13,599</b>	<b>11,637</b>	<b>8,917</b>	<b>8,471</b>	<b>7,786</b>	<b>6,998</b>	<b>52,294</b>		

Note: Excludes normal newborns  
Source: OSHPD Patient Discharge Database

- St. Joseph Hospital is the market share leader in 16 of the service area ZIP Codes. In nine of these ZIP Codes, represented by Orange, Santa Ana, Villa Park, Tustin, and Anaheim, St. Joseph Hospital had over 30% of the market share in 2014;
- Kaiser Foundation Hospitals-Anaheim is the market share leader in two service area ZIP Codes, located in Anaheim; and
- Fountain Valley Regional Medical Center is the market share leader in seven service area ZIP Codes located in the communities of Westminster, Santa Ana, Garden Grove, and Midway City.

### ***Service Availability by Bed Type***

Using FY 2014 data, the tables on the following pages illustrate St. Joseph Hospital existing hospital bed capacity, occupancy, and availability for medical/surgical, intensive/coronary care, obstetrics, psychiatric acute care, definitive observation, and emergency services.

### ***Medical/Surgical Capacity Analysis***

The medical/surgical beds within St. Joseph Hospital's service area operated at an overall occupancy rate of approximately 48%. St. Joseph Hospital's 283 licensed medical/surgical beds<sup>23</sup> represented approximately 16% of the beds in this category for the service area.

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<sup>23</sup> Since FY 2014, St. Joseph Hospital reduced its bed licensure and is currently licensed for 279 medical/surgical beds. Additionally, in FY 2014, St. Joseph Hospital was licensed for 30 definitive observation beds. Since FY 2014, St. Joseph Hospital reduced its bed licensure and is no longer licensed for definitive observation beds.

MEDICAL/SURGICAL BEDS FY 2014							
Hospital	Miles from Hospital	Within Service Area	Licensed Beds	Discharges	Patient Days	Average Daily Census	Percent Occupied
<b>St. Joseph Hospital</b>	-	X	<b>283</b>	<b>6,789</b>	<b>22,245</b>	<b>61</b>	<b>21.5%</b>
Children's Hospital of Orange County	0.3	X	-	-	-	-	-
UCI Medical Center	1.9	X	143	10,072	46,281	127	88.7%
Chapman Medical Center	2.8	X	35	1,303	3,705	10	29.0%
Garden Grove Hospital & Medical Center	3.3	X	89	3,840	14,235	39	43.8%
Orange County Global Medical Center	3.8	X	69	3,168	13,660	37	54.2%
HealthSouth Tustin Rehabilitation Hospital	3.9	X	-	-	-	-	-
Anaheim Global Medical Center	4.3	X	11	252	2,225	6	55.4%
South Coast Global Medical Center	5.9	X	88	1,502	6,883	19	21.4%
AHMC Anaheim Regional Medical Center	7.4	X	153	8,161	36,467	100	65.3%
Kaiser Foundation Hospitals - Anaheim	7.9	X	276	17,013	65,364	179	64.9%
Fountain Valley Regional Medical Center	8.2	X	163	6,708	28,160	77	47.3%
Placentia Linda Hospital	8.8	X	92	1,712	4,984	14	14.8%
Orange Coast Memorial Medical Center	10.2	X	108	6,388	20,568	56	52.2%
St. Jude Medical Center	11.8	X	160	10,164	32,430	89	55.5%
West Anaheim Medical Center	11.9	X	109	4,808	16,805	46	42.2%
<b>SUB-TOTAL</b>			<b>1,779</b>	<b>81,880</b>	<b>314,012</b>	<b>860</b>	<b>48.4%</b>
Hoag Orthopedic Institute	8.6		70	3,308	7,716	21	30.2%
College Hospital Costa Mesa	8.6		5	52	664	2	36.4%
Hoag Memorial Hospital Presbyterian	10.9		387	11,557	42,002	115	29.7%
Huntington Beach Hospital	12.0		65	2,884	9,610	26	40.5%
Saddleback Memorial Medical Center	13.5		192	8,369	27,041	74	38.6%
Mission Hospital Regional Medical Center	17.7		320	13,364	46,427	127	39.7%
Los Alamitos Medical Center	18.0		113	7,123	26,420	72	64.1%
College Hospital	20.0		-	-	-	-	-
Long Beach Memorial Medical Center	25.3		197	12,915	52,646	144	73.2%
Keck Hospital of USC	33.3		192	7,941	37,498	103	53.5%
Cedars-Sinai Medical Center	42.4		383	26,437	119,302	327	85.3%
Ronald Reagan UCLA Medical Center	50.7		204	12,310	74,116	203	99.5%
<b>TOTAL</b>			<b>3,907</b>	<b>188,140</b>	<b>757,454</b>	<b>2,075</b>	<b>53.1%</b>

Source: OSHPD Disclosure Reports, FY 2014

- St. Joseph Hospital reported 6,789 hospital discharges and 22,245 patient days, resulting in an occupancy rate of nearly 22% and an average daily census of 61 patients;
- St. Joseph Hospital's 283 licensed medical/surgical beds represented approximately 16% of the beds in this category for the service area; and
- St. Joseph Hospital is also licensed for six renal transplant beds that serve medical/surgical patients. When medical/surgical patients need to receive their four-hour dialysis treatment during their hospital stay, they are moved to one of the six renal transplant beds within the acute dialysis unit.

### ***Intensive Care Unit/Coronary Care Unit Capacity Analysis***

There were 487 intensive care unit/coronary care unit beds within the service area that operated at an overall occupancy rate of approximately 47%. St. Joseph Hospital had 32 licensed intensive care unit beds and 20 coronary care beds, with a combined average occupancy rate of nearly 33% and an average daily census of 17 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
<b>St. Joseph Hospital</b>	-	X	52	1,209	6,234	17	32.8%
Children's Hospital of Orange County	0.3	X	-	-	-	-	-
UCI Medical Center	1.9	X	88	2,890	17,555	48	54.7%
Chapman Medical Center	2.8	X	12	301	1,368	4	31.2%
Garden Grove Hospital & Medical Center	3.3	X	12	213	2,494	7	56.9%
Orange County Global Medical Center	3.8	X	34	462	6,821	19	55.0%
HealthSouth Tustin Rehabilitation Hospital	3.9	X	-	-	-	-	-
Anaheim Global Medical Center	4.3	X	22	169	1,518	4	18.9%
South Coast Global Medical Center	5.9	X	9	97	1,172	3	35.7%
AHMC Anaheim Regional Medical Center	7.4	X	32	1,877	7,826	21	67.0%
Kaiser Foundation Hospitals - Anaheim	7.9	X	60	351	7,170	20	32.7%
Fountain Valley Regional Medical Center	8.2	X	25	557	8,830	24	96.8%
Placentia Linda Hospital	8.8	X	8	172	1,219	3	41.7%
Orange Coast Memorial Medical Center	10.2	X	21	418	5,704	16	74.4%
St. Jude Medical Center	11.8	X	92	345	12,871	35	38.3%
West Anaheim Medical Center	11.9	X	20	210	2,977	8	40.8%
<b>SUB-TOTAL</b>			<b>487</b>	<b>9,271</b>	<b>83,759</b>	<b>229</b>	<b>47.1%</b>
Hoag Orthopedic Institute	8.6	-	-	-	-	-	-
College Hospital Costa Mesa	8.6	-	-	-	-	-	-
Hoag Memorial Hospital Presbyterian	10.9	-	43	347	8,271	23	52.7%
Huntington Beach Hospital	12.0	-	12	179	1,907	5	43.5%
Saddleback Memorial Medical Center	13.5	-	38	518	6,713	18	48.4%
Mission Hospital Regional Medical Center	17.7	-	73	874	12,552	34	47.1%
Los Alamitos Medical Center	18.0	-	17	604	5,661	16	91.2%
College Hospital	20.0	-	-	-	-	-	-
Long Beach Memorial Medical Center	25.3	-	61	751	13,756	38	61.8%
Keck Hospital of USC	33.3	-	84	540	22,800	62	74.4%
Cedars-Sinai Medical Center	42.4	-	118	1,057	25,604	70	59.4%
Ronald Reagan UCLA Medical Center	50.7	-	117	3,325	41,704	114	97.7%
<b>TOTAL</b>			<b>1,050</b>	<b>17,466</b>	<b>222,727</b>	<b>610</b>	<b>58.1%</b>

Source: OSHPD Disclosure Reports, FY 2014

- For service area hospitals, the average daily census was 229 patients based on 83,759 days;
- St. Joseph Hospital provided nearly 11% of the service area's intensive care/coronary care beds; and
- St. Joseph Hospital accounted for 13% of the service area's intensive care/coronary care discharges.

### **Obstetrics Capacity Analysis**

As shown below, there were 431 obstetric beds located in the service area with an aggregate occupancy rate of approximately 46%. St. Joseph Hospital reported 89 licensed obstetric beds with an occupancy rate of approximately 40% and an average daily census of 36 patients.

OBSTETRICS BEDS FY 2014							
Hospital	Miles from Hospital	Within Service Area	Licensed Beds	Discharges	Patient Days	Average Daily Census	Percent Occupied
<b>St. Joseph Hospital</b>	-	X	<b>89</b>	<b>5,371</b>	<b>13,062</b>	<b>36</b>	<b>40.2%</b>
Children's Hospital of Orange County	0.3	X	-	-	-	-	-
UCI Medical Center	1.9	X	35	1,786	6,081	17	47.6%
Chapman Medical Center	2.8	X	-	-	-	-	-
Garden Grove Hospital & Medical Center	3.3	X	27	1,795	3,426	9	34.8%
Orange County Global Medical Center	3.8	X	52	2,081	5,083	14	26.8%
HealthSouth Tustin Rehabilitation Hospital	3.9	X	-	-	-	-	-
Anaheim Global Medical Center	4.3	X	35	2,382	5,866	16	45.9%
South Coast Global Medical Center	5.9	X	12	1,233	2,839	8	64.8%
AHMC Anaheim Regional Medical Center	7.4	X	27	1,901	5,979	16	60.7%
Kaiser Foundation Hospitals - Anaheim	7.9	X	62	6,348	10,537	29	46.6%
Fountain Valley Regional Medical Center	8.2	X	38	3,765	9,970	27	71.9%
Placentia Linda Hospital	8.8	X	-	-	-	-	-
Orange Coast Memorial Medical Center	10.2	X	21	1,651	4,380	12	57.1%
St. Jude Medical Center	11.8	X	33	2,223	5,601	15	46.5%
West Anaheim Medical Center	11.9	X	-	-	-	-	-
<b>SUB-TOTAL</b>			<b>431</b>	<b>30,536</b>	<b>72,824</b>	<b>200</b>	<b>46.3%</b>
Hoag Orthopedic Institute	8.6	-	-	-	-	-	-
College Hospital Costa Mesa	8.6	-	-	-	-	-	-
Hoag Memorial Hospital Presbyterian	10.9	-	70	4,834	12,685	35	49.6%
Huntington Beach Hospital	12.0	-	-	-	-	-	-
Saddleback Memorial Medical Center	13.5	-	39	2,802	8,242	23	57.9%
Mission Hospital Regional Medical Center	17.7	-	62	2,844	7,960	22	35.2%
Los Alamitos Medical Center	18.0	-	12	1,396	3,306	9	75.5%
College Hospital	20.0	-	-	-	-	-	-
Long Beach Memorial Medical Center	25.3	-	-	-	-	-	-
Keck Hospital of USC	33.3	-	-	-	-	-	-
Cedars-Sinai Medical Center	42.4	-	112	6,007	17,467	48	42.7%
Ronald Reagan UCLA Medical Center	50.7	-	17	2,034	5,845	16	94.2%
<b>TOTAL</b>			<b>743</b>	<b>50,453</b>	<b>128,329</b>	<b>352</b>	<b>47.3%</b>

Source: OSHPD Disclosure Reports, FY 2014

The following facilities have Alternative Birthing Center beds: Anaheim Global (14); Kaiser-Anaheim (64); Saddleback (39); and Mission Hospital (17).

- St. Joseph Hospital provided approximately 21% of licensed obstetrics beds within its service area, and it reported nearly 18% of the service area's 30,536 discharges; and
- Hospitals within the service area had varying levels of occupancy. Occupancy rates ranged from nearly 27% Orange County Global Medical Center to approximately 72% at Fountain Valley Regional Medical Center.

### ***Psychiatric Acute Care Capacity Analysis***

St. Joseph Hospital was one of only six providers in the service area to provide licensed psychiatric beds. St. Joseph Hospital had 37 licensed beds that were approximately 74% occupied on average with an average daily census of 28 patients.

PSYCHIATRIC ACUTE CARE BEDS FY 2014							
Hospital	Miles from Hospital	Within Service Area	Licensed Beds	Discharges	Patient Days	Average Daily Census	Percent Occupied
<b>St. Joseph Hospital</b>	-	X	37	2,297	10,049	28	74.4%
Children's Hospital of Orange County	0.3	X	-	-	-	-	-
UCI Medical Center	1.9	X	33	1,342	7,958	22	66.1%
Chapman Medical Center	2.8	X	12	242	3,241	9	74.0%
Garden Grove Hospital & Medical Center	3.3	X	-	-	-	-	-
Orange County Global Medical Center	3.8	X	-	-	-	-	-
HealthSouth Tustin Rehabilitation Hospital	3.9	X	-	-	-	-	-
Anaheim Global Medical Center	4.3	X	91	2,919	25,804	71	77.7%
South Coast Global Medical Center	5.9	X	23	433	6,167	17	73.5%
AHMC Anaheim Regional Medical Center	7.4	X	-	-	-	-	-
Kaiser Foundation Hospitals - Anaheim	7.9	X	-	-	-	-	-
Fountain Valley Regional Medical Center	8.2	X	-	-	-	-	-
Placentia Linda Hospital	8.8	X	-	-	-	-	-
Orange Coast Memorial Medical Center	10.2	X	-	-	-	-	-
St. Jude Medical Center	11.8	X	-	-	-	-	-
West Anaheim Medical Center	11.9	X	30	335	8,115	22	74.1%
<b>SUB-TOTAL</b>			<b>226</b>	<b>7,568</b>	<b>61,334</b>	<b>168</b>	<b>74.4%</b>
Hoag Orthopedic Institute	8.6	-	-	-	-	-	-
College Hospital Costa Mesa	8.6	-	87	1,757	31,178	85	98.2%
Hoag Memorial Hospital Presbyterian	10.9	-	-	-	-	-	-
Huntington Beach Hospital	12.0	-	25	391	6,821	19	74.8%
Saddleback Memorial Medical Center	13.5	-	-	-	-	-	-
Mission Hospital Regional Medical Center	17.7	-	36	1,548	7,008	19	53.3%
Los Alamitos Medical Center	18.0	-	25	354	7,330	20	80.3%
College Hospital	20.0	-	146	5,031	51,533	141	96.7%
Long Beach Memorial Medical Center	25.3	-	-	-	-	-	-
Keck Hospital of USC	33.3	-	-	-	-	-	-
Cedars-Sinai Medical Center	42.4	-	31	1,395	3,475	10	30.7%
Ronald Reagan UCLA Medical Center	50.7	-	-	-	-	-	-
<b>TOTAL</b>			<b>576</b>	<b>18,044</b>	<b>168,679</b>	<b>462</b>	<b>80.2%</b>

Source: OSHPD Disclosure Reports, FY 2014

- St. Joseph Hospital provided approximately 16% of licensed psychiatric beds within its service area, and it reported almost 30% of the service area's 7,568 discharges; and
- All hospitals within the primary service area were over 65% occupied. University of California, Irvine Medical Center was the least occupied at approximately 66%, and Anaheim Global Medical Center was the most occupied at nearly 78%.

## Emergency Department Volume at Hospitals in the Service Area

In 2014, St. Joseph Hospital had 53 emergency treatment stations. In total, there were 357 treatment stations among all service area hospitals. As shown below, St. Joseph Hospital reported 77,950 visits that totaled approximately 13% of all visits among the service area hospitals (585,462 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	Within		ER Level	Stations	Total Visits	Low/			Severe w/o Threat	Severe w/ Threat	Percentage Admitted	Hours of Diversion
	Miles from Hospital	Service Area				Minor	Moderate	Moderate				
<b>St. Joseph Hospital</b>	-	X	Basic	53	77,950	2,048	8,745	39,332	20,330	7,495	12.4%	434
Children's Hospital of Orange County (1)	0.3	X	Basic	31	69,537	17,601	20,754	17,425	7,123	789	8.4%	2
UCI Medical Center	1.9	X	Comprehensive	36	44,380	50	3,032	11,346	13,636	16,316	25.1%	320
Chapman Medical Center	2.8	X	Basic	8	9,028	1,106	3,978	2,784	945	215	11.2%	5
Garden Grove Hospital & Medical Center	3.3	X	Basic	12	27,093	644	1,074	6,594	6,261	12,520	13.3%	0
Orange County Global Medical Center	3.8	X	Basic	20	22,321	950	9,846	6,499	3,104	1,922	17.5%	604
HealthSouth Tustin Rehabilitation Hospital	3.9	X	-	-	-	-	-	-	-	-	-	-
Anaheim Global Medical Center	4.3	X	Basic	11	15,493	1,326	6,646	3,681	2,740	1,100	14.8%	197
South Coast Global Medical Center	5.9	X	Basic	10	21,442	2,576	10,978	5,502	1,870	516	8.1%	158
AHMC Anaheim Regional Medical Center	7.4	X	Basic	21	42,877	2,436	16,195	9,690	10,578	3,978	18.9%	184
Kaiser Foundation Hospitals - Anaheim	7.9	X	Basic	36	57,057	215	6,232	40,890	8,794	926	11.9%	48
Fountain Valley Regional Medical Center	8.2	X	Basic	25	45,920	2,638	3,112	12,616	16,800	10,754	12.8%	50
Placentia Linda Hospital	8.8	X	Basic	20	27,064	968	1,305	9,560	10,508	4,723	8.6%	2
Orange Coast Memorial Medical Center	10.2	X	Basic	14	31,067	467	6,601	12,046	10,723	1,230	23.2%	161
St. Jude Medical Center	11.8	X	Basic	36	62,782	1,315	3,919	37,157	17,444	2,947	11.4%	39
West Anaheim Medical Center	11.9	X	Basic	24	31,451	2,251	1,525	4,451	7,548	15,676	18.0%	0
<b>SUB-TOTAL</b>				<b>357</b>	<b>585,462</b>	<b>36,591</b>	<b>103,942</b>	<b>219,573</b>	<b>138,404</b>	<b>81,107</b>	<b>14.1%</b>	<b>2,204</b>
Hoag Orthopedic Institute	8.6	-	-	-	-	-	-	-	-	-	-	-
College Hospital Costa Mesa	8.6	-	-	-	-	-	-	-	-	-	-	-
Hoag Memorial Hospital Presbyterian	10.9	-	Basic	56	70,912	387	19,518	33,556	16,883	568	15.8%	54
Huntington Beach Hospital	12.0	-	Basic	12	17,569	416	963	4,777	4,994	6,419	18.1%	0
Saddleback Memorial Medical Center	13.5	-	Basic	31	35,979	867	7,780	12,767	9,138	5,427	20.8%	308
Mission Hospital Regional Medical Center/Children's Hospital at Mission (2)	17.7	-	Basic	33	57,072	1,854	4,219	32,648	6,195	12,156	20.0%	683
Los Alamitos Medical Center	18.0	-	Basic	20	31,621	1,781	1,135	8,151	11,008	9,546	18.4%	476
College Hospital	20.0	-	-	-	-	-	-	-	-	-	-	-
Long Beach Memorial Medical Center	25.3	-	Basic	53	98,421	192	263	41,783	46,319	9,864	16.0%	1,709
Keck Hospital of USC	33.3	-	-	-	-	-	-	-	-	-	-	-
Cedars-Sinai Medical Center	42.4	-	Basic	51	87,061	3,319	13,778	23,771	18,919	27,274	24.4%	97
Ronald Reagan UCLA Medical Center	50.7	-	Comprehensive	33	43,945	5,170	4,485	8,561	11,236	14,493	20.4%	3,242
<b>TOTAL</b>				<b>646</b>	<b>1,028,042</b>	<b>50,577</b>	<b>156,083</b>	<b>385,587</b>	<b>263,096</b>	<b>166,854</b>	<b>16.3%</b>	<b>8,773</b>

Source: OSHPD Alirits Annual Utilization Reports, 2014

(1) Visit types do not include the 5,845 admitted patients

(2) Mission Hospital Regional Medical Center and Children's Hospital at Mission share 33 ED stations but report visits separately to OSHPD. These figures represent the total visits of both hospitals.

- Approximately 12% of St. Joseph Hospital's 2014 emergency department visits resulted in admission to the hospital; and
- St. Joseph Hospital went on diversion for 434 hours in 2014.

## Emergency Department Capacity

In 2014, St. Joseph Hospital's emergency department was operating at nearly 74% of its 53 treatment stations' capacity.

EMERGENCY DEPARTMENT CAPACITY 2014							
Hospital	Miles from Hospital	Within Service Area	ER Level	Stations	Total Visits	Capacity	Remaining Capacity
<b>St. Joseph Hospital</b>	-	X	Basic	53	77,950	106,000	28,050
Children's Hospital of Orange County	0.3	X	Basic	31	69,537	62,000	(7,537)
UCI Medical Center	1.9	X	Comprehensive	36	44,380	72,000	27,620
Chapman Medical Center	2.8	X	Basic	8	9,028	16,000	6,972
Garden Grove Hospital & Medical Center	3.3	X	Basic	12	27,093	24,000	(3,093)
Orange County Global Medical Center	3.8	X	Basic	20	22,321	40,000	17,679
HealthSouth Tustin Rehabilitation Hospital	3.9	X	-	-	-	-	-
Anaheim Global Medical Center	4.3	X	Basic	11	15,493	22,000	6,507
South Coast Global Medical Center	5.9	X	Basic	10	21,442	20,000	(1,442)
AHMC Anaheim Regional Medical Center	7.4	X	Basic	21	42,877	42,000	(877)
Kaiser Foundation Hospitals - Anaheim	7.9	X	Basic	36	57,057	72,000	14,943
Fountain Valley Regional Medical Center	8.2	X	Basic	25	45,920	50,000	4,080
Placentia Linda Hospital	8.8	X	Basic	20	27,064	40,000	12,936
Orange Coast Memorial Medical Center	10.2	X	Basic	14	31,067	28,000	(3,067)
St. Jude Medical Center	11.8	X	Basic	36	62,782	72,000	9,218
West Anaheim Medical Center	11.9	X	Basic	24	31,451	48,000	16,549
<b>SUB-TOTAL</b>				<b>357</b>	<b>585,462</b>	<b>714,000</b>	<b>128,538</b>
Hoag Orthopedic Institute	8.6	-	-	-	-	-	-
College Hospital Costa Mesa	8.6	-	-	-	-	-	-
Hoag Memorial Hospital Presbyterian	10.9	-	Basic	56	70,912	112,000	41,088
Huntington Beach Hospital	12.0	-	Basic	12	17,569	24,000	6,431
Saddleback Memorial Medical Center	13.5	-	Basic	31	35,979	62,000	26,021
Mission Hospital Regional Medical Center/Children's Hospital at Mission (1)	17.7	-	Basic	33	57,072	66,000	8,928
Los Alamitos Medical Center	18.0	-	Basic	20	31,621	40,000	8,379
College Hospital	20.0	-	-	-	-	-	-
Long Beach Memorial Medical Center	25.3	-	Basic	53	98,421	106,000	7,579
Keck Hospital of USC	33.3	-	-	-	-	-	-
Cedars-Sinai Medical Center	42.4	-	Basic	51	87,061	102,000	14,939
Ronald Reagan UCLA Medical Center	50.7	-	Comprehensive	33	43,945	66,000	22,055
<b>TOTAL</b>				<b>646</b>	<b>1,028,042</b>	<b>1,292,000</b>	<b>263,958</b>

Source: OSHPD Alirits Annual Utilization Reports, 2014

(1) Mission Hospital Regional Medical Center and Children's Hospital at Mission share 33 ED stations but report visits separately to OSHPD. These figures represent the total visits of both hospitals.

- In FY 2014, the service area hospitals had varying levels of available capacity. Chapman Medical Center was 56% occupied and Children's Hospital of Orange County was nearly 112% occupied; and
- Overall, the service area hospitals' emergency departments operated at 82% capacity in 2014.



## Kidney Transplantation in Orange County

St. Joseph Hospital is one of two facilities in Orange County that provides kidney transplant services. The other is the University of California, Irvine Medical Center. From July 2014 to June 2015, St. Joseph Hospital performed 32% of the kidney transplants in Orange County. St. Joseph Hospital's 202 candidates made up approximately 24% of the total number of candidates.

The following table reports the most recent kidney transplant center data for each of the facilities:

KIDNEY TRANSPLANT CENTERS IN ORANGE COUNTY					
Name of Facility	Miles from Hospital	Number of Candidates (7/1/14-6/30/15)	Number of Transplants Performed (7/1/14-6/30/15)	Expected Transplant Rate <sup>1</sup> (7/1/14-6/30/15)	1 Year Post-Transplant Outcomes <sup>2</sup> (7/1/12-12/31/14)
St. Joseph Hospital	-	202	23	0.16	100.0%
University of California, Irvine Medical Center	1.9	653	50	0.16	98.1%

Source: Scientific Registry of Transplant Recipients, December 16, 2015

<sup>1</sup> Estimate of what to expect at each if it were performing transplants at rates similar to other programs in the US

<sup>2</sup> Adult patient survival rate

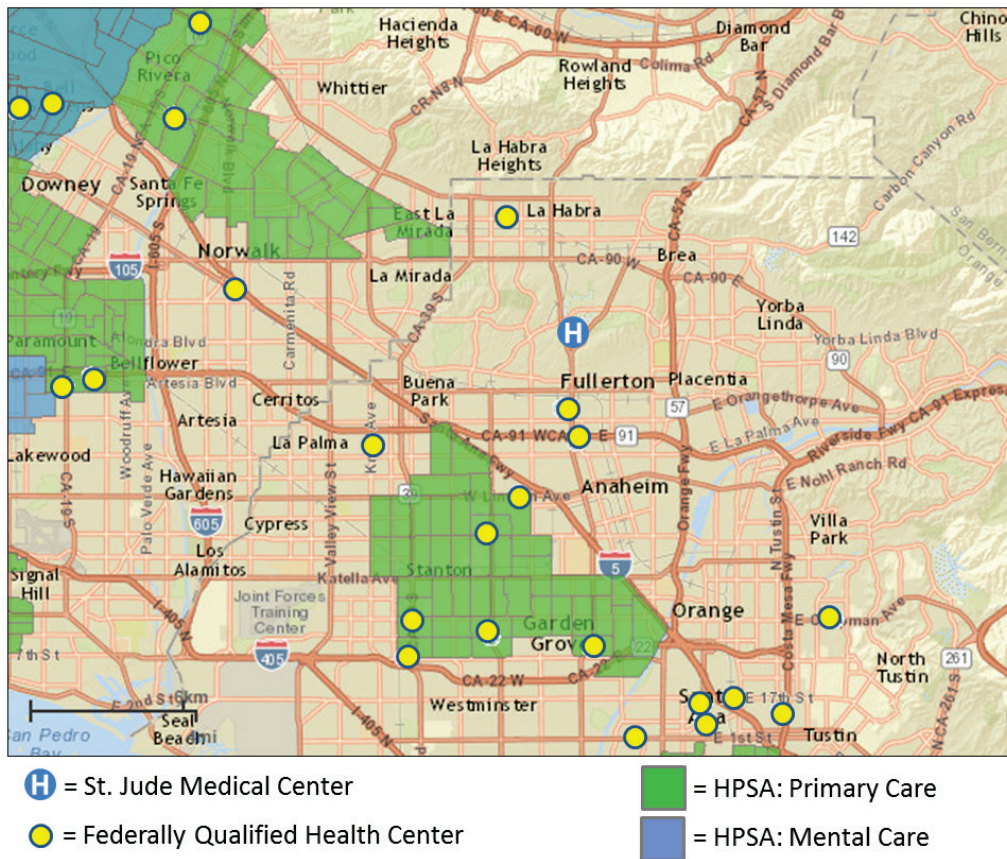
St. Joseph Hospital also offers dialysis services at the St. Joseph Dialysis Center. Outpatient services include adult and pediatric outpatient hemodialysis and home dialysis, and are provided at two facilities located in Orange and Santa Ana. Inpatient services include an acute dialysis unit with six licensed renal transplant beds.

## ANALYSIS OF NORTH ORANGE COUNTY

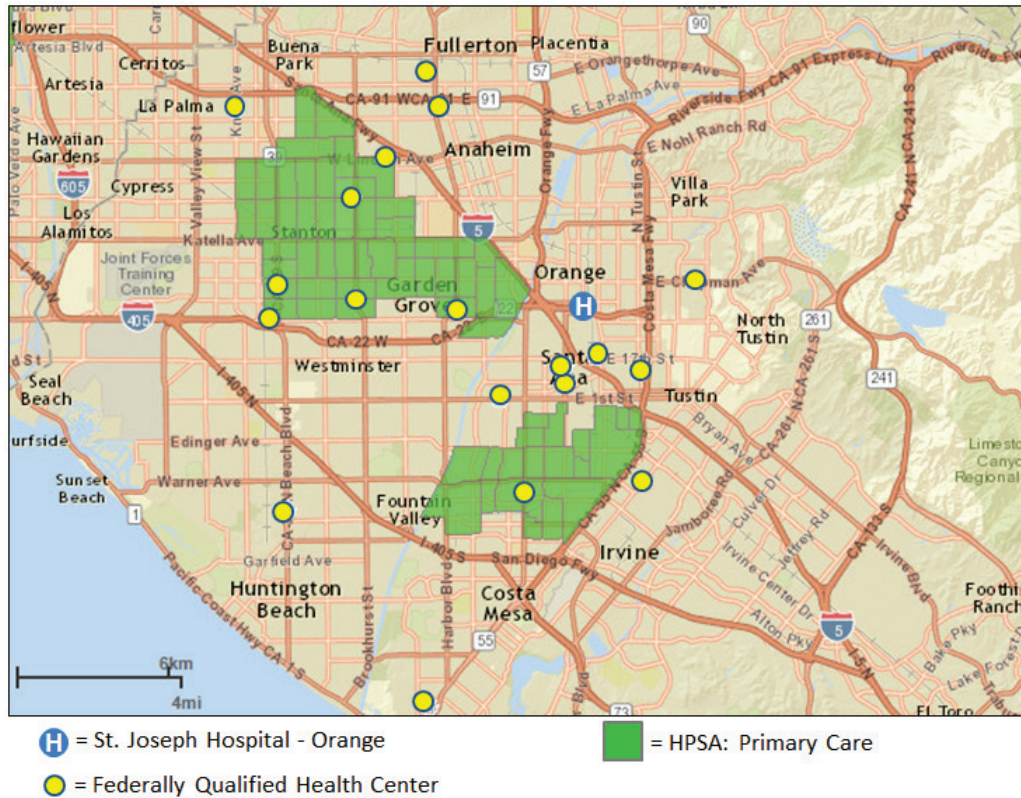
### ***Health Professional Shortage Areas, Medically Underserved Areas, & Medically Underserved Populations***

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 (i.e., service area), demographics (i.e., low-income population), or institutions (i.e., comprehensive health centers).

The maps below depict these shortage areas relative to St. Jude Medical Center and St. Joseph Hospital's location.



- Although St. Jude Medical Center is not located in a shortage area, areas of the service area to the south and east of St. Jude Medical Center are designated as shortage areas.

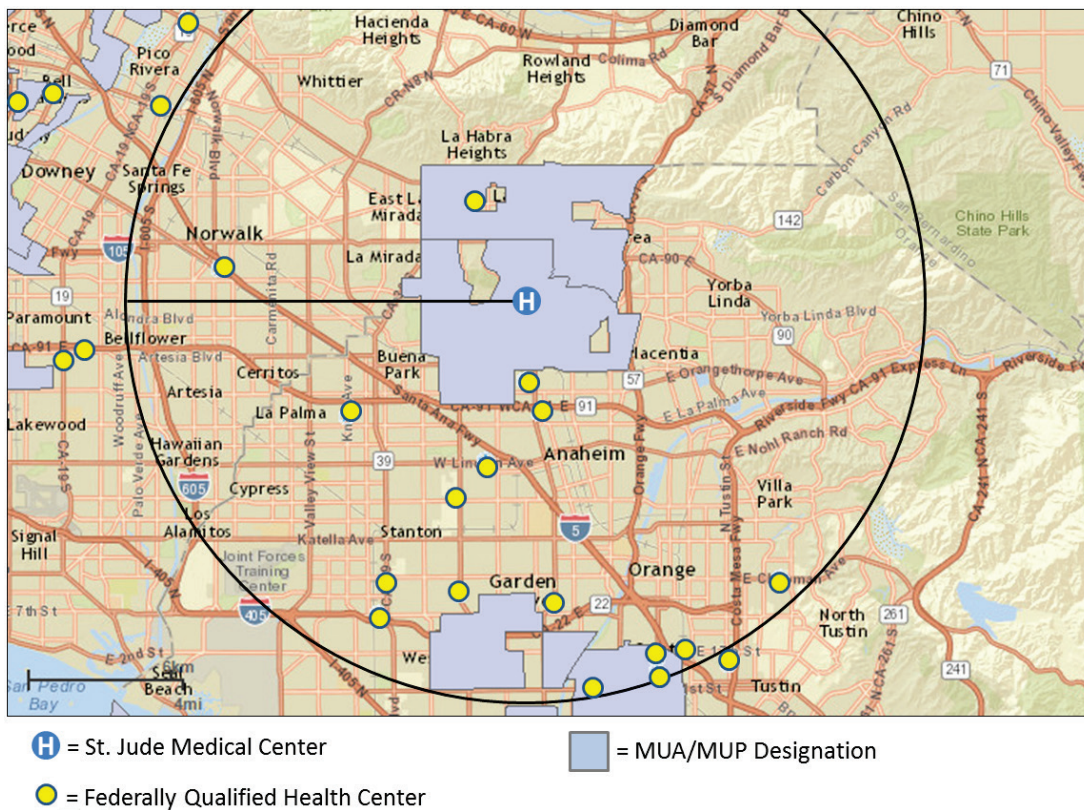


- Although St. Joseph Hospital is not located in a shortage area, large areas of the service area to the west and south of St. Joseph Hospital are designated as shortage areas.



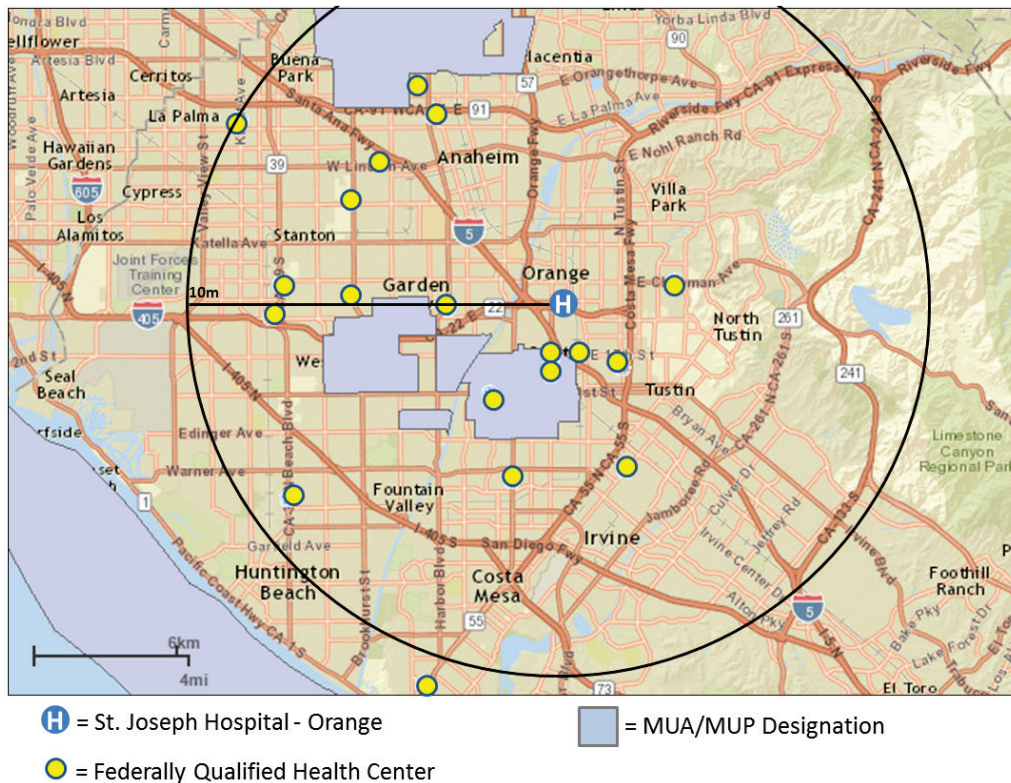
Medically Underserved Areas and Medically Underserved Populations are defined by the Federal Government to include areas or population groups that demonstrate a shortage of healthcare services. This designation process was originally established to assist the government in allocating community health 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 map below depicts the Medically Underserved Areas/Medically Underserved Populations relative to St. Jude Medical Center and St. Joseph Hospital’s location.



- St. Jude Medical Center, along with a subset of its service area, is located in a Medically Underserved Area/Medically Underserved Populations area signifying the importance of St. Jude Medical Center to the community it serves; and

- There are 16 Federally Qualified Health Centers<sup>24</sup> within a ten-mile radius of St. Jude Medical Center that also provide much needed primary care health services to area residents.



- Although St. Joseph Hospital is not located in a Medically Underserved Area/Medically Underserved Populations area, areas to the south and west of St. Joseph Hospital are designated as Medically Underserved Area/Medically Underserved Population areas; and
- There are also 18 Federally Qualified Health Centers within a ten-mile radius of St. Joseph Hospital.

<sup>24</sup> 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.

## Medi-Cal Eligibility

As of 2011, the California Department of Health Care Services reported that 14% of the population in St. Jude Medical Center’s service area and 20% of St. Joseph Hospital’s service area was eligible for Medi-Cal coverage. The statewide average was 21%. With the implementation of the ACA and the statewide expansion of Medi-Cal, the percentage of the State of California’s population that is currently eligible for Medi-Cal has greatly increased, reporting more than 12 million total enrollees in the Medi-Cal program in 2015. Based on St. Jude Medical Center and St. Joseph Hospital’s service area income demographics and payer mix, a lower percentage of service area residents will qualify for Medi-Cal coverage under the expansion than seen on average statewide.

## Selected Health Indicators

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

- Orange County’s rates of low birth weight infants, first trimester prenatal care, and adequate/adequate plus care are favorable to both the State of California rates and the national goals.

NATALITY STATISTICS: 2015			
Health Status Indicator	Orange County	California	National Goal
Low Birth Weight Infants	6.4%	6.8%	7.8%
First Trimester Prenatal Care	89.6%	83.6%	77.9%
Adequate/Adequate Plus Care	88.6%	79.2%	77.6%

Source: California Department of Public Health

- The overall age-adjusted mortality rate for Orange County is lower than that of the State of California. Orange County’s age-adjusted rates for sixteen out of the eighteen causes of mortality are lower than the statewide rates. The County’s age-adjusted rates are higher than the State of California rates for Alzheimer’s disease and influenza/pneumonia. Based on underlying and contributing cause of death statistics, Orange County reported lower age-adjusted death rates for 13 out of the 14 reported national goals.

MORTALITY STATISTICS: 2015 RATE PER 100,000 POPULATION				
Selected Cause	Orange County		(Age Adjusted)	
	Crude Death Rate	Age Adjusted Death Rate	California	National Goal
All Causes	595.4	584.0	641.1	N/A
- All Cancers	145.1	142.9	151.0	161.4
- Colorectal Cancer	12.7	12.2	13.9	14.5
- Lung Cancer	31.6	31.6	33.6	45.5
- Female Breast Cancer	20.9	18.4	20.7	20.7
- Prostate Cancer	15.5	19.2	20.2	21.8
- Diabetes	15.3	15.0	20.8	N/A
- Alzheimer's Disease	37.6	36.6	30.8	N/A
- Coronary Heart Disease	101.3	98.8	103.8	103.4
- Cerebrovascular Disease (Stroke)	35.2	34.7	35.9	34.8
- Influenza/Pneumonia	18.1	17.8	16.3	N/A
- Chronic Lower Respiratory Disease	30.9	31.2	35.9	N/A
- Chronic Liver Disease And Cirrhosis	10.3	9.5	11.7	8.2
- Accidents (Unintentional Injuries)	22.6	22.0	27.9	36.4
- Motor Vehicle Traffic Crashes	5.5	5.4	7.6	12.4
- Suicide	10.0	9.6	10.2	10.2
- Homicide	2.2	2.2	5.1	5.5
- Firearm-Related Deaths	4.8	4.7	7.8	9.3
- Drug-Induced Deaths	10.8	10.4	11.1	11.3

Source: California Department of Public Health

- With the exception of tuberculosis, Orange County has lower morbidity rates for each of the conditions reported below than both the State of California rates and the national goals.

MORBIDITY STATISTICS: 2015 RATE PER 100,000 POPULATION			
Health Status Indicator	Orange County	California	National Goal
AIDS	5.8	8.1	12.4
Chlamydia	273.5	442.6	N/A
Gonorrhea Female 15-44	59.7	152.8	251.9
Gonorrhea Male 15-44	104.5	213.1	194.8
Tuberculosis	6.4	5.9	1.0

Source: California Department of Public Health



## SUMMARY OF INTERVIEWS FOR ST. JUDE MEDICAL CENTER AND ST. JOSEPH HOSPITAL

Between December 2015 and February 2016, both in-person and telephone interviews were conducted with representatives of St. Jude Medical Center, St. Joseph Hospital, St. Joseph Health System, St. Joseph Hoag Health, St. Joseph Heritage Medical Group, and Providence Health & Services. Interviews were also conducted with physicians, employees, Orange County representatives, union organizers and representatives, and various related 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 St. Jude Medical Center and St. Joseph Hospital's respective Board of Trustees, management teams, and medical staff cited several reasons why the proposed combination would be beneficial, including the following:

- The opportunity to partner with a Catholic, faith-based health system with a similar heritage and values would help to ensure that the mission to serve uninsured and under-insured patient populations would be continued;
- Leveraging the different strengths of Providence Health & Services and St. Joseph Health System would create an opportunity for sharing and mutual learning regarding best clinical practices, data, community benefits and charity care;
- 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;
- The proposed combination has the potential to enable more collaboration between the hospitals and the sharing of best practices for development of programs for clinical services, mental health, telemedicine, and information technology; and
- Some of those interviewed believed that the proposed combination could potentially add more bureaucracy to the existing processes, stating the following:
  - St. Joseph Health System was in the early stages of regionalization when the proposed combination was announced;

- Various complexities and process redundancies exist within the current local, regional, and system-wide structure that have not yet been addressed;
- Some members of the management team who were interviewed believed that past efforts to centralize administrative functions (e.g., human resources, accounts payable, etc.) at St. Joseph Health System’s system office resulted in longer lead times to accomplish tasks; and
- Some physicians expressed a concern that the current approval process to make changes to clinical practice guidelines may lengthen as more facilities are added. Approval is currently required by all hospitals within the health system before changes to clinical practice guidelines are adopted.

### ***Importance of St. Jude Medical Center and St. Joseph Hospital to the Community***

According to all who were interviewed, St. Jude Medical Center and St. Joseph Hospital are very important providers of healthcare services and are known for offering important services to uninsured and under-served populations within the surrounding communities.

St. Jude Medical Center is recognized for its operation of medical clinics, community education programs, and access to exercise and nutrition programs. St. Jude Medical Center is the market share leader within its service area. It is located within a federally designated Medically Underserved Area where it serves a designated Medically Underserved Population. Some of the programs and services that were mentioned in the interviews as being especially important include the following:

- Orthopedic services;
- Neuroscience services;
- Oncology services;
- Cardiovascular services;
- Emergency services, including designation as a Paramedic Base Hospital;
- Women’s services;
- Obstetrics and neonatal intensive care services;
- St. Jude Neighborhood Health Center, La Amistad, and La Puente Community Clinics, which are all designated as Federal Qualified Health Centers;

- Rehabilitation and wellness services; and
- Senior services.

Within St. Joseph Hospital's service area, St. Joseph Hospital is the market share leader among the 16 service area hospitals. In 2014, Medi-Cal and Medicare payers represented 59% of St. Joseph Hospital's patient population. Some of St. Joseph Hospital's programs and services that were mentioned in the interviews as being especially important include the following:

- Behavioral health and psychiatric services, including designation as a County Lanterman-Petris-Short (LPS) 24-hour facility;
- Emergency services;
- Obstetric services;
- Cardiovascular services;
- Neuroscience services;
- La Amistad and Puente a La Salud (Mobile) Federally Qualified Health Center Community Clinics;
- Women and children's services including the Mother Baby Assessment Center and women's diagnostic services;
- Oncology services, including cancer research; and
- Nephrology services including kidney dialysis and kidney transplant services.

Representatives of local Federally Qualified Health Centers, Orange County, and community organizations collectively believed that it was important for St. Jude Medical Center and St. Joseph Hospital to retain all the services that they currently offer, especially neuroscience, oncology, cardiovascular, and orthopedics services at St. Jude Medical Center, and behavioral health, emergency, obstetrics, oncology and nephrology services at St. Joseph Hospital.

If St. Jude Medical Center and St. Joseph Hospital did not maintain their current level of healthcare services, accessibility and availability issues would be created for the underinsured and uninsured residents of the surrounding communities.

## ***Selection of Providence Health & Services for the Proposed Combination***

In addition to the reasons set forth in the Health System Combination Agreement, members of St. Jude Medical Center and St. Joseph Hospitals' respective Board of Trustees, management, and medical staff cited a number of reasons why the proposed combination with Providence Health & Services would be beneficial, including the opportunity to partner with an organization that is committed to the mission of serving the poor and underserved, share clinical best practices, especially in the areas of mental health, palliative care, and neurosciences, and unify the sponsorship of two Catholic organizations with similar cultures, heritage, and values. Many of those interviewed felt that Providence Health & Services and St. Joseph Health System lean heavily towards mission over margin and have complementary strengths.

Many of those interviewed from St. Jude Medical Center and St. Joseph Hospital were supportive of the proposed combination and the selection of Providence Health & Services as a partner. Additionally, almost everyone who was interviewed expressed the potential for sustaining, and even expanding, services to the communities that each system currently serves.

## ***Impact on the Availability and Accessibility of Healthcare Services***

Almost all interviewed believed that the proposed combination would not impact access and/or availability of current services. While most believed that the combination would be beneficial, they also believed there could be added bureaucracy and a consolidation or change in administrative processes, neither of which is expected to negatively impact patient care. Many also believed that the combination would create the opportunity to expand existing programs and further regionalize program offerings, with the potential for a positive impact on the patient populations currently served.

## ***Alternatives***

Almost all believed that the proposed combination was not driven by financial necessity. Rather, they believed it was instead driven by a desire to create greater opportunity for improving operational, financial, and clinical performance. While some interviewed had no direct knowledge of Providence Health & Services or interactions with Providence Health & Services' staff, many 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 continue to remain a priority. Almost all who were interviewed believed that a more suitable partner could not 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 commercial-focused 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.

None of the commercial payers in Southern California indicated that there have been 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. All of those who were interviewed stated they were unaware of any plans to eliminate or change covered services as a result of the proposed combination.

The views of CalOptima, the County Organized Health System plan, were similar as they did not express any concerns surrounding the proposed combination. CalOptima has had strong and longstanding relationships with St. Jude Medical Center and St. Joseph Hospital since a large percentage of their patient populations 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.

Some national and local health plan representatives cited the benefits of the proposed combination that included expansion of geographic coverage, greater access, and the opportunity to gain efficiencies and reduce costs. Other national and local health plan representatives 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. The majority of those interviewed were positive about 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.

## ***Views of the Unions***

Ten of the hospitals under consideration as part of the Health System Combination Agreement are represented by unions. These unions are: California Nurses Association, National Union of Healthcare Workers, International Union of Operating Engineers Local 39, Staff Nurses Association, United Steelworkers Union, Service Employees International Union Local 121 RN, and Service Employees International Union United Healthcare Workers West. Approximately 40% of the employees at the hospitals are represented by CBAs; however, no employees at St. Jude Medical Center or St. Joseph Hospital are represented by CBAs.

Union organizers, union members, and union representatives have voiced various concerns regarding St. Joseph Health System and the proposed combination including the following:

- Inadequate registered nurse staffing ratios at some of the St. Joseph Health System hospitals;
- The especially large footprint that will result from the proposed combination;
- Historically, when mergers have occurred, prices to consumer have risen, making healthcare less affordable and accessible;
- The potential for closure of the hospitals, elimination of patient services, and decreases in charity care and community benefit programs;
- The potential for a reduction in employee benefits and layoffs or outsourcing of skilled, experienced employees; and
- The impact of the Ethical and Religious Directives that prohibit healthcare providers from offering a range of beginning of life services may be administered differently from hospital to hospital.

In addition, both in-person and telephone interviews were conducted with members and representatives of the California Nurses Association. Many strong views and opinions were expressed about the difficulties union organizers have encountered when visiting St. Joseph Health System's non-unionized hospital campuses. St. Joseph Health System is viewed as utilizing various methods to try and prevent the right of employees to organize, including breaking labor laws by not allowing nurses to gather during break time for the purpose of sharing information on the benefits of unionizing.

Several who were interviewed indicated that employees at non-union campuses have expressed concerns about timely meal and rest breaks. They stated that nurses are working 12 and 13 hour shifts, and they are often too intimidated to ask their manager for appropriate meal and rest periods during their shifts. They spoke of a fear of punitive action if they were to

ask for the breaks to which they are entitled. These individuals implied that the environment for patients would be unsafe if all employees took appropriate and timely meal and rest breaks because they would not be staffed according to the required staffing ratios during these periods. These nurses also indicated that their 30-minute lunch breaks are often interrupted.

Some of those interviewed indicated that some employees had concerns about the use of registry, travelers, or other temporary staff. They stated that these individuals are not adequately trained on hospital policies and procedures, and they believed that this may create a patient safety issue. Several who were interviewed spoke about the challenges in recruiting local nurses. Some also suggested that St. Joseph Health System's management may be intentionally understaffing their hospitals in order to improve the system's financial position in preparation for the proposed combination.

Some of those interviewed disagreed with the Bishop's authority to determine what services are offered at a facility that receives public tax dollars. Others also believed the financial benefit received from the merger should translate into an increase in community benefit spending, higher rates of pay, lower prices to patients, and increased service offerings at the Providence Health & Services and St. Joseph Health System hospitals.



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

### ***Importance of St. Jude Medical Center and St. Joseph Hospital to the Community***

St. Jude Medical Center is an important provider of general healthcare services to the residents of Fullerton and the surrounding communities, especially to the growing senior population. St. Jude Medical Center's provision of orthopedic, neuroscience, oncology, and cardiovascular services is important for residents within the service area and the broader community. Other key services offered include emergency, spine, vascular and senior services, as well as the operation of community clinics, rehabilitation facilities and other community services.

St. Joseph Hospital is also an important provider of general healthcare services to the residents of Orange and to the surrounding communities, especially to the growing Medi-Cal and mental health populations. St. Joseph Hospital's provision of emergency, behavioral, obstetrics and nephrology services is especially important for residents within the service area and the broader community. Other key services offered include cardiology, neonatology, spine, and vascular services as well as support for the operation of community and mobile health clinics.

In addition to the provision of key medical services, St. Jude Medical Center and St. Joseph Hospital 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 St. Jude Medical Center and St. Joseph Hospital will continue to operate as licensed general acute care facilities for at least five years.

### ***Emergency Services***

St. Jude Medical Center is an important provider of emergency services to the residents of the surrounding communities. In 2014, St. Jude Medical Center reported nearly 63,000 visits on its 36 emergency treatment stations, and it operated at a capacity of 87% (based on a standard of 2,000 visits per station, per year). Additionally, the 24-hour "basic" emergency room is a designated STEMI Receiving Center and certified Comprehensive Stroke Center. Other service area emergency departments were also busy in 2014: Orange County Global Medical Center operated at 70% capacity, Placentia Linda Hospital operated at 68% capacity, Kaiser Foundation Hospitals-Anaheim operated at 79% capacity, and Anaheim Regional Medical Center operated beyond capacity at 102%.

St. Joseph Hospital is also an important provider of emergency services to the residents of the

surrounding communities. In 2014, St. Joseph Hospital reported 77,950 visits on its 53 emergency treatment stations, and it operated at a capacity of 74% (based on a standard of 2,000 visits per station, per year). Additionally, the 24-hour “basic” emergency room is a designated STEMI Receiving Center and certified Primary Stroke Center. Fourteen additional hospitals in the service area offer emergency department services. While there may appear to be a large number of emergency rooms in the service area, none operated below 56% capacity in 2014.

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 result in increased emergency department utilization within the service area. Keeping St. Jude Medical Center’s emergency department open and maintaining its STEMI Receiving Center designation and Comprehensive Stroke Center certification is critical in ensuring continued access to emergency services for service area residents. In addition, keeping St. Joseph Hospital’s emergency department open and maintaining its STEMI Receiving Center designation and Primary Stroke Center certification is critical to ensuring access to emergency services within its service area.

### ***Medical/Surgical Services***

With 160 licensed medical/surgical beds and an average daily census of approximately 89 patients in FY 2014, St. Jude Medical Center is an important provider of medical/surgical services. With 283 licensed medical/surgical beds and an average daily census of approximately 61 patients in FY 2014, St. Joseph Hospital is one of many options in the service area for patients with traditional medical/surgical needs who many require lengthy hospital stays.

### ***Intensive Care/Critical Care Services***

In FY 2014, St. Jude Medical Center reported an occupancy rate of approximately 35% on its 92 licensed intensive/critical care beds. These services are an important resource for supporting the emergency department and other medical and surgical services. The remaining service area hospitals were licensed for 122 intensive/coronary care beds that operated at a combined occupancy rate of approximately 40% in FY 2014.

In FY 2014, St. Joseph Hospital reported an occupancy rate of approximately 33% on its 52 licensed intensive/coronary care beds. These services are an important resource for supporting the emergency department as well as other medical and surgical services. Excluding St. Joseph Hospital, the remaining area hospitals had 435 intensive/coronary care beds that operated at a combined occupancy rate of approximately 49% in FY 2014. Nearby facilities had relatively low occupancy rates for intensive/coronary care services, including University of California, Irvine (55%), Chapman Medical Center (31%), Garden Grove Hospital and Medical Center (57%), Orange County Global Medical Center (55%) and Anaheim Global Medical Center (19%).

## ***Obstetrics Services***

St. Jude Medical Center had an occupancy rate of 47% on its 33 licensed obstetrics beds with an average daily census of approximately 15 patients in FY 2014. With approximately 2,200 live births in FY 2014, St. Jude Medical Center is an important provider of obstetrics services. St. Jude Medical Center held the second largest market share in FY 2014, and was responsible for approximately 11% of all inpatient obstetrics discharges within the service area. A reduction in the type and/or level of obstetrics services provided would have an adverse effect on the availability and accessibility of key services to members of the surrounding communities.

In FY 2014, St. Joseph Hospital had an occupancy rate of 40% on its 89 licensed obstetrics beds with an average daily census of approximately 36 patients. With approximately 5,400 live births in FY 2014, St. Joseph Hospital is an important provider of obstetrics services. St. Joseph Hospital held the largest market share in this service in FY 2014, and was responsible for approximately 18% of all inpatient obstetrics discharges within the service area. A reduction in the type and/or level of obstetrics services provided would have an adverse effect on the availability and accessibility of key services to members of the surrounding communities.

## ***Neonatal Intensive Care Services***

In FY 2014, St. Jude Medical Center operated 14 licensed neonatal intensive care beds, operated 25% of all service area neonatal intensive care beds, and maintained a Level III Neonatal Intensive Care Unit with an average occupancy rate of nearly 39%. St. Jude Medical Center's neonatal intensive care services are provided through an affiliation with Children's Hospital of Orange County. Three other hospitals within the service area offer neonatal intensive care services: Anaheim Regional Medical Center, Anaheim Global Medical Center, and Kaiser Foundation Hospitals-Anaheim. In FY 2014, Kaiser Foundation Hospitals-Anaheim had an occupancy rate of 78%, and Anaheim Regional Medical Center had an occupancy rate of approximately 66%.

St. Joseph Hospital also maintains an affiliation agreement with Children's Hospital of Orange County, which operates 13 licensed Level II Neonatal Intensive Care Unit beds that are physically located on the same floor as the obstetrics unit on the St. Joseph Hospital campus. Both St. Jude Medical Center and St. Joseph Hospital are important providers of neonatal intensive care services.

## ***Pediatric Services***

In 2011, St. Jude Medical Center and Children’s Hospital of Orange County formed a strategic alliance to support the regionalization of pediatric care, and to ensure that community children have access to the comprehensive, specialized expertise provided by Children’s Hospital of Orange County. Children’s Hospital of Orange County plays a critical role in the community by serving as the regional hub for tertiary and quaternary pediatric care in Orange County. Because of the reduced need for pediatric inpatient services at St. Jude Medical Center, on October 1, 2011, St. Jude Medical Center closed its 12-bed pediatric unit. St. Jude Medical Center continues to provide pediatric emergency care, outpatient services, and outpatient surgery. However, pediatric patients younger than 16 years of age requiring hospitalization are transferred to Children’s Hospital Orange County.

In 2008, Children’s Hospital of Orange County terminated a 50-year relationship with St. Joseph Hospital for the provision of ancillary pediatric services, except for pediatric imaging, pediatric emergency care, and pediatric kidney dialysis services. During the five-year termination period, Children’s Hospital of Orange County built a new ancillary services tower on their campus, which opened on April 1, 2013. St. Joseph Hospital continues to provide pediatric emergency care; however, pediatric patients younger than 16 years of age requiring hospitalization are transferred to Children’s Hospital of Orange County. In FY 2014, Children’s Hospital of Orange County’s emergency department operated at 112% capacity. Continuing to offer selected pediatric services at St. Joseph Hospital is important to meet the needs of the surrounding community.

## ***Behavioral Health Psychiatric Services***

St. Joseph Hospital is a critical provider of inpatient and outpatient mental health services to area residents. In FY 2014, St. Joseph Hospital operated 37 inpatient psychiatric beds, and it reported an occupancy rate of 74%. St. Joseph Hospital provided 16% of the total acute psychiatric beds available in the service area, and it was one of only six area hospitals offering inpatient behavioral health psychiatric services. In FY 2014, none of the hospitals that offer inpatient behavioral health psychiatric services operated at less than 66% occupancy.

There is a shortage of area beds designated for psychiatric and behavioral health services. Thus, St. Joseph Hospital is an important provider of these services for residents within both the service area and Orange County. St. Joseph Hospital has plans to expand the number of psychiatric beds available in the near future with construction estimated to begin in FY 2017.

A reduction in the number of licensed acute psychiatric beds available at St. Joseph Hospital, or any reduction in the provision of these services currently provided through St. Joseph Hospital’s emergency department, such as designation as a County Lanterman-Petris-Short (LPS) 24-hour facility, would cause a disruption in the provision of these services for the community.

Section 5150 is a section of the California Welfare and Institutions Code, and in particular, the Lanterman–Petris–Short Act, which authorizes a qualified officer or clinician to involuntarily confine a person suspected to have a mental disorder that makes him or her a danger to him- or herself, a danger to others, and/or gravely disabled. It is very important that St. Joseph Hospital maintains the number of psychiatric beds at current licensure and continues the same type and/or level of these services, in order to ensure access for residents both within the service area and Orange County.

Due to the severe shortage of available psychiatric beds in the community and in Orange County, it is important that St. Joseph Hospital maintains the number of psychiatric beds at current licensure and continues the same type and/or level of these services in order to ensure access for residents both within the service area and Orange County.

### ***Rehabilitation Services***

In FY 2014, St. Jude Medical Center was the sole provider of inpatient rehabilitation services in the service area with 30 licensed rehabilitation beds operating at a relatively high occupancy rate of approximately 71%. St. Jude Medical Center is an important provider of these services especially considering that the inpatient rehabilitation beds have an average daily census of 21 patients per day.

### ***Kidney Dialysis and Kidney Transplant Services***

In 2015, St. Joseph Hospital operated six licensed kidney transplant beds. It serves as an important resource for supporting the need for kidney dialysis and kidney transplant services. Within the service area, the University of California, Irvine Medical Center also provides inpatient kidney dialysis services and 20 outpatient dialysis treatment stations. Maintaining kidney dialysis and kidney transplant services at St. Joseph Hospital is important to ensure the accessibility and availability of kidney transplant services in 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 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. St. Jude Medical Center and St. Joseph Hospital are both located within the Diocese of Orange.

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. While 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.

St. Jude Medical Center and St. Joseph Hospital 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. Low rates of prenatal care can increase instances of stillborn delivery, miscarriage, and fetal abnormalities.

Below is a table showing instances where St. Jude Medical Center and St. Joseph Hospital recorded reproductive-related procedures that were in accordance with the Ethical and Religious Directives in 2014.

REPRODUCTIVE HEALTH SERVICES BY DIAGNOSTIC RELATED GROUP				
Diagnostic Related Group	St. Jude Medical Center	St. Joseph Hospital of Orange	Providence Health & Services	St. Joseph Health System
778-Threatened Abortion	18	37	183	239
779-Abortion w/o D&C	5	4	33	48
777-Ectopic Pregnancy	3	3	81	49
767-Vaginal Delivery w Sterilization &/or D&C	1	14	31	69
770-Abortion w D&C, Aspiration Curettage or Hysterectomy	3	7	61	32
<b>Total 2014 Discharges:</b>	<b>30</b>	<b>65</b>	<b>389</b>	<b>437</b>

Source: OSHPD 2014

Women’s reproductive services are available at other area providers, including, but not limited to, Planned Parenthood, FPA Women’s Health, Her Choice Women’s Clinic, Orange County Abortion Clinic, AHMC Anaheim Regional Medical Center, Anaheim Global Medical Center, Placentia Linda Hospital, Kaiser Foundation Hospitals-Anaheim, University of California, Irvine Medical Center, Chapman Global Medical Center, Garden Grove Hospital Medical Center, Orange County Global Medical Center, South Coast Global Medical Center, Fountain Valley Regional Medical Center, Orange Coast Memorial Medical Center, and West Anaheim Medical Center.

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***

In FY 2014, approximately 60% of St. Jude Medical Center's inpatient discharges were reimbursed through Medicare (49%) and Medi-Cal (11%), with an additional 2% of inpatient discharges classified as indigent. St. Jude Medical Center currently participates in the Medicare program and the Medi-Cal managed care program, and it also maintains managed care contracts for these types of patients.

In addition, in FY 2014, approximately 59% of St. Joseph Hospital's inpatient discharges were reimbursed through Medicare (38%) and Medi-Cal (21%) with an additional 2% classified as indigent. St. Joseph Hospital currently participates in both the Medicare program and the Medi-Cal managed care program, and it also maintains managed care contracts for these types of patients.

The Health System Combination Agreement includes a commitment to keep St. Jude Medical Center and St. Joseph Hospital'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 St. Jude Medical Center's emergency department, St. Jude Medical Center and St. Joseph Hospital must maintain their participation in both programs, and maintain their managed care contractual agreements with payers. Providence St. Joseph Health has made a five-year commitment for St. Jude Medical Center and St. Joseph Hospital 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 St. Jude Medical Center and St. Joseph Hospital 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, thus negatively impacting 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 St. Jude Medical Center and St. Joseph Hospital for healthcare services. St. Jude Medical Center provides a lower percentage of charity care and bad debt than the statewide average (2.5% of gross patient revenue, as compared to 2.7% for the State of California). Over the last five years, St. Jude Medical Center has historically provided a significant amount of charity care costs, averaging approximately \$7.4 million per year.

St. Joseph Hospital provides a lower percentage of charity care and bad debt than the statewide average (1.6% of gross patient revenue, as compared to 2.7% for the State of



California). St. Joseph Hospital has historically provided a significant amount of charity care costs, averaging approximately \$9.2 million per year over the last five years.

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 both facilities. Effects on Community Benefit Programs

St. Jude Medical Center and St. Joseph Hospital 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 St. Jude Medical Center and St. Joseph Hospital to maintain expenditures for community benefit services for a period of five years, based on the average expenditure for the years FY 2011-2014. This equates to a commitment of no less than \$7.4 million per year for St. Jude Medical Center and a commitment of no less than \$8.1 million per year for St. Joseph Hospital. However, the five-year average (FY 2011-2015) was \$6.2 million per year at St. Jude Medical Center and \$7.2 million at St. Joseph Hospital.

Community benefit programs at St. Jude Medical Center include the St. Jude Neighborhood Center, Eat Healthy Initiative, Community Care Navigation, St. Jude Brain Injury Network, and the Transportation Program. The Health System Combination Agreement includes a commitment to maintain the St. Jude Neighborhood Health Center, the North Orange County Move More Eat Healthy Initiative, Community Care Navigation, and Senior Transportation Services for a period of five years.

The Health System Combination Agreement also includes a commitment for St. Joseph Hospital to continue operating the following community benefit programs for a period of five years: La Amistad de San Jose Family Health Center, Puente a la Salud Mobile Community Clinics, Imaging and Lab Services, and Pharmacy Meds Program.

### ***Effects on County Contracts***

St. Jude Medical Center has a number of contracts with the County of Orange to provide and support specific services. St. Joseph Hospital also has a number of contracts with Orange County to provide and support specific services. According to the Health System Combination Agreement, these contracts must be maintained for a period of five 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 St. Jude Medical Center and St. Joseph Hospital 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.

While there has been a concentrated unionization effort in the Southern California region, all who were interviewed expressed the importance of the employee's right to choose and the importance of having factual information in order to make informed decisions.

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. Consistent with past business practices, it is also expected that the number of patient care employees could change with fluctuations in patient volumes.

### ***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 either facility's 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:

#### **St. Jude Medical Center**

1. For at least ten years from closing, St. Jude Medical Center shall continue to operate as a general acute care hospital;
2. For at least five years from closing, St. Jude 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 36 emergency treatment stations; and
  - b. Designation as a Paramedic Base Station.
3. For at least five years, St. Jude Medical Center shall retain the following 501(c)(3) Federally Qualified Health Clinics with the same number of physician and clinical provider full-time equivalents in the same or similar alignment structures:
  - a. St. Jude Neighborhood Center, located at 731 S Highland Avenue in Fullerton;
  - b. La Amistad Family Health Center, located 353 S Main Street in Orange; and
  - c. Puente a la Salud Mobile Community Clinics.
4. For at least five years from closing, St. Jude Medical Center shall maintain the following services at current licensure, types, and/or levels of services:
  - a. Cardiology services, including a minimum of 6 cardiac catheterization labs and the designation as a STEMI Receiving Center;
  - b. Critical care services, including a minimum of 52 intensive care beds;
  - c. Neuroscience services, including certification as a Comprehensive Stroke Center;
  - d. Obstetric services, including a minimum of 33 obstetrics beds;
  - e. Neonatal intensive care services, including a minimum of 14 neonatal intensive care beds, and at a minimum, maintaining a Level III Neonatal Intensive Care Unit; and
  - f. Rehabilitation services, including a minimum of 30 physical rehabilitation beds.

5. For at least five years from closing, St. Jude Medical Center shall maintain the following services as committed to in Exhibit 8.13 of the Health System Combination Agreement:
  - a. Anesthesia services;
  - b. Cancer care services;
  - c. Gastroenterology services;
  - d. Imaging/radiology services;
  - e. Interventional radiology services;
  - f. Laboratory services;
  - g. Palliative care services;
  - h. Pathology services;
  - i. Senior services;
  - j. Speech therapy services;
  - k. Surgical services;
  - l. Wellness and fitness services;
  - m. Women's services; and
  - n. Wound care services.
  
6. For at least five years from closing, St. Jude Medical Center shall maintain a charity care policy that is no less favorable than the current charity care policy and in compliance with California and Federal law, and St. Jude Medical Center shall provide an annual amount of Charity Care equal to or greater than \$7,401,427 (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 St. Jude Medical Center in connection with the operations and provision of services at St. Jude 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, St. Jude Medical Center shall continue to expend an average of no less than \$6,178,843 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 and services shall continue to be offered:
  - a. Family Caregiver Support Program;
  - b. Healthy Communities;
  - c. St. Jude Neighborhood Health Centers;
  - d. North Orange County Move More Eat Healthy Initiative;
  - e. Community Care Navigation; and

- f. Transportation Program.
8. For at least five years from closing, St. Jude Medical Center shall maintain its participation in the Medi-Cal managed care program through its contract with CalOptima or its successor, 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.
  9. For at least five years from closing, St. Jude 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 five years from closing, St. Jude Medical Center shall maintain its current contracts with the County of Orange, including the following:
    - a. Caregiver Resource Center;
    - b. Indigent and trauma care;
    - c. Designated emergency department services;
    - d. MSN-Medical Safety Net; and
    - e. Paternity Opportunity Program.
  11. For at least five years from closing, St. Jude Medical Center shall maintain its current contract with the Children & Families Commission, including Early Childhood Development;
  12. Providence St. Joseph Health and St. Jude Medical Center shall commit the necessary investments required to maintain OSHPD seismic compliance requirements at St. Jude 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 St. Jude Medical Center shall complete any capital projects for equipment or improvements as committed to in the Health System Combination Agreement.

## St. Joseph Hospital

1. For at least ten years from closing, St. Joseph Hospital shall continue to operate as a general acute care hospital;
2. For at least five years from closing, St. Joseph Hospital shall maintain 24-hour emergency services at no less than current licensure and designation with the same types and/or levels of services, including a the following:
  - a. A minimum of 53 emergency treatment stations; and
  - b. Designation as a County LPS 24-Hour Facility, as defined by the California Welfare and Institutions Code, Section 5150, for behavioral health patients under involuntary evaluation.
3. For at least five years from closing, St. Joseph Hospital shall continue to provide financial support for the following 501(c)(3) Federally Qualified Health Clinics with the same number of physician and clinical provider full-time equivalents in the same or similar alignment structures:
  - a. La Amistad Family Health Center, located at 353 S Main Street in Orange; and
  - b. Puente a la Salud Mobile Community Clinics.
4. For at least five years from closing, St. Joseph Hospital shall maintain the following services at current licensure, types, and/or levels of services:
  - a. Cardiology services, including a minimum of 4 cardiac catheterization labs and the designation as a STEMI Receiving Center;
  - b. Critical care services, including a minimum of 34 intensive care/coronary care beds;
  - c. Inpatient and outpatient behavioral health services, including a minimum of 37 psychiatric acute care beds;
  - d. Nephrology services, including a minimum of 6 renal transplant beds and kidney transplant program services;
  - e. Neuroscience services, including certification as a Primary Stroke Center;
  - f. Obstetrics services, including a minimum of 70 obstetrics beds; and
  - g. Pediatric services.
5. For at least five years from closing, St. Joseph Hospital shall continue its contractual relationship with Children’s Hospital of Orange County for neonatal intensive care services;
6. For at least five years from closing, St. Joseph Hospital shall maintain the following services as committed to in Exhibit 8.13 of the Health System Combination Agreement:

- a. Anesthesia services;
  - b. Bariatric surgery services;
  - c. Cancer care services;
  - d. Gastroenterology services;
  - e. Imaging/radiology services;
  - f. Interventional radiology services;
  - g. Kidney dialysis center services;
  - h. Laboratory services;
  - i. Obstetrics services;
  - j. Ophthalmology services;
  - k. Orthopedics services;
  - l. Palliative care services;
  - m. Rehabilitation services;
  - n. Surgical services;
  - o. Urology services;
  - p. Women’s services; and
  - q. Wound care services.
14. For at least five years from closing, St. Joseph Hospital shall maintain a charity care policy that is no less favorable than the current charity care policy and in compliance with California and Federal law, and St. Joseph Hospital shall provide an annual amount of Charity Care equal to or greater than \$9,243,620 (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 St. Joseph Hospital in connection with the operations and provision of services at St. Joseph Hospital. 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;
15. For at least five years from closing, St. Joseph Hospital shall continue to expend an average of no less than \$7,223,852 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 and services shall continue to be offered on an ongoing basis:
- a. Home Health Program;
  - b. La Amistad Dental Clinic;
  - c. La Amistad Medical Clinic;
  - d. Mother Baby Assessment Center;
  - e. Puente a la Salud Mobile Clinics;



- f. Imaging and lab services; and
  - g. Pharmacy and Meds Program.
7. For at least five years from closing, St. Joseph Hospital shall maintain its participation in the Medi-Cal managed care program through its contract with CalOptima or its successor, 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;
  8. For at least five years from closing, St. Joseph Hospital 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, St. Joseph Hospital shall maintain its current county contracts with the County of Orange, including the following:
    - a. Indigent and trauma care;
    - b. Designated emergency department services; and
    - c. Medical Safety Net.
  10. Providence St. Joseph Health and St. Joseph Hospital shall commit the necessary investments required to maintain OSHPD seismic compliance requirements at St. Joseph Hospital 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 St. Joseph Hospital shall complete any capital projects for equipment or improvements as committed to in the Health System Combination Agreement.

## APPENDIX

### List of Interviewees

Last Name	First Name	Position	Affiliation
Abdelkarim, MD	Riad	Chief Medical Officer	St. Jude Medical Center
Afable, MD	Rick	EVP, Southern California / President & CEO, St. Joseph Hoag Health	St. Joseph Health System
Bahn	MaryLou	Registered Nurse	California Nurses Association
Beck, MD	Larry	Past Chief of Staff & Interim Chief Medical Officer	St. Joseph Hospital of Orange
Bonnot	Joanne	Director, Surgical Services	St. Jude Medical Center
Boyd, MD	Brian	Secretary/Treasurer, Medical Staff	St. Joseph Hospital of Orange
Brown	Tim	Assistant Director, Community Clinics	St. Jude Medical Center
Buchanan, MD	Dennis	Physician, OB/GYN	St. Jude Medical Center
Bustamante-Pixa	Cecilia	Director, Community Services	St. Joseph Hospital of Orange
Butler	Mike	President & Chief Operating Officer	Providence Health & Services
Cannizzaro	Karen	Vice President, Support Services	St. Jude Medical Center
Carpenter, MD	Michelle	Chief of Staff, Medical Staff	St. Joseph Hospital of Orange
Carrier	Karl	Interim Chief Executive Officer	Providence Health & Services, Southern California
Copping	Dru Ann	Vice President, Public Affairs & Marketing	St. Jude Medical Center
Dadjou	Shahab	Chief Strategy Officer	Children's Hospital of Orange County
Eason, MD	Lanny	Chief Medical Officer	Providence Health & Services, Southern California
Ehrlich, MD	Lawrence	Immediate Past Chief of Staff, Medical Staff	St. Joseph Hospital of Orange
Escasa-Haigh	Jo Ann	Chief Financial Officer	St. Joseph Health System
Ester	Lesley	Registered Nurse	California Nurses Association
Farid, MD	Hamed	Physician, Neurointerventional Radiology	St. Jude Medical Center
Fee, MD	Janis	Physician, OB/GYN	St. Joseph Hospital of Orange
Forrester	Shawn	Vice President, Provider Solutions	Anthem Blue Cross of California
Frey	Teresa	Vice President, Clinical Excellence	St. Jude Medical Center
Genova	Michelle	Interim Director, Women's Services	St. Joseph Hospital of Orange
Gideon	Troy	Director, Emergency Department	St. Jude Medical Center
Gorski	Judi	Vice Chair, Board	St. Joseph Hospital of Orange
Gradney	Sheryl	Base Hospital Coordinator, Emergency Medical Services	St. Jude Medical Center
Gray	Sr. Katherine	Chair	St. Joseph Health Ministry
Greco, MD	Timothy	Medical Director, Emergency Department	St. Jude Medical Center
Greth	Michael	Manager, Orthopedics	St. Jude Medical Center
Hall	Jennifer	Executive Director, Cardiovascular Services	St. Joseph Hospital of Orange
Helleland	Brian	Executive Vice President & Chief Operating Officer	St. Jude Medical Center
Hernandez	Dawn	Director, Maternal Newborn Services	St. Jude Medical Center
Hernandez	Mike	Board Chair, Foundation	St. Jude Medical Center
Hockett	Pam	Executive Director, Cancer Center	St. Joseph Hospital of Orange
Igram	Rick	Senior Vice President, Network Development & Contracting	St. Joseph Health System
Jablonski	Mark	Vice President, Mission Integration	St. Jude Medical Center
Jones	Marty	Director, Quality and Risk	St. Joseph Hospital of Orange
Jurecki	Sr. Nancy	Director, Mission Leadership & Spiritual Care	Providence Health & Services, Southern California
Khajavi, MD	Kevin	Physician, Orthopedics	St. Jude Medical Center
Khurana	Prub (P.K.)	Chief Strategic Services Officer	Providence Health & Services, Southern California
Kim	Julie	Director, Cardiovascular	St. Jude Medical Center
Leahy	Mary	Vice President, Human Resources	St. Joseph Hospital of Orange
Liberatore	Kristi	Chief Financial Officer	St. Joseph Hospital of Orange
Loats	Tom	Director, Behavioral Health	St. Joseph Hospital of Orange
MacCarthy, MD	John	Physician, Anesthesiology	St. Jude Medical Center
Manemann	Kevin	Chief Executive Officer	St. Joseph Heritage Healthcare
Martinez	Sandy	Manager, Emergency Department	St. Jude Medical Center
Mast	Dave	Chief Integration Officer, Shared Services	Providence Health & Services, Southern California
McCoy, MD	Robert	Physician, General Surgery	St. Jude Medical Center
McNair	Karen	Registered Nurse	California Nurses Association
Meyer	Chris	Board Member	St. Jude Medical Center
Mohr	Steven	Vice President, Finance & Operations	Providence Health & Services, Southern California
Montalvo	Darrin	President, Integrated Services	St. Joseph Health System
Moreau	Steve	Chief Executive Officer	St. Joseph Hospital of Orange
Murphy	Kevin	Vice President, Theology & Ethics	St. Joseph Health System
Noce	Bill	Chair, Board of Trustees	St. Joseph Health System
Padilla	Beth	Executive Director, Revenue Cycle Services	St. Joseph Hospital of Orange
Papouchian	Arminé	Vice President, Contracting Relations & Analytics	Blue Shield
Park, MD	David	Physician, Oncology	St. Jude Medical Center
Parrett	Chanda	Vice President, Foundation	St. Joseph Hospital of Orange

Last Name	First Name	Position	Affiliation
Pavic-Zabinski	Karen	Regional Director, Ethics	Providence Health & Services, Southern California
Peled, MD	Harry	Physician, Cardiology	St. Jude Medical Center
Penrose	Lee	President & Chief Executive Officer	St. Jude Medical Center
Phipps	Christine	Director, Surgical Services	St. Joseph Hospital of Orange
Pierog, MD	James	Medical Director, Emergency Services	St. Joseph Hospital of Orange
Pihl	Steve	Chair, Foundation	St. Joseph Hospital of Orange
Ponce	Alicia	Regional Director, Network Management	SCAN Health Plan
Powell	Lea	Director, Oncology	St. Jude Medical Center
Proctor	Deborah	President & Chief Executive Officer	St. Joseph Health System
Ramirez, MD	Alex	Medical Director, Surgical Services	St. Joseph Hospital of Orange
Ramos	Laura	Chief Nursing Officer & Administrator, Emergency Department	St. Jude Medical Center
Raup	Glen	Executive Director, Emergency Services	St. Joseph Hospital of Orange
Rooney	Chuck	Board Chair	St. Jude Medical Center
Ross	Barry	Vice President, Healthy Communities	St. Jude Medical Center
Saddiq, MD	Kaliq	Regional Medical Director	St. Joseph Heritage Healthcare
Salvador	Ed	Chief Financial Officer	St. Jude Medical Center
Sanchez	Javier	Chief Network Officer	CalOptima
Sanders	Lois	Registered Nurse, Wound Care	St. Mary Medical Center
Schiele	Julie	Registered Nurse, Neonatal Intensive Care Unit	St. Mary Medical Center
Schubert	Sr. Marian	Executive Vice President, Mission Integration	St. Joseph Health System
Selden	Ian	Registered Nurse	California Nurses Association
Siebert	Greg	Senior Vice President, Network Management	UnitedHealthcare
Simon	Linda	Vice President, Mission Integration	St. Joseph Hospital of Orange
Skelton	Katie	Chief Nursing Officer	St. Joseph Hospital of Orange
Sloggett-O'Dell	Stephanie	Vice President, Labor & Employee Relations	St. Joseph Health System
Smethurst, MD	Peter	Physician, Critical Care	St. Joseph Hospital of Orange
Smith	Susan	Vice President, Philanthropy	St. Jude Medical Center
Stahl	Pam	Chief Human Resources Officer	Providence Health & Services, Southern California
Stanislaw	Sherry	Senior Vice President & General Manager	SCAN Health Plan
Stuebe	Michelle	Registered Nurse	St. Mary Medical Center
Sweeney	Kerry	Registered Nurse	California Nurses Association
Tangredi	John	Chair, Board	St. Joseph Hospital of Orange
Treanor	Joline	Senior Vice President, Human Resources	St. Joseph Health System
Vandervest	Roger	Director, Mission Services	St. Jude Medical Center
Wagman, MD	Lawrence	Medical Director, Cancer Center	St. Joseph Hospital of Orange
Walker	Annette	Executive Vice President, Strategic Services / Newly Appointed President	St. Joseph Health System
Zoch	Jeremy	Chief Operating Officer	St. Joseph Hospital of Orange
Other Anonymous Nurses		Registered Nurses	St. Joseph Health System Hospitals

**Hospital Licenses**

**St. Jude Medical Center**

License: 060000173  
Effective: 04/01/2016  
Expires: 03/31/2016  
Licensed Capacity: 351

**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*

**St. Jude Hospital**

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

**St. Jude Medical Center**

101 E Valencia Mesa Dr  
Fullerton, CA 92835-3809

**Bed Classifications/Services**

351 General Acute Care  
52 Intensive Care  
33 Perinatal  
30 Rehabilitation  
14 Intensive Care Newborn Nursery  
222 Unspecified General Acute Care

**Other Approved Services**

Basic Emergency Medical  
Cardiovascular Surgery  
Nuclear Medicine  
Occupational Therapy  
Outpatient Services at 1835 Sunnycrest Dr., Fullerton  
Outpatient Services at Cardiac Rehab Center/Cong. Heart Failure Clinic, 100 E. Valencia Mesa Drive, Suite 200, Fullerton  
Outpatient Services at Knott Family Endoscopy, 1839 Sunnycrest Dr., Fullerton  
Outpatient Services at St. Jude Centers for Rehabilitation and Wellness, 2767 E. Imperial Hwy., Brea  
Outpatient Services at St. Jude Imaging Center, 4300 Rose Drive, Suite B, Yorba Linda  
Outpatient Services - Breast Center at 2141 N. Harbor Blvd., 2nd Floor, Fullerton  
Outpatient Services - Breast Center at 2151 N. Harbor Blvd., Suite 2100, Fullerton  
Outpatient Services - Imaging Center at 2151 N. Harbor Blvd., #1400, Fullerton  
Outpatient Services - Imaging Services at 2141 N. Harbor Blvd., #16000, Fullerton  
Outpatient Services - Radiation Therapy at 2151 N. Harbor Blvd., Suite 1500, Fullerton

(Additional Information Listed on License Addendum)

Refer Complaints regarding these facilities to: The California Department of Public Health, Licensing and Certification, Orange County District Office, 681 S Parker St, Ste 200, Orange, CA 92868, (714) 567-2906

POST IN A PROMINENT PLACE

**State of California  
Department of Public Health  
License Addendum**

License: 060000173  
Effective: 04/01/2015  
Expires: 03/31/2016  
Licensed Capacity: 351

**St. Jude Medical Center (Continued)**  
101 E. Valencia Mesa Dr  
Fullerton, CA 92835-3809

**Other Approved Services (cont'd)**

Outpatient Services - St. Jude Plaza Surgery  
Center at 2141 N. Harbor Blvd., 4th Floor,  
Fullerton  
Outpatient Services - Wound Care Clinic  
Physical Therapy  
Respiratory Care Services  
Social Services  
Speech Pathology

**Approved Other Certifiable Parts**

Prospective Payment System - Rehabilitation Unit

ST. JUDE MEDICAL CENTER  
101 E. Valencia Mesa Dr  
Fullerton, CA 92835-3809

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

Michael Wilkening

Acting Director

Hang Nguyen

Hang Nguyen, RN, MSN, District Manager

Refer Complaints regarding these facilities to: The California Department of Public Health, Licensing and Certification,  
Orange County District Office, 681 S Parker St, Ste 200, Orange, CA 92868, (714) 567-2905

POST IN A PROMINENT PLACE



**St. Joseph Hospital of Orange**

License: 060000172  
Effective: 01/01/2016  
Expires: 12/31/2016  
Licensed Capacity: 463

**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*

**St. Joseph Hospital Of Orange**

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

**St. Joseph Hospital**

1100 W Stewart Dr  
Orange, CA 92868-3849

**Bed Classifications/Services**

- 426 General Acute Care
- 89 Perinatal
- 32 Intensive Care
- 20 Coronary Care
- 6 Renal Transplant
- 279 Unspecified General Acute Care
- 37 Acute Psychiatric (D/P)

**Other Approved Services**

- Basic Emergency Medical
- Cardiac Catheterization Laboratory Services
- Cardiovascular Surgery
- Chronic Dialysis
- Nuclear Medicine
- Outpatient Service - Outpatient Clinic - Behavioral Health Clinic at Sister Elizabeth Building, 1300 W Palmyra, 2nd Floor, Orange
- Outpatient Service - Outpatient Clinic - Breast Care Clinic at Comprehensive Breast Care, 1010 W La Veta, Suite 400, Orange
- Outpatient Service - Outpatient Clinic - Cardiac Rehabilitation Clinic at 1140 W La Veta , 1st Floor, Orange
- Outpatient Service - Outpatient Clinic - Cardiac Rehabilitation Clinic at Heart & Vascular Wellness Prev, 1120 W La Veta , Suite 150, Orange
- Outpatient Service - Outpatient Clinic - Chronic Dialysis Clinic at Sister Elizabeth Building, 1300 W Palmyra, 1st Floor, Orange
- Outpatient Service - Outpatient Clinic - Endoscopy Clinic at 1140 W La Veta, 2nd Floor, Orange
- Outpatient Service - Outpatient Clinic - General Lab at 1140 W La Veta , 1st Floor, Orange

**(Additional Information Listed on License Addendum)**

Refer Complaints regarding these facilities to: The California Department of Public Health, Licensing and Certification, Orange County District Office, 681 S Parker St, Ste 200, Orange, CA 92868, (714) 567-2906

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**State of California**  
**Department of Public Health**  
**License Addendum**

License: 060000172  
Effective: 01/01/2016  
Expires: 12/31/2016  
Licensed Capacity: 463

**St. Joseph Hospital (Continued)**  
**1100 W Stewart Dr**  
**Orange, CA 92868-3849**

**Other Approved Services (cont'd)**

- Outpatient Service - Outpatient Clinic -  
Hyperbaric Oxygen Therapy (HBO) Clinic at  
Wound Management Center, 1140 W La  
Veta, 1st Floor, Orange
- Outpatient Service - Outpatient Clinic - Infusion  
Clinic at The Cancer Center, 1000 W La  
Veta, Level Two, Orange
- Outpatient Service - Outpatient Clinic -  
Lithotripsy Clinic at 1140 W La Veta, 3rd  
Floor, Orange
- Outpatient Service - Outpatient Clinic -  
Maternal Fetal Care Clinic at Maternal Fetal  
Testing, 1140 W La Veta, Suite 805, Orange
- Outpatient Service - Outpatient Clinic -  
Multispecialty Clinic at The Cancer Center,  
1000 W La Veta, Level One, Orange
- Outpatient Service - Outpatient Clinic -  
Radiation Therapy Clinic at The Cancer  
Center, 1000 W La Veta, Lower Level,  
Orange
- Outpatient Service - Outpatient Clinic -  
Radiology or Imaging Clinic at 1140 W La  
Veta, 2nd Floor, Orange
- Outpatient Service - Outpatient Clinic -  
Radiology or Imaging Clinic at The Cancer  
Center, 1000 W La Veta, Lower Level,  
Orange
- Outpatient Service - Outpatient Clinic -  
Rehabilitation Clinic – Physical,  
Occupational, or Speech Therapy at The  
Cancer Center, 1000 W La Veta, Lower  
Level, Orange
- Outpatient Service - Outpatient Clinic - Renal  
Transplant Clinic at Sister Elizabeth  
Building, 1300 W Palmyra, 2nd Floor,  
Orange

Refer Complaints regarding these facilities to: The California Department of Public Health, Licensing and Certification,  
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**St. Joseph Hospital (Continued)**  
1100 W Stewart Dr  
Orange, CA 92868-3849

**Other Approved Services (cont'd)**

Outpatient Service - Outpatient Clinic - Sleep  
Center at 1310 W Stewart Dr, Suite 203,  
Orange  
Outpatient Service - Outpatient Clinic - Sleep  
Center at Sister Elizabeth Building, 1300 W  
Palmyra, 2nd Floor, Orange  
Outpatient Service - Outpatient Clinic - Sleep  
Center at Sleep Disorder, 1310 W Stewart  
Dr, Suite 403, Orange  
Outpatient Service - Outpatient Clinic -  
Surgical Clinic - to Include Pre or Post Care  
at 1140 W La Veta, 3rd Floor, Orange  
Outpatient Service - Outpatient Clinic - Wound  
Care Clinic at Wound Management Center,  
1140 W La Veta, 1st Floor, Orange  
Physical Therapy  
Radiation Therapy  
Respiratory Care Services  
Social Services

**Approved Other Certifiable Parts**

End Stage Renal Disease  
30 - ST. JOSEPH HOSPITAL DIALYSIS CENTER SANTA ANA  
2212 E 4th St  
Suite 101  
Santa Ana, CA 92705-3871

End Stage Renal Disease  
38 - ST. JOSEPH HOSPITAL RENAL CENTER  
1100 W Stewart Dr  
Orange, CA 92868-3849

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

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- St. Joseph Hospital Renal Ctr., provider # 052368, 30 Adult and 8 Pediatric In-Center Hemodialysis stations which includes 1 isolation room; 3 Home Hemodialysis/Peritoneal Dialysis Training and Support Rooms.
- St. Joseph Hospital Dialysis Ctr. Santa Ana, provider # 053527, 30 In-Center Hemodialysis Stations which includes 1 isolation room.



*Karen L. Smith, MD, MPH*

Director and State Public Health Officer

Hang Nguyen, RN, MSN, District Manager

Refer Complaints regarding these facilities to: The California Department of Public Health, Licensing and Certification,  
Orange County District Office, 681 S Parker St, Ste 200, Orange, CA 92868, (714) 567-2906

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