



Patrick Petre
Hospital Director

Mission Statement

Arrowhead Regional Medical Center provides quality health care to the community.



GOALS

INCREASE SELECTED MEDICAL CENTER VOLUMES

ENHANCE REIMBURSEMENT AND OTHER REVENUE STREAMS

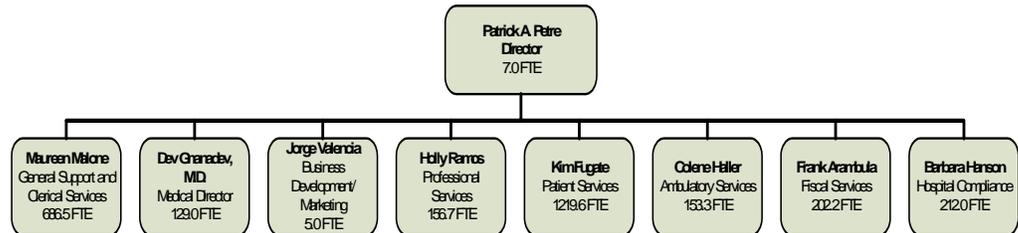
DEVELOP INTEGRATED COUNTYWIDE COMMUNITY CLINICAL SERVICES

DEVELOP/IMPLEMENT SOUND COST CONTAINMENT STRATEGIES

ENSURE A QUALITY FOCUS IN THE PROVISION OF PATIENT CARE SERVICES

ARROWHEAD REGIONAL MEDICAL CENTER

ORGANIZATIONAL CHART



DESCRIPTION OF MAJOR SERVICES

Arrowhead Regional Medical Center (ARMC) is a state of the art, acute care facility embracing advanced technology in all patient care and support areas. The Medical Center offers the latest in patient care by providing a full range of acute and psychiatric inpatient and outpatient services. It also offers primary care services at three off campus community health centers. Freeway access, shuttle service and locale as an Omnitrans bus hub makes ARMC convenient to county residents.

The campus houses five buildings which also serve to outline the definitive services/medical center functions: Behavioral Health, Hospital, Outpatient Care Center, Diagnostic & Treatment and the Central Plant. This year, nine temporary modular buildings were added to the Northwest corner of the campus and named "The ARMC Village". The Village provides temporary housing to the departments and accompanying staff displaced during the current hospital expansion project. This project started in early 2008 when we began the process of demolishing the sixth floor in order to renovate it for an additional 83 medical/surgical beds. These beds will be separated into three distinct units that will become operational on a phase-in schedule beginning approximately October 2009. This expansion will bring total bed capacity to 456.

The hospital and behavioral health facilities are currently comprised of 373 (90 behavioral health and 283 hospital) inpatient rooms, most of which are private. The Emergency Department is a Level II Trauma Center and consists of 16 observation rooms, 17 treatment rooms, 3 law enforcement holding rooms and 8 trauma rooms. The unit also includes an 8 bay Rapid Medical Emergent Treatment area to expedite treatment and improve throughput. The helicopter landing area can accommodate both standard medi-vac helicopters and military helicopters. The outpatient care center consists of 109 examination rooms and 8 procedure rooms.

ARMC remains one of the most technologically advanced health care institutions in the entire country. It is also seismically sound, capable of withstanding an 8.3 magnitude earthquake, and is designed to remain self sufficient and functional for a minimum of 72 hours.

Inpatient Care: Inpatient services provide curative, preventive, restorative and supportive care for general and specialty units within the General Acute Care Hospital, and Behavioral Health Hospital. Care is coordinated among multiple care providers responsible for patient care twenty-four hours a day. The clinical staff serves as the primary interface with patients, families, and others throughout the hospital experience. Education is a primary focus. ARMC offers numerous Residency Programs, both Traditional and Transitional, for the training of physicians in Family Practice, Emergency Medicine, Surgery, Neurosurgery, Women's Health, Internal Medicine, Geriatric and Psychiatry.

Inpatient Service lines include The Edward G. Hirshman Burn Center at ARMC, Medical Intensive Care (MICU), Neonatal Intensive Care (NICU), Maternal Child Services, Newborn Nursery, Operative Services, Pediatrics, Medical Surgical, Dialysis, Cancer Care, Transplant (kidney), Wound Care, and Behavioral Health.

Outpatient Care: Outpatient care is an integral part of our multifaceted health care delivery system offering a wide range of emergency, primary, preventive, chronic, follow-up and specialty care services in an ambulatory care setting. Visits have exceeded 250,000 annually, excluding the Emergency Department volume. Outpatient Service lines include Emergency Medicine, Psychiatric Emergency Services, and Primary care in one of the three outlying Family Health Centers (FHC's) located in Fontana and San Bernardino. Our Specialty Clinics include Infusion Therapy, Internal Medicine, Surgery, ENT/Audiology/Dental/Oral Surgery, Ophthalmology, Orthopedic, Pediatric, Family Elder & Geriatric Care, Rehabilitation, and a Women's Health Center.

Ancillary/Support & Specialized Services: Complex health care systems are comprised of numerous ancillary and support departments that offer specialized diagnostic, treatment, rehabilitation and continuum of care services to both the inpatient and outpatient programs of the Medical Center. Those services include Medical Imaging (Radiology), Neurodiagnostics, Clinical Laboratory, Pharmacy, Rehabilitation, Respiratory Care, Home Health, Health Information Library, Wound Care and Hyperbaric Medicine, Laser Tattoo Clinic, Breathmobile, Cardiac Diagnostic Rehabilitation and Interventions, Behavioral Health, GI Lab, Pain Clinic, Coumadin Clinic, Social Services, Case Management, Nutritional and Volunteer/Chaplaincy Services.

2008-09 SUMMARY OF BUDGET UNITS

	Operating Exp/ Appropriation	Revenue	Fund Balance	Revenue Over/ (Under) Exp	Staffing
Enterprise Fund					
Arrowhead Regional Medical Center	371,327,218	368,673,065		(2,654,153)	2,771.3
Total Enterprise Fund	371,327,218	368,673,065		(2,654,153)	2,771.3
Special Revenue Funds					
Archstone Foundation Grant	5,534	1,000	4,534		-
Tobacco Tax Funds	2,507,991	2,202,553	305,438		-
Total Special Revenue Funds	2,513,525	2,203,553	309,972	-	-
Total - All Funds	373,840,743	370,876,618	309,972	(2,654,153)	2,771.3

2007-08 ACCOMPLISHMENTS

- ❖ California Emergency Physicians (CEP) America Emergency Department of the Year Award
- ❖ National Association of Counties (NACo) Achievement Award – Rapid Assessment Team (RAT)
- ❖ Dr. Dev Gnanadev – California State University, San Bernardino Distinguished Executive Officer
- ❖ Molina Community Champion Awards – Dr. Rodney Borger, ARMC Family Health Centers (FHC's)
- ❖ Dr. Guillermo Valenzuela – San Bernardino County (SBCo) Medical Society President
- ❖ Dr. Rodney Borger – SBCo Medical Society President-Elect
- ❖ Successful Programs
 - 6th Annual Health and Safety Fair
 - 2nd Annual Walk-Run Fitness Event
 - 10th Annual Foundation Golf Fundraiser
 - Annual Breastfeeding Fair Hospital Accreditation - American Osteopathic Association (AOA)
 - Respiratory Therapy Blood Gas Lab - (AOA)
 - Residency Program Accreditation – (AOA)
 - American College of Graduate Medical Education (ACGME) Accreditation
- ❖ Grant Awards
 - Asthma & Allergy Foundation of America (AAFA)- Breathmobile
 - California HealthCare Foundation (CHCF) Chronic Disease Registry Information Technology (IT) Challenge
 - Perinatal Services Network (PSN) – Baby Friendly Status
 - Verizon Information (IT)
 - California HealthCare Foundation (CHCF) Palliative Care
- ❖ Appointments
 - Dr. Rodney Borger – California Department of Public Health Advisory Committee
 - Dr. Joe Corless – California Health Policy & Advisory Commission

GOALS, OBJECTIVES, AND PERFORMANCE MEASURES

GOAL 1: INCREASE SELECTED MEDICAL CENTER VOLUMES.

Objective A: Increase Inpatient bed capacity by a minimum of 24 telemetry beds upon completion of the sixth floor conversion; and with addition of Lap-Band Procedures and Open Heart Surgeries in new Open Heart & STEMI(ST Elevation Myocardial Infarction) Center, an increase of 7.9% in total patient days over 2008-09 target.

Objective B: Initiate Radiation Therapy through the Linear Accelerator Services, with an estimated 2,500 treatments for 2009-10.

Objective C: Implementation of Mobile Medical Clinic, with an estimated 8,640 encounters for 2009-10.

MEASUREMENT	2006-07 Actual	2007-08 Actual	2008-09 Target	2008-09 Estimate	2009-10 Target
1A. Percentage change of inpatient bed days thru: - 24 additional beds, 7,884 inpatient days - Lap-Band surgeries, 150 inpatient days - Open Heart surgeries, 600 inpatient days	115,773	(9.2%) 106,276 (of 2006-07 Actual)	3.0% 109,464 (of 2007-08 Actual)	2.8% 109,252 (of 2007-08 Actual)	7.9% 118,098 (of 2008-09 Target)
1B. Implement Radiation Oncology treatments on-site.	N/A	N/A	N/A	N/A	2,500 treatments
1C. Implement Mobile Medical Clinic.	NA/	N/A	New	2,880 Patient encounters	8,640 Patient encounters

Status

1A. ARMC forecasts a 7.9% volume increase in 2009-10 as compared to the 2008-09 targeted volumes of 109,464 bed days. The targeted 7.9% volume growth in bed days is based on the following assumptions:

- The 6th floor conversion project will be completed and licensed by October 31, 2009.
- A new 24-bed unit will be fully operational by October 31, 2009.
- The 24-bed unit has a 90% occupancy rate with an average daily census (ADC) of 21.6 patients per day.
- The target 4.9% growth represents an additional estimated 5164 bed days from November 2009 to June 2010.
- ARMC emergency department visits continue to increase between five to eight percent per year. With nearly 80% of all inpatient admissions originating in the emergency department, the demand for hospital beds grows with the increased emergency department volume.
- San Bernardino County population growth between 2010 and 2015 is expected to increase by 10.6%. This increase will bring the population count from the estimated 2,182,049 in 2010 to 2,385,748 by 2015, according to statistics released by the Southern California of Governments agency.

ARMC is licensed as a 373-beds acute care hospital that provides inpatient care for adults and children requiring hospitalization. Of the 373 licensed beds, 273 are licensed as acute care beds while 90 of the 373 beds are licensed as acute inpatient psychiatric beds. Although the inpatient psychiatric service has capacity for 90 beds, ARMC is staffed to manage 54 beds at the present time. Plans are currently in progress to expand bed utilization to 60 by February 1, 2009.

To address the issue of growing demands and capacity, ARMC sixth floor expansion project to add 83 acute care beds was commenced in December 2007. Given the progress made to date and barring any unforeseen delays, ARMC fully expects the three inpatient care units will be operational by November 2009. The completion of the Expansion project will increase ARMC bed capacity from 373 to 456 total licensed beds. ARMC plans to phase in the opening of the three patient care units by opening one of the three units by November 2009, thus increasing bed capacity by 24 telemetry beds. The other two care units, totaling 59 beds, will be opened based on sustained demand for hospital beds. ARMC projects the additional 24 beds will result in an increase of 7.9% bed day growth over 2008-09 target bed days. The projected 7.9% growth in patient days is an estimation based on

occupancy rates between 90% to 100% and an ADC of 21.6 patients. A 7.9% growth will result in an additional 7,884 billable days in a fiscal year.

ARMC plans to add Bariatric Surgery in 2009-10. The General Surgery Section of the Department of Surgery has the qualified surgeons to do the Lap Band procedure. The demand for this type of surgery has increased consistently over the course of the last few years.

ARMC's plan to develop a Cardiac Surgery Program will enhance care for County residents and allow ARMC to move toward a Level 1 Trauma Center designation. Currently, ARMC transports patients to other area hospitals when they require open heart surgery and the Medical Center covers the costs for those patients without surgery. This annual cost is approx \$2,000,000.00. A full scope cardiac surgery program will eliminate these costs, and allow these funds to be diverted into the necessary services to complement a Level 1 Trauma Service, and to have a STEMI Center. Program implementation is scheduled for the first quarter of 2009-10. An agreement is currently in place with a cardiac anesthesia group, and the next step is to complete an agreement with a cardiac-thoracic surgeon. In addition, ARMC will need to purchase specific equipment that is required to support a program of this type as well as do specific training for our operating room staff, and SICU staff. In August of 2006, ARMC received Level II trauma center certification from the American College of Surgeons (ACS). ARMC's Trauma Center is the only such designated center in Riverside and San Bernardino counties. ARMC expects that this new Cardiac Service will also significantly upgrade corresponding cardiac services in the Medical Center.

- 1B. ARMC provides medical care to low and moderate income citizens of San Bernardino County. More than 200 patients a year suffer from cancer and require radiation treatment and/or radiosurgery. Due to the absence of this radiation therapy equipment, cancer patients are presently referred to private facilities in San Bernardino and Apple Valley. In 2007-08 ARMC paid \$418,040 to an outside Oncology group to treat our Radiation Oncology patients, totaling 2,748 exams.

ARMC oncologists and radiologists believe they can improve the rate of successful treatment among their cancer patients by providing Radiation Oncology on-site at ARMC. The implementation of on-site Radiation Therapy, in the form of Intensity Modulated Radiotherapy Treatments (IMRT), will improve the continuity of care and outcomes for our Oncology patients. Based on current data, estimated revenue for 2009-10, based on an average price per patient of \$7,700, would generate approximately \$1,735,500 in revenue and eliminate the current \$418,040 in cost paid out for our Medically Indigent Adult population and self-pay patients.

- 1C. The Mobile Medical Clinic is being implemented to provide new access points to basic health screenings/primary care and health education services throughout San Bernardino County. The mobile unit, which was purchased by the ARMC Foundation and gifted to the Medical Center, will enable hospital personnel to reach deeper into remote areas of the county with limited access to medical services. San Bernardino County, ARMC's catchment area, is the largest geographic county in the United States. Services will be provided onboard by a Licensed Health Care Provider along with support staff including a health education specialist/registered dietitian and licensed vocational nurse. A medical director will provide oversight of the program. The unit will also be staffed with an eligibility worker/clinical assistant and security technician/driver. ARMC plans to begin mobile medical services in March 2009.

GOAL 2: ENHANCE REIMBURSEMENT AND OTHER REVENUE STREAMS.

Objective A: Cash collections to be 100% of Net Patient Revenue recognized in the most prior sixty days.

Objective B: Pursue grants revenue as an additional funding source for ARMC, with budgeted revenues of at least \$1,000,000 during each budget cycle.

Status

- 2A. The goal for cash collection will continue to be targeted at 100% of estimated patient collections recognized in the most prior sixty days. Estimating cash collections is vital to providing funds for operations and capital that ARMC will need. A systematic method for establishing a cash goal will use patient care revenue generated in the previous sixty days. This measurement will give the patient accounting department a goal each month to target. This will be achieved through the following actions:

- The Discharged Not Final Billed (DNFB) goal will be targeted at 7.5 days. DNFB accounts are patient accounts pending release for billing. These accounts usually lack clinical documentation for coding by Health Information staff. It is the goal of ARMC to have no more than 7.5 days in DNFB status. As we improve revenue cycle processes, the goal will go lower.
- Net Accounts Receivable Days goal will be targeted at 52.0. Net Accounts Receivable days are one of the key indicators for monitoring patient accounts collections.
- Average Medicare Length of Stay goal will be targeted at 5.0. Oversight of the Medicare patient length of stay is critical due to the payment per discharge methodology employed by the Centers for Medicare and Medicaid (CMS). The case management department works with various medical providers and clinical disciplines to provide efficient, high quality care at the appropriate time.

2B. The Grant Team is comprised of Compliance Department staff and the Director of The ARMC Foundation. Grants are actively pursued and applied for with federal, state and private entities in a coordinated fashion. The primary searches are currently focused on support for the Mobile Medical Clinic, Breathmobile, EMR (Electronic Medical Record); IT (Information Technology) Infrastructure, and other operational areas as identified.

GOAL 3: DEVELOP INTEGRATED COUNTYWIDE COMMUNITY CLINICAL SERVICES.

Objective A: Develop unique strategic plans for integrating countywide, community clinical services offered by Public Health, Arrowhead Regional Medical Center, and the Department of Behavioral Health into single, full scope area diagnostic and treatment centers.

MEASUREMENT	2006-07 Actual	2007-08 Actual	2008-09 Target	2008-09 Estimate	2009-10 Target
3A. Produce individual plans detailing patient demographics, site locations, systems integration, fiscal requirements and program design for two of the proposed integrated service models in the eleven identified catchment areas throughout the county.	N/A	N/A	New	75% complete July 2009	Complete January 2010

Status

3A. The Department of Public Health, Arrowhead Regional Medical Center, and the Department of Behavioral Health are in collaboration to integrate health services throughout the County by aligning clinical access to customer oriented comprehensive coordinated healthcare services. This clinical model would eliminate duplication of service provision and optimize resource effectiveness in the overall delivery of outpatient care. Recognition of patient needs for varying services would be immediate and result in a "warm hand off" to a qualified healthcare provider. Additionally, it allows common areas and support staff to be shared by all departments.

Eleven catchment areas have been defined and prioritized. The initial pilot for integrating services on a defined scale has occurred at Holt Clinic in Ontario where Behavioral Health staff were embedded into Public Health services and eligibility workers were strategically placed in Maternal/Child Health. The first complete prototype of full scope service is designed to integrate primary care from Westside Family Health Center, Maternal Health, Reproductive Health and the Women & Infant Care (WIC) Programs from Public Health and Individual/Group Counseling and "Club House" services from Behavioral Health. Incorporation of Specialty pediatrics, laboratory, pharmaceutical and radiology services would be incorporated to offer a complete outpatient diagnostic and treatment center.

Patient demographics have been identified, the physical sites (locations) are being reviewed, proposed program design is being drafted and clinic service adjacencies within the integrated model have been outlined. A key to the success of the integration process is integrated systems. Over the next year the integration team will continue to use the current clinic structure to test ideas relating to new systems. The team will test new technologies to determine which ones are more appropriate to accommodate the proposed methodology. This will allow the departments to outfit the inaugural integrated Clinic with vetted, mature technologies.

The team will continue to investigate the marketplace for the appropriate software and systems integration services that might be candidates for our integrated model. Due to the maturity of the marketplace for systems targeted to integrated clinics, it is anticipated that the development of in-house systems will play a crucial role in the success of the integrated clinic services model.

San Bernardino County is a pioneer in this concept of operations. The three health services within the county conduct integration committee meetings monthly to identify, develop, assign responsibility, and report on critical components of this work in progress. Much of the research has been completed. Specific implementation plans with target dates and fiscal projections of operational costs and one-time and on-going funding requirements for the full scale service model are anticipated to be complete by midyear of 2009-10. Strategic planning and implementation of integrated services will be on-going and will incorporate process change from lessons learned, fluctuating demographics and area dynamics throughout the eleven catchment areas within the County.

GOAL 4: DEVELOP/IMPLEMENT SOUND COST CONTAINMENT STRATEGIES.

Objective A: Obtain 95% contract compliance with University Health System (UHC)/Novation GPO for potential savings of up to \$1 million.

Objective B: Product Standardization Opportunities for potential savings up to \$600,000.

MEASUREMENT	2006-07 Actual	2007-08 Actual	2008-09 Target	2008-09 Estimate	2009-10 Target
4A. Contract Compliance. Percentage of contracts utilized under the UHC Novation contracts.	75%	80%	89%	92%	95%
4B. Product standardization. Dollar savings realized from consolidating product vendors.	N/A	N/A	\$150,000	\$150,000	\$600,000

Status

- 4A. It is the goal to obtain 95% contract compliance with the UHC/Novation contracts. There is potential for an additional \$1 million in supply expense savings from accessing additional contracts, converting to the Novation contracts and ensuring current spending is at tier appropriate pricing. Emphasizing contract compliance will have a two-fold effect for ARMC: 1) ensures pricing integrity to the GPO negotiated price and 2) protects ARMC from arbitrary price increases from vendors due to current economic conditions. Compliance will be measured through the UHC Spendlink Tool where ARMC spending is analyzed for compliance.
- 4B. The goal will be to obtain a savings of up to \$600,000 through product standardization. The Executive Value Analysis Leaders (formerly Products Committee) will focus on value management for product standardization to achieve these savings. Strategic clinical teams will be formed and overseen by the Executive Value Analysis Leaders. The following categories have fragmented spending among various vendors and will be targeted for standardization: Cath Lab products, dressings, exam gloves, surgeon gloves, hand hygiene, sterility assurance, instrument care, ostomy products, thrombus management and casting products.

GOAL 5: ENSURE A QUALITY FOCUS IN THE PROVISION OF PATIENT CARE SERVICES.

Objective A: Achieve and maintain a Press Ganey mean average Patient Satisfaction Score of 85%, focusing on The Overall Rating section, "Likelihood of Recommending the Facility to Others". Reach and maintain above the National Average regarding the HCAHPS (Hospital Consumer Assessment of Health Providers and Systems).

Objective B: Obtain and maintain Core Measure Compliance at 100 percent on all Quality Indicators, AMI (Acute Myocardial Infarction), CHF (Chronic Heart Failure), Pneumonia and SCIP (Surgical Care Improvement Program) by June 2010.

Objective C: Decrease Occupational Employee Injuries by 50%, down to 210, by June 2010.

MEASUREMENT	2006-07 Actual	2007-08 Actual	2008-09 Target	2008-09 Estimate	2009-10 Target
5B. Achieve and maintain Core Measures Compliance at 100% for all Core Measure by June 2010:					
AMI (acute myocardial infarction)	74.8%	85.2%	90%	90%	100%
CHF (chronic heart failure)	78.0%	83.0%	90%	90%	100%
Pneumonia	81.0%	87.3%	90%	90%	100%
SCIP (surgical care improvement project)	79.8%	96.0%	90%	90%	100%
5C. Number of Occupational Employee Injuries.	468	420	430	420	210

Status

- 5A. ARMC's mission and culture, is that of high quality and customer service. Our Patient Satisfaction scores are now available to the public via the internet. The Press Ganey patient satisfaction question "Likelihood of Recommending" speaks volumes of how a patient and/or family member views ARMC as a whole. ARMC anticipates reaching its goal of achieving a mean score of 85% for "Likelihood of Recommending" for 2008-09, and intends to maintain that same goal for 2009-10.
- 5B. The Centers for Medicare/Medicaid mandate that all healthcare organizations submit their Core Measures Compliance rates on a quarterly basis. By 2009-10, hospitals reimbursement funds may be denied based on their performance/compliance with the Core Measures.
- 5C. In 2006, work related injuries at ARMC resulted in a cost of \$1,640,151. In 2007, work related injuries at ARMC resulted in a cost of \$802,393. Our goal for 2009-10 is to reduce total work related injuries by 50% to 210.

STRATEGIC PLANNING:

Expand ARMC's Emergency Department

ARMC continues to experience an increase in patient volume through the Emergency Department (ED), through which the majority of ARMC's admissions are routed. Over the last five years the emergency room visits have increased from 58,000 to 110,629 annually. The 43 existing exam rooms, 6 cubicles and available adjacent space in the original design of the building have been maximized with recent changes in work and patient flow in a valiant effort to accommodate this dramatic increase in volume statistics.

- A Rapid Medical Exam and Treatment (RMET) area was added to expedite the urgent visits through the ED.
- 50% of the existing waiting area has been converted to a medical screening exam area with Nurse Triage and Patient registration immediately available to patients upon entry to the ED.
- ED wait time (Door to Doctor) has dramatically decreased in the advent of consistent increase in patient volume.
- Patients Leaving Without Being Seen (LWBS) is at a record low of less than 1%.
- Though current space utilization and process improvement have been maximized with a very positive impact to operations, space configuration and workflow processes in adjacent support areas remain insufficient to meet the ever increasing patient service demand. In an effort to efficiently and effectively continue to meet the needs of a growing community and patient population, ARMC will begin to consider the following:
 1. Re-configuration of selected areas of the existing space within the current ED - Pod A, Pod D, Corrections area, creation of medical staff offices.
 2. Additional exam rooms from 43 to 92 (New Construction).
 3. Relocation and expansion of Trauma from 6 to 8 beds (New Construction) to the East of the existing ED into the ambulance bay area.
 4. Conversion of the current ED lobby to a fast track of 18 stations.
 5. Re-location of the existing lobby, public restrooms, registration and Medical Screening area to the north (New Construction).
 6. Creation of negative pressure rooms.
 7. Addition of skills Lab and conference area (New Construction) to the East of the existing ED, second story above new Trauma area.

2009-10 REQUESTS FOR ADDITIONAL GENERAL FUND FINANCING

The department is not requesting any additional general fund financing for 2009-10.

2009-10 PROPOSED FEE ADJUSTMENTS

The department is not requesting any proposed fee adjustments for 2009-10.

If there are questions about this business plan, please contact Patrick Petre, Director, at (909) 580-6150.



456 Inpatient Beds



Level II Trauma Center