

**THE
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GROUP**

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Situation Assessment Draft

Sequoia Healthcare District
Redwood City, California

July 16, 2008

I. Selected County Health Indicators

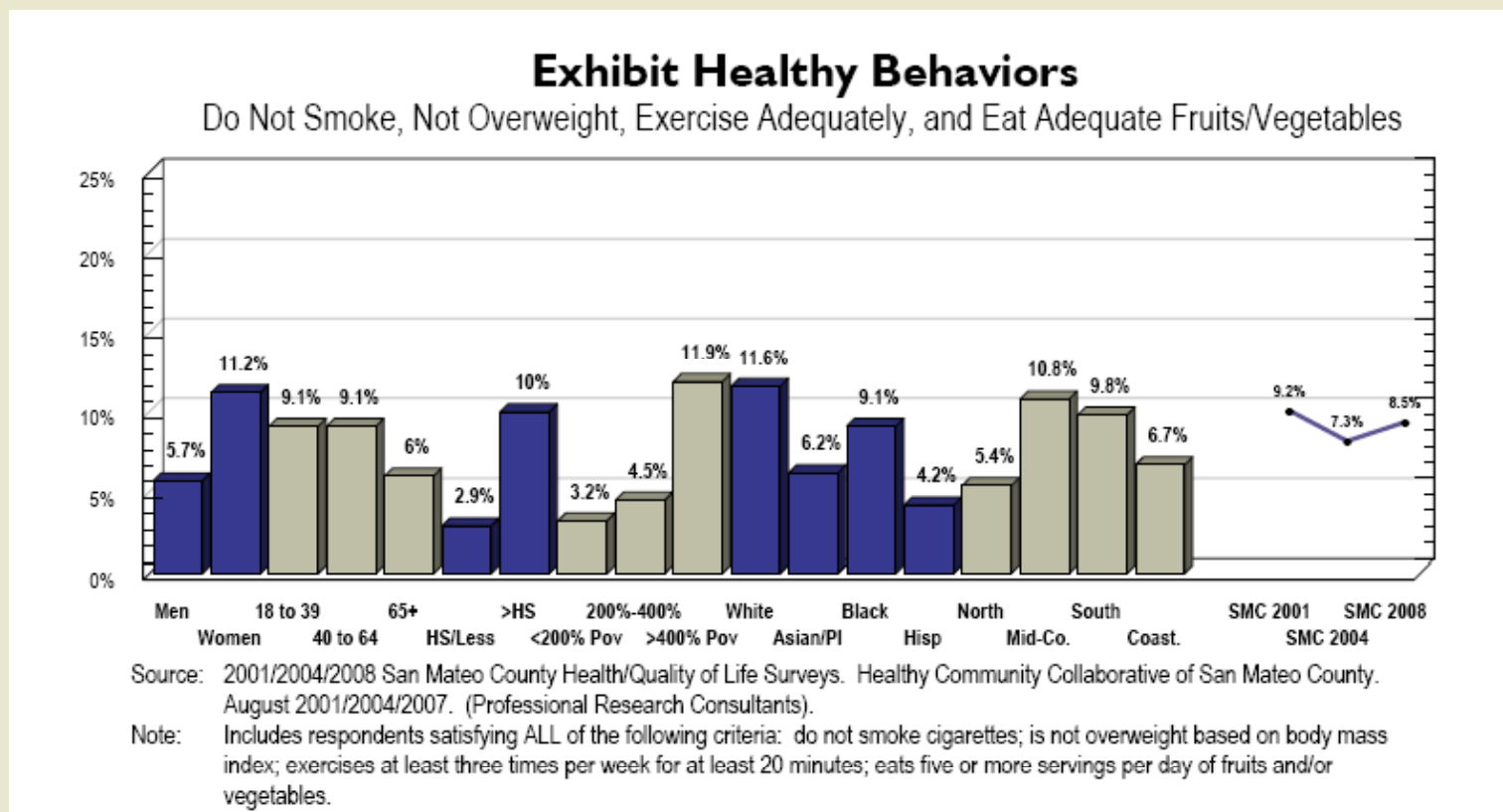
San Mateo County Community Health Report

- The Sequoia Healthcare District (the “District”) accounts for 44.8 percent of San Mateo County’s population, while our District residents generated 45.2 percent of all inpatient acute care patients days in the County in 2006.
- A higher prevalence of **chronic diseases** in the County, along with continuing although declining stroke and breast cancer deaths indicates a continued need for the promotion of **healthier lifestyles** for District residents, as well as a need by **lower income residents** to be assisted in managing their chronic illnesses.
- When comparing the County’s health status indicators to that of the State, it appears that generally, the County has lower death rates in major causes like lung cancer, coronary heart disease, and diabetes.

San Mateo County Community Health Report

Healthy Behavior Key Findings

- Fewer than one in ten adults in the County exhibit multiple general healthy behaviors typically associated with the prevention of chronic disease
- Fifty-four percent do not participate in regular, vigorous activity

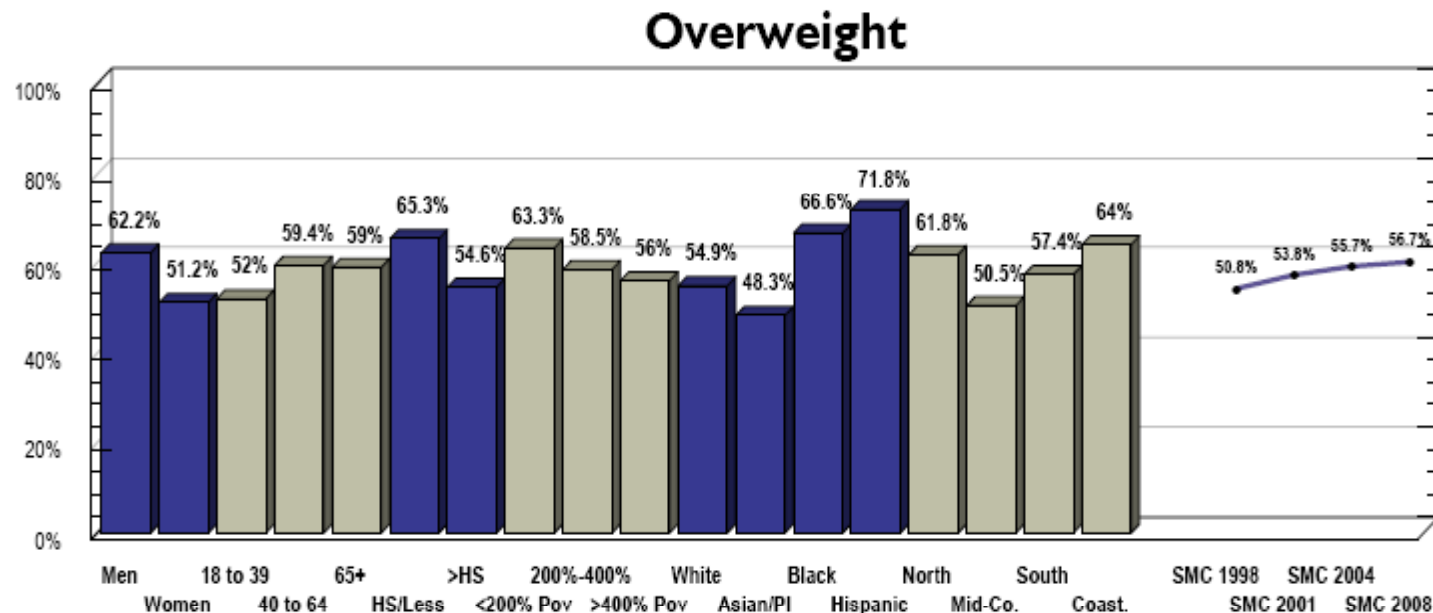


Source: 2008 Community Assessment: Health & Quality of Life in San Mateo County
Sponsored by: The Healthy Community Collaborative of San Mateo County

San Mateo County Community Health Report (cont'd)

Healthy Behavior Key Findings

- 56.7 percent of the County's adults are overweight in 2008



Source: 1998/2001/2004/2008 San Mateo County Health/Quality of Life Surveys. Healthy Community Collaborative of San Mateo County. August 1998/2001/2004/2007. (Professional Research Consultants).

- Notes:
1. Asked of all respondents.
 2. "Overweight" is defined as having a Body Mass Index (BMI, a ratio of height to weight) equal to or greater than 25.

Source: 2008 Community Assessment: Health & Quality of Life in San Mateo County
Sponsored by: The Healthy Community Collaborative of San Mateo County

San Mateo County Community Health Report (cont'd)

Healthy Behavior Key Findings

- Estimates show that up to 50 percent of premature deaths are due to health risk behaviors such as poor diet, lack of exercise, tobacco/alcohol use, etc.

Source: 2008 Community Assessment: Health & Quality of Life in San Mateo County
Sponsored by: The Healthy Community Collaborative of San Mateo County

San Mateo County Community Health Report (cont'd)

Healthcare Services

- Quality healthcare services in the County are plentiful, but access and affordability are significant problems
 - ▶ An estimated 67,000 non-elderly people are without health insurance in the County
 - ▶ Lower-income residents have poorer utilization and access to healthcare services
 - ▶ 23.7 percent report their job does not provide health benefits to employees
- Eight in ten children in the County are up-to-date with immunizations at 24 months

Source: 2008 Community Assessment: Health & Quality of Life in San Mateo County
Sponsored by: The Healthy Community Collaborative of San Mateo County; The California Department of Public Health's 2006 Kindergarten Assessment; California Healthcare Foundation, "Snapshot: California's Uninsured," 2006)

San Mateo County Community Health Report (cont'd)

Health Status Indicators

- Mortality and prenatal care indicators are improving
- Cancers are one of the leading causes of death in San Mateo County followed by Coronary Heart Disease

Age-Adjusted Death Rates by Selected Causes, 2002-2004

	San Mateo County	California	HP2010 Objective	Rank Among 58 CA Counties (1=Best)
All Cancers	164.6	164.1	158.6	18
Lung Cancer	39.4	41.8	43.3	9
Female Breast Cancer	23.1	22.8	21.3	32
Coronary Heart Disease	122.6	164.7	162.0	5
Stroke	52.7	52.4	50.0	27
Unintentional Injuries	22.2	29.3	17.1	4
Diabetes	13.1	21.3		7
Motor Vehicle Crashes	7.9	12.1	8.0	5
Suicide	7.8	9.4	4.8	6
Drug-Induced Deaths	6.8	10.0	1.2	8
Firearm Injuries	6.0	9.4	3.6	9
Homicide	4.0	6.7	2.8	29

Sources: County Health Status Profiles, 2006. Dept of Health Services and California Conference of Local Health Officers. Healthy People 2010, National Center for Health Statistics/CDC/Public Health Service

Notes: Rates are per 100,000 population, age-adjusted to the 2000 U.S. Standard Million population. (Breast cancer rates are per 100,000 female population.)

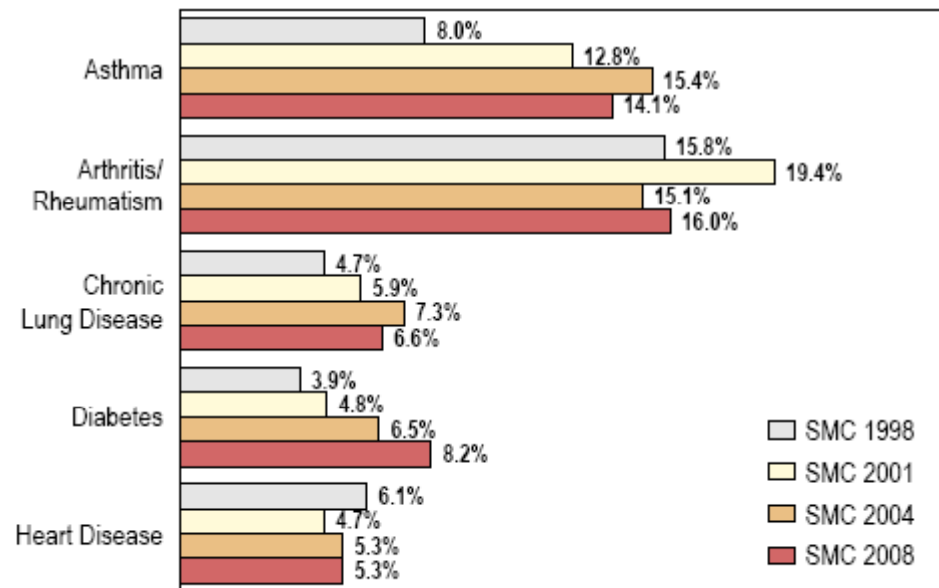
Source: 2008 Community Assessment: Health & Quality of Life in San Mateo County
Sponsored by: The Healthy Community Collaborative of San Mateo County

San Mateo County Community Health Report (cont'd)

Health Status Indicators

- Heart disease and stroke death continue to decline, while reported prevalence of high blood pressure and high blood cholesterol continues to rise
 - ▶ Heart disease accounts for one in four deaths in San Mateo County
 - ▶ 85.3 percent of adult residents exhibit one or more risk factors for heart disease and stroke
- Since 1998, the County has witnessed a notable increase in the prevalence of chronic disease, diabetes, and asthma

Prevalence of Chronic Illness



Source: 1998/2001/2004/2008 San Mateo County Health/Quality of Life Surveys.
Healthy Community Collaborative of San Mateo County.
August 1998/2001/2004/2007. (Professional Research Consultants).

Source: 2008 Community Assessment: Health & Quality of Life in San Mateo County
Sponsored by: The Healthy Community Collaborative of San Mateo County

II. Healthcare District Situation Assessment

Service Area Definition

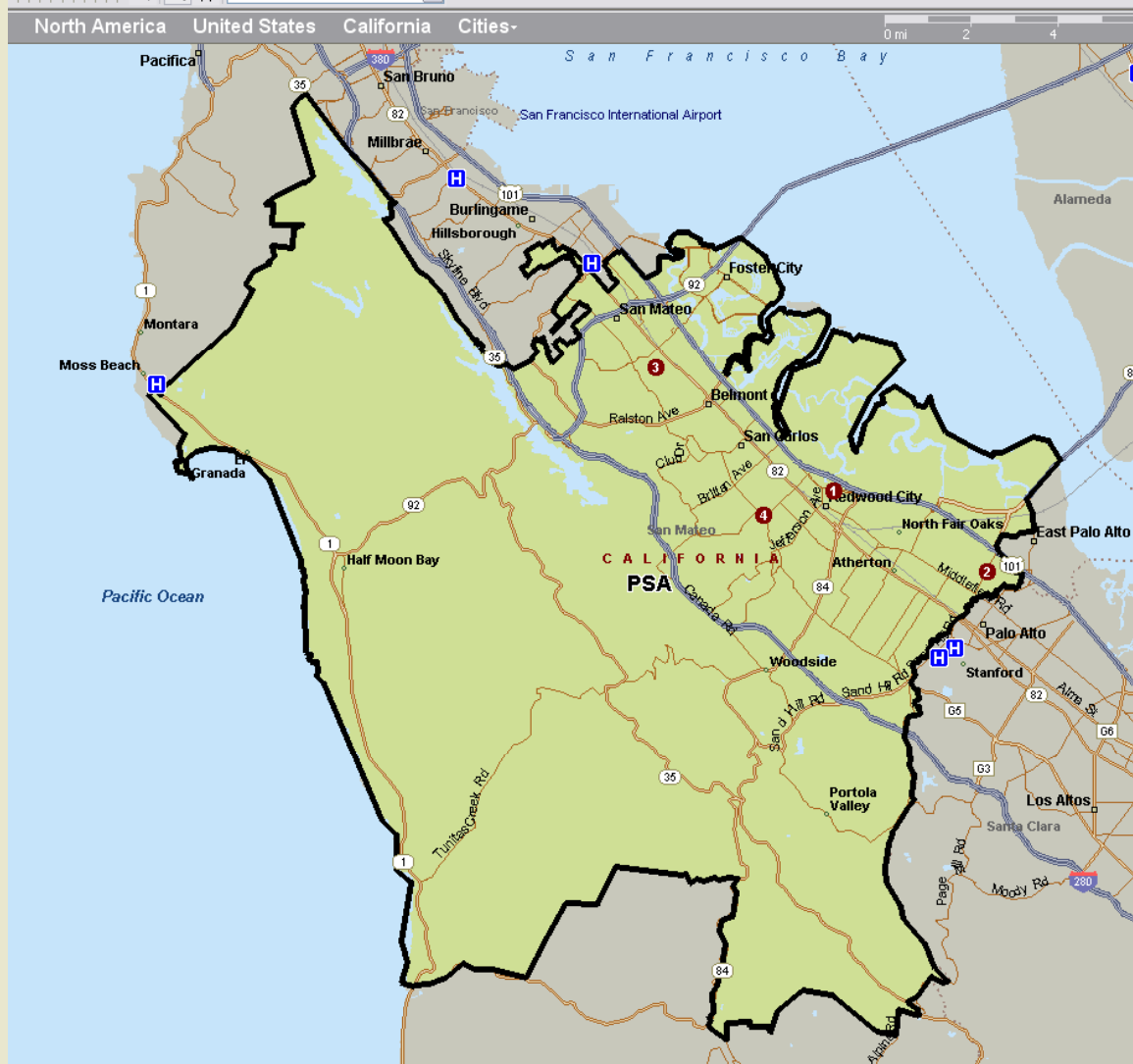
Sequoia Healthcare District Service Area Definition

ZIP Code	Community
94402	San Mateo
94403	San Mateo
94404	San Mateo
94019	Half Moon Bay
94070	San Carlos
94065	Redwood City
94062	Redwood City
94061	Redwood City
94063	Redwood City
94027	Atherton
94025	Menlo Park
94028	Portola Valley
94002	Belmont

Source: Sequoia Healthcare District

F:\Sequoia Healthcare District\Planning\[Service Area.xls]Service Area

Service Area Definition (cont'd)



Legend

-  Service Area
-  Area Hospitals

1. Kaiser Foundation Hospital – Redwood City
2. Menlo Park Surgical Center (Palo Alto Medical Foundation facility)
3. San Mateo Medical Center
4. Sequoia Hospital

Main Acute Care Providers serving the District have excess capacity based on 2006 Data

Sequoia Healthcare District
Occupancy Rate by Licensed Bed Type
CY 2006

Hospitals Within SHD	Licensed Beds	Occupancy Rate	Excess Capacity in 2006
Sequoia Hospital			
General Acute Care	355	24.9%	75.1%
Acute Psychiatric	22	58.4%	41.6%
Skilled Nursing	44	45.1%	54.9%
Total	421	28.8%	71.2%
Kaiser - Redwood City			
General Acute Care	213	48.8%	51.2%
Acute Psychiatric	-	-	-
Skilled Nursing	-	-	-
Total	213	48.8%	51.2%
Menlo Park Surgical Hospital			
General Acute Care	16	16.3%	83.8%
Acute Psychiatric	-	-	-
Skilled Nursing	-	-	-
Total	16	16.3%	83.8%
San Mateo Medical Center			
General Acute Care	100	40.5%	59.5%
Acute Psychiatric	34	86.4%	13.6%
Skilled Nursing	375	81.6%	18.4%
Total	509	73.9%	26.1%

Source: ALIRTS F:\Sequoia Healthcare District\Presentation\[Supplemental Data for Retreat.xls]Table

Sequoia Healthcare District
Occupancy Rate by Licensed Bed Type
CY 2006

Hospitals Outside SHD	Licensed Beds	Occupancy Rate	Excess Capacity in 2006
Kaiser - South San Francisco			
General Acute Care	120	71.0%	29.0%
Acute Psychiatric	-	-	-
Skilled Nursing	-	-	-
Total	120	71.0%	29.0%
Mills Health Center			
General Acute Care	40	26.8%	73.2%
Acute Psychiatric	-	-	-
Skilled Nursing	-	-	-
Total	40	26.8%	73.2%
Peninsula Medical Center			
General Acute Care	207	67.5%	32.5%
Acute Psychiatric	28	67.8%	32.2%
Skilled Nursing	128	61.5%	38.5%
Total	363	65.4%	34.6%
Seton Medical Center			
General Acute Care	250	57.6%	42.4%
Acute Psychiatric	24	0.0%	100.0%
Skilled Nursing	83	92.4%	7.6%
Total	357	61.8%	38.2%

Source: ALIRTS F:\Sequoia Healthcare District\Presentation\[Supplemental Data for Retreat.xls]Table

The overall population is projected to grow slowly over the next five years, with close to a quarter of the growth of the state overall

Sequoia Healthcare District
Service Area versus State of California - Population by Age Cohort
CY 2008 and 2013

- 45+ subset is exhibiting the highest growth, but still lower than the State overall – impacting our projected need for inpatient capacity
- Women of childbearing age decreasing by a large percent – will directly impact obstetric and pediatric needs

Age Cohort	CAGR	Est. 2008		Proj. 2013		Percent Change 2008 - 2013
		Number	Percent of Total	Number	Percent of Total	
Service Area						
0 - 14	0.6%	64,776	19.8%	66,799	20.1%	3.1%
15 - 44	-1.5%	122,157	37.3%	113,329	34.1%	-7.2%
45 - 64	1.2%	96,339	29.4%	102,476	30.8%	6.4%
65 +	2.4%	44,242	13.5%	49,848	15.0%	12.7%
Total	0.3%	327,514	100.0%	332,452	100.0%	1.5%
Women 15 - 44	-1.6%	58,474	17.9%	53,880	16.2%	-7.9%
Median Age	0.6%		40.5		41.8	3.0%
California						
0 - 14	1.0%	8,061,557	21.5%	8,490,352	21.1%	5.3%
15 - 44	0.4%	16,429,738	43.8%	16,793,238	41.8%	2.2%
45 - 64	2.6%	8,931,499	23.8%	10,179,181	25.3%	14.0%
65 +	3.0%	4,102,836	10.9%	4,745,991	11.8%	15.7%
Total	1.4%	37,525,630	100.0%	40,208,762	100.0%	7.2%
Women 15 - 44	0.4%	7,949,416	21.2%	8,108,070	20.2%	2.0%
Median Age	0.6%		34.6		35.6	2.9%

Source: Claritas, Inc.

F:\Sequoia Healthcare District\Planning\Claritas\[Pop by Age and Sex.xls]Pop Table

Median household income is nearly double the state average. The number of households is projected to stay flat from 2008-2013, suggesting a lack of a significant influx of new residents moving into the District

**Sequoia Healthcare District
Service Area versus State of California - Socioeconomic Profile
CY 2008 and 2013**

Socioeconomic Indicator	CAGR	Estimated 2008	Projected 2013	Percent Change 2008 - 2013
Service Area				
Population	0.3%	327,514	332,452	1.5%
Households	0.2%	125,012	126,101	0.9%
Average Household Size	0.2%	2.6	2.6	0.8%
Median Household Income	1.7%	\$92,747	\$100,780	8.7%
Average Household Income	1.8%	\$129,593	\$141,614	9.3%
Income Distribution				
Under \$25,000	-1.8%	9.9%	9.0%	-8.9%
\$25,000 - \$49,999	-2.2%	15.3%	13.6%	-10.6%
\$50,000 - \$99,999	-0.9%	28.6%	27.2%	-4.3%
\$100,000 +	1.9%	46.1%	50.3%	10.0%
California				
Population	1.4%	37,525,630	40,208,762	7.2%
Households	1.2%	12,588,862	13,381,701	6.3%
Average Household Size	0.2%	2.9	2.9	1.0%
Median Household Income	2.3%	\$59,163	\$66,195	11.9%
Average Household Income	2.5%	\$80,362	\$90,868	13.1%
Income Distribution				
Under \$25,000	-1.4%	20.1%	17.7%	-6.7%
\$25,000 - \$49,999	-0.8%	23.1%	20.9%	-3.9%
\$50,000 - \$99,999	0.8%	31.4%	30.6%	3.8%
\$100,000 +	5.2%	25.4%	30.8%	28.9%

Source: Claritas, Inc.

\\consulting\tcg\clients\Sequoia Healthcare District\Planning\Claritas\[Socioeconomic.xls]Household Table

Ethnically, the District has a much smaller proportion of Hispanics and higher proportion of Asians. While Hispanics are projected to stay flat as a percent of the total population, the Asian subset is the fastest growing in the District.

**Sequoia Healthcare District
Service Area versus State of California - Ethnic Profile
CY 2008 and 2013**

Ethnicity	CAGR	Est. 2008		Proj. 2013	
		Number	Percent of Total	Number	Percent of Total
Service Area					
Hispanics	1.0%	64,292	19.6%	67,647	20.3%
Non-Hispanics					
White	-0.6%	194,280	59.3%	188,143	56.6%
Black	-0.4%	6,716	2.1%	6,572	2.0%
American Indian/Alaskan/Aleutian	0.3%	645	0.2%	654	0.2%
Asian/Hawaiian/Pacific Islander	2.5%	50,244	15.3%	56,916	17.1%
Other	2.0%	11,337	3.5%	12,520	3.8%
<i>Total Non-Hispanics</i>	0.1%	<u>263,222</u>	<u>80.4%</u>	<u>264,805</u>	<u>79.7%</u>
Total	0.3%	<u>327,514</u>	<u>100.0%</u>	<u>332,452</u>	<u>100.0%</u>
California					
Hispanics	2.8%	13,680,303	36.5%	15,694,981	39.0%
Non-Hispanics					
White	-0.2%	15,630,343	41.7%	15,464,085	38.5%
Black	0.5%	2,246,358	6.0%	2,302,383	5.7%
American Indian/Alaskan/Aleutian	0.6%	187,224	0.5%	192,704	0.5%
Asian/Hawaiian/Pacific Islander	2.7%	4,644,226	12.4%	5,298,446	13.2%
Other	2.0%	1,137,176	3.0%	1,256,163	3.1%
<i>Total Non-Hispanics</i>	0.6%	<u>23,845,327</u>	<u>63.5%</u>	<u>24,513,781</u>	<u>61.0%</u>
Total	1.4%	<u>37,525,630</u>	<u>100.0%</u>	<u>40,208,762</u>	<u>100.0%</u>

Source: Claritas, Inc.

\\consulting\tcg\clients\Sequoia Healthcare District\Planning\Claritas\[Ethnicity.xls]Ethnicity Table

A Fairly Stable Inpatient Market From 2004-2006

- Sequoia Hospital and Peninsula Medical Center exhibited slight decreases in overall inpatient market share from 2004-2006, losing 1.0 percent and 1.5 percent of inpatient discharge market share respectively.
 - ▶ Offsetting gains were made by San Mateo Medical Center, Lucille Packard Children's Hospital, Stanford, and CPMC
 - ▶ Despite this decrease Sequoia Hospital continued to be market share leader in:
 - Cardiology– diagnostic and interventional – 35.9 percent decrease
 - Endocrine – 20.9 percent decrease
 - Gynecology – 24.2 percent increase
 - Urology – 26.7 percent increase
 - ▶ From 2004 to 2006 Sequoia Hospital has become market share leaders in two service lines:
 - Cardiac surgery – 40.4 percent in 2006 from 22.1 percent in 2004 which used to be lead by the Kaiser Foundation Hospital in Geary/San Francisco in 2004 with 27.3 percent
 - General surgery – 20.5 percent in 2006 from 18.1 percent in 2004, Peninsula Medical Center used to lead in 2004 with 23.2 percent
 - ▶ The District's inpatient experience is dominated by Medicare (FFS primarily) and private coverage (PPO and HMO), with a small proportion of Medi-Cal and all other payer categories

Service Area Market Share Trend – CY 2004-2006

Sequoia Healthcare District Service Area Market Share CY 2004-2006

Hospitals	Market Share			2004-2006 Difference
	2004	2005	2006	
Sequoia Hospital	20.7%	20.3%	19.7%	-1.1%
Peninsula Medical Center	20.5%	19.8%	19.1%	-1.4%
Kaiser Hospital - Redwood City	14.6%	15.0%	14.6%	0.0%
Lucile Salter Packard Children's Hospital	12.7%	13.0%	13.7%	1.0%
Stanford Hospital	12.4%	12.5%	12.7%	0.3%
San Mateo Medical Center	5.7%	5.9%	6.8%	1.1%
California Pacific Medical Center - Pacific Campus	2.0%	1.9%	2.1%	0.0%
<i>Subtotal</i>	<i>88.7%</i>	<i>88.5%</i>	<i>88.7%</i>	<i>0.0%</i>
All Other Hospitals	11.3%	11.5%	11.3%	0.0%
Total	100.0%	100.0%	100.0%	

Source: OSHPD Inpatient Databases 2004,2005,2006

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Service Area Market Share by Service Line – CY 2006

Sequoia Healthcare District
Service Area Market Share by Service Line
CY 2006

Service Line	Total Inpatient Discharges		Sequoia Healthcare District							All Other ⁽¹⁾
	Number	Percent of Total	Sequoia Hospital	Peninsula Medical Center	Kaiser Hospital - Redwood City	Lucile Salter Packard Children's Hospital	Stanford Hospital	San Mateo Medical Center	California Pacific Medical Center - Pacific Campus	
Cardiology - Diagnostic/Interventional	938	3.4%	35.9%	19.4%	3.5%	0.3%	11.5%	0.6%	1.0%	27.7%
Cardiology - Medical	1,814	6.5%	24.6%	15.7%	27.1%	0.8%	12.7%	7.8%	0.8%	10.4%
Cardiology - Surgery	213	0.8%	40.4%	6.1%	0.0%	5.2%	15.0%	0.0%	0.9%	32.4%
Chemical Dependency	283	1.0%	14.1%	47.7%	6.7%	0.4%	4.9%	15.5%	0.4%	10.2%
Endocrine	609	2.2%	20.9%	15.8%	16.1%	7.1%	15.6%	13.8%	0.8%	10.0%
ENT	240	0.9%	6.7%	10.8%	8.8%	22.1%	34.6%	5.0%	2.5%	9.6%
Gastroenterology	1,836	6.6%	19.4%	18.9%	20.9%	3.0%	17.3%	9.7%	1.7%	9.1%
General Medicine	1,570	5.6%	18.2%	21.0%	18.3%	1.3%	16.4%	11.6%	1.5%	11.7%
General Surgery	1,668	6.0%	20.5%	20.0%	15.3%	3.6%	17.5%	9.0%	2.6%	11.5%
Gynecology	566	2.0%	24.2%	22.4%	11.0%	0.7%	16.6%	5.1%	2.3%	17.7%
Neonatal Intensive Care	2,048	7.3%	11.4%	12.9%	10.7%	54.4%	0.0%	0.0%	3.8%	6.7%
Neurology	1,007	3.6%	15.8%	19.6%	21.5%	5.3%	18.4%	9.0%	0.4%	10.0%
Neurosurgery	474	1.7%	8.6%	12.9%	19.0%	2.3%	33.8%	1.9%	1.7%	19.8%
Obstetrics & Deliveries	4,978	17.8%	18.5%	15.8%	13.2%	40.4%	1.1%	0.3%	3.9%	6.7%
Oncology	1,046	3.7%	13.2%	16.5%	15.1%	6.1%	23.4%	7.9%	2.3%	15.4%
Ophthalmology	31	0.1%	9.7%	16.1%	12.9%	3.2%	38.7%	0.0%	0.0%	19.4%
Orthopedics	2,364	8.5%	16.1%	19.4%	18.3%	1.7%	22.4%	5.2%	1.9%	14.9%
Pediatrics	78	0.3%	0.0%	6.4%	6.4%	66.7%	2.6%	7.7%	3.8%	6.4%
Plastic Surgery	147	0.5%	15.0%	15.6%	4.8%	4.1%	13.6%	4.8%	12.2%	29.9%
Psychiatry	1,198	4.3%	18.5%	16.4%	1.5%	1.4%	13.9%	33.6%	0.1%	14.6%
Pulmonary Medicine	1,706	6.1%	20.5%	16.9%	21.7%	7.7%	13.8%	10.0%	0.8%	8.6%
Rehabilitation	1,256	4.5%	31.8%	49.7%	0.1%	0.0%	5.1%	5.1%	0.9%	7.3%
Spine Surgery	252	0.9%	8.7%	6.3%	4.0%	2.4%	47.2%	0.8%	1.6%	29.0%
Thoracic & Vascular Surgery	506	1.8%	26.9%	28.3%	5.3%	2.8%	15.8%	3.2%	1.2%	16.6%
Transplant	27	0.1%	0.0%	0.0%	0.0%	7.4%	40.7%	0.0%	22.2%	29.6%
Urology	1,054	3.8%	26.7%	18.9%	19.9%	3.2%	13.9%	6.9%	0.9%	9.6%
TOTAL	27,909	100.0%	19.7%	19.0%	14.6%	13.7%	12.7%	6.8%	2.1%	11.4%
	<i>Number =</i>		5,487	5,314	4,078	3,823	3,554	1,890	575	3,188

Source: OSHPD Inpatient Discharge Database, 2006

F:\Sequoia Healthcare District\Planning\Market Share_Payer Mix.xls\Market Share

Notes: Service lines defined by The Camden Group. Excluded Normal New born (DRG 391).

☐ Indicates market share leader

(1) All Other indicates hospitals with less than two percent overall market share

Service Area Market Share by Service Line – CY 2004

Sequoia Healthcare District Service Area Market Share by Service Line CY 2004

Service Line	Total Inpatient Discharges		Sequoia Healthcare District							All Other ⁽¹⁾
	Number	Percent of Total	Sequoia Hospital	Peninsula Medical Center	Kaiser Hospital - Redwood City	Lucile Salter Packard Children's Hospital	Stanford Hospital	San Mateo Medical Center	California Pacific Medical Center - Pacific Campus	
Cardiology - Diagnostic/Interventional	893	3.2%	45.6%	23.7%	1.6%	0.6%	11.3%	0.2%	0.6%	16.5%
Cardiology - Medical	1,826	6.5%	25.0%	15.6%	29.9%	0.7%	11.6%	7.6%	0.3%	9.4%
Cardiology - Surgery ⁽²⁾	267	1.0%	22.1%	21.3%	0.0%	6.7%	8.2%	0.0%	1.1%	40.4%
Chemical Dependency	277	1.0%	18.1%	41.2%	2.5%	0.4%	9.7%	19.5%	0.0%	8.7%
Endocrine	641	2.3%	22.5%	16.4%	18.6%	11.2%	10.9%	9.4%	1.1%	10.0%
ENT	212	0.8%	7.5%	7.5%	9.9%	31.1%	25.0%	5.2%	0.5%	13.2%
Gastroenterology	1,818	6.5%	20.0%	20.8%	22.1%	2.5%	15.7%	7.5%	1.7%	9.7%
General Medicine	1,591	5.7%	18.9%	20.7%	18.0%	2.7%	16.5%	8.0%	1.2%	14.0%
General Surgery	1,682	6.0%	18.1%	23.2%	15.0%	4.1%	19.1%	9.0%	1.5%	10.0%
Gynecology	642	2.3%	21.5%	20.9%	14.3%	0.6%	18.5%	4.8%	2.5%	16.8%
Neonatal Intensive Care	1,726	6.2%	12.9%	18.1%	8.9%	48.3%	0.0%	0.0%	4.8%	7.0%
Neurology	1,003	3.6%	19.5%	19.8%	19.2%	5.0%	17.5%	5.3%	1.0%	12.6%
Neurosurgery	500	1.8%	14.4%	12.0%	16.8%	1.6%	33.8%	2.6%	2.4%	16.4%
Obstetrics & Deliveries	5,161	18.4%	19.2%	18.1%	12.5%	38.1%	1.4%	0.3%	3.7%	6.6%
Oncology	1,087	3.9%	12.4%	14.4%	17.2%	7.1%	20.7%	9.6%	4.4%	14.3%
Ophthalmology	33	0.1%	9.1%	18.2%	18.2%	12.1%	21.2%	6.1%	3.0%	12.1%
Orthopedics	2,221	7.9%	18.3%	20.6%	18.0%	2.6%	20.4%	4.1%	1.8%	14.1%
Pediatrics	89	0.3%	2.2%	7.9%	16.9%	57.3%	0.0%	2.2%	5.6%	7.9%
Plastic Surgery	152	0.5%	9.9%	17.1%	13.8%	3.3%	10.5%	3.3%	9.9%	32.2%
Psychiatry	1,142	4.1%	18.8%	16.4%	1.5%	0.4%	13.8%	31.3%	0.4%	17.4%
Pulmonary Medicine	1,714	6.1%	23.6%	16.7%	21.9%	7.6%	14.5%	7.2%	0.6%	7.9%
Rehabilitation	1,419	5.1%	32.3%	48.0%	0.1%	0.0%	4.7%	0.2%	0.6%	14.2%
Spine Surgery	257	0.9%	11.3%	5.8%	5.4%	2.7%	45.9%	1.9%	2.3%	24.5%
Thoracic & Vascular Surgery	578	2.1%	31.3%	27.7%	11.4%	2.4%	15.4%	3.1%	0.3%	8.3%
Transplant	23	0.1%	0.0%	0.0%	0.0%	0.0%	78.3%	0.0%	13.0%	8.7%
Urology	1,065	3.8%	22.8%	21.1%	17.1%	2.4%	17.5%	8.1%	1.2%	9.8%
TOTAL	28,019	100.0%	20.7%	20.5%	14.6%	12.7%	12.4%	5.7%	2.0%	11.3%
	<i>Number =</i>		5,812	5,734	4,097	3,572	3,475	1,592	566	3,171

Source: OSHPD Inpatient Discharge Database, 2004

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Notes: Service lines defined by The Camden Group. Excluded Normal New born (DRG 391).

☐ Indicates market share leader

(1) All Other indicates hospitals with less than two percent overall market share

(2) Kaiser Foundation Hospital - Geary San Francisco leads the market with 27.34 percent of share

Service Area Discharge Market Share by Payer Mix – CY 2006

Sequoia Healthcare District
Service Area Discharge Market Share by Payer Mix
CY 2006

Hospital	Total Inpatient Discharges		Medicare			Medi-Cal			Private Coverage				All Other Payers ⁽¹⁾
	Number	Percent of Total	Managed Care	FFS	Total	Managed Care	FFS	Total	HMO	PPO	FFS	Total	
Sequoia Hospital	5,487	19.7%	7.1%	36.8%	26.0%	12.4%	2.3%	6.2%	5.2%	27.3%	58.9%	18.7%	11.3%
Peninsula Medical Center	5,314	19.0%	19.2%	28.2%	24.9%	11.5%	6.4%	8.3%	14.9%	21.9%	2.7%	18.0%	7.8%
Kaiser Hospital - Redwood City	4,078	14.6%	47.0%	2.1%	18.5%	0.3%	0.3%	0.3%	36.2%	0.0%	2.3%	16.2%	5.7%
Lucile Salter Packard Children's Hospital	3,823	13.7%	0.0%	0.0%	0.0%	40.2%	62.5%	54.0%	10.6%	21.2%	1.9%	15.7%	2.2%
Stanford Hospital	3,554	12.7%	9.6%	18.5%	15.3%	9.6%	2.2%	5.0%	8.2%	16.6%	0.8%	12.2%	16.4%
San Mateo Medical Center	1,890	6.8%	4.8%	5.4%	5.2%	20.7%	21.9%	21.4%	0.7%	0.0%	11.0%	0.8%	36.9%
California Pacific Medical Center - Pacific Campus	575	2.1%	0.0%	0.9%	0.6%	0.1%	0.7%	0.5%	3.3%	4.4%	0.4%	3.7%	3.6%
<i>Subtotal</i>	<i>24,721</i>	<i>88.6%</i>	<i>87.8%</i>	<i>91.9%</i>	<i>90.4%</i>	<i>94.9%</i>	<i>96.3%</i>	<i>95.8%</i>	<i>79.0%</i>	<i>91.4%</i>	<i>78.0%</i>	<i>85.3%</i>	<i>83.9%</i>
All Other	3,188	11.4%	12.2%	8.1%	9.6%	5.1%	3.7%	4.2%	21.0%	8.6%	22.0%	14.7%	16.1%
TOTAL	27,909	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
<i>Number =</i>			4,021	7,006	11,027	1,337	2,172	3,509	5,373	6,229	482	12,084	1,289
<i>% of Total</i>			14.4%	25.1%	39.5%	4.8%	7.8%	12.6%	19.3%	22.3%	1.7%	43.3%	4.6%

Source: OSHPD Inpatient Discharge Database, 2006

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Notes: Service lines defined by The Camden Group. Excluded Normal New born (DRG 391).

Indicates market leader

(1) Includes county indigent, other indigent, other government, other payers, workers' compensation and self-pay

- Medicare managed care and Medi-Cal managed care increased as a proportion of total experience from 2004 to 2006
 - ▶ During the same period, Sequoia Hospital's payer mix market share was fairly stable
 - Sequoia only increased in Medicare managed care, with a slight decrease in All Other categories

Service Area Discharge Market Share by Payer Mix – CY 2004

Sequoia Healthcare District
Service Area Discharge Market Share by Payer Mix
CY 2004

Hospital	Total Inpatient Discharges		Medicare			Medi-Cal			Private Coverage				All Other Payers (1)
	Number	Percent of Total	Managed Care	FFS	Total	Managed Care	FFS	Total	HMO	PPO	FFS	Total	
Sequoia Hospital	5,812	20.7%	0.8%	38.5%	27.1%	13.9%	3.0%	7.0%	5.3%	28.3%	62.9%	19.5%	11.9%
Peninsula Medical Center	5,734	20.5%	24.0%	27.2%	26.2%	11.3%	8.7%	9.6%	17.1%	23.5%	3.2%	19.7%	5.3%
Kaiser Hospital - Redwood City	4,097	14.6%	53.3%	3.4%	18.5%	0.7%	0.5%	0.6%	34.9%	0.0%	2.3%	15.7%	4.9%
Lucile Salter Packard Children's Hospital	3,572	12.7%	0.0%	0.0%	0.0%	36.0%	60.1%	51.1%	10.4%	21.0%	5.3%	15.6%	4.9%
Stanford Hospital	3,475	12.4%	7.6%	17.7%	14.6%	9.5%	2.3%	5.0%	8.9%	14.6%	0.2%	11.4%	19.5%
San Mateo Medical Center	1,592	5.7%	5.1%	3.7%	4.1%	23.5%	14.0%	17.5%	1.0%	0.1%	7.8%	0.8%	34.0%
California Pacific Medical Center - Pacific Campus	566	2.0%	0.0%	0.7%	0.5%	0.2%	0.9%	0.6%	3.4%	4.0%	2.1%	3.6%	2.9%
<i>Subtotal</i>	<i>24,848</i>	<i>88.7%</i>	<i>90.9%</i>	<i>91.2%</i>	<i>91.1%</i>	<i>94.9%</i>	<i>89.4%</i>	<i>91.5%</i>	<i>80.9%</i>	<i>91.5%</i>	<i>83.8%</i>	<i>86.4%</i>	<i>83.3%</i>
All Other	3,171	11.3%	9.1%	8.8%	8.9%	5.1%	10.6%	8.5%	19.1%	8.5%	16.2%	13.6%	16.7%
TOTAL	28,019	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
<i>Number = % of Total</i>			3,390	7,778	11,168	1,146	1,938	3,084	5,531	6,268	525	12,324	1,443
			12.1%	27.8%	39.9%	4.1%	6.9%	11.0%	19.7%	22.4%	1.9%	44.0%	5.2%

Source: OSHPD Inpatient Discharge Database, 2004

Notes: Service lines defined by The Camden Group. Excluded Normal New born (DRG 391).

☐ Indicates market leader

(1) Includes county indigent, other indigent, other government, other payers, workers' compensation and self-pay

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Market Share as a Percent of Total County Volume

Sequoia Healthcare District Market Share as a Percent of Total County Volume CY 2006

Service Line	San Mateo	Sequoia Healthcare District	
	County	Discharges	Percent of County
Cardiology - Diagnostic/Interventional	2,256	934	41.4%
Cardiology - Medical	4,553	1,812	39.8%
Cardiology - Surgery	536	213	39.7%
Chemical Dependency	639	283	44.3%
Endocrine	1,474	608	41.2%
ENT	502	240	47.8%
Gastroenterology	4,329	1,836	42.4%
General Medicine	3,981	1,567	39.4%
General Surgery	3,813	1,665	43.7%
Gynecology	1,247	566	45.4%
Neonatal Intensive Care	3,689	2,046	55.5%
Neurology	2,416	1,006	41.6%
Neurosurgery	923	474	51.4%
Obstetrics & Deliveries	9,707	4,976	51.3%
Oncology	2,472	1,046	42.3%
Ophthalmology	76	31	40.8%
Orthopedics	4,873	2,361	48.5%
Pediatrics	200	78	39.0%
Plastic Surgery	320	147	45.9%
Psychiatry	2,499	1,193	47.7%
Pulmonary Medicine	4,224	1,706	40.4%
Rehabilitation	2,942	1,256	42.7%
Spine Surgery	473	251	53.1%
Thoracic & Vascular Surgery	1,162	506	43.5%
Transplant	70	27	38.6%
Urology	2,539	1,052	41.4%
TOTAL	61,915	27,880	45.0%

Source: OSHPD Inpatient Discharge Database, 2006

Notes: Service lines defined by The Camden Group. Excluded Normal New born (DRG 391).

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Out-Migration

- District residents relied on a small number of outside providers for over 58.7 percent of the inpatient care they required in 2006
 - ▶ This trend has remained consistent since 2004
- The top ten services in which District residents left the District for care in 2006 were the following:
 - ▶ ENT
 - ▶ Neonatal Intensive Care
 - ▶ Neurosurgery
 - ▶ Obstetrics & Deliveries
 - ▶ Ophthalmology
 - ▶ Pediatrics
 - ▶ Plastic Surgery
 - ▶ Spine Surgery
 - ▶ Thoracic & Vascular Surgery
 - ▶ Transplant
- Out-migration has increased between 2004 and 2006 in six of those service lines

Sequoia Healthcare District
Out-Migration as a Percentage of Total Service Area Discharges
CY 2004-2006

Service Line	2004	2006	2004-2006 Trend
ENT	77.4%	78.8%	▲
Neonatal Intensive Care	78.2%	77.8%	■
Neurosurgery	66.2%	70.5%	▲
Obstetrics & Deliveries	68.0%	68.0%	■
Ophthalmology	66.7%	71.0%	▲
Pediatrics	78.7%	85.9%	▲
Plastic Surgery	65.1%	64.6%	▼
Spine Surgery	81.3%	86.5%	▲
Thoracic & Vascular Surgery	54.2%	64.6%	▲
Transplant	100.0%	100.0%	■
Total Out-Migration	58.6%	58.7%	■

Source: OSHPD Inpatient Databases 2004, 2005, 2006

Notes: Service lines defined by The Camden Group. Excluded Normal New born (DRG 391).

Outmigration Trends – CY 2006

**Sequoia Healthcare District
Out-Migration
As a Percentage of Total Service Area Discharges
CY 2006**

Service Line	Total Out-Migration Inpatient Discharges		Lucile Salter						
	Number	Percent of Total	Peninsula Medical Center	Packard Children's Hospital	Stanford Hospital	California Pacific Medical Center - Pacific Campus	UCSF Medical Center	Seton Medical Center	All Other Hospitals ⁽¹⁾
Cardiology - Diag/ltv	562	3.4%	19.4%	0.3%	11.5%	1.0%	0.5%	5.9%	21.3%
Cardiology - Medical	733	4.5%	15.7%	0.8%	12.7%	0.8%	0.7%	2.1%	7.6%
Cardiology - Surgery ⁽²⁾	127	0.8%	6.1%	5.2%	15.0%	0.9%	1.4%	8.9%	22.1%
Chemical Dependency	180	1.1%	47.7%	0.4%	4.9%	0.4%	0.4%	0.4%	9.5%
Endocrine	300	1.8%	15.8%	7.1%	15.6%	0.8%	2.3%	3.4%	4.3%
ENT	189	1.2%	10.8%	22.1%	34.6%	2.5%	2.9%	1.3%	4.6%
Gastroenterology	913	5.6%	18.9%	3.0%	17.3%	1.7%	1.7%	1.2%	6.0%
General Medicine	801	4.9%	21.0%	1.3%	16.4%	1.5%	2.0%	1.6%	7.2%
General Surgery	908	5.5%	20.0%	3.6%	17.5%	2.6%	1.7%	1.5%	7.6%
Gynecology	333	2.0%	22.4%	0.7%	16.6%	2.3%	1.2%	0.7%	14.8%
Neonatal Intensive Care	1,594	9.7%	12.9%	54.4%	0.0%	3.8%	1.1%	0.4%	5.1%
Neurology	540	3.3%	19.6%	5.3%	18.4%	0.4%	1.8%	1.6%	6.7%
Neurosurgery	334	2.0%	12.9%	2.3%	33.8%	1.7%	7.8%	0.8%	11.2%
Obstetrics & Deliveries	3,384	20.7%	15.8%	40.4%	1.1%	3.9%	0.7%	0.4%	5.6%
Oncology	664	4.1%	16.5%	6.1%	23.4%	2.3%	6.6%	1.9%	6.6%
Ophthalmology	22	0.1%	16.1%	3.2%	38.7%	0.0%	3.2%	0.0%	9.7%
Orthopedics	1,416	8.6%	19.4%	1.7%	22.4%	1.9%	1.3%	1.5%	11.6%
Pediatrics	67	0.4%	6.4%	66.7%	2.6%	3.8%	2.6%	0.0%	3.8%
Plastic Surgery	95	0.6%	15.6%	4.1%	13.6%	12.2%	2.0%	6.1%	10.9%
Psychiatry	555	3.4%	16.4%	1.4%	13.9%	0.1%	0.1%	0.1%	14.4%
Pulmonary Medicine	815	5.0%	16.9%	7.7%	13.8%	0.8%	0.8%	2.2%	5.6%
Rehabilitation	791	4.8%	49.7%	0.0%	5.1%	0.9%	0.0%	1.3%	6.1%
Spine Surgery	218	1.3%	6.3%	2.4%	47.2%	1.6%	12.7%	3.2%	13.1%
Thoracic & Vascular Surgery	327	2.0%	28.3%	2.8%	15.8%	1.2%	2.6%	2.6%	11.5%
Transplant	27	0.2%	0.0%	7.4%	40.7%	22.2%	25.9%	0.0%	3.7%
Urology	489	3.0%	18.9%	3.2%	13.9%	0.9%	2.1%	1.2%	6.2%
Total Out-Migration	16,384	100.0%	19.0%	13.7%	12.7%	2.1%	1.6%	1.5%	8.1%

Source: OSHPD Inpatient Databases 2006

Notes: Service lines defined by The Camden Group. Excluded Normal New born (DRG 391).

(1) All Other Hospitals denotes hospitals with less than 1.5 percent out-migration market share

(2) Kaiser Foundation Hospital - Geary San Francisco leads the market with 21.1 percent of share

Outmigration Trends – CY 2004

Sequoia Healthcare District
Out-Migration
As a Percentage of Total Service Area Discharges
CY 2004

Service Line	Total Out-Migration Inpatient Discharges		Lucile Salter						
	Number	Percent of Total	Peninsula Medical Center	Packard Children's Hospital	Stanford Hospital	California Pacific Medical Center - Pacific Campus	Seton Medical Center	UCSF Medical Center	All Other Hospitals ⁽¹⁾
Cardiology - Diag/ltv	470	2.9%	23.7%	0.6%	11.3%	0.6%	4.5%	0.6%	11.4%
Cardiology - Medical	686	4.2%	15.6%	0.7%	11.6%	0.3%	1.4%	0.5%	7.4%
Cardiology - Surgery ⁽²⁾	208	1.3%	21.3%	6.7%	8.2%	1.1%	7.9%	3.0%	29.6%
Chemical Dependency	166	1.0%	41.2%	0.4%	9.7%	0.0%	0.4%	0.0%	8.3%
Endocrine	318	1.9%	16.4%	11.2%	10.9%	1.1%	1.9%	3.1%	5.0%
ENT	164	1.0%	7.5%	31.1%	25.0%	0.5%	0.0%	5.2%	8.0%
Gastroenterology	914	5.6%	20.8%	2.5%	15.7%	1.7%	1.5%	1.3%	6.7%
General Medicine	825	5.0%	20.7%	2.7%	16.5%	1.2%	2.1%	1.2%	7.4%
General Surgery	963	5.9%	23.2%	4.1%	19.1%	1.5%	1.9%	1.4%	6.0%
Gynecology	375	2.3%	20.9%	0.6%	18.5%	2.5%	0.6%	0.6%	14.6%
Neonatal Intensive Care	1,350	8.2%	18.1%	48.3%	0.0%	4.8%	0.2%	0.9%	5.9%
Neurology	561	3.4%	19.8%	5.0%	17.5%	1.0%	2.1%	1.7%	8.8%
Neurosurgery	331	2.0%	12.0%	1.6%	33.8%	2.4%	1.2%	5.6%	9.6%
Obstetrics & Deliveries	3,508	21.4%	18.1%	38.1%	1.4%	3.7%	0.4%	0.8%	5.4%
Oncology	661	4.0%	14.4%	7.1%	20.7%	4.4%	1.6%	3.0%	9.7%
Ophthalmology	22	0.1%	18.2%	12.1%	21.2%	3.0%	0.0%	3.0%	9.1%
Orthopedics	1,309	8.0%	20.6%	2.6%	20.4%	1.8%	2.4%	1.1%	10.0%
Pediatrics	70	0.4%	7.9%	57.3%	0.0%	5.6%	0.0%	0.0%	7.9%
Plastic Surgery	99	0.6%	17.1%	3.3%	10.5%	9.9%	4.6%	2.6%	17.1%
Psychiatry	552	3.4%	16.4%	0.4%	13.8%	0.4%	0.1%	0.0%	17.3%
Pulmonary Medicine	811	4.9%	16.7%	7.6%	14.5%	0.6%	1.6%	0.4%	5.8%
Rehabilitation	956	5.8%	48.0%	0.0%	4.7%	0.6%	0.8%	0.0%	13.3%
Spine Surgery	209	1.3%	5.8%	2.7%	45.9%	2.3%	2.3%	7.0%	15.2%
Thoracic & Vascular Surgery	313	1.9%	27.7%	2.4%	15.4%	0.3%	1.2%	1.7%	5.4%
Transplant	23	0.1%	0.0%	0.0%	78.3%	13.0%	0.0%	8.7%	0.0%
Urology	554	3.4%	21.1%	2.4%	17.5%	1.2%	1.5%	1.8%	6.5%
Total Out-Migration	16,418	100.0%	20.5%	12.7%	12.4%	2.0%	1.4%	1.2%	8.3%

Source: OSHPD Inpatient Databases 2004

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Notes: Service lines defined by The Camden Group. Excluded Normal New born (DRG 391).

(1) All Other Hospitals denotes hospitals with less than 1.5 percent out-migration market share

(2) Kaiser Foundation Hospital - Geary San Francisco leads the market with 27.3 percent of share

The Evolution of Healthcare Districts

- Since the mid-40s, a total of 85 districts have been formed in California, with the majority coming to fruition between 35 and 50 years ago. Two of the most recent districts, formed in 2002 and 2003, were created in Alameda County.
- Historically, districts were formed as a means to operate hospitals. But due to the changing nature of California's healthcare environment, and the difficulty in keeping hospitals financially afloat, almost one-third of the districts have closed, leased, or sold their hospitals. Several districts have changed or expanded their mission and focus to be funders of community health services.
- Districts currently have the power to support the following:
 - ▶ Healthcare facilities
 - ▶ Outpatient services and free clinics
 - ▶ Programs for seniors
 - ▶ Nurse training
 - ▶ Physician recruitment
 - ▶ Ambulance services
 - ▶ Health education programs
 - ▶ Variety of wellness and rehabilitation programs
- Presently:
 - ▶ The 85 districts in existence now operate 52 public hospitals or health facilities. Thirty-one of these hospitals are considered "rural" by the State of California according to the Association of California Healthcare Districts (ACHD).

Source: Taylor, Margaret; *California's Health Care Districts*, April 2006; pp7-8. California HealthCare Foundation

The Current Environment of Healthcare Districts

- According to ACHD
 - ▶ 33 districts no longer operate hospitals
 - 16 of those districts have closed or sold their facilities to for-profit or non-profit health systems, but still provide health-related services
 - The remainder provide health-related services to the residents in their area
- Determination of what the “community need” varies among districts, and is largely the purview of the elected boards of directors.
- Listed below are a cross-section of examples of the types of services and activities financed by healthcare districts.
 - ▶ **Bloss Memorial Healthcare District** (Merced): rural health clinics, dental care, occupational health, services to the developmentally disabled.
 - ▶ **Camarillo Healthcare District** (Ventura): Adult day support, in-home support, paratransit services, health screenings and education, support groups for patients suffering from catastrophic illnesses.
 - ▶ **Del Puerto Healthcare District** (Stanislaus): ambulance service.
 - ▶ **Cambria Healthcare District** (San Louis Obispo): ambulance service, Alzheimer’s day care center, public education.
 - ▶ **Beach Cities Healthcare District** (Manhattan Beach, Redondo Beach, Hermosa Beach – Los Angeles): health and fitness center, senior housing development, family crisis center, free clinics, community service building leases.
 - ▶ **Peninsula Health Care District** (San Mateo): children’s health insurance, counseling and substance abuse programs, senior services, free clinic.

Source: Taylor, Margaret; *California’s Health Care Districts*, **April 2006**; pp 9-10. California HealthCare Foundation

The Current Environment of Healthcare Districts

- “Clearly the majority of these healthcare district programs place great emphasis on community health and wellness programs and services designed to prevent or postpone acute hospital care. In many cases, the districts have filled gaps in local health services, resulting from the funding constraints faced by local public health departments, public safety organizations, and transportation agencies. They also play a vital role in physician recruitment and nurse training, in light of the shortages of medical professionals in most regions of California.” *Taylor, Margaret; California’s Health Care Districts, April 2006; pp 10. California HeathCare Foundation*

Beach Cities Health District

- *Mission: Enhance community health through partnerships, programs and services for people who live and work in Hermosa Beach, Manhattan Beach and Redondo Beach.*
- Ran the South Bay Hospital until 1998, when it closed.
- Beach Cities Health District (“BCHD”) focuses on being a leader in primary preventative care, and keeping individuals out of the hospital.
 - ▶ BCHD conducts a community snap shot every few years that focuses on three age groups. From that report, BCHD derives a set of health priorities for each of the age groups. BCHD’s strategic directive revolves around creating programs that address those health priorities
 - For example, a current issue and health priority for the BCHD’s children age group is the lack of daily activity and fitness

Source: District website

The screenshot shows the website for Beach Cities Health District (BCHD). At the top, there is a search bar and navigation links for 'Contact Us' and 'Visit AdventurePlex'. Below that, there are links for 'MY ACCOUNT', 'MY CLASSES', and 'REGISTER'. The main navigation menu includes 'BCHD HOME', 'ABOUT US', 'OUR CLASSES', 'OUR CENTERS', 'PROGRAMS & SERVICES', and 'RESOURCES'. The main content area features a 'welcome' message with a photo of a woman meditating. Below the welcome message, there are four columns of featured content: 'health tips' (research on skipping breakfast), 'health tools' (BMI Calculator, Exercise Calorie Counter, Food Pyramid Chart), 'events calendar' (Summer Camp Starts Soon!), and 'center for health & fitness' (BCHD's full-service gym).

- BCHD is subsidized by district property taxes, program fees, healthcare business, lease, and investment income. For every tax dollar BCHD receives, they return approximately \$4.79 back to the community in services and programs.

Beach Cities Health District

- Programs and Services

- ▶ Health Screenings
- ▶ Nutrition Services
- ▶ Youth, Adult and Senior Services
- ▶ Volunteer Programs
- ▶ Support Groups
- ▶ Events
- ▶ Community Partnerships – Grants

- Refer to grant recipients as “hiring vendors”

- Financial Highlights:

- ▶ BCHD is organized as a hybrid agency; they receive about 20 percent of their revenue from taxes, and generate the remaining 80 percent from their own programs
 - 19 percent of BCHD’s revenue in FY 2007 was generated from tax dollars. The rest was generated as an amalgamation of program revenues, returns on investments, limited partnerships, and lease revenues
- ▶ BCHD’s two largest expenditures in FY 2007 were made up of grants & projects (\$1.9 million), and salaries and related expenses (\$4.6 million), which make up 16.8 percent and 41.2 percent of total expenditures respectively



Source: District website

Camarillo Health Care District

- *Mission: The Camarillo Health Care District (“CHCD”) is dedicated to ensuring that a wide range of innovative health and wellness services is available to District residents of all ages.*
- CHCD was formed in 1969 to provide community health services. Today, CHCD focuses on maximizing health and wellness through prevention, screening, education and support
- CHCD provides:
 - ▶ Aging persons’ health services
 - ▶ Children’s health
 - ▶ Classes
 - ▶ Support Groups
 - ▶ Preventative Healthcare
 - ▶ Personal safety and fitness
 - ▶ Community contracts with organizations to serve “at-risk” populations

Source: District website

CAMARILLO HEALTH CARE DISTRICT
For your health & wellness

For your health & wellness

About Us

About Us

Mission Statement
The Camarillo Health Care District is dedicated to ensuring that a wide range of innovative health and wellness services is available to District residents of all ages.

History
The Camarillo Health Care District is a public agency formed in 1969 to provide community health services. Over the decades, California state legislators and visionary Board members have kept Camarillo on the cutting edge of community health and wellness. Today, the District focuses on maximizing health and wellness through prevention, screening, education and support. The continuum of services provided today include Transportation Services, Adult Day Support Services, Lifeline Personal Emergency Button, Family Care Consultation Services, Fall Prevention, Caregiver Resource Library, Nail Care Clinic, Health Screenings & Immunizations, Senior Lunch Program, Counseling, Exercise, Advocacy, Education, Support Groups, and much more.

Recognized statewide as California’s Outstanding Healthcare District, and most recently, Service Organization of the Year for Camarillo, the District serves as a model of efficiency and effectiveness.

[Click here to View a special PRESS RELEASE](#)

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Counseling Services • Area Hospitals • Facilities Rental & Use • Contact Us • Map & Directions

Camarillo Health Care District



- Each year, CHCD enters into Service Contracts with various local nonprofit agencies, in order to provide health and wellness opportunities that might otherwise be unavailable for at-risk populations within the District's boundaries
- Financial Highlights:
 - ▶ The District receives approximately 53.7 percent of operating revenue from property taxes dollars. The remaining 46.3 percent of revenue is made up of fees for services, donations, and contracts.

Source: District website

Los Medanos Community Health Care District

- Los Medanos Community Hospital (“Los Medanos”) closed in April 1994.
- Los Medanos created Pathways to Health to help direct their community focus. These include:
 - ▶ VOICE: As the public’s only direct elected voice in healthcare in the District, the District shall continue to respond to the public to expand local health resources through District initiative, District run programs, and collaborations with others where feasible to improve the health and level of services available to District residents
 - ▶ LEVERAGE: The District shall seek to leverage and maximize pooled resources through partnerships, collaborations, and grants to foster health services benefitting District residents



- The District’s grants are intended to benefit the health and well-being of the LMCHD community.

Source: District website

Cambria Community Healthcare District

- The Cambria Community Healthcare District is a public, tax and fee supported special district located in San Luis Obispo County, California. The District operates an advance support ambulance service, maintains a volunteer crisis intervention team, owns a professional medical building and provides community healthcare education. Health Education
- Mission Statement: *THE CAMBRIA COMMUNITY HEALTHCARE DISTRICT PROVIDES QUALITY EMERGENCY MEDICAL SERVICES, CRISIS INTERVENTION AND HEALTH AND SAFETY EDUCATION TO THE RESIDENTS AND VISITORS OF THE NORTH COAST.*



Source: District website

III. Sequoia Healthcare District Financials

District Financial Summary

- The District generates a significant portion of their revenue from the San Mateo County Ad Valorem property tax
 - ▶ In FY 2007, the District received 54 percent of their revenue from property taxes
 - ▶ The other 46 percent of the District's revenue was generated from the rental income of two medical office buildings, and interest generated from the District's investments
- Net assets increased by \$2.4 million or 3.3 percent between FY 2006 and 2007
- The District's major expenses are comprised of administrative expenses, property expenses, and grant money expenses

District Financial Summary (cont'd)

Sequoia Healthcare District
Statement of Revenues, Expenditures, and Changes in Fund Balance
FY 2007

	Revenues, Expenditures	Common Size
Revenue		
Taxes	\$6,908,295	53.7%
Investment Income	2,987,880	23.2%
Interest Income	148,947	1.2%
Pension Reimbursement	2,556,000	19.9%
Unrealized gain on investments	261,718	2.0%
<i>Total Revenue</i>	<u>\$12,862,840</u>	<u>100.0%</u>
Expenditures		
Administrative Services	\$251,454	2.0%
Grant Expense	6,740,073	52.4%
Hospital Replacement Project	379,681	3.0%
Insurance and Benefits	117,171	0.9%
Investment and Banking Fees	134,577	1.0%
Legal	94,156	0.7%
Office Supplies and Maintenance	6,499	0.1%
Pension Contribution	2,556,000	19.9%
Public Relations	106,126	0.8%
Program Expenses	268,291	2.1%
Election Fees	209,964	1.6%
<i>Total Expenditures</i>	<u>\$10,863,992</u>	<u>84.5%</u>
Net Revenue	\$1,998,848	
Other Financing Sources		
Transfers in	\$1,117,457	
<i>Total Other Financing Sources</i>	<u>\$1,117,457</u>	
Net change in fund balance	\$3,116,305	
Beginning Fund Balance	64,896,777	
Ending Fund Balance	\$68,013,082	

Source: Sequoia Healthcare District

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IV. Grant Program

Sequoia Healthcare District Community Grants

- The District grants comprised 62 percent of the District's expenses for the 2007 fiscal year. This is up approximately five percent from the previous fiscal year (at 56.7 percent of expenses in 2006).
- The following six organizations received the majority of the District's grant dollars in 2007

Organization Name	Grant Amount	Description of Organization/Grant
San Mateo Medical Center's Fair Oaks Medical Clinic	\$1,660,350	Covering unreimbursed costs and related ancillary services for indigent and uninsured patients at San Mateo Medical Center's Fair Oaks Medical Clinic. Funding will continue for a two-year period.
Sequoia Hospital Foundation	\$1,500,000	Contribution is a matching grant that supports capital expenditures for Sequoia Hospital.
Children's Health Initiative	\$1,350,000	Provision of health insurance to children throughout the County who would otherwise not have access to care.
Baccalaureate Nursing Program	\$980,908	Ten-year grant program where the District pays \$25,000 per student for up to 40 students who attend the Bachelor of Science in Nursing Degree program at Cañada College.
Community Grants Program	\$606,955	Allocates funds to support qualified agencies, programs, and services that improve the health status of Sequoia Healthcare District residents.
Samaritan House	\$500,000	Provides clinical services for the medically underserved.

Sequoia Healthcare District Community Grants (cont'd)

Eligibility for Grant Programs:

- The 2007-2008 Community Grants Program focuses on, but is not limited to, programs, organizations, and community collaboratives that support the following three areas:
 - ▶ **Healthy, Active, and Engaged Youth** – supporting programs that help children and youth stay healthy, active and engaged. The District has a special interest in prevention of and solutions for the problems associated with childhood obesity
 - ▶ **Healthy, Active, and Engaged Older Adults** – supporting programs that help adults age healthfully and remain active
 - ▶ **Staying Healthy in Time of Disaster** – supporting specific plans and programs focusing on prevention and preparedness

Source: Sequoia Healthcare District website

Appendix A – Interview Summaries

Interview Summary

General Support

- Health District benefits from wide support among interviewees.
- It is preferable for the tax money to be directed to local healthcare than toward the County general fund.

Role of District

- The District has the unique opportunity to provide healthcare oversight for the community, identifying gaps and needs in healthcare, then working to fill the voids.
- A key focus should be education and prevention.
- District needs to assert its independence from the Hospital.
- The District should have a bias toward not implementing or operating programs. Programs should be run by the District only if an alternative does not exist.
- Avoid duplication of services.
- District CEO should be a key community facilitator bringing groups and resources together.
- The district needs to increase visibility to public so the community knows where the money is going and that it is going to good use.

Operational Issues

- Act independently of County and Hospital but coordinate closely.
- Increase transparency by increasing access via website, press releases, impact updates for grantees, board meeting notes, etc.
- Partnerships and leverage of capital are highly encouraged.

Interview Summary

Tax Funding Issues

Majority Opinion

With the assumption that tax funds would be redistributed to the General Fund if the District did not use all/the majority of funds, the District should continue its directive and focus the money toward healthcare.

- A general belief exists that the majority of taxpayers in the District support a portion of their tax dollars to support healthcare.
- The relatively small amount of money that would flow to the General Fund, if the District did not exist, would have virtually no impact on the schools, fire department, etc.

Minority Opinion

The current and proposed activities of the District are not what the voters originally intended.

- “District is not valid”
- Tax dollars should not be used to support ad-hoc philanthropy; Taxpayers never intended for this to be a philanthropic entity.
- If taxes are collected, allow the taxpayers to identify a charity of their choice.

Interview Summary

Sequoia Hospital

Majority Opinion

The District should continue to become more independent from the Hospital. Continuation of support on some level is appropriate.

- The Hospital is a key community resource. It is in the best interest of the District for the Hospital to survive long term. It's appropriate to provide significant support to ensure survivability.
- The District can support the Hospital in various ways:
 - ▶ Purchase equipment to promote service lines and attract physicians
 - ▶ Funding for a pediatric unit
 - ▶ Pay for a hospitalist to attend to underinsured patients
 - ▶ Provide additional funds to increase the Hospital's ability to treat the uninsured in the ED.
 - ▶ Dedicate up to half the District's budget to support the Hospital
 - ▶ Dedicate no tax revenue only EBIDA revenue to the Hospital.
 - ▶ Fund Hospital OB program

Minority Opinion

The Hospital is CHW's responsibility and should not be significantly supported by the District.

- Sequoia Hospital is not an accessible resource for a large portion of community members. It serves a limited group:
 - ▶ 20 percent of the District's inpatients
 - ▶ 6 percent of the District's Medi-Cal inpatients
 - ▶ 11 percent of District "other" payers
- Long-term, Sequoia will likely need to increasingly be a specialized hospital, further distancing itself from a large portion of the population.
- The Hospital should be viable without the need for District support.

Interview Summary

Small Community Grants

Majority Opinion

Continue Community Grants; the program funds organizations that otherwise may not exist.

- The three key focuses for granting are well thought out and should continue at least 2-3 years.
- Some board members don't appear to understand process/values/goals for grants.
- Measurements are collected and adhered to but unsure if or how they are communicated to the board.
- The board needs to be more aware of the small grants process and impact. \$1M is significant and does some good in the community.
- If community grants continue, need to determine funding levels.
- Use greater caution in granting to potentially controversial programs.

Minority Opinion

Discontinue: too small to have an impact

- Granting should be focused on large issues that takes government-level funding to support.
- The small grants can be covered by private donations and foundations.

Interview Summary

Operating Units

Majority Opinion

Minority Opinion

The District should be biased toward not operating or creating entities to deliver services.

Health Districts frequently operate programs, further it is a key to gaining visibility and ensuring the long-term support of community programs.

- “Only if you can do it more efficiently and effectively than others.”
- There is no real need for the District to directly provide services.

- Camarillo and Petaluma Health Districts have proven this model successful.
- Okay if there is a clear need and there are not current providers/organizations.

Interview Summary

Health District Public Relations / Community View

Majority Opinion

The District risks vulnerability long-term by maintaining a low profile. The District needs to increase their PR efforts for long-term stability and to let the taxpayers know what they are getting for their money

- The District is not well understood by the taxpayers in the district. Few know it exists and fewer realize it is distinct and separate from the Hospital.
- There is a belief that the majority of taxpayers in the community would support a portion of their tax dollars to support healthcare.
- “If you have a good story to tell you tell it, and the District has a good story to tell.”
- The community needs to hear back on the impact of the District via website, press releases.
- Need to make a clear distinction between the Hospital and the District.
- Show residents that decisions are being made, and money is being spent locally.
- Good press is scarce, the HeartSafe program is the rare exception.
- Need to be proactive, not reactive in validating the District’s existence.
- Need a press release after every board meeting.
- Lots of other entities are/will be gunning for this tax money; a low profile leaves the District vulnerable.

Minority Opinion

Revenues will not increase but expenses will with a greater PR effort. Tax money does not need to go toward promoting the District.

- Most people in the community are too busy to care; a PR campaign will primarily fall on deaf ears.
- We have tried before to increase PR but have not been successful.
- Greater visibility will also create greater scrutiny, leaving the District vulnerable.

Interview Summary

Combining Health Districts (Single Health District for San Mateo County)

Majority Opinion	Minority Opinion
<p>Maintain status-quo; maintain the two districts</p>	<p>One big district makes sense, we should look to combine but is not an immediate need.</p>
<ul style="list-style-type: none">■ Sequoia and Peninsula have different objectives currently. Peninsula is preoccupied with shepherding the reconstruction of Peninsula Medical Center and wouldn't be in a position to consolidate until after construction is complete.	<ul style="list-style-type: none">■ There should be a single health district covering all San Mateo county.

Interview Summary

Current Programs		
Programs	Majority Opinion	Minority Opinion
Nurses training	Strong support, particularly in that it is a partnership. <ul style="list-style-type: none"> ■ Is defined and measurable 	Primarily a benefit for the Hospital
San Mateo County Hospital	<ul style="list-style-type: none"> ■ Do not want to support while at their level of inefficiency. 	<ul style="list-style-type: none"> ■ A pro-rata share of the District's revenue should go toward supporting the County Hospital or adult indigent care.
<ul style="list-style-type: none"> ■ Samaritan House 	<ul style="list-style-type: none"> ■ Strong support ■ 4,000 visits per year, 450 dental visits, 5,000 visits at San Mateo clinic 	

Interview Summary

Adult Health Initiative

Majority Opinion

Minority Opinion

Some support is OK

It is a money pit and needs to be tackled at the State or National level.



- Camarillo and Petaluma Health Districts have proven the model successful.
- Covering the uninsured is a big black hole that is getting bigger.

Interview Summary

Other Opportunities

Most Frequently Cited

- Focus on prevention
- Adult Health Initiative
- A Pediatric program for Sequoia (perhaps with Packard Children's)
- Equipment for Sequoia (ensure best technology)
- Sequoia OB subsidies
- Improving access to Sequoia Hospital
- Family obesity
- Smoking prevention

Moderately Cited

- Baby boomer issues
- Psychiatric programs
- Focus on keeping people out of the ED
- Later life issues
- Involve clergy network
- Hospitalist for underinsured at Sequoia
- Alzheimer's
- Provide nursing access to elementary and middle schools
- Transportation for Seniors (primarily rural)
- Social workers to help uninsured find providers and navigate healthcare landscape
- Support and coordinate local events "ask a pediatrician night"
- Pediatric dental care
- Managed care for diabetics

Interview Summary

Ideas on Vision

- Health District should have oversight, see where there are gaps, duplication and needs in healthcare and seek to fill the gaps and needs
- Should be tightly defined to allow for less criticism.
- Prevention should be a focus
- Focus on the accessibility for the underserved
- Health and Wellness
- Health teaching
- Health strategies
- Invest in infrastructure, volunteers
- Focus on large gestures that will have significant impact, no small items
- “We have an opportunity to reinvent the healthcare district”
- “The district needs to differentiate itself from a foundation through leadership and bringing people together on an issue”. A foundation model will not survive long term.
- Need to make the community aware of how to get involved
- Lead the community to understand that healthcare issues are a community concern.
- Focus on being a partner in care
- County public health has County oversight and supporting data. Coordinate with them on issues then spotlight locally.
- Improving health through leadership
- Accountability, run like a business
- Leverage the money to attract more money
- Need District funds to allow some to live on the peninsula. There is a threat that we will become a private enclave instead of a diverse community.
- Create a reasonably healthy population
- Catch people at the point where care is needed but unlikely to be reached any other way.
- Support community based clinics

Interview Summary

Other Issues

- Formalize annual meeting between The District, Hospital and Foundation to see if synergies can be identified. Meeting would take place after each entity had developed their strategic priorities.
- Blue Ribbon task force: 40 people, identified 35,000 – 40,000 uninsured in county, estimate coverage costs \$300 per month per person. Ideal would consist of county, communities (Health Districts) and employers each contributing 1/3 of cost to pay for universal coverage.
- Board is accessible, staff is knowledgeable, friendly, a good partner, better than most.
- Loss on \$50m of investment and rental income will deplete financial resources.

Appendix B – Interviewees

Interviewees

Sequoia Health District

- Faro, Art - Director
- Horsley, Don - Director
- Hickey, Jack - Director
- MacNaughton, Nappy – Director
- Johnson, Janeene – District Staff
- Kane, Katie – District Board President
- Haigwood, Diana – Grants Manager for District Community Grants
- Kurtzman, Pamela – District HeartSafe Program
- Mahadevan, Dev – Executive Director

San Mateo County

- Hill, Jerry - Supervisor
- Gordon, Rich - Supervisor
- Srinivasan, Srija – Special Assistant to City Manager
- Silva, Charlene – Public Health Director

Physicians

- Papalian, Mike M.D.
- Weisenberg, David M.D.

Sequoia Hospital

- Bartaldo, Frank - Community Board Member
- Vaskelis, Glenna - President
- Kresge, Linda - Vice President ,Patient Care
- Violet, Marie - Manager

Sequoia Hospital Foundation

- Kemist, JoAnn - President
- Gasparini, Dani - Director of Special Gifts

Interviewees

Grant Recipients

- Lopez, Kitty - Executive Director Samaritan House
- Cooper, Becky - Executive Director, Friends of Youth
- Kalt, Barbara - Director – Rosener House
- Jackson, Michelle - Executive Director, Shelter Network

Community

- Fama, Cheryl - Executive Director
- Beals, Alyn - Business Owner
- Englert, Walter - Retired
- Muela, Armando - Fire Chief
- Gregory, Linda - AF
- Rabbi Miller, Jay - Clergy
- Wantin, Reino – Community member