

# **2009-2010**

## ***Community Medical Centers' CEO Report to Fresno County***

Tim Joslin, CEO

Nov. 9, 2010

# Community-County Agreement

30-year contract, now nearing midpoint, requires CMC to:

- Construct burn/trauma facility for at least \$65 M. *(In fact, CMC invested 3 times that.)*
- Maintain ambulatory care access at 1996 levels. *(Beyond that, CMC this year occupied new, \$25 M Koligian center at downtown campus.)*
- Pay rent while at University Medical Center. *(CMC vacated facility July 1 and returned to County.)*
- Provide basic medical services to indigent (MISP) & inmates.

# **Medically Indigent Services Program**

**Last February, County expanded eligibility range – was \$509, now \$1,209. (In August, court ruled new range maybe still not enough.)**

**Impacts on CMC from new eligibility policy:**

- Nearly 12,200 patients in FY09 vs. 15,000 in FY10; 23% increase**
- Care cost in FY09 was \$54 M vs. \$71 M in FY10; 32% increase**
- Estimated loss in FY10 was \$51 M (the gap between \$19.7 M County payment and cost of care)**

# Providing Access to All

	2009-10	Prior Year
Inpatient admissions	50,904	49,113
Emergency Dept. visits	146,228	134,764
Outpatient visits	240,860	260,871
Trauma patients	2,866	2,700
Burn patients	685	897
Babies born	9,988	10,171
Total surgeries	27,336	27,047
Cardiac cath-lab procedures	28,058	22,899

# **Building**

## **CLOVIS EXPANSION: OUR “BIG OPERATION”**

- **New outpatient center opened in fall; 4 new ORs, expanded Radin Breast Center, dedicated endoscopy ctr.**
- **\$285 M “phase B” expansion; 100 more beds, all-private rooms; structural steel done; project on time, on budget**

## **DERAN KOLIGIAN AMBULATORY CARE CENTER**

- **March opening of 80,000-square-foot center**
- **\$25 M facility among state’s best for efficiency & privacy**

## **TERRY’S HOUSE**

- **Construction progressing rapidly**

# **News from Regional Med Center**

- **Three more MDs for Neuroscience. Joint Commission “Gold” certification for stroke (1<sup>st</sup> in central Cal).**
- **NICU Level III designation. Census sometimes over 60. (Have had to turn babies away.)**
- **Trauma Level 1 designation from American College of Surgeons. (An addition to state designation.)**
- **Blue Cross center of distinction for knee and hip replacement. Top 10% ranking by HealthGrades.**
- **Cardiac volumes up 30%. More than 500 cardiothoracic surgeries in 2009-10.**
- **Patient satisfaction and core-measure scores climbing.**

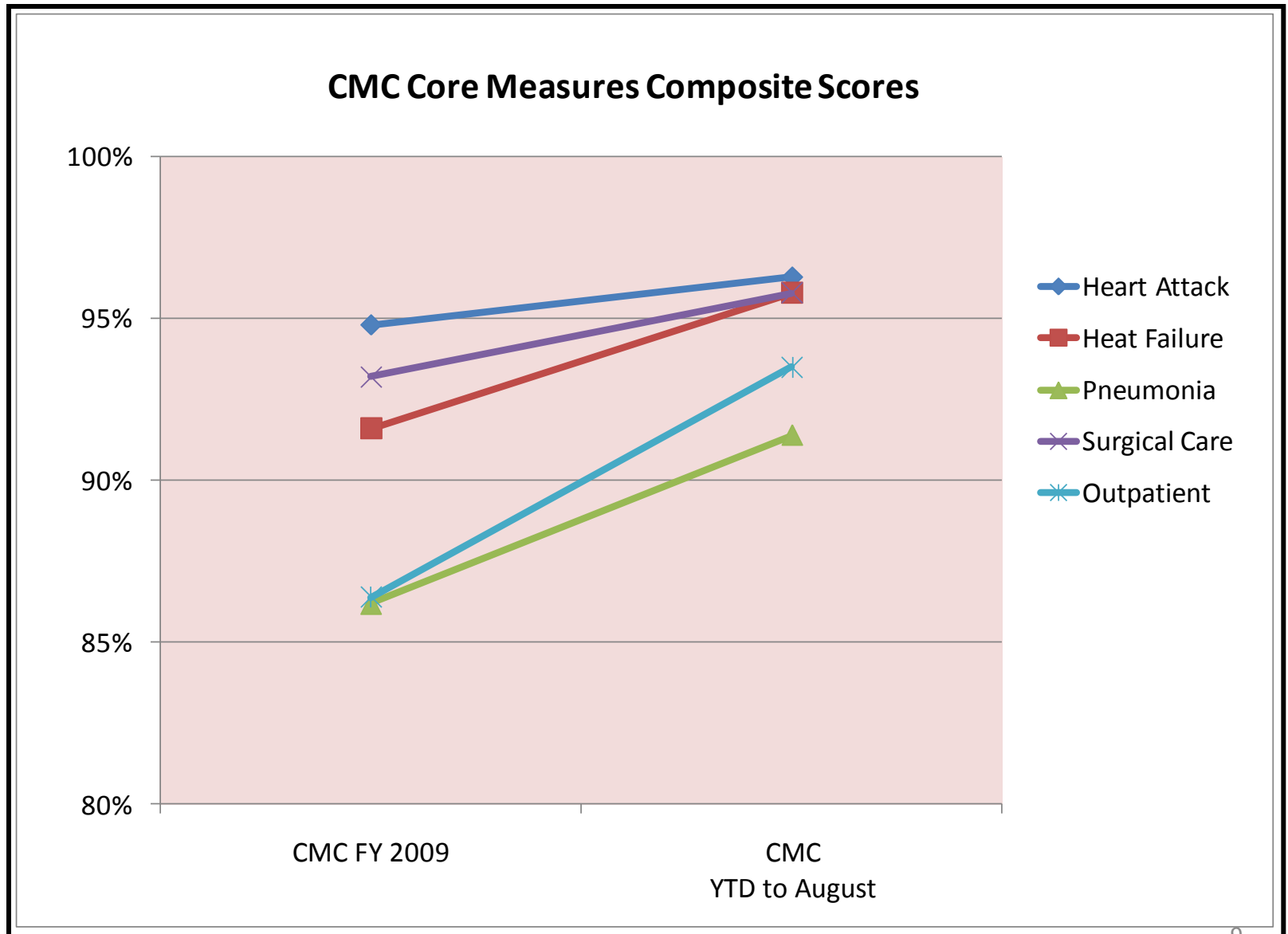
# News from Clovis Community

- **Cardiology** procedures up 26%; one of 6 Cal hospitals chosen for Percutaneous Coronary Intervention project.
- **Emergency** visits up 20% over prior year (to 34,000).
- State-of-art **Outpatient Center** expansion opened in Oct (surgery, Radin, endo). Record volumes in August.
- 600 **bariatric** surgeries; 50% rebound from prior year.
- Center-of-excellence standards for minimally invasive **women's procedures** adopted by med staff.
- **Core-measures** ratings in high 90s.
- Patient **satisfaction** rose from 67<sup>th</sup> to 84<sup>th</sup> percentile.

# News from Fresno Heart

- Designated **bariatric** Center of Excellence; ranked 5-star for outcomes and service for 2<sup>nd</sup> year by HealthGrades.
- Ranked 5-star for **carotid surgery** outcomes for 3<sup>rd</sup> year.
- Set facility **volume records** for new procedures and research projects.
- Outstanding **Patient Experience** Award for 3<sup>rd</sup> year by HealthGrades, ranking #1 in Calif.
- Ranked in top 1% of hospitals for both **patient and employee satisfaction**.

# Focus on Quality



# Upgrading Info Tech

- **\$75 million** info-system project ahead of 7-yr schedule.
- Initial Epic/Lawson phases went live Oct. & Jan.
- Ready for next phases – and health-reform mandates.
- Also upgraded:
  - **Wireless capability for smart infusion pumps**
  - **High-tech fetal monitoring**
  - **Surgical instrument management system**
  - **Home-care system**

# CMC Financial Condition

- Responding to tough financial months last winter, CMC executed \$40 M expense-reduction plan.
- \$10.3 M bottom line, pre-audit, vs. \$46 M prior year \*
- 90 days cash on hand vs. 74 days last year
- (.04%) “negative” operating margin vs. 4.04%\*
- .96% total margin vs. 4.36%\*
- \$174.2 M community benefits, pre-audit, vs. \$148.7M
  - *(without the onetime, \$17 M intergovernmental transfer)*

# **A Concerning Landscape**

- **State cuts DSH 10% -- a \$4 M hit to CMC.**
- **State reneges on prisoner-care pay -- \$8 M hit to CMC.**
- **State reneges on Medi-Cal rate hike – possible \$10 M to \$12 M hit to CMC.**
- **Congress passes health reform with DSH phase-out -- possible \$250 M hit to CMC over 10 years.**
- **Reform = more Medi-Cal, where CMC now paid only 68% of costs.**
- **Nationally, a third of hospitals operating in the red. Kingsburg Hospital closes; Sierra Kings files bankruptcy.**
- **Fresno County makes cuts in HIV services, sheriff's dept. and jail, thus sending more our way.**

# **Mental Health Challenge**

**Mental-health services specifically *not* included in CMC-County contract. Yet CMC increasingly being used. A critical part of this year's report.**

**(Presenters: Dawan Haubursin-Utecht and Dr. Gene Kallsen of CMC; Dr. Rick Winters of St. Agnes; and Lynne Ashbeck of the Hospital Council)**

- 1. County downsized services over last 3 years, sending more "5150" patients to our Emergency Departments.**
  - 2007, eliminated evaluation staff and Regional as designated receiving destination, sending 5150s to all hospitals in County that have EDs**
  - 2009, closed County crisis intervention center**

# **Mental Health Challenge**

- 2. CRMC 5150 volume: was 200, now 500 patients monthly**
  - Average length of stay 4 times higher than non-5150s at nearly 20 hours.**
- 3. CBHC volumes: 7-10 more patients per day since July 2009 closure of County crisis unit.**
- 4. Clovis volumes: Surpassed entire 2009 total in just 6 months of 2010.**

# **Mental Health Challenge**

- 5. EDs *not* designed for behavioral care issues.**
- 6. Some are unstable and violent.**
- 7. Safety/care of 5150 patients is compromised.**
- 8. Other patients, and staff, put at risk.**
- 9. Resources diverted from intended ED patients.**
- 10. Many 5150 cases not medical. Could have avoided ED if County had crisis stabilization unit.**
- 11. Not just a CMC issue – affects every hospital with an ED, law enforcement, EMS, social service agencies.**

# **Mental Health Challenge**

- 12. For example, St. Agnes Medical Center experiencing negative impacts also.**
- 13. Agreed: We're in deepening public safety threat for entire community.**
- 14. Agreed: We all want what's best for patients and residents of Fresno County.**
- 15. So, in addition to CMC, other hospitals and Hospital Council urge immediate next steps toward solution.**