



Keck Hospital of USC  
USC University Hospital

Annual Report and Plan for  
**COMMUNITY BENEFIT**

Fiscal Year 2011

**REVISED**

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## Letter from the CEO

Over the summer, we received news of an extraordinary \$150 million gift to the University from the W. M. Keck Foundation in support of our clinical enterprise. On November 1, we introduced the Keck Medical Center of USC – a new name in world-class medicine encompassing Keck Hospital of USC (formerly USC University Hospital), USC Norris Cancer Hospital and 500 renowned faculty physicians from the Keck School of Medicine of USC.

The Keck Medical Center of USC represents so much more than just a name. It's an identity, representative of our commitment to transforming the health of our community through the spark of scientific discovery and the healing power of compassion.

It has inspired a newfound sense of unity, integration and collaboration among the many dedicated, talented people who teach, research and care for our patients. It is symbolic of who we are: a trusted leader in quality health care, where faculty and staff work together as one toward innovative, compassionate care for those we serve. It represents our organization's greatest strength: the doctors, nurses and staff whose goal every day is to ensure an environment where our patients can best heal.

At the Keck Medical Center of USC, we thrive on a culture that puts the people we serve first. We are proud to offer a place where our patients can heal with comfort and ease.

At its core, this last year has truly been about reaching our goal of becoming *the* premier academic medical center in Los Angeles. The accounts in this report highlight that continued dedication of our physicians and staff to the health and well being of the entire community at large.

Sincerely,



Mitch Creem  
Chief Executive Officer  
Keck Hospital of USC  
USC Norris Cancer Hospital

## **Mission Statement**

The mission of USC University Hospital is to be a nationally respected provider of the highest quality, specialized acute inpatient and outpatient health care services and translational research in collaboration with the Keck School of Medicine of USC.

## **About USC University Hospital**

University of Southern California acquired USC University Hospital and USC Norris Cancer Hospital from Tenet Healthcare Corporation on April 1, 2009, USC University Hospital is a private, 411-bed acute care hospital staffed by the Doctors of USC, who are also faculty at the Keck School of Medicine of the University of Southern California.

Originally opened in 1991, USC University Hospital offers some of the most sophisticated technology available. Among the hospital's advanced services are neurointerventional radiology, minimally invasive cardiothoracic surgery, robotic surgery and interventional cardiology. Surgical specialties include organ transplantation and neurosurgery, as well as cardiothoracic, bariatric, esophageal, orthopedic, and plastic and reconstructive surgeries.

USC University Hospital is home to these specialized services:

- Heart, Lung and Vascular Services
- Weight Loss and Digestive Disorders
- Orthopedics and Sports Medicine
- Transplant Programs – specializes in the treatment areas of: bone marrow, heart, kidney, liver and lung transplant
- Neuroscience and neurosurgery
- Diabetes
- Cystic Fibrosis
- Head and Neck
- Ophthalmology

In addition to patient care, USC University Hospital is a site for clinical research, supporting patients participating in cutting edge clinical trials. USC University Hospital is also strongly committed to education. As a member of the USC family, it is a teaching hospital, training residents and fellows in graduate medical education. USC University Hospital is also a highly regarded clinical rotation site for local nursing and allied health programs.

For several years, USC University Hospital has placed among the best hospitals in the nation in the *U.S. News & World Report* magazine's rankings of "America's Best Hospitals."

## **Community Benefit Planning**

USC University Hospital continues to build its organizational governance and management structures and focus its programmatic efforts for community benefit. As noted, in April 2009 USC acquired University Hospital from Tenet Healthcare Corporation, marking a change from a for-profit to a nonprofit hospital. This change in tax exempt status required a deliberate concentration on providing community benefit.

In FY11, we accomplished the following initiatives in support of our community benefit plan:

- The Hospital further revised and updated its Fair Pricing Policy to bring it into compliance with State and Federal regulations.
- Continued to meet with Finance staff to ensure integration of the Fair Pricing Policy into Hospital billing and financial counseling processes.
- Hired staff for ongoing management of community benefit. Sevanne Sarkis joined USC University Hospital as Administrative Director of Patient Experience in April 2011. In this role, she has responsibility to implement community benefit programs.
- Subscribed to and installed Lyon software (CBISA community benefit tracking software). Staff received training on use of CBISA.
- Submitted the annual report to the Attorney General to comply with the conditions of sale for USC University Hospital/USC Norris Cancer Hospital.
- Worked with Hospital leaders to propose a strategy for community benefit oversight and governance. Prepared a policy for consideration by the Hospital governing board.
- Met with Marketing to discuss posting the Community Health Needs Assessment on the website as a strategy to make it available to the public.

## **Community Health Needs Assessment**

In 2010, USC University Hospital conducted a Community Health Needs Assessment as required by California law (SB 697). The recent passage of the Patient Protection and Affordable Care Act also requires tax exempt hospitals to conduct needs assessments and develop community benefit plans every three years. With the transition of Hospital ownership in 2009, this was USC University Hospital's initial community health needs assessment. This community health needs assessment was carried out in partnership with USC Norris Cancer Hospital.

USC University Hospital is located east of downtown Los Angeles on USC's Health Sciences Campus. The Hospital draws patients regionally from Southern California, with a primary service area of Los Angeles County, California.

### Methodology

The assessment incorporated components of primary data collection and secondary data analysis that focus on the health and social needs of the service area. Targeted interviews were used to gather information and opinions from persons who represented the broad interests of the community served by the Hospitals. For the interviews, community stakeholders, identified by the Hospitals, were contacted and asked to participate in the needs assessment. Thirty interviews were completed for the Community Health Needs Assessment from September - November, 2010. Secondary data were collected from a variety of county and state sources to present a community profile, birth and death characteristics, access to health care, chronic diseases, and social issues.

### Summary of Findings

This overview summarizes some of the significant findings drawn from the Community Health Needs Assessment.

### Community Profile

- ◆ The residents of the USC University Hospital services area are primarily Latino (48.3%) and White/Caucasian (27.7%). Asians comprise 13.3% of the population, and Blacks are 8.3% of the population.
- ◆ The area has high percentages of children, ages 0-9 (13.8%), youth, ages 10-14 (7.1%), and teens, 15-19 (8.3%).
- ◆ Spurred by the recent economic downturn, unemployment has more than doubled from 2000 to 2009.
- ◆ 17.9% of the population lives at or below the poverty level and 39.9% are at or below 200% of poverty.
- ◆ Less than half the population in L.A. County (49.7%) has more than a High School Education
- ◆ 54.1% of residents speak a language other than English in their homes; Spanish is spoken most frequently, among 37.9% of resident households.

### **Birth and Death Characteristics**

- ◆ Among pregnant women, 87.2% obtain prenatal care in the recommended first trimester.
- ◆ L.A. County has a high rate of low birth weight babies at 73.1 per 1,000 live births; the State rate is 68.3 per 1,000 live births.
- ◆ When adjusted for age, the USC University Hospital service area has a considerably higher death rate (774.8 per 100,000) than that of the State (650.1).
- ◆ Heart disease, cancer and stroke are the top three leading causes of death.
- ◆ When mortality rates are examined by race/ethnicity, Blacks have the highest rates of death (940 per 100,000 population).
- ◆ Among Hispanics, heart disease, diabetes and stroke are the leading causes of death.
- ◆ The top three causes of premature death (before age 75) in L.A. County are due to coronary heart disease, homicide and motor vehicle crashes.

### **Access to Health Care**

- ◆ In L.A. County, 22% of adults and 7% of children are uninsured.
- ◆ Adults experience a number of barriers to accessing care, including: the high cost of medical and dental care, no regular source of care (medical home), and linguistic isolation.

### **Chronic Disease**

- ◆ Area residents have high rates of blood cholesterol, diabetes and hypertension.
- ◆ 7.9% of children have been diagnosed with asthma.
- ◆ Rates of TB in the County have fallen almost 8% from 2006 to 2007.
- ◆ Seniors are not receiving flu shots and pneumonia vaccines at the recommended rates.

### **Social Issues**

- ◆ In L.A. County, 34.8% of adults are overweight and 22.6% are obese.
- ◆ Almost one-quarter (23.3%) of all children are considered obese.
- ◆ 47.6% of adults and 40.2% of children consume fast foods one or more times a week.
- ◆ Among area residents, 15.2% of youth and 36.2% of adults are sedentary and participate in minimal activity during the week.
- ◆ 14.3% of the population in the service area smoke; 16.2% have engaged in binge drinking.
- ◆ Over 8% of adults experienced mental illness/psychological distress last year.
- ◆ The number of homeless individuals has decreased over the last three years with a noticeable move from being unsheltered to sheltered.

### **Community Stakeholder Interview Findings**

- ◆ Health care access is a major concern aggravated by a worsening economy, loss of jobs and the subsequent lack of health insurance.
- ◆ There is a need for culturally-competent and linguistically appropriate care, made all the more difficult by the high level of diversity within the community.

- ◆ Fragmentation within the health care system leads to duplication of services or patients being bounced around among providers; no coordination of services, and a low level of communication between the various providers and agencies.
- ◆ There is a lack of information or knowledge among community residents regarding available health care options, criteria from program to program, and how to access the system.
- ◆ There is a high level of medical illiteracy and a need for basic health education.
- ◆ Chronic illness is increasing, particularly diabetes, heart disease and hypertension.
- ◆ There has been an increase in overweight or obesity, including the development of Type II Diabetes in children. The impact of obesity has resulted in an increase in related health problems, such as heart disease, hypertension, kidney disease, respiratory problems, joint problems, amputations, diabetes, depression, strokes and certain types of cancer.
- ◆ Contributing to the increase in obesity is the lack of access to safe areas to exercise and lack of access to, and education about, healthy food options.
- ◆ It is becoming harder to find doctors who take various types of insurance, particularly Medi-Cal and Medicaid, probably because of low reimbursement rates offered.
- ◆ The Hospital is encouraged to get involved in joint strategic planning; join in discussions around developing integrated delivery models, particularly around implementation of Health Care Reform.

## **Community Benefit Services Summary**

### **Community Health Improvement Services**

*Activities carried out to improve community health.*

#### **Community Health Education and Support Groups**

The community was served by a number of support groups that included: Caregiver Support Group, Abdominal Transplant Group, Abdominal Transplant Family Group, Cardio-Thoracic Support Group, and Cystic Fibrosis Support Group. All of support groups are open to the public, free of charge.

#### **Health Care Support Services**

Taxi vouchers were made available to patients and families for whom accessing transportation is a barrier to accessing care.

### **Health Professions Education**

*Educational programs for physicians and medical students, nurses and nursing students, and other health care professionals and students.*

#### **Graduate Medical Education**

USC University Hospital is a clinical setting for 899 Residents and Fellows from the USC Keck School of Medicine.

#### **Nursing Education**

Eighty-five nursing students from California State University, Los Angeles, Pasadena City College, North-West College, UCLA, East Los Angeles College, Mt. San Antonio College, and Azusa Pacific University were precepted during the academic year 2010/2011.

#### **Other Health Professions Education**

- Two Speech Therapists obtained a precepted internship at the facility
- Sixty-eight fourth year USC Pharmacy Clerkship students were assigned pharmacist preceptors.
- Twelve students in the Introductory Pharmacy Practice Experiences program were precepted.
- Fourteen radiology students obtained 1,400 hours of precepted training.
- Sixteen physical therapy students obtained precepted training.
- Fourteen surgical and instrument technicians obtained precepted training.
- Ninety students from the Bravo Medical Magnet High School participate in a job shadowing and mentoring program. Each semester, three classes of students spend 7.5 hours a week working with staff in a variety of roles and departments.
- Twelve local college students work with preceptors in the Urology Division.

## **Research**

*Clinical and community health research, and studies on health care delivery that are generalizable, shared with the public and funded by the government or a tax-exempt entity; does not include the costs of proprietary research.*

Clinical trials take place at the USC Health Sciences Campus. Administration and oversight are provided for all research studies that involve Hospital patients and facilities.

## **Cash and In-Kind Donations**

*Funds and in-kind services donated to community groups and other nonprofit organizations.*

Contributions to nonprofit community organizations and charity events were made to:

- **Camp Laurel Foundation**  
Camp Laurel's mission is to provide educational and support programs to children, youth and families affected by or living with HIV/AIDS. Their programs strive to improve the overall mental and physical health and welfare of children and youth affected by HIV/AIDS by reshaping their actions and ultimately the communities in which they live. This is done through the creation of programs that teach them the necessary life skills to overcome the adversity of AIDS and eliminate the social conditions that lead to many of their at-risk behaviors and economic and societal disparities.
- **Project Angel Food**  
Project Angel Food's mission is to nourish the body and spirit of men, women and children affected by HIV/AIDS, cancer, and other life-threatening illnesses." Project Angel Food services are free of charge to clients.
- **Southern California Society of Health System Pharmacists**  
The Southern California Society of Health-System Pharmacists (SCSHP), as the Greater Los Angeles chapter of CSHP, is a non-profit organization of pharmacists and associates who believe that pharmacy is a clinical profession whose main purpose is to serve patients and the public through the promotion of wellness and use of rational drug therapy.
- **St. Vincent Meals on Wheels**  
Meals on Wheels, operated by the St. Vincent Foundation, prepares and delivers nutritious meals to homebound seniors and other vulnerable residents across Los Angeles.
- **Union Rescue Mission**  
The Union Rescue Mission (URM) provides a comprehensive array of emergency and long-term services to its guests, including: food, shelter, clothing, medical and dental care, recovery programs, transitional housing, legal assistance, education, counseling, and job training to needy men, women, children and families.
- **USC Care**
- **USC Good Neighbors**

Donations support more than 411 community organizations that partner with USC to put children on the pathway to college, make streets safer for families, and offer activities and programs aimed at improving the health and well-being of residents in the neighborhoods surrounding USC's campuses.

### **Community Building Activities**

*Activities that support community assets by offering the expertise and resources of the Hospital.*

This year, the Hospital initiated a job training program for health care Billing and Coding in conjunction with East LA College.

## Financial Summary of Community Benefit

The USC University Hospital and USC Norris Cancer Hospital community benefit funding for FY11 (July 2010-June 2011) are reported as a combined entity and summarized in the table below.

<b>Community Benefit Categories</b>	<b>Net Benefit</b>
Charity Care	\$1,021,997
Unpaid Costs of Medi-Cal and Other Means Tested Government Programs	\$40,545,994
Community Health Improvement Services	\$442,159
Health Professions Education	\$11,583,883
Research	\$512,025
Cash and In-Kind Donations	\$406,604
Community Benefit Operations	\$24,500
<b>TOTAL COMMUNITY BENEFIT PROVIDED Excluding Unpaid Costs of Medicare</b>	<b>\$54,537,162</b>
Unpaid Costs of Medicare	\$66,055,080
<b>TOTAL COMMUNITY BENEFIT PROVIDED Including Unpaid Costs of Medicare</b>	<b>\$120,592,242</b>

## **Community Benefit Plan for FY 2012**

In the year ahead, USC University Hospital will focus on building community benefit infrastructure. Specifically, we will put systems in place to develop institutional support for community benefit and establish programs to address the identified unmet health needs in our community. We will establish leadership oversight for community benefit; initiate program planning, implementation, and evaluation; and enhance the sustainability of organizational and programmatic commitments. In order to accomplish these goals we will:

- Establish a Board level community benefit committee to provide oversight and policy guidance for all charitable services and activities supported by the Hospital.
- Institute community benefit governance and oversight systems and policies.
- Track and report community benefit programs using Lyon Software CBISA.
- Use the results of the needs assessment to establish community benefit priorities and develop a plan for action that reflects the identified priorities in consultation with the community.
- Institute programs that focus on communities with disproportionate unmet health needs.
- Create a plan to communicate our commitment to community benefit to the public. Update our web-based and written materials to reflect our nonprofit mission, charity care policies, and community benefit efforts.
- Establish ongoing systems to provide documentation of the charity care and community benefit programs and associated costs for USC University Hospital.
- Establish outcome measures for community benefit programs.

## **Contact Information**

### Address of Hospital Campus

Keck Hospital of USC  
1500 San Pablo Street  
Los Angeles, CA 90033

### Web Address

[www.keckhospitalofusc.org](http://www.keckhospitalofusc.org)

### Community Benefit Contact

Sevanne Sarkis  
Administrative Director Patient Experience  
323-442-8749  
[Sevanne.Sarkis@health.usc.edu](mailto:Sevanne.Sarkis@health.usc.edu)