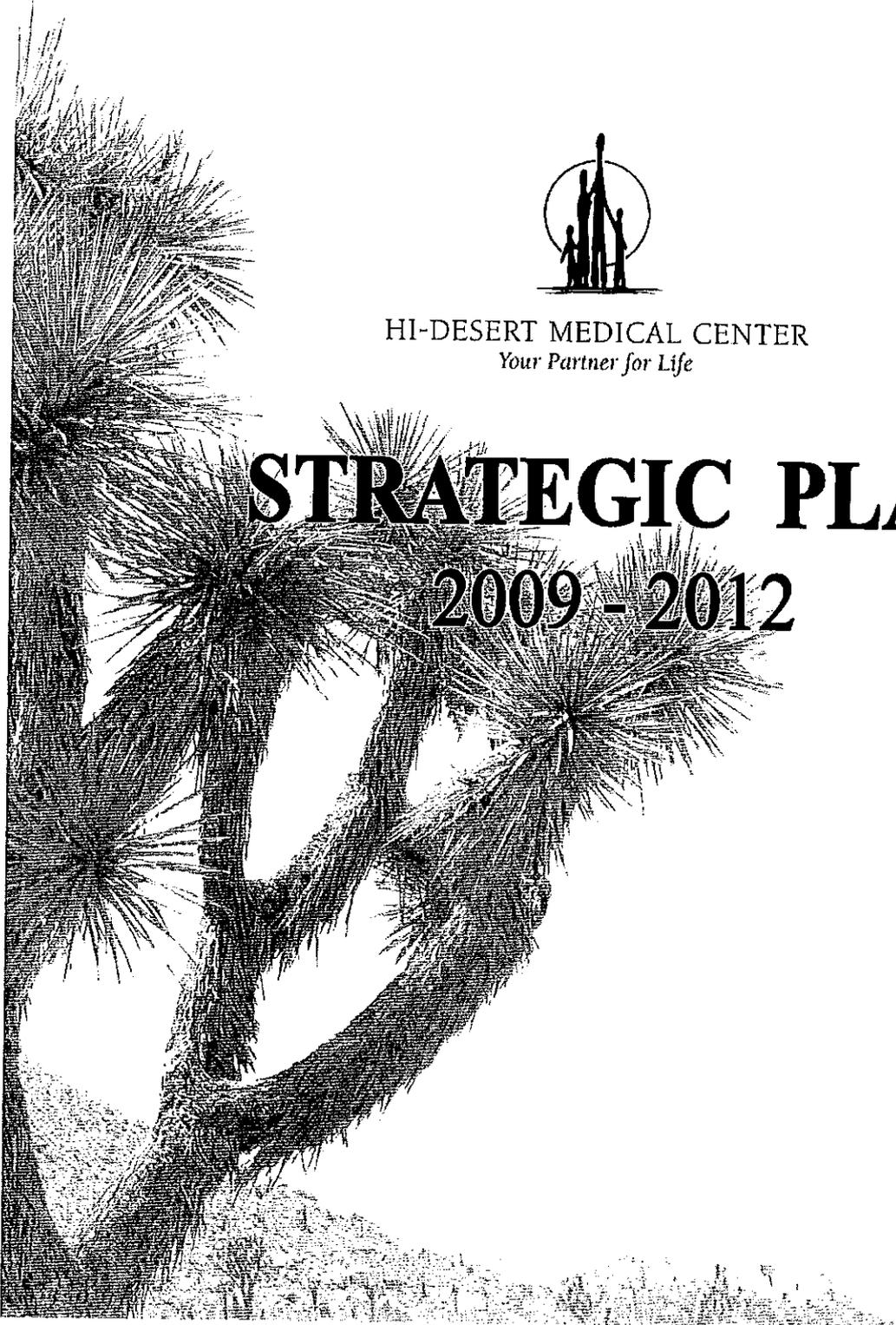




HI-DESERT MEDICAL CENTER  
*Your Partner for Life*

# STRATEGIC PLAN

## 2009 - 2012





## TABLE OF CONTENTS

1. EXECUTIVE SUMMARY .....	4
1.1 Critical Issues .....	4
1.2 Response Strategies .....	5
1.3 Strategy Achievement Goals .....	5
2. BACKGROUND .....	6
3. MISSION, VISION, VALUES .....	7
4. PRESENT STATUS	
4.1 Summary .....	8
4.2 Relevant State and County Maps .....	10
4.3 Projected Financial Performance .....	12
4.4 Performance Graphs	
Acute Patient Days; Average Length of Stay for Acute Care.....	13
ICU Average Daily Census; OB Average Daily Census .....	14
Total Days Associated with All Inpatient Services; Relationship of Services in Hospital.....	15
Swing Bed Average Daily Census; Emergency Department Visits.....	16
Surgery Volume; Outpatient Visit Volume .....	17
Net Operating & Total Gain/Loss; Net Revenue & Expense per Pt Days.....	18
Net Days A/R; Property Plan & Equipment Comparison.....	19
CCC Occupancy per Calendar Day; Airway Ambulatory Surgery .....	20
Home Health & Hospice Visits; Clinical Lab Billed Tests .....	21
Outpatient Clinical Laboratory Percentage Revenue.....	22
Rural Health Clinic Visits; Behavioral Health modalities .....	23
Radiology Procedures by Location; Other Imaging Modalities .....	24
5. PRODUCT/SERVICE DESCRIPTIONS/COMPETITIVE ASSESSMENT	
5.1 Emergency Department.....	25
5.2 Med/Surg Department .....	25
5.3 Surgery – Inpatient .....	26
5.4 Pediatrics .....	26
5.5 Surgery – Airway Outpatient.....	26
5.6 Obstetrics.....	27
5.7 Continuing Care Center.....	27
5.8 Rural Health Clinics .....	28
5.9 Laboratory .....	28
5.10 Home Health.....	28
5.11 Hospice.....	29
5.12 Cardiology .....	29
5.13 Pulmonology .....	29

5.14 Behavioral Health.....	30
5.15 Therapy Services .....	30
5.16 Infusion Services .....	30
5.17 District-Wide Strengths/Weaknesses/Opportunities/Threats Analysis .....	31
<b>6. DEMOGRAPHIC PROFILE OF TARGET MARKETS</b>	
6.1 Snapshot of Local Economy.....	32
6.2 Morongo Basing Population Age Distribution.....	32
6.3 Race .....	32
6.4 Employment .....	32
6.5 HDMC Patient Origin Report.....	33
6.6 HDMC Payor Report.....	33
6.7 HDMC Inpatient PSA Market Share by Primary and Secondary Areas .....	34
6.8 HDMC Inpatient PSA Market Share by Primary and Secondary Payors.....	35
6.9 Emergency Department Visit Estimates.....	36
6.10 Ambulatory Surgery Estimates for Primary and Secondary Service Areas .....	37
6.11 Outpatient Visit Estimates – Primary Service Area .....	38
6.12 Outpatient Visit Estimates – Secondary Service Area .....	39
6.13 HDMC Inpatient Market Share: All Payors; Under Insured; Medicare .....	40
6.14 Combined PSA/SSA: Medical Cardiac .....	41
6.15 Combined PSA/SSA: Chest Pain .....	41
6.16 Combined PSA/SSA: Cardiac Interventional.....	41
6.17 Combined PSA/SSA: Total Joint .....	41
6.18 Combined PSA/SSA: Obstetrics .....	42
6.19 Combined PSA/SSA: Obstetrics with DRG 372.....	42
6.20 Top 25 DRGs by Hospital .....	43
6.21 Target Market Consumer Behavior Trends.....	44
6.22 California Market Trends .....	44
6.23 Market Opportunities .....	44
<b>7. CRITICAL ISSUES.....</b>	<b>45</b>
<b>8. RESPONSE STRATEGIES, STRATEGY ACHIEVEMENT GOALS &amp; MEASURABLE ACTION STEPS</b>	
8.1 Community .....	46
8.2 People .....	47
8.3 Growth.....	48
8.4 Service .....	49
8.5 Finance .....	50
8.6 Quality .....	51
<b>9. NEXT STEPS/MANAGEMENT ACTION .....</b>	<b>52</b>

Hi-Desert Memorial Health Care District operates Hi-Desert Medical Center, the Continuing Care Center, a skilled nursing facility; home health and hospice; two rural health clinics; outpatient behavioral health; outpatient imaging and an outpatient surgery center. The District is owned by the citizens of the Morongo Basin and governed by a publicly-elected Board of Directors. The healthcare District is characteristically referred to as “Hi-Desert Medical Center” and therefore will be referred to in this document as “the District” or Hi-Desert Medical Center (HDMC).

## **1. Executive Summary**

The HDMC leadership team convened the 2009-2012 strategic planning process with a mission to acquire input from a broad representation of community stakeholders. The approach undertaken included both group and individual opportunities for input.

The first phase of the project entailed convening town hall meetings and focus groups to glean information about HDMC programs and services: what we are doing well, what improvements can be made, and what programs and services should be developed to better meet the needs of our communities.

Town hall meetings were attended by more than 50 residents and held in Joshua Tree, Yucca Valley and Twentynine Palms. Focus groups were also conducted with recent patients of the birthing center, emergency department, Continuing Care Center, outpatient, and medical surgical services. Ideas and remarks provided were recorded for consideration.

Meetings with internal constituents were convened including internal focus groups with the District Board of Directors, medical staff, administrative team and District department directors and supervisors.

This strategic plan also provides a brief District background, snapshot of current market conditions, financial historical data (2003—present), assessment of strengths, weaknesses, opportunities and threats (S.W.O.T), a demographic market overview, and finally identification of strategies, goals and objectives.

Concurrently, demographic information was obtained and analyzed from population, economic, strategy, and technology data sources.

### ***1.1 Critical Issues***

Socioeconomic and market force issues, patient utilization, patient access, and unmet healthcare needs were some of the emerging themes that led us to identify the following critical issues:

- HDMC is the sole provider of emergency and acute care and ancillary diagnostics within a 35 mile radius.
- In 2008 HDMC absorbed \$3 million in costs for unreimbursed care. The troubled economy, growth in unemployment and an increasing number of uninsured patients will further challenge HDMC’s fiscal stability.
- HDMC lacks some sub-specialty medical staff needed to provide the office-based, emergency room back up, and inpatient services the community needs. As a result, patients unable to access care locally must seek specialty healthcare outside their community and emergency patients often require transfer to clinical facilities elsewhere.

- The age distribution, economic profile of the community, and the shortage of industry or large employer base will continue to result in increasing demand for services for uninsured and under-insured patients.
- The County hospital is located 75 miles away preventing Hi-Desert patients from reasonable access to safety-net clinical services.
- HDMC's emergency department is a vital safety net for patients seeking urgent medical care.
- Customer satisfaction and consistent delivery of quality services are key to improved community perception of HDMC.
- Low reimbursement and payor mix are major obstacles to physician recruitment and retention.
- HDMC has historically had a passive relationship with large local employers (i.e.: Town of Yucca Valley, City of Twentynine Palms, civilian employees on the Base, Morongo Unified School District, Copper Mountain College and the utility companies).

### *1.2 Response Strategies*

The above critical issues then led us to the following six response strategies. Take appropriate steps to:

- Measurably improve the quality and scope of existing services and patient safety.
- Determine the healthcare needs of the District and create and foster alliances to meet those needs.
- Build, sustain and grow the best people.
- Assess existing services for viability and create sustainable, measurable growth through new services and additional patient volume.
- Measurably improve service to the customer.
- Ensure financial capabilities to support present and future District programs and services.

### *1.3 Strategy Achievement Goals*

Upon identification of response strategies, specific goals were developed that upon completion will ensure each identified critical issue and response strategy is addressed, accomplished and maintained.

## **2. Background**

Hi-Desert Medical Center (HDMC) is located in Joshua Tree, California, a rural area in the high desert located 37 miles northeast of Palm Springs, California. The mountains of Joshua Tree National Park are the backyard of the three primary communities that HDMC services (Yucca Valley, Joshua Tree, and Twentynine Palms).

HDMC provides a primary and secondary healthcare delivery system to the Morongo Basin communities and serves a 1,800 square mile area with a population of approximately 58,000 people. The demographics of the area show a population segmentation of 22% between ages 1-18, 64% between ages 18-64, and 14% for 64 years and older, making our market notably younger than adjacent communities and California at large.

The District was created through the consolidation of two previously existing hospital districts. Prior to consolidation, the Hi-Desert Memorial Hospital in Yucca Valley was owned and operated by the Hi-Desert Memorial Hospital, Incorporated; the Twentynine Palms Hospital District was owned and operated as a community hospital in Twentynine Palms. In January 1972, the two districts were merged into the present Hi-Desert Memorial Health Care District and located in Joshua Tree, a location chosen for its relative equidistance between the two communities.

HDMC was built in 1976 and is currently licensed for 55 acute-care beds and four labor and delivery beds; a total of 59 beds. In 1990, the Continuing Care Center was completed and licensed as a skilled nursing facility with 120 beds, including 25 subacute beds. The District has a total of 179 licensed beds and offers the only inpatient services available within a 37 mile radius.

In 1994, HDMC's campus expanded with the addition of an imaging and outpatient surgery center and laboratory draw-station in the community of Yucca Valley; outpatient behavioral health services were added in 1997; maternity services were added as a new service line in 2003; and rural health clinics in both Yucca Valley and Twentynine Palms were added to the service line in 2007.

The District is governed by a Board of Directors comprised of five members elected at large by the voters of the District. This governing body is responsible for establishing District policy ensuring District management and maintaining quality patient care.

### **3. Mission, Vision, Values**

In 2006, the Board of Directors approved a new Mission, Vision and Values statement for the District. Our Mission, Vision and Values endure unchanged in this strategic plan.

#### **Mission**

Hi-Desert Medical Center will provide superior service to improve the quality of life for people in the Morongo Basin.

#### **Vision**

We are caring people providing extraordinary healthcare services.

#### **Values**

- **Integrity:** Maintain the highest standards of behavior, which encompasses honesty, ethics, and doing the right thing for the right reasons.
- **Superior Service:** Committed to providing excellent service and compassionate care every minute of every day.
- **Stewardship:** Remain dedicated to responsible stewardship of Hi Desert Medical Center assets, financials resources and community service.
- **Innovation:** Remain visionary and capable of extraordinary creativity and willing to explore new opportunities to improve the quality of life for all persons.
- **Teamwork:** Maintain an abiding respect for others, and a sustaining synergy and commitment to work together for the Hi-Desert Medical Center and the communities served.
- **Dignity:** Maintain a position of value in yourself, your customer, in your hospital and in your community.

## 4. Present Status

### 4.1 Summary

In fiscal year 2008, the District provided community residents with services as delineated in the table at right. The services provided included \$462,000 in charity care, \$2,326,000 in bad debt from and \$208,000 in unreimbursed cost for the County's Medically Indigent Adult program totaling \$3 million in uncompensated care.

Contributions made to the community by HDMC go beyond healthcare services. As Morongo Basin's third largest employer, HDMC provided 450 permanent jobs and \$28.2 million in wages and paid-time-off benefits to its employees in FY 2008. Additionally, HDMC purchased \$9.2 million in taxable supplies, services and equipment in the same period and paid \$720,000 in sales tax. The ripple economic effect of the District on the local economy is also noteworthy.

Payment to local businesses for supplies, repairs and maintenance and professional services is estimated to have contributed an additional \$4 million to the local economy. HDMC employees and their families further support local businesses and the tax base.

HDMC faces challenges consistent with a large number of hospitals in California. In a special California Hospital Association report, published January 2009 on the topic of critical issues facing California healthcare leaders, the following points were highlighted:

- California currently has only 1.9 hospital beds per 1,000 population
- California is ranked 49<sup>th</sup> in the US for bed availability
- Medicare reimburses California hospitals at \$3.5 billion below the cost of providing care.
- California's Medi-Cal program spends less per enrollee than any other state in the U.S.
- Medi-Cal funding has fallen short of covering costs for California hospitals by more than \$3.7 billion.
- Including charity care and the cost of care for the indigent population, California hospitals are absorbing more than \$10 billion a year in an effort to provide care to these populations.
- Low Medi-Cal payments have forced cutbacks and reduction of services for subacute units, skilled nursing beds, cardiology, OB and other clinical services.
- California hospitals report 73% *increase* in consumers having difficulty paying out-of-pocket healthcare costs
- 33% of hospitals report an *increase* in ED visits for uninsured patients
- Hospitals report a 30% *decrease* in volume for elective procedures

## 2008 Volumes

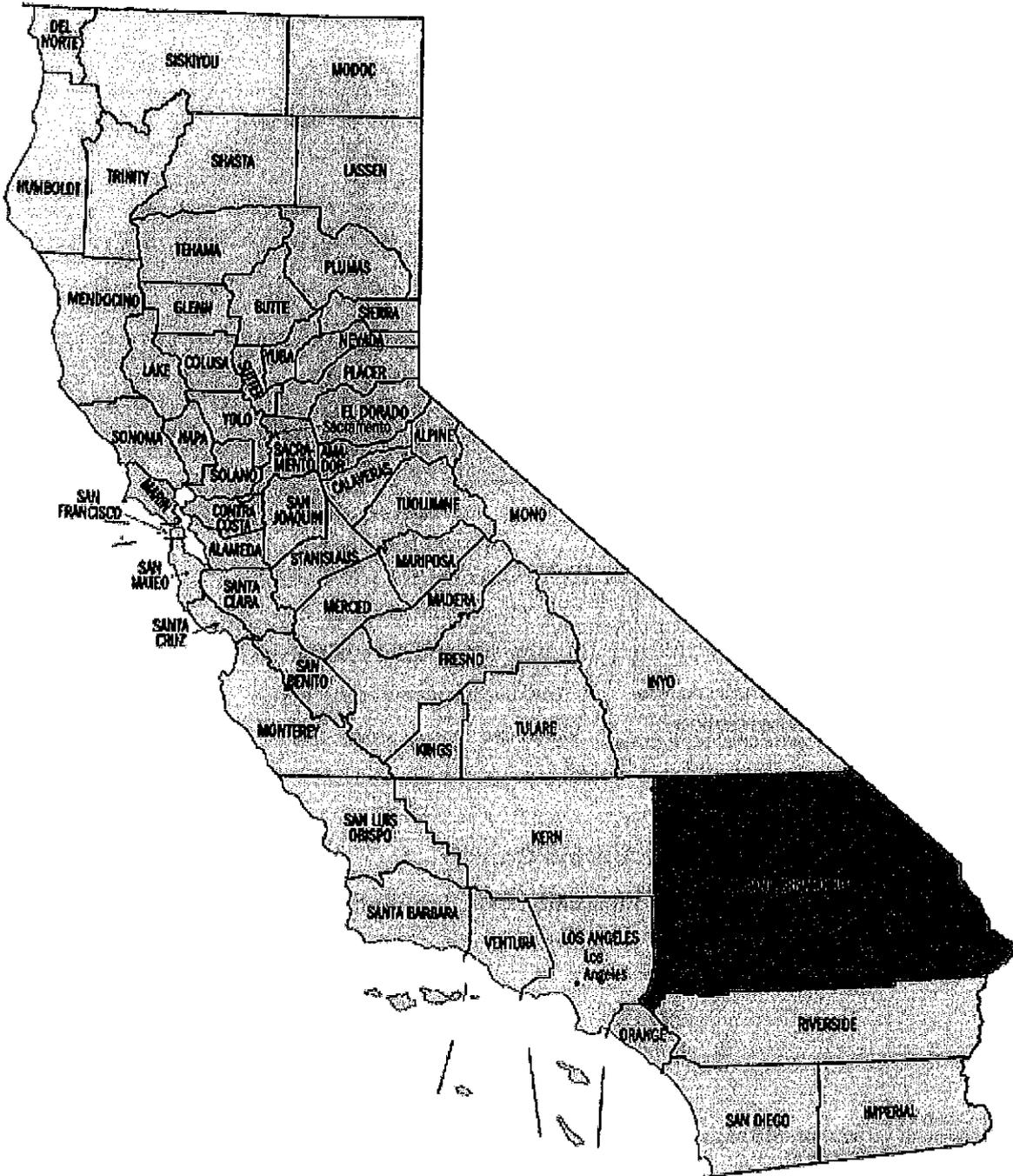
<b>Patient Days</b>	
Med/Surg/Peds	8,763
OB/GYN	1,066
ICU/CCU	1,046
Swing Beds	1,507
Newborn	822
<b>Outpatient Statistics</b>	
Surgeries: in-patient	668
Surgeries: out-patient	1,158
Outpatient Scopes	421
Emergency Dept visits	21,206
<b>Continuing Care Center</b>	
Subacute patient days	7,627
SNF	28,658
Certified Distinct Part	3,584
<b>Other Services</b>	
Behavioral Health visits	7,552
Home Health visits	5,749
Hospice visits	4,264
Radiology, diagnostic	18,083
Radiology, Airway	12,881
Nuclear Medicine	389
M.R.I.	1,415
Ultrasound	4,502
C.T.	8,071
Family Clinic YV	12,186
Family Clinic 29Palms	7,428
Outpatient Clinic Lab	188,954

In addition to statewide healthcare economic issues, HDMC faces other challenges that are inherent in the local community. Eighty percent of the population in HDMC's service area is under 64 years of age. Forty-five percent of the residents are 18-44 years of age. The median household income is significantly below state average. This age group is more likely to be under insured or uninsured. The absence of large employers in the area, other than healthcare and education, further increases the probability health insurance and healthcare will be unaffordable and less likely to be sought outside of the emergency room or during a catastrophic event when the cost to deliver the care would be far less expensive. HDMC has seen the effects of this through an increase of patients using ED services in lieu of a family physician or pediatrician.

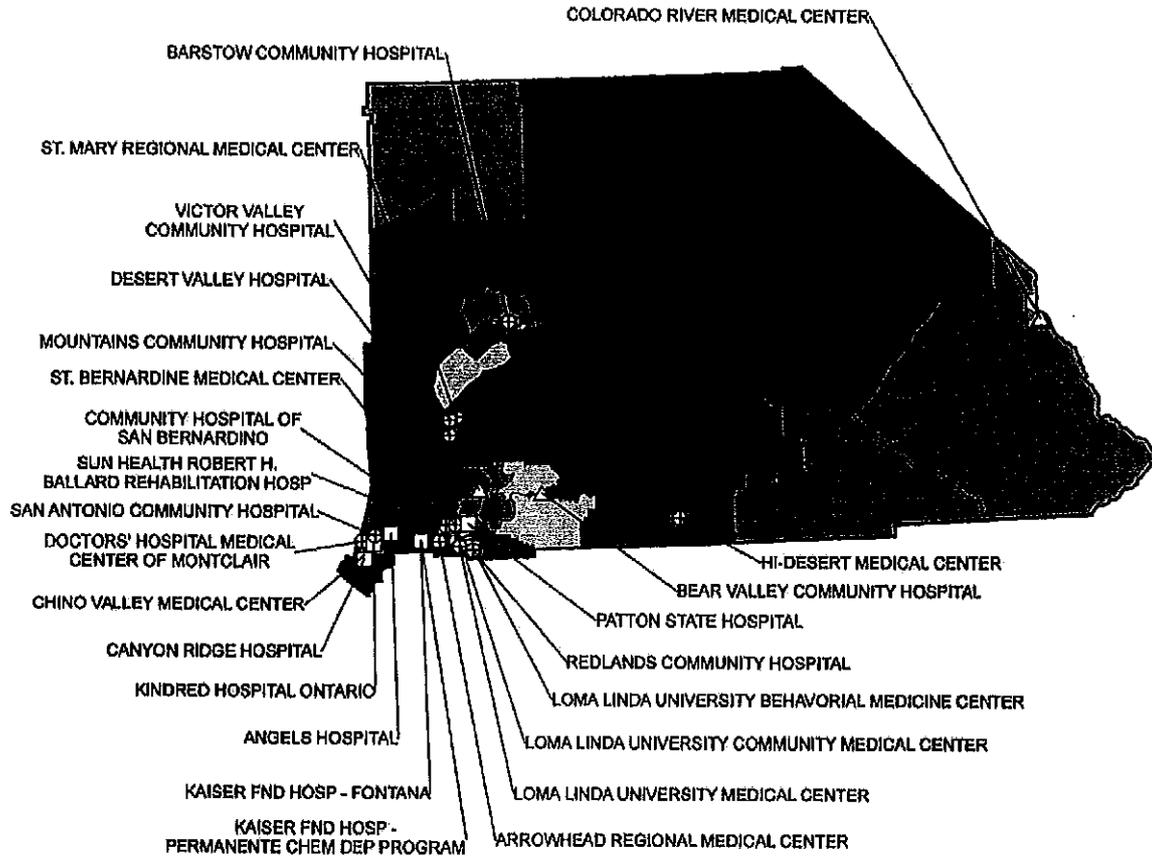
In 2007, HDMC had a 50% market share of all inpatients discharged who reside in zip codes defined as the hospital's primary and secondary service areas. However, the hospital held a 64% market share of all discharged inpatients from primary and secondary service areas that either had no insurance or had Medical benefits. This patient population is less likely to be directed outside the community for healthcare services and is more likely to encounter difficulty with transportation to access care further away. Moreover, this supports an opportunity to become more clinically attractive to assure patients that may otherwise leave the area for care elsewhere.

4.2 Relevant State and County Maps

California County Map

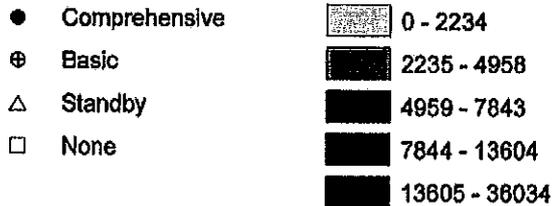


# San Bernardino County Hospital Site Map



## San Bernardino County

### Hospital Sites/EMS Level Population



Map compiled by:  
 California Office of Statewide Health Planning & Development (OSHPD)  
 Healthcare Quality and Analysis  
 Healthcare Information Resource Center  
 2005

Date Source: 2000 U.S. Census/OSHPD Licensed Facility Data

4.3 Projected Financial Performance

HI-DESERT MEDICAL CENTER  
FISCAL 2010 BUDGET - Preliminary

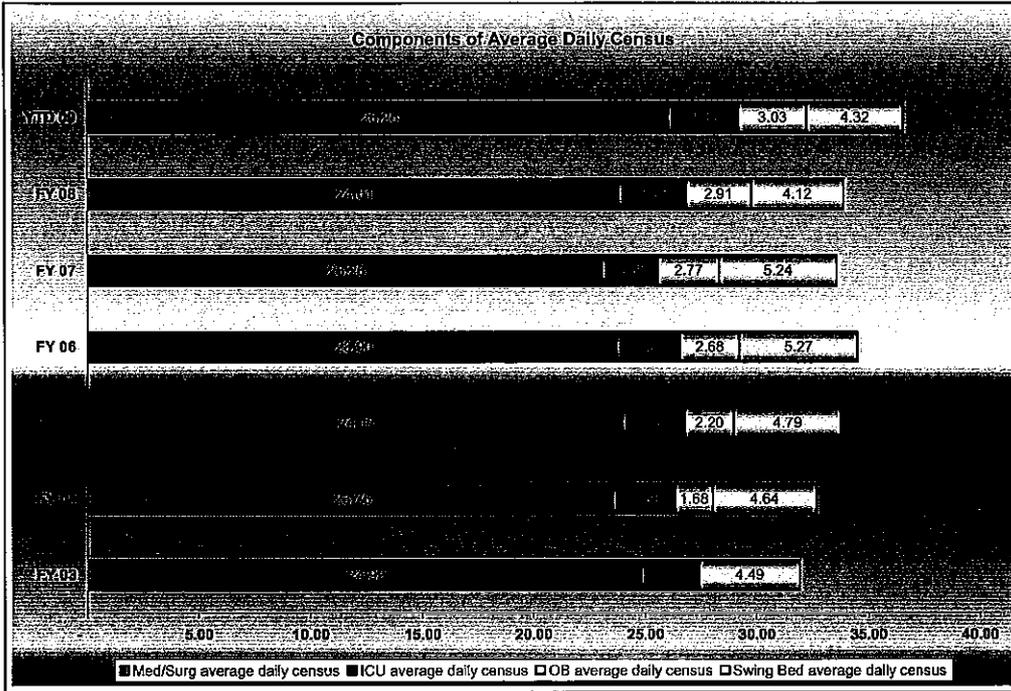
3/24/2009

	FY 08 Actual	FY 09 Feb 09 Act YTD	FY 09 Estimated Proj
Total Gross Patient Revenue	157,329,249	131,048,242	196,811,770
Deductions From Revenue			
Discounts and Allowances	(97,659,465)	(89,705,809)	(134,358,714)
Bad Debt Expense	(7,169,610)	(5,456,443)	(8,149,821)
Prior Year Settlements	240,319	289,241	289,241
Charity Care	(1,465,425)	(1,707,943)	(2,561,915)
Total Deductions From Revenue	(106,054,181)	(96,580,954)	(144,781,208)
	67.4%	73.7%	73.6%
Net Patient Revenue	51,275,068	34,467,288	52,030,563
Other Operating Revenue	268,747	168,358	244,001
<b>Total Operating Revenue</b>	<b>51,543,815</b>	<b>34,635,646</b>	<b>52,274,564</b>
Total Operating Expenses	52,434,822	34,516,561	51,810,525
<b>Net Operating Surplus/(Loss)</b>	<b>(891,007)</b>	<b>119,085</b>	<b>464,039</b>
Interest Expense	(1,055,071)	(611,454)	(921,482)
<b>Net (adjusted) Operating Gain/(Loss)</b>	<b>(1,946,078)</b>	<b>(492,369)</b>	<b>(457,444)</b>
Total Non Operating Rev/(Exp)	2,070,28	6,117,040	6,266,299
<b>Total Net Gain/(Loss)</b>	<b>\$124,203</b>	<b>\$5,624,671</b>	<b>\$5,808,856</b>
Adjust out Machris fund contribution		4,250,000	4,250,000
Total Net Adjusted Gain/(Loss)	124,203	1,374,671	1,558,856

#### 4.4 Performance Graphs

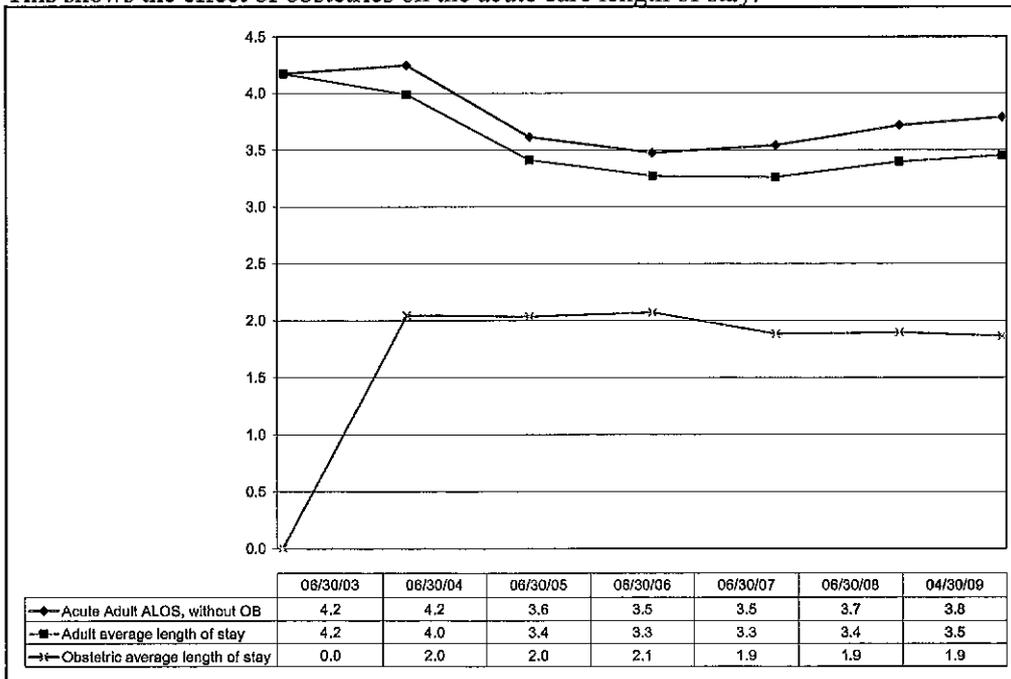
##### Acute Patient Days

Included to give a graphical look at the growth for HDMC acute care days.



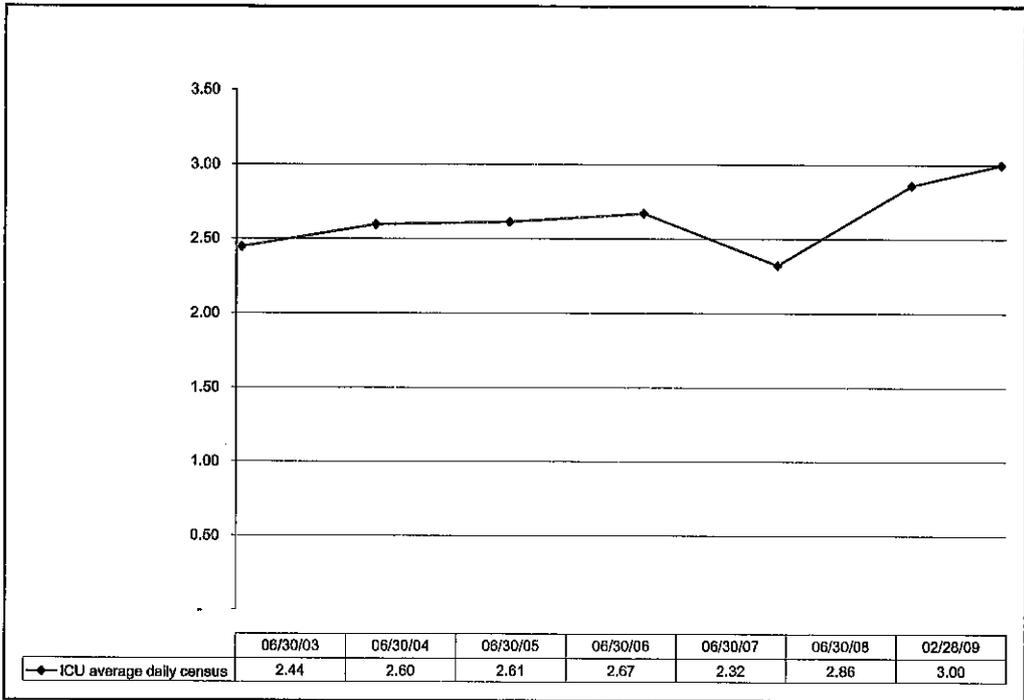
##### Average Length of Stay for Acute Care

This shows the effect of obstetrics on the acute care length of stay.



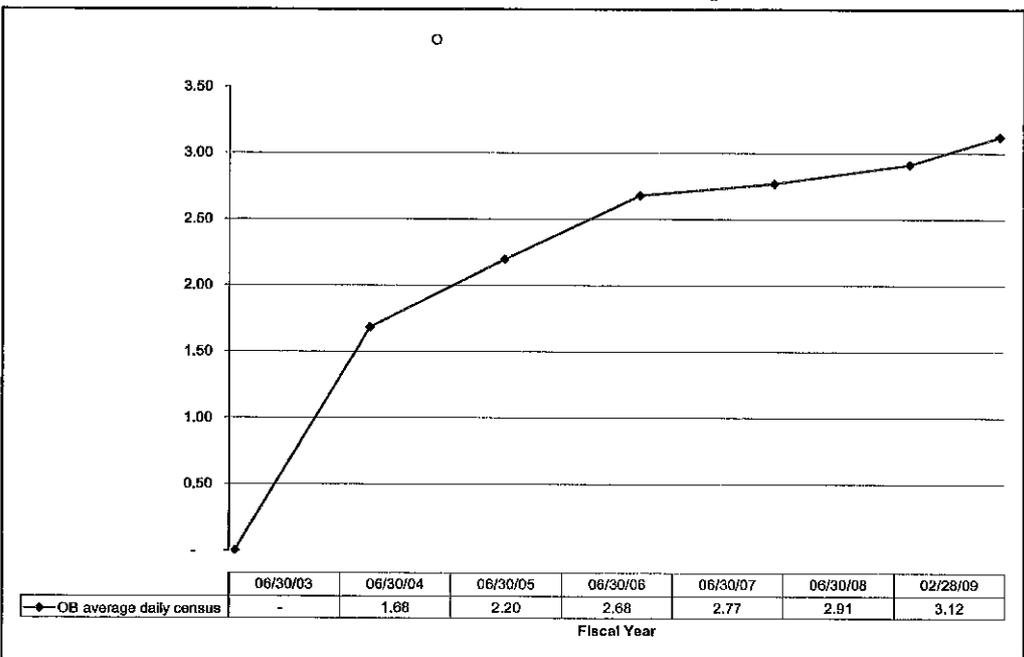
**ICU Average Daily Census**

Included to show the growth in ICU patient days.



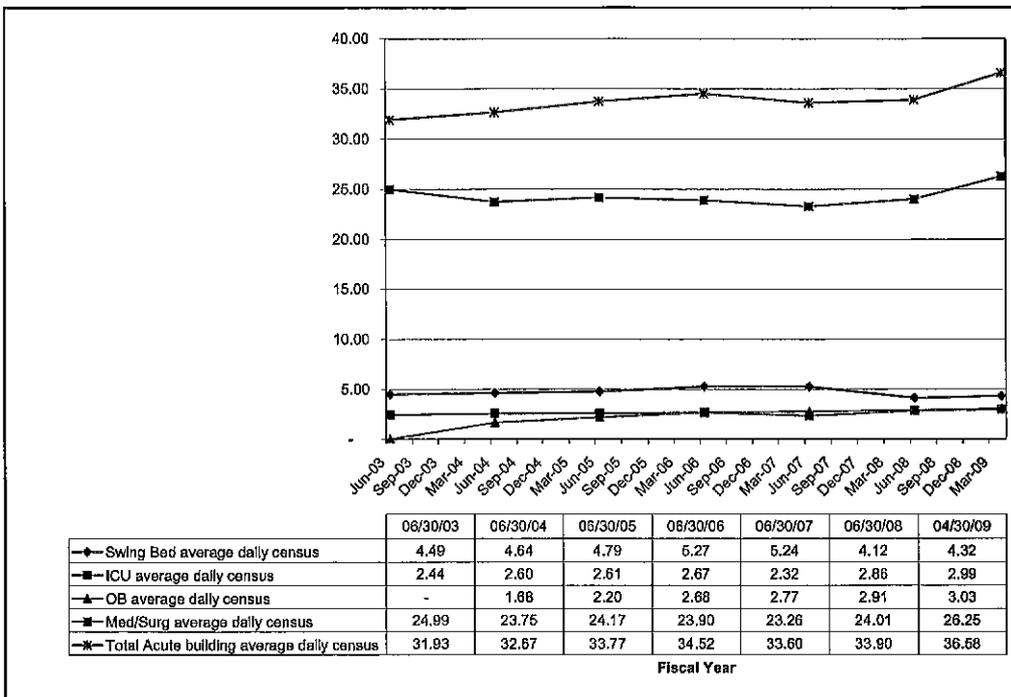
**OB Average Daily Census**

Included to show growth in obstetric patient days; no gynecological days included in data. Many of these days occur when the unit is full and post-delivery patients are often located on the med/surg unit. This supports the need to address the expansion of LDRP unit.



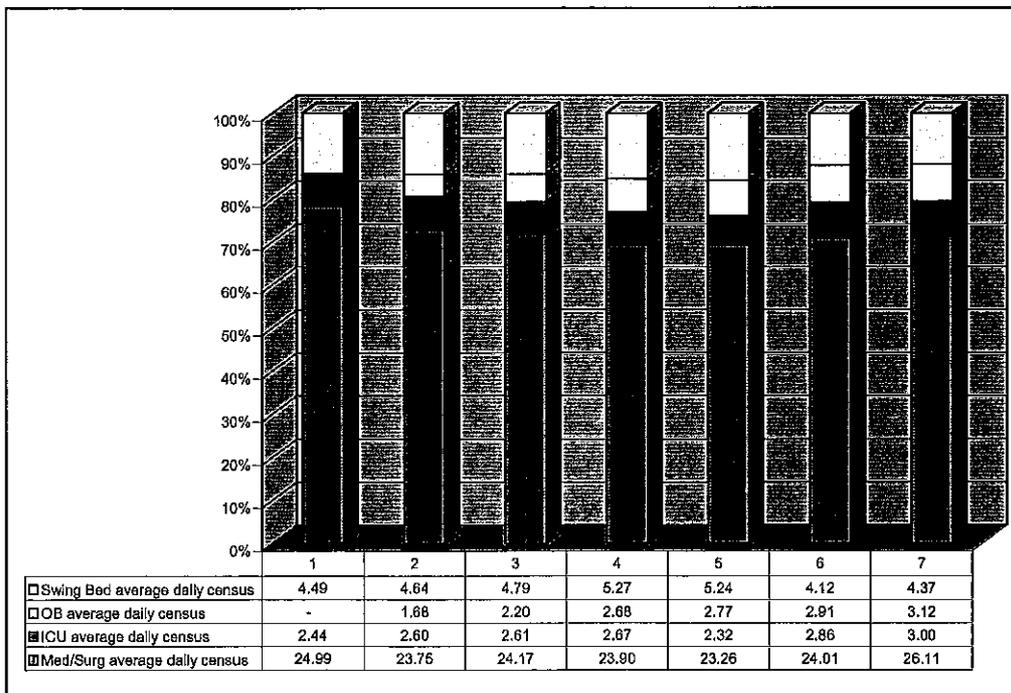
### Total Days Associated with All Inpatient Services

This shows the total use of acute care beds.



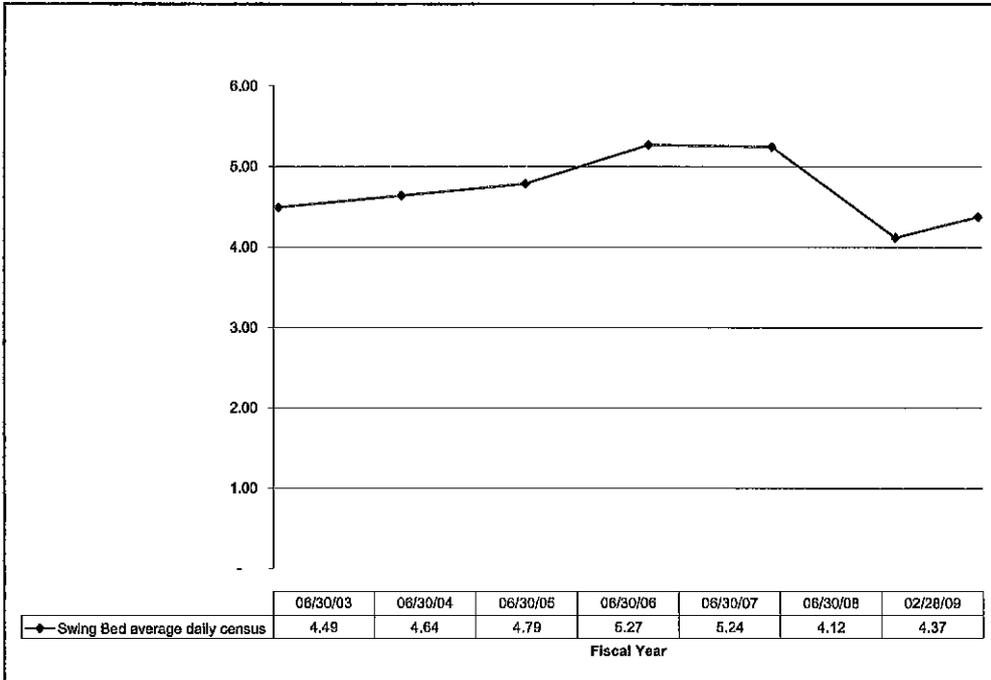
### Relationship of the Services Occurring in the Hospital

Another view of the use of the acute care inpatient capacity.



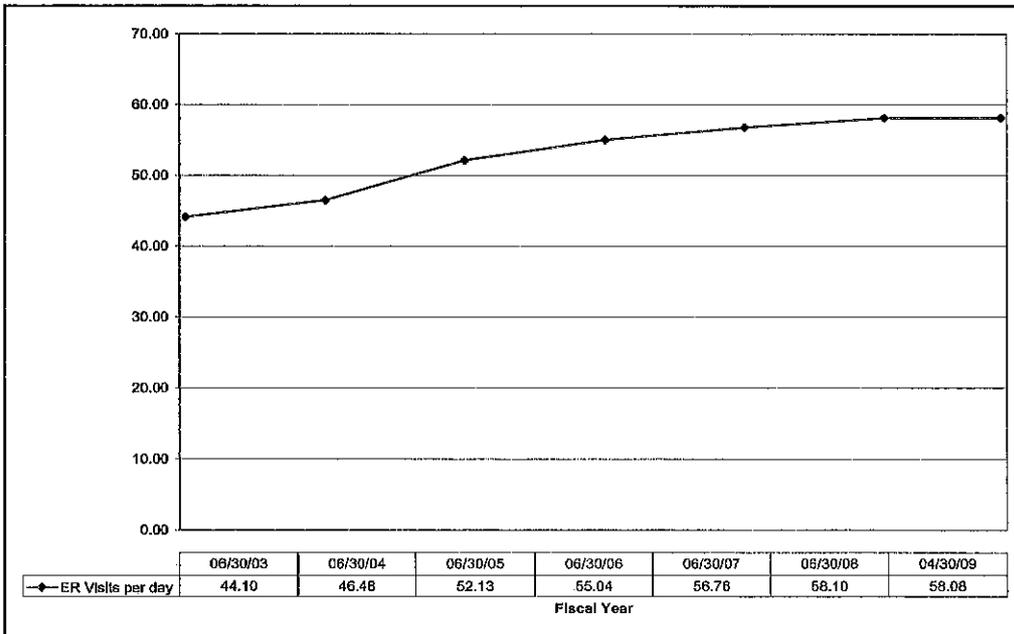
**Swing Bed (TCU) Average Daily Census**

Included to indicate the additional Medical/Surgical beds that could be used for acute care patients.



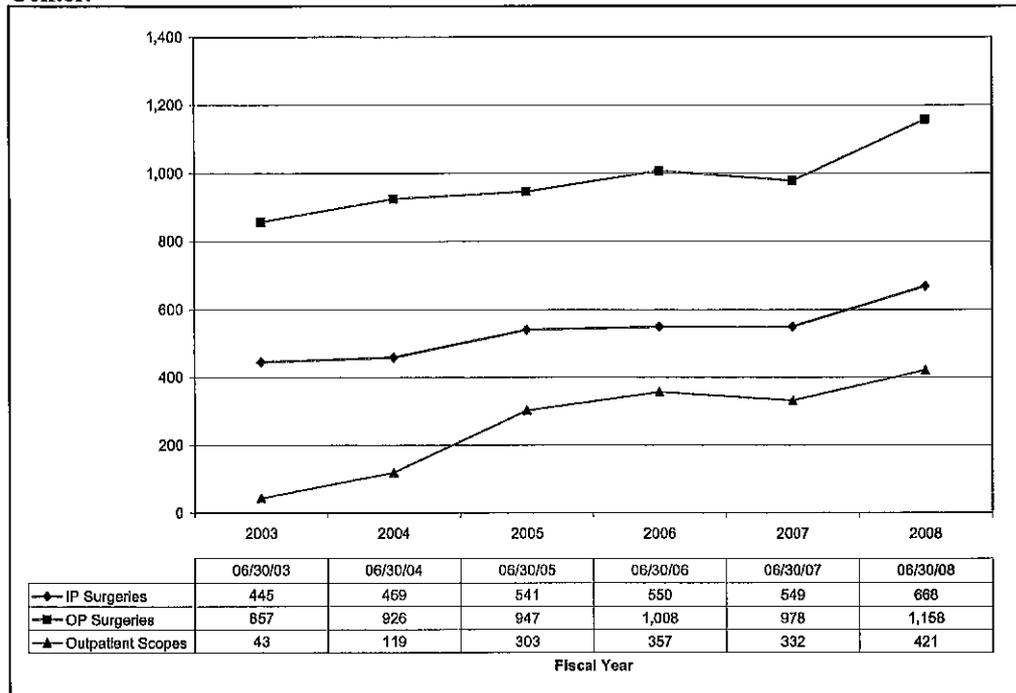
**Emergency Department Visits per Calendar Day**

A trend to indicate the relative volume of the E.D. over the past several years. The consistent growth appears to have plateaued at current levels, indicating the current E.D. space is adequate.



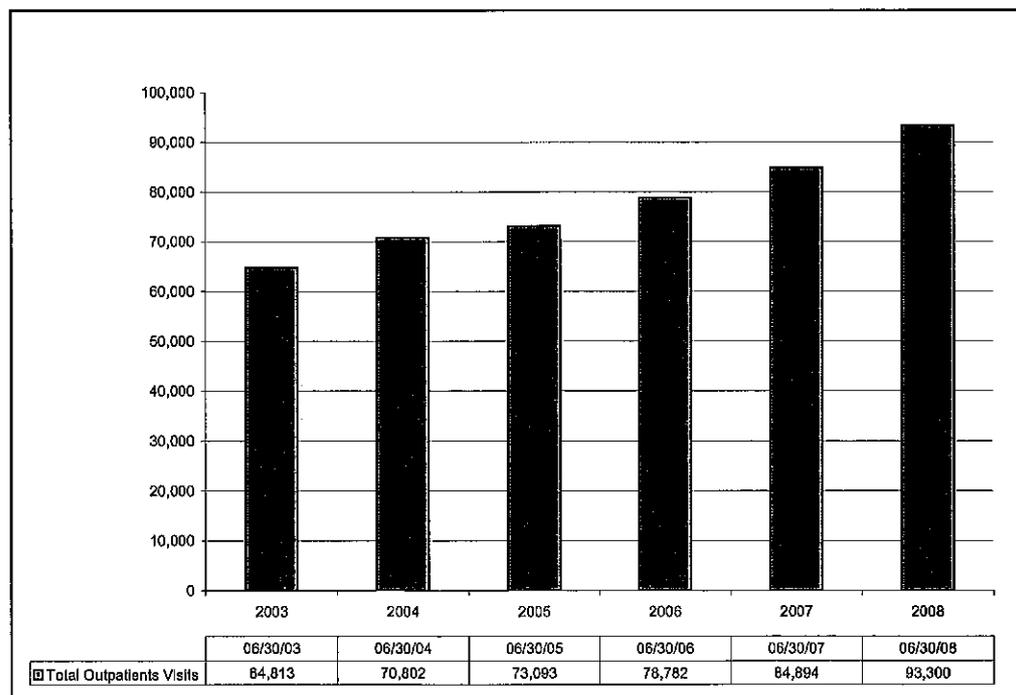
### Surgery Volume

This graph is presented to show the increase in volume for each of the surgery (invasive) components. We are addressing surgery turn-around times and opening a second surgery suite at the Airway Surgery Center.



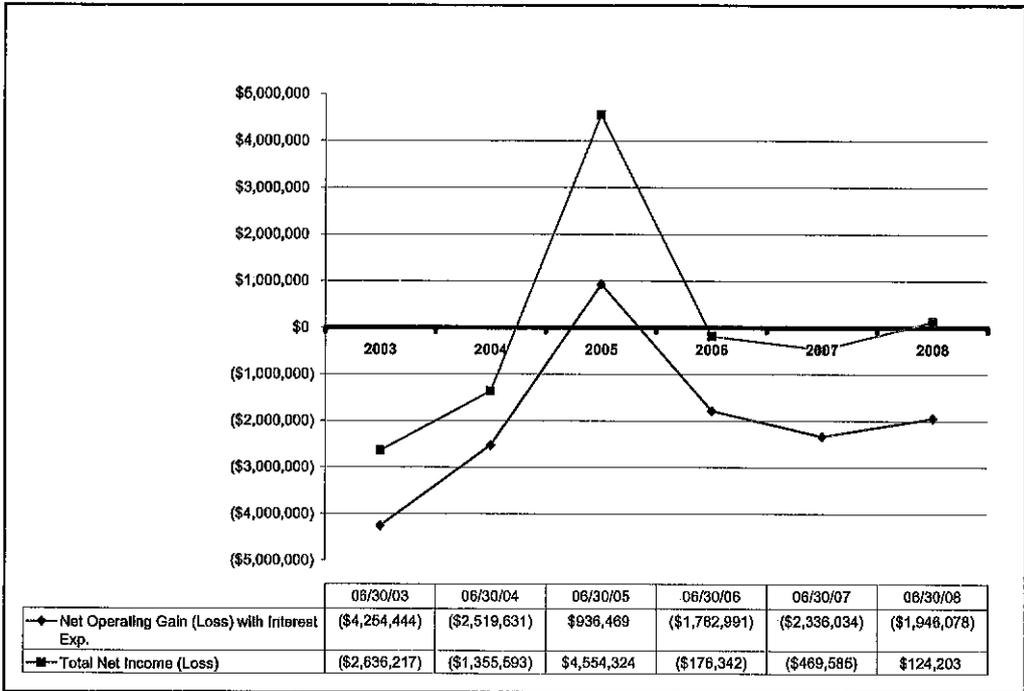
### Outpatient Visit Volume

Presented to show the continued increase in outpatient utilization.



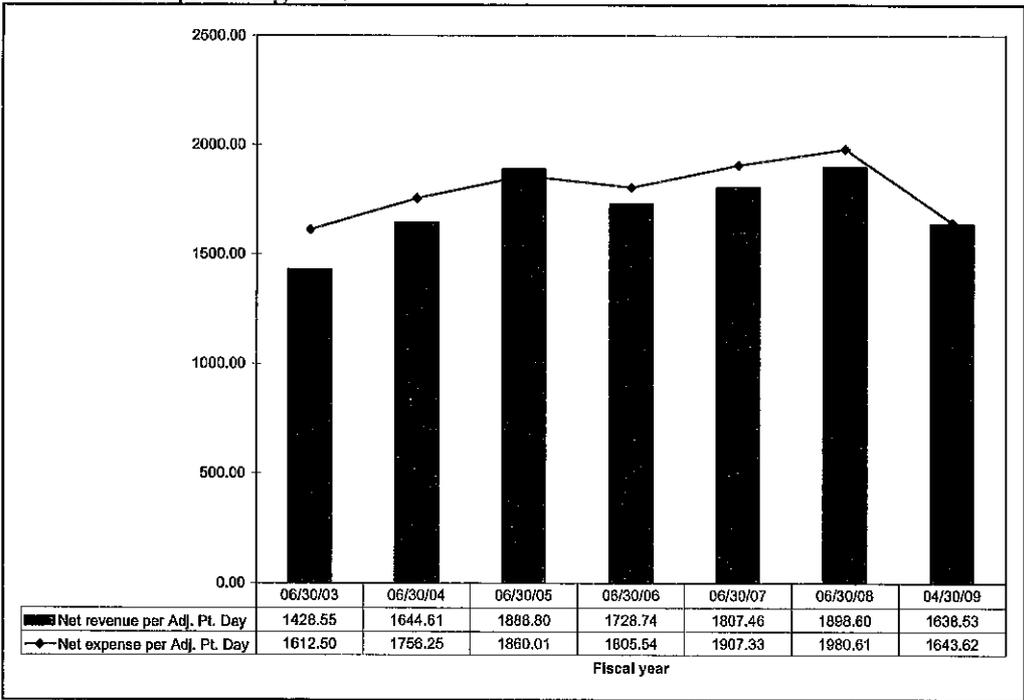
**Net Operating and Total Gain (loss) Trend**

Presented for an historical look at HDMC profitability. The District is covering the operating loss of operations with non-operating revenue.



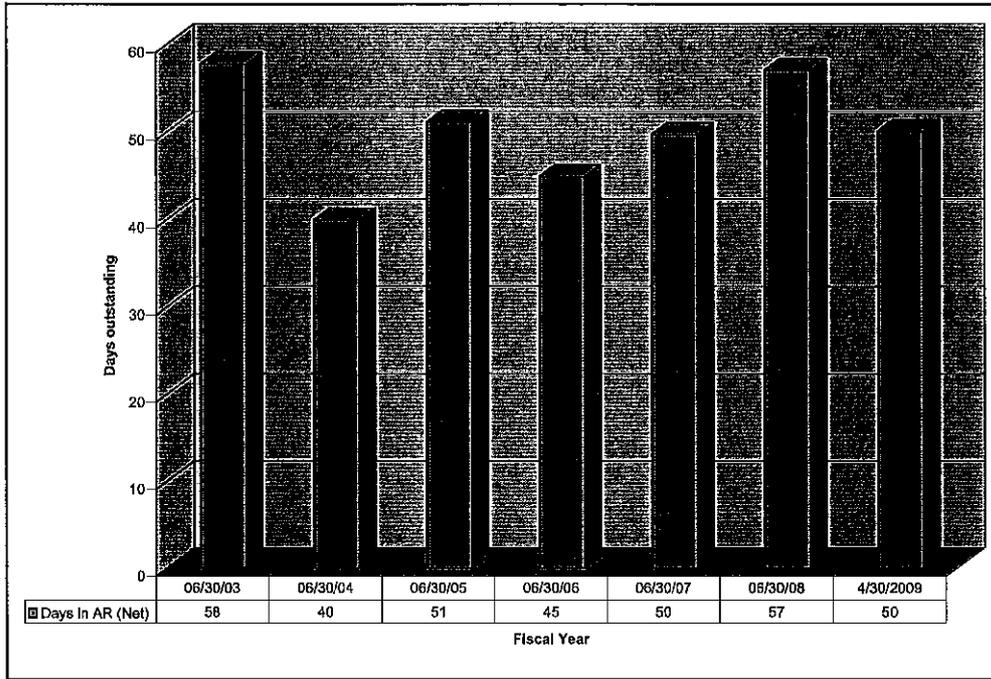
**Net Revenue and Expense per Adjusted Patient Days**

Shown to indicate the levels of profitability (loss) are dependent on net patient revenue actually received and the cost of providing care.



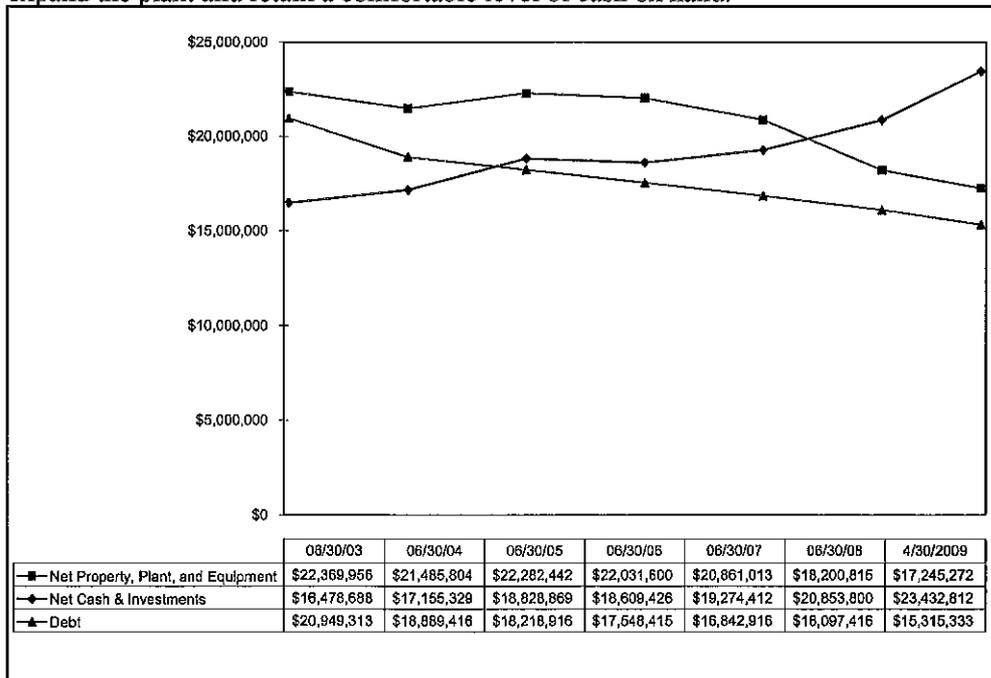
**Net Days in Accounts Receivable**

Shown to indicate the collection lag in receivables. Indicates the increase that occurred when the additional documentation for MS-DRG delayed the completion of Medical Records. Also shows the delay in collections caused by current economic conditions.

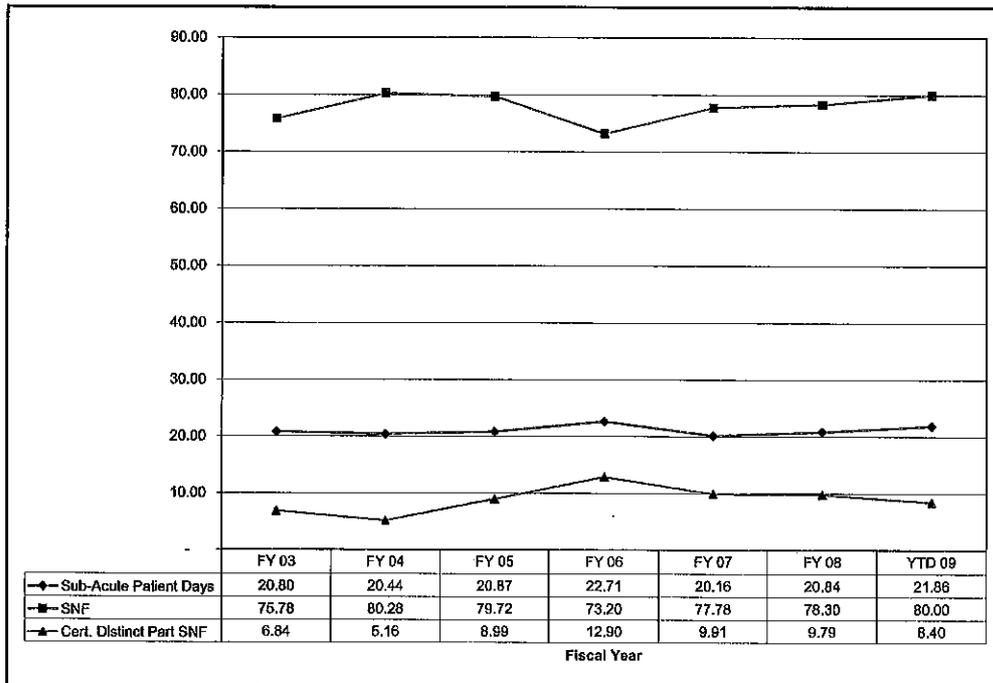


**Property Plan and Equipment Compared to Debt, and Cash and Investments**

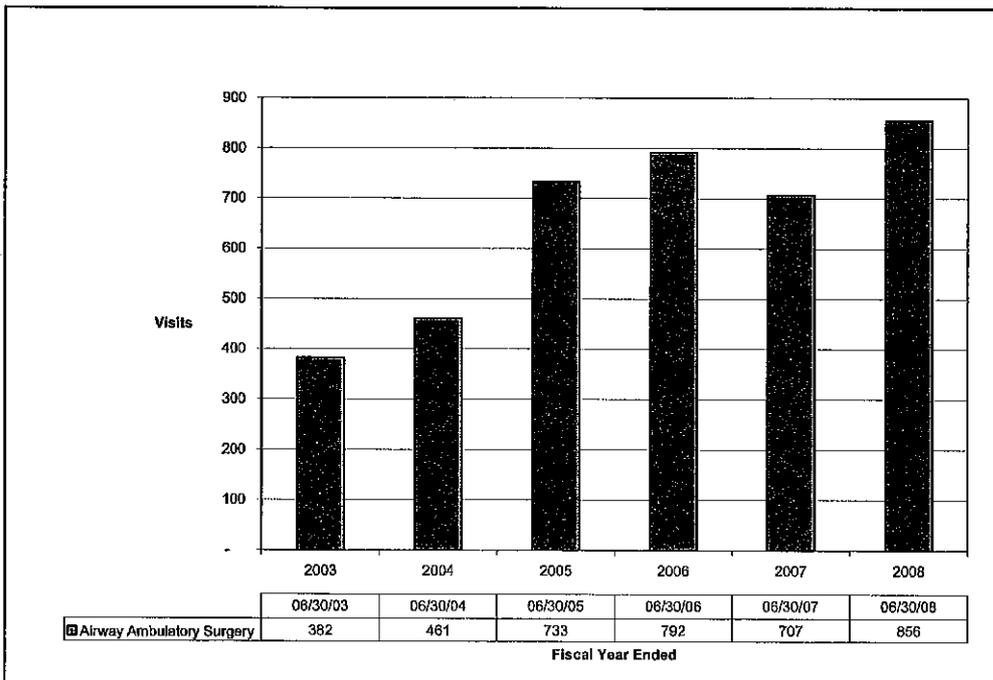
These three graph lines indicate the decrease in fixed asset investment, decrease in outstanding debt and increase in cash and investments. Indicates HDMC may be prudent in obtaining additional debt to expand the plant and retain a comfortable level of cash on hand.



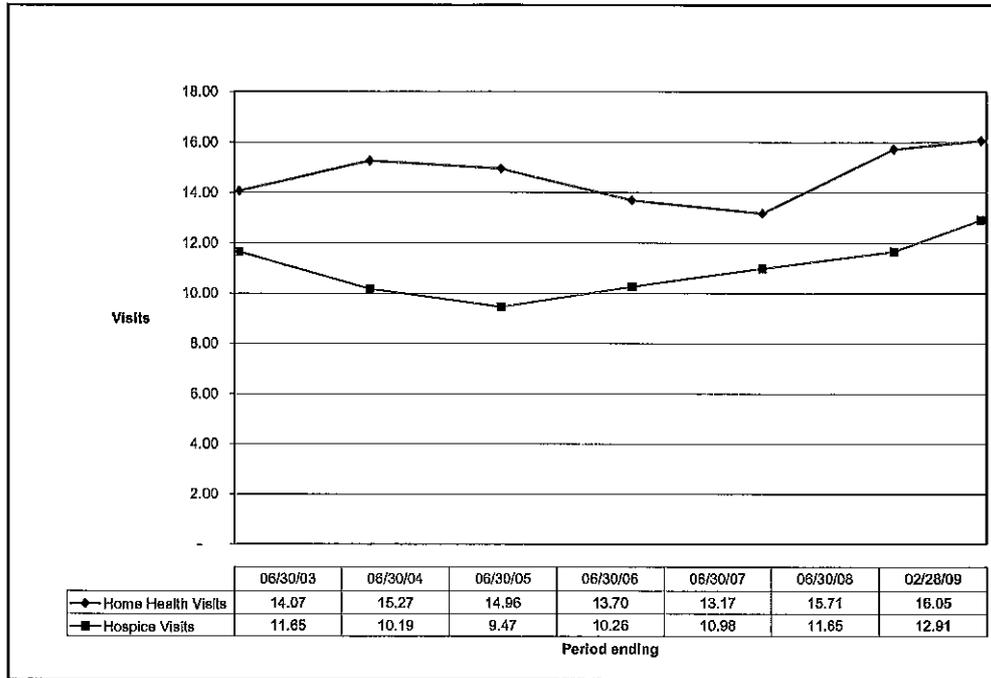
Continuing Care Center Occupancy per Calendar Day



Airway Ambulatory Surgery

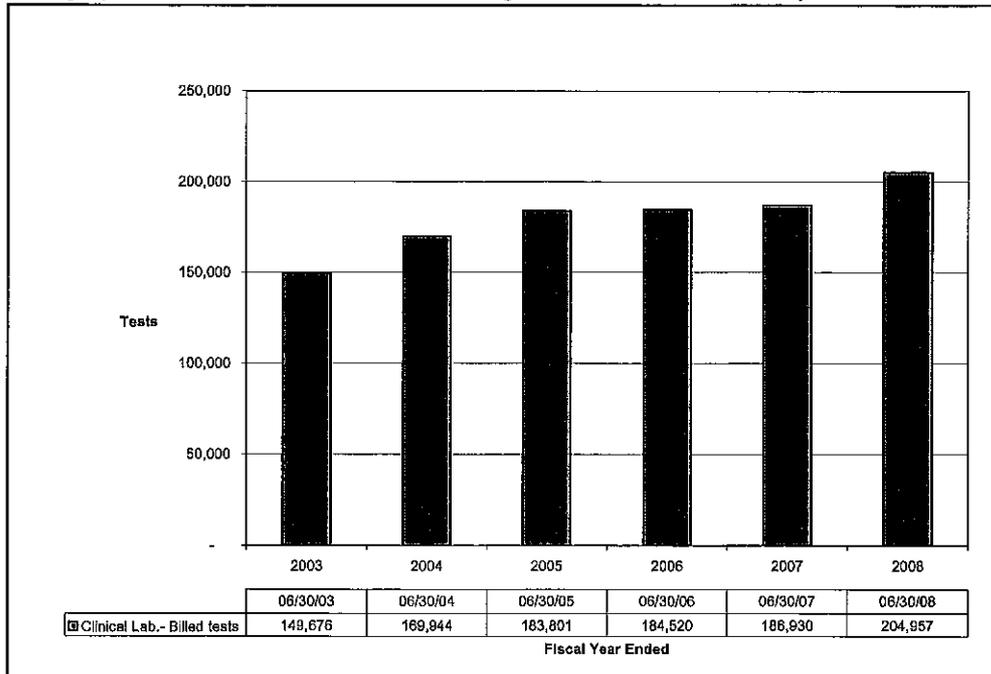


Home Health Visits and Hospice Visits per Calendar Day

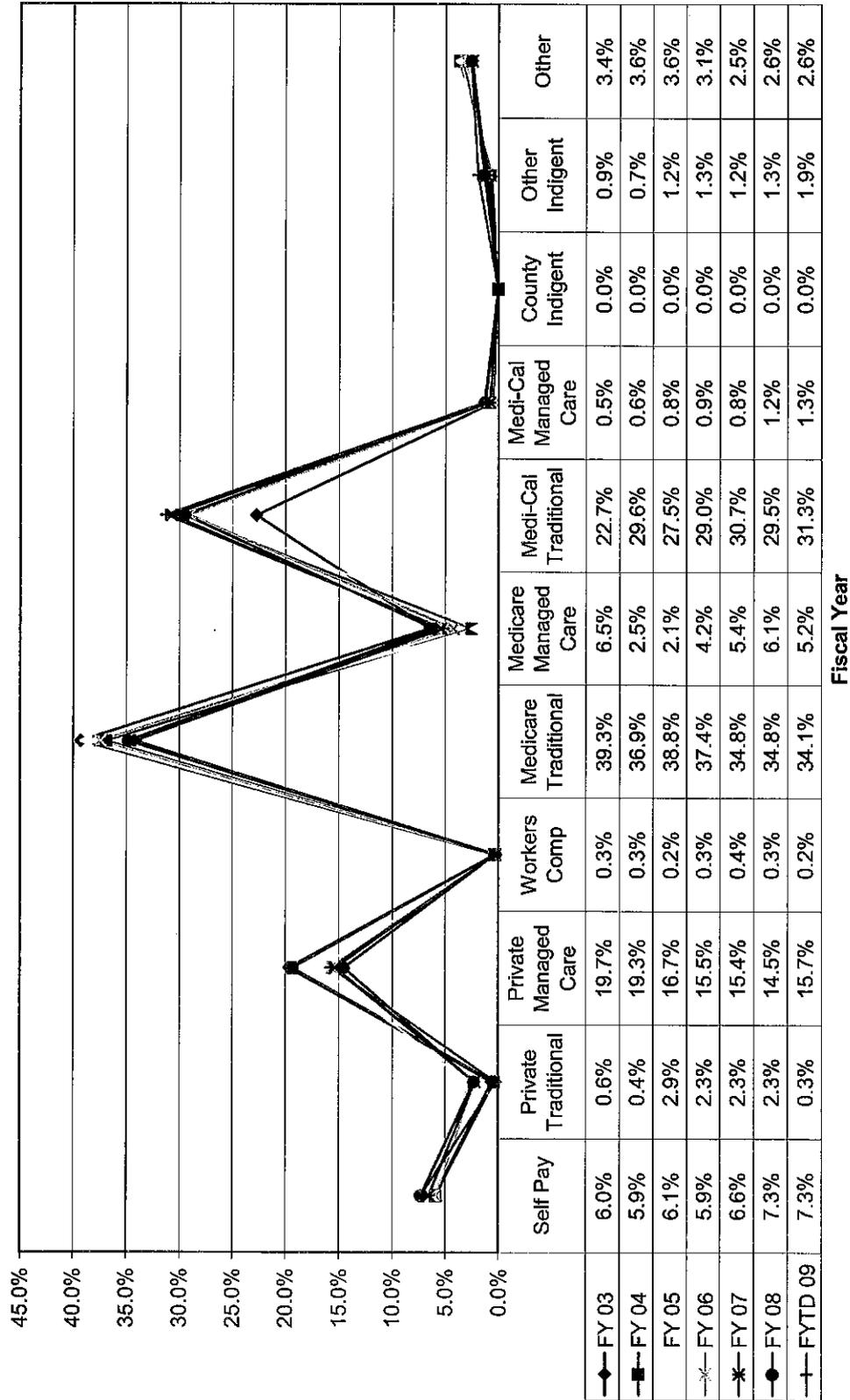


Clinical Laboratory Billed Tests

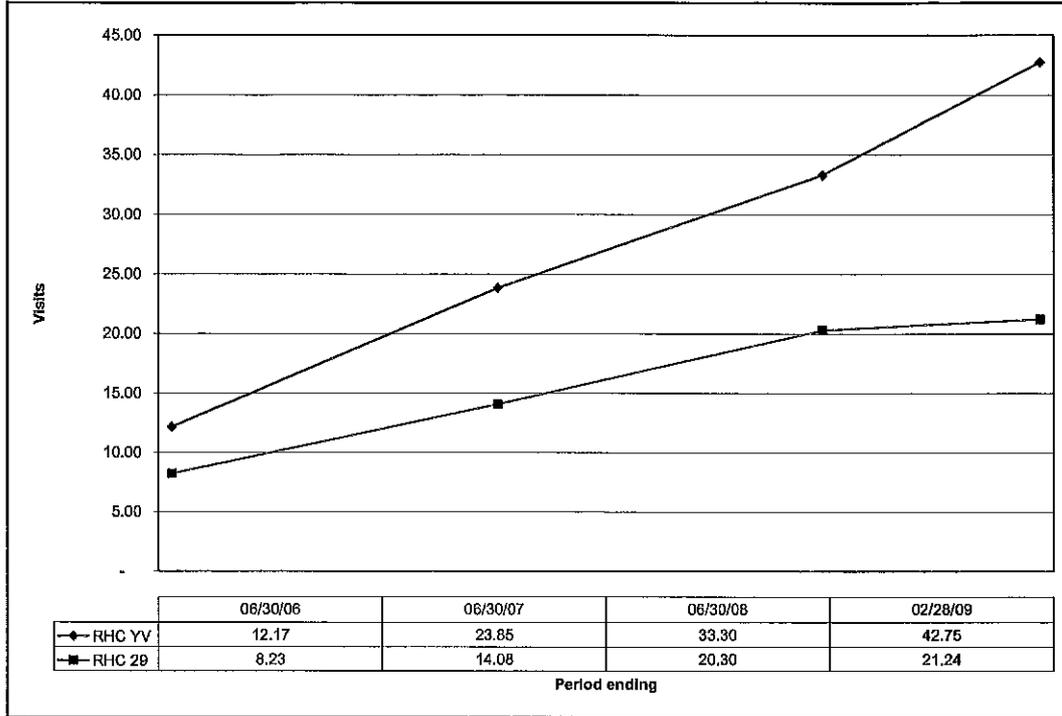
This graph indicates that we have increasing volumes in the laboratory.



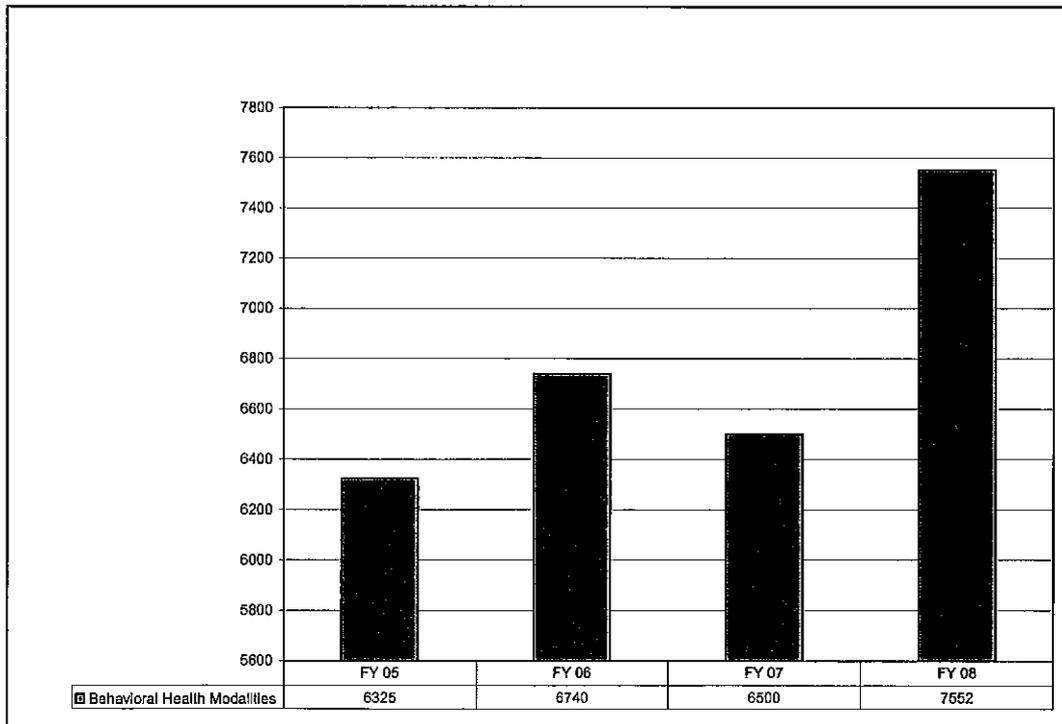
Outpatient Clinical Laboratory Percentage Revenue



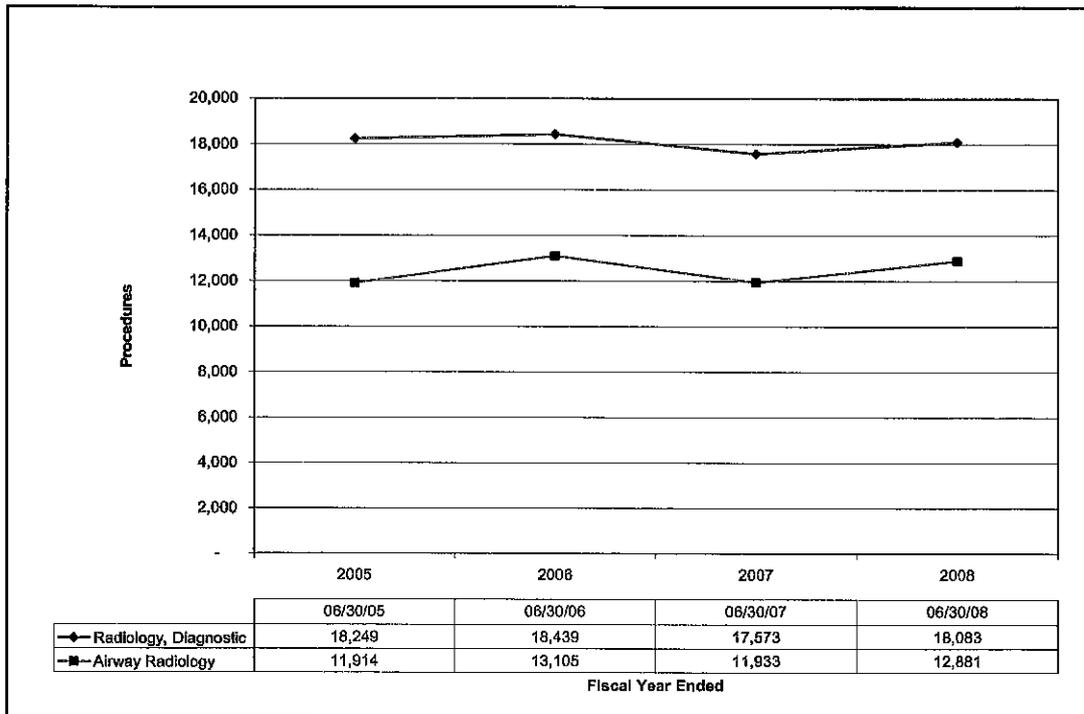
Rural Health Clinic Visits per Calendar Day



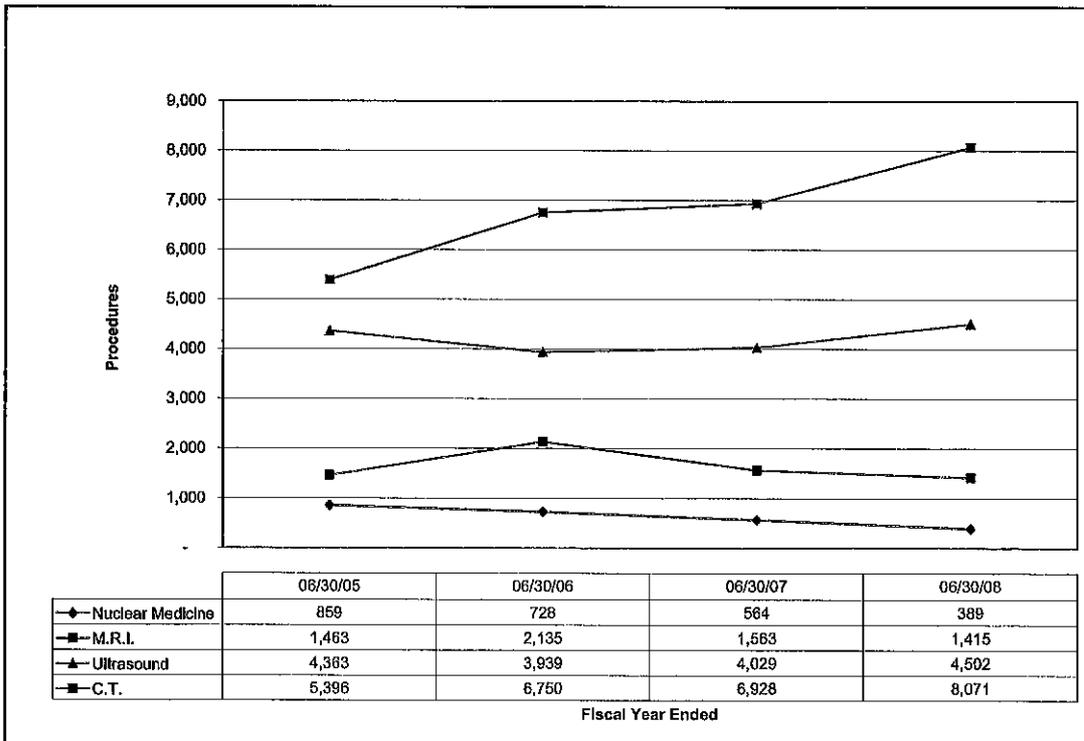
Behavioral Health Modalities



### Radiology Procedures by Location



### Other Imaging Modalities



## 5. Product/Service Descriptions/Competitive Assessment

### 5.1 Emergency Department

Strength	Weakness	Opportunities
<ul style="list-style-type: none"> <li>▪ Only ED in Morongo Basin</li> <li>▪ Functions as base station</li> <li>▪ First image/Impression of District</li> <li>▪ New cardiac monitoring equipment</li> <li>▪ Wait times are often less than competing ED facilities in competing facilities</li> <li>▪ Staff attempted to protect personal privacy given limitations of facility</li> </ul>	<ul style="list-style-type: none"> <li>▪ Lack of specialists on-call</li> <li>▪ Physician quality inconsistent</li> <li>▪ Physicians lack ED-board certification</li> <li>▪ Lack of fast track</li> <li>▪ Antiquated CT causes diagnosis and treatment delays; patients held</li> <li>▪ Lack of privacy in both registration and treatment areas</li> <li>▪ Poor communication by staff regarding wait times, process and status to patients in waiting room</li> <li>▪ Medi-Cal perception of inequitable treatment</li> <li>▪ Excessive and increasing use of ED for non-emergent patient visits and primary care</li> <li>▪ Delay in discharge from ED</li> <li>▪ Private insurance coverage not aligned with HDMC</li> <li>▪ Documentation; billing/coding</li> <li>▪ Increased use of TCU beds instead of CCC-CDP beds</li> </ul>	<ul style="list-style-type: none"> <li>▪ "60-0" Program;</li> <li>▪ Accommodate non-emergent patients through access to lower acuity services such as urgent care or after-hours clinic</li> <li>▪ Strengthen ED leadership</li> <li>▪ Improve quality measures &amp; performance</li> <li>▪ Improve first impression to community</li> <li>▪ Improve customer service</li> <li>▪ Separate waiting area for ED from other outpatient services</li> </ul>
<p><b>Major Competitors and their strengths:</b>            Desert Regional Medical Center (emergency care); Avalon Urgent Care Center (for private insured patients)</p> <ul style="list-style-type: none"> <li>▪ Trauma level ED</li> <li>▪ Higher acuity services and specialist physicians on staff</li> <li>▪ Specialists with limited practices in Morongo Basin direct most admissions to Desert Regional Medical Center</li> </ul>		

### 5.2 Med/Surg Department

Strength	Weakness	Opportunities
<ul style="list-style-type: none"> <li>▪ Supportive physician group</li> <li>▪ Small and cohesive group of medical staff</li> <li>▪ Higher patient satisfaction with facility with "private room" experience</li> </ul>	<ul style="list-style-type: none"> <li>▪ Hospital reputation;</li> <li>▪ Lack of patient private rooms</li> <li>▪ Limited number of isolation rooms</li> <li>▪ Food quality and selection</li> <li>▪ Delayed call light response relational to distance from nursing station</li> <li>▪ Lack cardiac intervention services for MI patients</li> <li>▪ Payor mix impedes MD recruitment</li> <li>▪ Lack of specialty coverage results in patient out-migration, i.e. cardiac &amp; pulmonology</li> <li>▪ Documentation affects billing/coding</li> </ul>	<ul style="list-style-type: none"> <li>▪ Mitigate patient dissatisfaction with physical space through services and care delivery</li> <li>▪ Implement EEG services</li> <li>▪ Reconfigure contiguous space to reclaim more M/S space</li> <li>▪ Form alliances with resources outside the Morongo Basin</li> <li>▪ Private patient rooms</li> <li>Emphasis on customer satisfaction by all staff</li> </ul>
<p><b>Major Competitors and their strengths:</b> Desert Regional Medical Center</p> <ul style="list-style-type: none"> <li>▪ Larger facility</li> <li>▪ Higher level of technology (newer equipment)</li> <li>▪ More private patient rooms</li> <li>▪ Viewed as higher tech therefore better care</li> </ul>		

**5.3 Surgery – Inpatient**

Strength	Weakness	Opportunities
<ul style="list-style-type: none"> <li>▪ Well regarded and stable anesthesia group;</li> <li>▪ Sole inpatient provider within 35 miles radius;</li> <li>▪ Well equipped for general surgery</li> <li>▪ Well regarded staff</li> </ul>	<ul style="list-style-type: none"> <li>▪ Inadequate storage;</li> <li>▪ Lack separation for pre-op and recovery</li> <li>▪ No privacy for patients in pre-induction or recovery;</li> <li>▪ One anesthesia provider on weekends covering OR and OB</li> <li>▪ Lack of specifically assigned recovery personnel</li> <li>▪ Lack of family waiting area space</li> </ul>	<ul style="list-style-type: none"> <li>▪ Increase elective total joint cases through total joint program</li> <li>▪ Increase GYN surgery through focus on women’s health services</li> <li>▪ Urology and additional general surgery volume</li> </ul>
<p><b>Major Competitors and their strengths:</b> Desert Regional Medical Center</p> <ul style="list-style-type: none"> <li>▪ Larger OR space;</li> <li>▪ Separated pre-induction and recovery</li> <li>▪ More available surgeons, including vascular</li> <li>▪ Orthopedic and urology;</li> <li>▪ Perceived as better provider for surgical services due to size and resources;</li> <li>▪ Primary care physicians refer patients to surgeons affiliated with the facility</li> </ul>		

**5.4 Pediatrics**

Strength	Weakness	Opportunities
<ul style="list-style-type: none"> <li>▪ Supportive pediatric medical staff</li> </ul>	<ul style="list-style-type: none"> <li>▪ Fragmented services delivered to pediatric patients; lack of identified pediatric services</li> <li>▪ Patient out-migration</li> <li>▪ Lack of consistent pediatric nursing proficiency</li> <li>▪ Lack of proficiency in delivering pediatric care for all ancillary services</li> </ul>	<ul style="list-style-type: none"> <li>▪ Create pediatric service</li> <li>▪ Retain pediatric patients in the Morongo Basin</li> <li>▪ Expand services within the District to support growing pediatric population in the RHC</li> <li>▪ Improve community impression of HDMC as family centered organization</li> </ul>
<p><b>Major Competitors:</b></p> <ul style="list-style-type: none"> <li>▪ Desert Regional Medical Center</li> <li>▪ Loma Linda University Medical Center</li> <li>▪ Outpatient competitors for ancillary services Desert Regional Medical Center</li> </ul>	<p><b>Competitors’ strengths:</b></p> <ul style="list-style-type: none"> <li>▪ Established region-wide reputation for pediatric programs</li> <li>▪ Pediatric specialists</li> <li>▪ Trained pediatric personnel</li> <li>▪ Pediatric volume necessary to maintain staff competencies</li> </ul>	

**5.5 Surgery – Airway Outpatient**

Strength	Weakness	Opportunities
<ul style="list-style-type: none"> <li>▪ Strong patient satisfaction with staff and care;</li> <li>▪ Ease of access in outpatient surgery setting;</li> <li>▪ Small center results in more “personal” care;</li> <li>▪ Ophthalmology and GI procedures provided w/o leaving the community</li> </ul>	<ul style="list-style-type: none"> <li>▪ Poor location; lack of parking; poor street visibility</li> <li>▪ Undersized facility;</li> <li>▪ Inadequate storage for necessary supplies;</li> <li>▪ Lack of privacy;</li> <li>▪ Crowded waiting room</li> <li>▪ Procedures limited to GI and ophthalmology due to lack of specialists</li> </ul>	<ul style="list-style-type: none"> <li>▪ Increase GI and ophthalmology procedures</li> <li>▪ Outpatient procedures and related ancillary volume to capture better payor mix</li> </ul>
<p><b>Major Competitors and their strengths:</b> Desert Regional Medical Center</p> <ul style="list-style-type: none"> <li>▪ Perceived as better provider for surgical services due to size and resources;</li> <li>▪ Primary care physicians refer patients to surgeons affiliated with the facility;</li> <li>▪ Part-time specialists send their patients to Desert for procedures</li> </ul>		

### 5.6 Obstetrics

Strength	Weakness	Opportunities
<ul style="list-style-type: none"> <li>▪ Family center birthing</li> <li>▪ Private LDRP suite</li> <li>▪ Personalized care</li> <li>▪ Full-time lactation consultant</li> <li>▪ Lactation store</li> <li>▪ In process of completing Baby Friendly designation</li> <li>▪ Positive patient feedback about their experience</li> <li>▪ Special Addition (CPSP) prenatal program</li> <li>▪ Smaller facility with personalized care</li> <li>▪ Strong patient satisfaction with staff</li> </ul>	<ul style="list-style-type: none"> <li>▪ Rural location</li> <li>▪ Lack of NICU causes concern for some patients</li> <li>▪ Census results in floating post partum patients to the med/surg floor</li> <li>▪ Only one (1) full-time OB physician</li> <li>▪ Difficulty recruiting physicians due to payor mix and low reimbursement;</li> <li>▪ One (1) anesthesiologist covers OR and OB on weekends</li> <li>▪ Room only accommodates (1) one guest</li> <li>▪ Use of med/surg beds increases security risk</li> </ul>	<ul style="list-style-type: none"> <li>▪ Recruit female OB/GYN</li> <li>▪ Increase community education and awareness regarding level 1 nursery and safety;</li> <li>▪ Obtain Baby Friendly designation;</li> <li>▪ Increase focus for women's services in outpatient radiology, rural health clinics and prenatal clinics</li> <li>▪ Provide roll-away cots for additional guests in suite</li> <li>▪ Maintain all post-partum patients within the OB unit</li> </ul>
<p><b>Major Competitors and their strengths:</b> Desert Regional Medical Center and other competing CPSP programs</p> <ul style="list-style-type: none"> <li>▪ Supportive physician group</li> <li>▪ Broader base of OB physicians for patients to select from</li> <li>▪ Female OB physicians</li> </ul>		

### 5.7 Continuing Care Center

Strength	Weakness	Opportunities
<ul style="list-style-type: none"> <li>▪ Patient satisfaction</li> <li>▪ Stable workforce</li> <li>▪ Strong patient satisfaction with staff and care</li> <li>▪ Patient activities</li> <li>▪ Hospice services</li> <li>▪ Placement option for acute hospital's patients needing sub-acute care and continued care</li> <li>▪ Sole provider serving a broad patient base</li> <li>▪ Multi levels including subacute and vent dependent</li> <li>▪ Reputation for being cleanest and "best smelling" facility in the Morongo Basin</li> </ul>	<ul style="list-style-type: none"> <li>▪ Increasing population of middle aged patients due to socioeconomic circumstances</li> <li>▪ Care levels are physically fragmented within the facility</li> <li>▪ Lack separation for levels of care</li> <li>▪ Physical therapy services severely limited due to lack of available therapists</li> <li>▪ Lack of dedicated space for patient activities</li> <li>▪ Lack of patient access to internet and wireless services</li> <li>▪ Lack of storage space</li> <li>▪ No designated isolation beds</li> <li>▪ Only 4 private rooms</li> <li>▪ Declining reimbursement for patient population is resulting in facility closures (This could be an advantage and threat for CCC)</li> <li>▪ Burden of paperwork/compliance upon physicians; physicians reluctant to participate</li> <li>▪ Decreased utilization of CDP beds</li> </ul>	<ul style="list-style-type: none"> <li>▪ Reconfiguring levels of care would enhance workflow, patient privacy and continuity</li> <li>▪ Explore creating options for Medi-cal pending homeless patients who want to discharge but have nowhere to go</li> <li>▪ Maintain positive reputation</li> <li>▪ Increase capacity for SNF and CDP hall</li> <li>▪ Reduce loss revenue for acute hospital</li> <li>▪ Increase therapy coverage resulting in improved mobility outcomes and patient satisfaction</li> <li>▪ Provide patient access to internet and wireless services</li> </ul>
<p><b>Major Competitors and their strengths:</b> Braswell's Sky Harbor, Desert Manor</p> <ul style="list-style-type: none"> <li>▪ Location proximal to Yucca Valley homes</li> </ul>		

### 5.8 Rural Health Clinics

Strength	Weakness	Opportunities
<ul style="list-style-type: none"> <li>▪ Higher patient satisfaction for service than competitors</li> <li>▪ Multiple specialty services offered</li> </ul>	<ul style="list-style-type: none"> <li>▪ Crowded conditions</li> <li>▪ Lack of patient privacy due to space limitations</li> <li>▪ Patient dissatisfaction with some provider's lack of customer service</li> <li>▪ Physicians opening their own clinics</li> <li>▪ Reliance on Medi-Cal funding &amp; state budget issues</li> <li>▪ Limited service hours</li> </ul>	<ul style="list-style-type: none"> <li>▪ Increase Pediatric services</li> <li>▪ Additional physician and/or NP/PA to provide women's care services</li> <li>▪ Explore patient outreach and transportation</li> </ul>
<p><b>Major Competitors and their strengths:</b> Desert Regional Medical Center and other competing CPSP programs</p> <ul style="list-style-type: none"> <li>▪ Physician owned clinics offer more hours available for the physician provider</li> </ul>		

### 5.9 Laboratory

Strength	Weakness	Opportunities
<ul style="list-style-type: none"> <li>▪ Well regarded pathologist</li> <li>▪ Stable workforce</li> <li>▪ Customer service</li> </ul>	<ul style="list-style-type: none"> <li>▪ Single pricing structure (inpatient rates) prevents ability to compete for OP lab contracts and business</li> <li>▪ Lack of microbiology space (JCAHO and CAP issue)</li> <li>▪ Shared waiting space with ED</li> <li>▪ Undersized general laboratory area</li> </ul>	<ul style="list-style-type: none"> <li>▪ Establish outpatient pricing tier</li> <li>▪ Enhance/highlight turn around time for tests</li> <li>▪ Increase in-house test menu</li> </ul>
<p><b>Major Competitors and their strengths:</b> Lab Corp</p> <ul style="list-style-type: none"> <li>▪ Services priced to attract/retain outpatient business</li> </ul>		

### 5.10 Home Health

Strength	Weakness	Opportunities
<ul style="list-style-type: none"> <li>▪ Certified wound care nurse</li> <li>▪ Fully staffed with RNs</li> <li>▪ Computerized charting</li> <li>▪ Quality care rated high (Home Care Compare)</li> <li>▪ Nurses with pediatric experience.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Lack FT physical therapist</li> <li>▪ No Occupational therapist available</li> <li>▪ Low volume of referrals from District physicians</li> <li>▪ Home Health nurses covering Hospice patients</li> </ul>	<ul style="list-style-type: none"> <li>▪ Chronic disease management program</li> <li>▪ Peds home care program</li> <li>▪ New MDs recruited to community would provide new sources of referrals</li> <li>▪ Relationship with DRMC</li> <li>▪ Increase referrals from HDMC physicians</li> </ul>
<p><b>Major Competitors and their strengths:</b> VNA, HMO Home Health Agency, Vitas, Palm Springs</p> <ul style="list-style-type: none"> <li>▪ Ability to control patient referrals</li> <li>▪ Provides transportation services</li> </ul>		

### 5.11 Hospice

Strength	Weakness	Opportunities
<ul style="list-style-type: none"> <li>▪ Fully staffed</li> <li>▪ Nurses are flexible and patient care centered</li> <li>▪ Bereavement program</li> </ul>	<ul style="list-style-type: none"> <li>▪ Sharing nurses with Home Health</li> <li>▪ Unable to meet referral opportunities in a timely manner</li> </ul>	<ul style="list-style-type: none"> <li>▪ Identify nurse champion for special certification</li> <li>▪ RN with certification can provide and bill for inpatient palliative care</li> <li>▪ Capture referrals from HDMC physicians</li> <li>▪ Establish relationships with non-affiliated medical staff</li> </ul>
<p><b>Major Competitors and their strengths:</b> Odyssey, Palm Springs</p> <ul style="list-style-type: none"> <li>▪ Does the discharge planning while patient still in hospital</li> </ul>		

### 5.12 Cardiology

Strength	Weakness	Opportunities
<ul style="list-style-type: none"> <li>▪ Dedicated medical director</li> <li>▪ Experienced and well trained staff</li> </ul>	<ul style="list-style-type: none"> <li>▪ Aging cardiology equipment</li> <li>▪ EKG and echo readings are not timely</li> <li>▪ Limited cardiac services</li> <li>▪ RHC, physicians and patient complaints regarding delayed reports</li> <li>▪ Cardiologist has own OP testing equipment in office</li> <li>▪ Limited cardiac specialists in Morongo Basin</li> <li>▪ Issues regarding reading stress tests</li> </ul>	<ul style="list-style-type: none"> <li>▪ Improved reading TAT will improve customer satisfaction</li> <li>▪ New CT equipment has some cardiac imaging capability</li> <li>▪ Increase number of physicians reading stress tests would improve turn around time for results</li> </ul>
<p><b>Major Competitors and their strengths:</b> Desert Regional Medical Center</p> <ul style="list-style-type: none"> <li>▪ Full range of interventional and non-interventional cardiac services</li> <li>▪ Trauma Center</li> <li>▪ More available ICU beds</li> <li>▪ Number of cardiologists</li> </ul>		

### 5.13 Pulmonology

Strength	Weakness	Opportunities
<ul style="list-style-type: none"> <li>▪ Dedicated Medical Director</li> <li>▪ Experienced Staff</li> <li>▪ Equipment is up-to-date &amp; capable of broad range of services and tests offered</li> </ul>	<ul style="list-style-type: none"> <li>▪ Solo pulmonologist - without coverage when on vacation;</li> <li>▪ Limited access to pulmonologist due to busy practice</li> </ul>	<ul style="list-style-type: none"> <li>▪ Pulmonary Rehab</li> <li>▪ EEG services</li> <li>▪ Pulmonary function test utilization</li> </ul>
<p><b>Major Competitors and their strengths:</b> Desert Regional Medical Center</p> <ul style="list-style-type: none"> <li>▪ Larger physician referral base</li> <li>▪ Pulmonologist coverage</li> </ul>		

### 5.14 Behavioral Health

Strength	Weakness	Opportunities
<ul style="list-style-type: none"> <li>▪ Only program in the vicinity</li> <li>▪ Positive patient surveys and strong patient satisfaction</li> </ul>	<ul style="list-style-type: none"> <li>▪ County attempting to further reduce services to clients without distributing Medi-Cal funds to HDMC's program to care for them</li> </ul>	<ul style="list-style-type: none"> <li>▪ Grant opportunities through MHSA</li> <li>▪ Establish relationship with County to receive funding as well as care for mental health patients</li> </ul>
<p><b>Major Competitors and their strengths:</b> No competitors in the area outside of County Mental Health who controls the Medi-Cal funding for the mental health patients that they are no longer providing services to.</p>		

### 5.15 Therapy Services

Strength	Weakness	Opportunities
<ul style="list-style-type: none"> <li>▪ OP clinic is centrally located for client access</li> <li>▪ Well trained staff</li> <li>▪ Only Hand Therapist (CHT) in the Valley</li> </ul>	<ul style="list-style-type: none"> <li>▪ Have only one PT in the outpatient clinic (who is a contracted employee)</li> <li>▪ Patient payer mix</li> <li>▪ Volume is limited by lack of availability of therapists;</li> <li>▪ Certified Hand Therapist may leave the area in the next year</li> </ul>	<ul style="list-style-type: none"> <li>▪ Develop in-house Functional Capacity Assessments to reduce hospital related work injuries</li> <li>▪ Develop Upper Extremity rehab programs with assistance of a part-time COTA</li> </ul>
<p><b>Major Competitors and their strengths</b> All facilities inpatient and outpatient are competing for the same limited pool of therapists</p>		

### 5.16 Infusion Services

Strength	Weakness	Opportunities
<ul style="list-style-type: none"> <li>▪ Close to home for patients</li> <li>▪ Flexibility in scheduling</li> <li>▪ Personal patient attention/strong patient satisfaction</li> <li>▪ Ease of flexible scheduling</li> </ul>	<ul style="list-style-type: none"> <li>▪ New service that is not well known</li> <li>▪ Limited referral base</li> <li>▪ Service takes up room needed for inpatients</li> </ul>	<ul style="list-style-type: none"> <li>▪ Pre-op infusions for dental offices</li> <li>▪ TX for osteoporosis &amp; possible cross marketing with Women's imaging center and referrals from new OB physician</li> <li>▪ Relocate service to non-inpatient room with a view</li> </ul>
<p><b>Major Competitors and their strengths:</b> New Cancer Clinic being built in Yucca Valley; V. Gupta's office does some infusions</p> <ul style="list-style-type: none"> <li>▪ New cancer center is a free standing building centrally located in YV and operated by an organization whose sole focus is infusion therapy</li> </ul>		

5.17 District-wide Strengths, Weaknesses, Opportunities, and Threats Analysis

<b>Strengths (Internal)</b>	<b>Weaknesses (Internal)</b>
<ul style="list-style-type: none"> <li>▪ New CEO employed by District</li> <li>▪ District leadership and Board committed to hearing and responding to community healthcare needs.</li> <li>▪ Broad base of community support.</li> <li>▪ Improving image and community perception.</li> <li>▪ District owns property adjacent to primary property to accommodate master plan expansion.</li> <li>▪ Structures meet seismic standards; no costly retrofit required.</li> <li>▪ Main facility centrally located in valley with satellite facilities strategically placed.</li> <li>▪ Proximity to military base.</li> <li>▪ District wide communications through IT.</li> <li>▪ Majority of RN positions are filled requiring limited use of registry.</li> <li>▪ CCC: provides non-acute diversified care to community.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Aging physical plant.</li> <li>▪ Facilities lack adequate space to expand services.</li> <li>▪ Lack of private rooms.</li> <li>▪ 4-bed ICU limits admissions of more critical patients.</li> <li>▪ OR space impedes utilization and efficiency.</li> <li>▪ Difficulty recruiting licensed professionals.</li> <li>▪ Lack of urgent care results in use of ED by non-emergent patients.</li> <li>▪ Physician recruitment challenges.</li> <li>▪ Lack of specialist coverage.</li> </ul>
<b>Opportunities (External)</b>	<b>Threats (External)</b>
<ul style="list-style-type: none"> <li>▪ Alliances with other healthcare providers.</li> <li>▪ 1206-D Clinic.</li> <li>▪ After hours clinic, urgent care or other alternative to ED use for non-emergent primary care.</li> <li>▪ Increase RHC volume.</li> <li>▪ Centralized community outpatient women's diagnostic services.</li> <li>▪ Tele medicine.</li> <li>▪ Improve patient satisfaction.</li> <li>▪ Transportation services.</li> <li>▪ National Health Service Corp.</li> <li>▪ Grant opportunities.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Large geographic area.</li> <li>▪ County hospital 75 miles away.</li> <li>▪ Low-income population.</li> <li>▪ Lack of industrial base.</li> <li>▪ Limited access to viable labor pool.</li> <li>▪ Managed care plans directing local patients to facilities in the low desert.</li> <li>▪ Aging medical staff.</li> <li>▪ Patients forced to seek medical care outside community due to limitations of existing physician practices.</li> <li>▪ Low realizable revenue for physicians.</li> </ul>

## 6. Demographic Profile of Target Markets

Demographic information was obtained from population, economic, strategy and technology data sources.

### 6.1 Snapshot of Local Economy

City	% below Poverty level	Median Household Size	Median Age	Median Household Income
Joshua Tree	21.2%	1.9	37	35,594
Morongo Valley	19.4%	2.4	41	48,770
Yucca Valley	16.4%	2.4	42	37,772
Twentynine Palms	15.7%	2.5	29	37,591
Pioneer town	7.1%	2.3	47	53,996
Landers	22.2%	2.1	49.5	30,110
State of CA average	14.2%	2.9	33.3	59,948

Source: City-Data.Com 2007

### 6.2 Morongo Basin Population Age Distribution & Projection for 2010

Age	Projected 2010 Population	Percent Total
0-17	14,533	19.4%
18-44	34,932	47.4%
45-64	14,805	19.0%
65 +	10,797	14.2%
Total:	75,067	100%

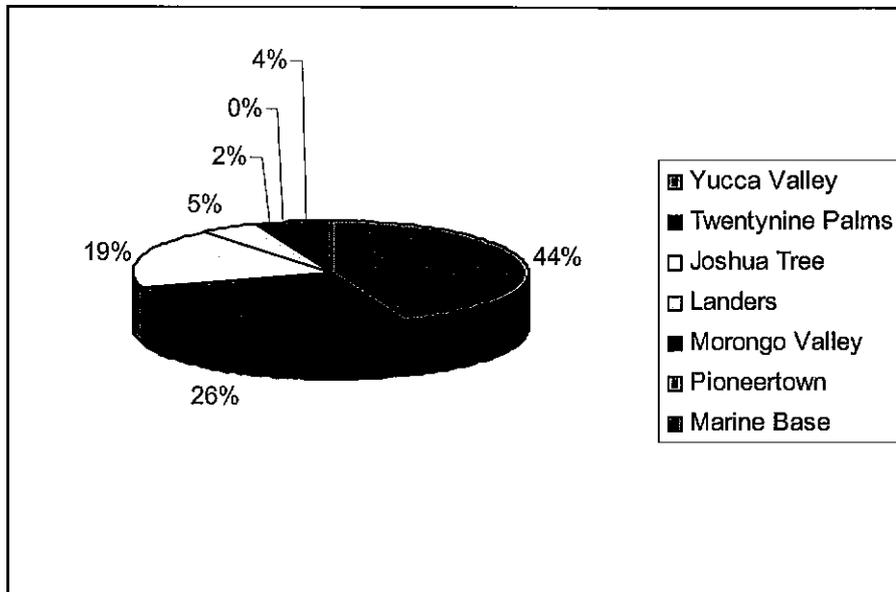
### 6.3 Race Morongo Basin

- 82% White
- 10% Hispanic
- 8% Other

### 6.4 Employment

- Most common local industries for males: construction, public administration, education, other transportation and support activities.
- Most common local industries for females: healthcare, accommodation and food services, education, administrative and support services
- The school system and HDMC are two of the largest employers in the Morongo Basin.
- The market lacks any large industry as a source of jobs.

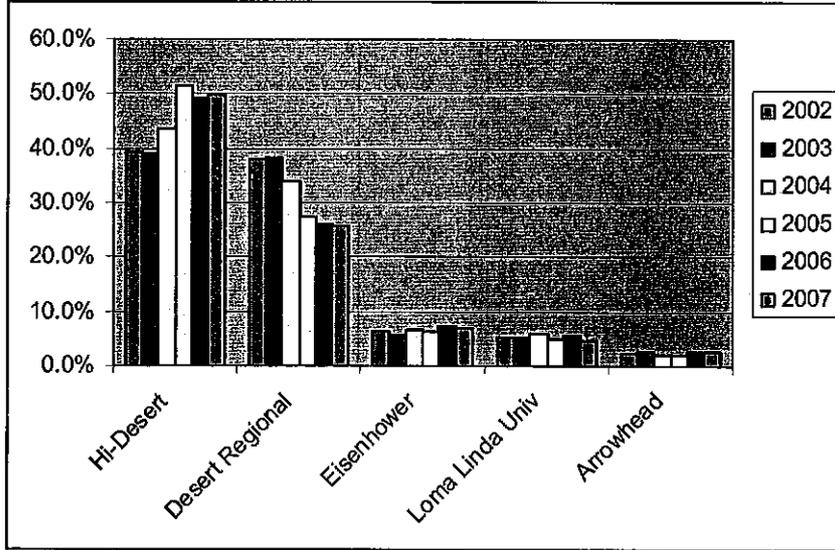
**6.5 Hi-Desert Medical Center Patient Origin Report**  
*2007 by location (MCAGCC is not included in the other demographic data)*



**6.6 Hi-Desert Medical Center Payor Report**  
*2007 by zip code*

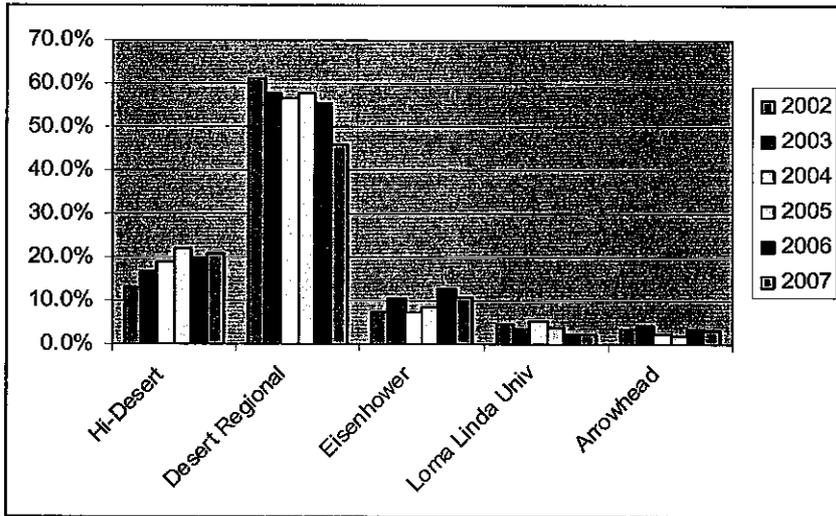
Patient Zip Code	Private Coverage	Medicare	Medi-Cal	Self-Pay	All Others	Total Discharges
Grand Total	1,279	1,152	1,460	110	152	4,153
Yucca Valley 92284&86	698	532	625	40	53	1,948
Twentynine Palms 92277	261	302	475	42	57	1,137
Joshua Tree 92252	232	218	299	21	30	800
Landers 92285	49	77	61	4	7	198
Morongo Valley 92268	31	25	28	3	2	89
Pioneerstown 92256	5	6	3	-	-	14
Marine Base 92278	3	2	2	-	3	10

**6.7 Hi-Desert Medical Center Inpatient PSA Market Share**  
*By Primary Service Area*



	2002	2003	2004	2005	2006	2007
Hi-Desert	39.1%	39.0%	43.5%	51.4%	49.0%	49.7%
Desert Regional	37.9%	38.4%	33.8%	27.5%	26.1%	25.7%
Eisenhower	6.1%	5.7%	6.7%	6.4%	7.4%	6.9%
Loma Linda Univ	5.2%	5.2%	5.9%	5.0%	5.5%	4.7%
Arrowhead	2.3%	2.5%	1.9%	1.9%	2.7%	2.5%

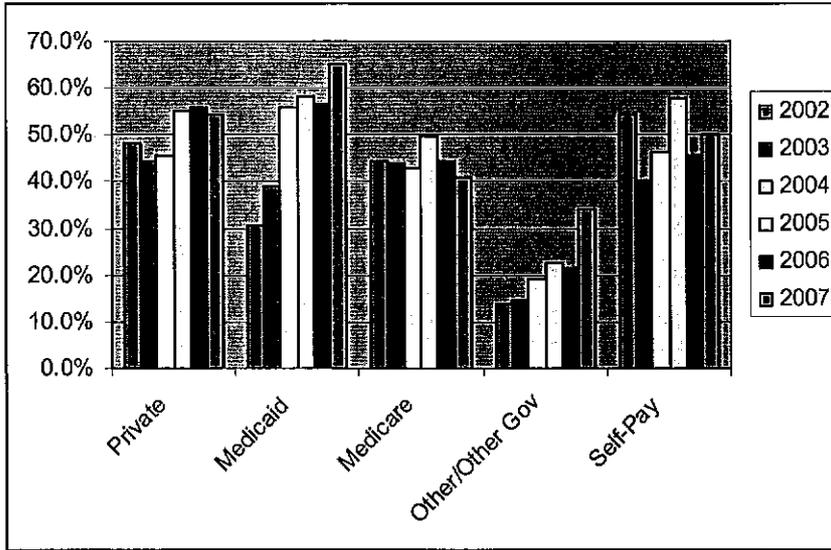
*By Secondary Service Area*



	2002	2003	2004	2005	2006	2007
Hi-Desert	13.0%	16.5%	19.0%	21.9%	19.5%	20.7%
Desert Regional	61.0%	57.7%	56.4%	57.7%	55.3%	45.6%
Eisenhower	7.3%	10.2%	7.3%	8.3%	12.7%	10.9%
Loma Linda Univ	4.7%	3.4%	5.4%	3.8%	2.3%	2.3%
Arrowhead	3.6%	4.3%	2.4%	2.0%	3.3%	3.3%

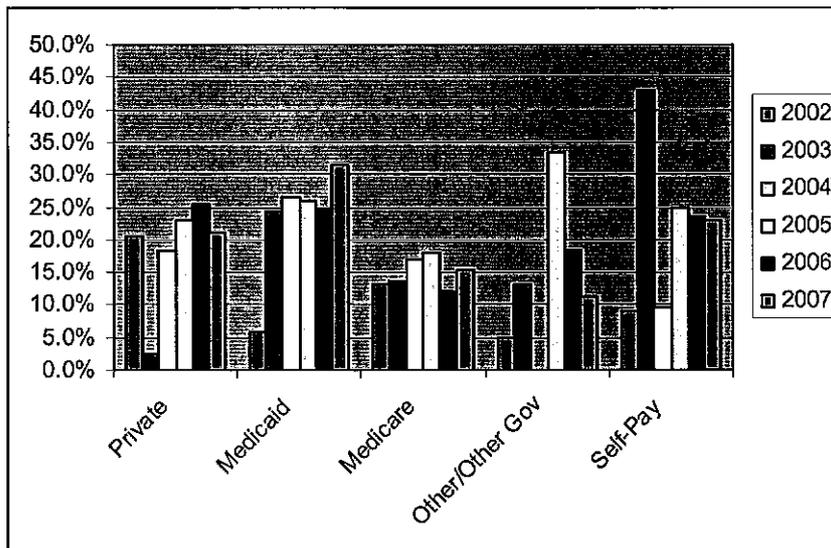
*Data Source: Thomson and OSHPD data*

6.8 Hi-Desert Medical Center Inpatient PSA Market Share by Payor



	2002	2003	2004	2005	2006	2007
Private	48.1%	44.3%	45.4%	55.1%	55.9%	54.3%
Medicaid	30.5%	39.1%	55.7%	58.1%	56.6%	65.2%
Medicare	44.3%	44.0%	43.0%	49.9%	44.5%	40.9%
Other/Other Gov	13.9%	14.6%	19.2%	22.4%	21.4%	34.1%
Self-Pay	54.4%	40.0%	46.2%	57.6%	45.4%	50.0%

Hi-Desert Medical Center Inpatient SSA Market Share by Payor



	2002	2003	2004	2005	2006	2007
Private	20.4%	2.5%	18.3%	23.0%	25.4%	21.1%
Medicaid	5.7%	24.2%	26.4%	25.9%	24.7%	31.5%
Medicare	13.1%	13.6%	17.0%	18.0%	11.9%	15.3%
Other/Other Gov	4.8%	13.0%	0.0%	33.3%	18.2%	11.1%
Self-Pay	9.1%	42.9%	9.5%	25.0%	23.5%	23.1%

Data Source: Thomson and OSHPD data

6.9 Emergency Department Visit Estimates

*Hi-Desert Medical Center – Primary and Secondary Service Areas*

Service Area		2004 Visits	2009 Visits	Visits Change	% Visits Change
<b>Primary Service Area</b>	Emergent	7,632	8,220	588	7.7%
	Non-emergent	18,172	19,191	1,019	5.6%
	<b>Total</b>	<b>25,804</b>	<b>27,411</b>	<b>1,607</b>	<b>6.2%</b>
<b>Secondary Service Area</b>	Emergent	496	547	51	10.3%
	Non-emergent	1,052	1,141	89	8.5%
	<b>Total</b>	<b>1,548</b>	<b>1,688</b>	<b>140</b>	<b>9.0%</b>
<b>Total</b>		<b>54,704</b>	<b>58,198</b>	<b>3,494</b>	<b>6.4%</b>

Source: Brim Healthcare, February 2006; Solucient

Statistics reveal a younger than average population requiring more non-emergent care with lower than average acuity.

### 6.10 Ambulatory Surgery Estimates

*Hi-Desert Medical Center – Primary Service Area  
(Yucca Valley, Joshua Tree and Twentynine Palms)*

Service Line	2004 Procedures	2009 Procedures	Change	% Change
<b>Cardiology</b>	214	235	21	9.9%
<b>Dermatology</b>	21	23	2	7.8%
<b>Diagnostic Radiology</b>	72	79	7	9.4%
<b>Gastroenterology</b>	1,052	1,160	107	10.2%
<b>General Surgery</b>	767	829	62	8.1%
<b>Neurosurgery</b>	200	217	18	8.9%
<b>OB/Gyn</b>	162	168	5	3.4%
<b>Ophthalmology</b>	1,061	1,161	100	9.4%
<b>Orthopedics</b>	1,114	1,204	90	8.0%
<b>Otolaryngology</b>	256	274	18	7.1%
<b>Plastic Surgery</b>	348	375	27	7.8%
<b>Podiatry</b>	373	405	32	8.7%
<b>Urology</b>	512	554	42	8.1%
<b>Total</b>	<b>6,152</b>	<b>6,683</b>	<b>531</b>	<b>8.6%</b>

### Ambulatory Surgery Estimates

*Hi-Desert Medical Center – Secondary Service Area  
(Pioneertown)*

Service Line	2004 Procedures	2009 Procedures	Change	% Change
<b>Cardiology</b>	16	18	2	12.5%
<b>Dermatology</b>	1	2	0	14.0%
<b>Diagnostic Radiology</b>	5	6	1	12.5%
<b>Gastroenterology</b>	82	91	10	12.0%
<b>General Surgery</b>	51	57	5	10.6%
<b>Neurosurgery</b>	14	15	2	11.4%
<b>OB/Gyn</b>	9	10	1	6.8%
<b>Ophthalmology</b>	76	85	9	11.5%
<b>Orthopedics</b>	69	76	7	10.9%
<b>Otolaryngology</b>	15	17	2	9.9%
<b>Plastic Surgery</b>	23	26	3	11.1%
<b>Podiatry</b>	26	29	3	10.5%
<b>Urology</b>	32	36	3	10.8%
<b>Total</b>	<b>421</b>	<b>468</b>	<b>47</b>	<b>11.1%</b>

Source: Brim Healthcare, February 2006; Solucient

6.11 Outpatient Visit Estimates

Hi-Desert Medical Center – Primary Service Area  
(Yucca Valley, Joshua Tree and Twentynine Palms)

Service Line	2004	2009	Change	% Change Procedures
Allergy	21,813	23,405	1,592	7.3%
Cardiology	29,778	32,485	2,707	9.1%
Chiropractic	21,372	23,014	1,642	7.7%
Dermatology	15,354	16,662	1,308	8.5%
Diagnostic Radiology	66,476	71,746	5,270	7.9%
Emergency Medicine	24,725	26,148	1,423	5.8%
Endocrine	9	10	1	11.1%
Gastroenterology	2,510	2,747	237	9.4%
General Surgery	910	981	71	7.8%
Hematology/Oncology	17,805	19,238	1,433	8.0%
Labs	409,028	440,869	31,841	7.8%
Medicine	299,948	321,654	21,706	7.2%
Miscellaneous	28,654	31,190	2,536	8.9%
Nephrology	17,466	19,232	1,766	10.1%
Neurology	7,545	8,203	658	8.7%
Neurosurgery	295	318	23	7.8%
OB/GYN	5,968	6,162	194	3.3%
Ophthalmology	18,633	20,277	1,644	8.8%
Oral Surgery	171	180	9	5.3%
Orthopedics	4,567	4,935	368	8.1%
Otolaryngology	8,724	9,292	568	6.5%
Physical Therapy	120,193	130,163	9,970	8.3%
Plastic Surgery	335	362	27	8.1%
Podiatry	7,860	8,566	706	9.0%
Psychiatry	37,140	39,739	2,599	7.0%
Pulmonary	13,967	15,022	1,055	7.6%
Radiation Therapy	4,804	5,276	472	9.8%
Urology	2,988	3,245	257	8.6%
Vascular	762	835	73	9.6%
<b>Total</b>	<b>1,189,800</b>	<b>1,281,956</b>	<b>92,156</b>	<b>7.7%</b>

Source: Brim Healthcare, February 2006; Solucient

6.12 Outpatient Visit Estimates  
 Hi-Desert Medical Center – Secondary Service Area  
 (Pioneertown)

Service Line	2004	2009	Change	% Change Procedures
<b>Labs</b>	27,470	30,357	2,887	10.5%
<b>Medicine</b>	19,823	21,792	1,969	9.9%
<b>Physical Therapy</b>	7,995	8,861	866	10.8%
<b>Diagnostic Radiology</b>	4,406	4,868	462	10.5%
<b>Psychiatry</b>	2,318	2,539	221	9.5%
<b>Cardiology</b>	2,110	2,353	243	11.5%
<b>Miscellaneous</b>	1,977	2,198	221	11.2%
<b>Emergency Medicine</b>	1,439	1,563	124	8.6%
<b>Allergy</b>	1,396	1,534	138	9.9%
<b>Chiropractic</b>	1,348	1,488	140	10.4%
<b>Ophthalmology</b>	1,295	1,441	146	11.3%
<b>Nephrology</b>	1,234	1,380	146	11.8%
<b>Hematology/Oncology</b>	1,201	1,329	128	10.7%
<b>Dermatology</b>	1,075	1,195	120	11.2%
<b>Pulmonary</b>	921	1,014	93	10.1%
<b>Otolaryngology</b>	562	614	52	9.3%
<b>Podiatry</b>	543	604	61	11.2%
<b>Neurology</b>	517	574	57	11.0%
<b>Radiation Therapy</b>	366	410	44	12.0%
<b>OB/GYN</b>	344	368	24	7.0%
<b>Orthopedics</b>	295	326	31	10.5%
<b>Urology</b>	207	231	24	11.6%
<b>Gastroenterology</b>	183	205	22	12.0%
<b>General Surgery</b>	59	66	7	11.9%
<b>Vascular</b>	56	62	6	10.7%
<b>Plastic Surgery</b>	23	26	3	13.0%
<b>Neurosurgery</b>	19	21	2	10.5%
<b>Oral Surgery</b>	10	11	1	10.0%
<b>Endocrine</b>	1	1	0	0.0%
<b>Total</b>	<b>79,193</b>	<b>87,431</b>	<b>8,238</b>	<b>10.4%</b>

Source: Brim Healthcare, February 2006; Solucent

6.13 Hi-Desert Medical Center Inpatient Market Share  
 Excluding zip code 92278 – Marine Base

All Payors

Facility Name	Discharges	Percent of Total Discharges
<b>GRAND TOTAL</b>	<b>7,753</b>	<b>100%</b>
Hi-Desert Medical Center	3,913	50.47%
Desert Regional Medical Center	1,962	25.31%
Eisenhower Memorial Hospital	521	6.72%
Loma Linda University Medical Center	366	4.72%

Medi-Cal and No Insurance

Facility Name	Discharges	Percent of Total Discharges
<b>GRAND TOTAL</b>	<b>2,364</b>	<b>100%</b>
Hi-Desert Medical Center	1,503	63.58%
Desert Regional Medical Center	307	12.99%
Arrowhead Regional Medical Center	148	6.26%
Loma Linda University Medical Center	137	5.80%

Medicare

Facility Name	Discharges	Percent of Total Discharges
<b>GRAND TOTAL</b>	<b>2,611</b>	<b>100%</b>
Hi-Desert Medical Center	1,075	41.17%
Desert Regional Medical Center	392	35.70%
Eisenhower Memorial Hospital	300	11.49%
Loma Linda University Medical Center	70	2.68%

Source: 2008 OSHPD data for year 2007

6.14 Combined PSA/SSA – Medical Cardiac

Facility Name	Discharges	Percent of Total Discharges
<b>GRAND TOTAL</b>	<b>540</b>	<b>100%</b>
Hi-Desert Medical Center	272	50.37%
Desert Regional Medical Center	162	30.00%
Eisenhower Memorial Hospital	65	12.04%
Loma Linda University Medical Center	10	1.85%
Arrowhead Regional Medical Center	7	1.30%
John F. Kennedy Memorial Hospital	6	1.11%

6.15 Combined PSA/SSA – Chest Pain

Facility Name	Discharges	Percent of Total Discharges
<b>GRAND TOTAL</b>	<b>273</b>	<b>100%</b>
Hi-Desert Medical Center	168	61.54%
Desert Regional Medical Center	71	26.01%
Eisenhower Memorial Hospital	20	7.33%
Arrowhead Regional Medical Center	6	2.20%

6.16 Combined PSA/SSA – Cardiac Interventional

Facility Name	Discharges	Percent of Total Discharges
<b>GRAND TOTAL</b>	<b>169</b>	<b>100%</b>
Desert Regional Medical Center	139	82.25%
Eisenhower Memorial Hospital	20	11.83%
Loma Linda University Medical Center	2	1.18%

6.17 Combined PSA/SSA Marketshare – Total Joint

Facility Name	Discharges	Percent of Total Discharges
<b>GRAND TOTAL</b>	<b>175</b>	<b>100%</b>
Hi-Desert Medical Center	58	33.14%
Desert Regional Medical Center	56	32.00%
Eisenhower Memorial Hospital	37	21.14%
Loma Linda University Medical Center	7	4.00%
John F. Kennedy Memorial Hospital	6	3.43%
Other Miscellaneous Hospitals	11	6.29%

6.18 Combined PSA/SSA – Obstetrics

Facility Name	Discharges	Percent of Total Discharges
<b>GRAND TOTAL</b>	<b>604</b>	<b>100%</b>
Hi-Desert Medical Center	423	70.03%
Desert Regional Medical Center	151	23.84%

6.19 Combined PSA/SSA – Obstetrics with DRG 372  
(vaginal delivery with complicating DX)

Facility Name	Discharges	Percent of Total Discharges
<b>GRAND TOTAL</b>	<b>604</b>	<b>100%</b>
Hi-Desert Medical Center	447	69.73%
Desert Regional Medical Center	151	25.36%

6.20 Top 25 DRGs by Hospital

Top 25 DRGs by Hospital  
Based on Number of Discharges

HI-DESERT MEDICAL CENTER

391	NORMAL NEWBORN	422	422	3,587	1,989	1.8
462	REHABILITATION	317	317	27,145	869	31.2
373	VAGINAL DELIVERY W/O COMPLICATING DIAGNOSES	300	300	10,191	6,239	1.6
143	CHEST PAIN	179	179	11,767	7,238	1.6
089	SIMPLE PNEUMONIA & PLEURISY AGE >17 W CC	171	171	23,482	2,609	9.0
088	CHRONIC OBSTRUCTIVE PULMONARY DISEASE	140	140	199,056	3,957	50.3
371	CESAREAN SECTION W/O CC	138	138	17,064	5,977	2.9
127	HEART FAILURE & SHOCK	133	133	57,738	1,862	31.0
320	KIDNEY & URINARY TRACT INFECTIONS AGE >17 W CC	82	82	19,722	2,878	6.9
014	INTRACRANIAL HEMORRHAGE OR CEREBRAL INFARCTION	70	70	179,920	5,074	35.5
182	ESOPHAGITIS, GASTROENTERITIS & MISC DIGEST DISORDERS AGE >17 W CC	64	64	17,912	5,592	3.2
544	MAJOR JOINT REPLACEMENT OR REATTACHMENT OF LOWER EXTREMITY	59	59	32,262	8,385	3.8
138	CARDIAC ARRHYTHMIA & CONDUCTION DISORDERS W CC	57	57	22,465	5,122	4.4
316	RENAL FAILURE	56	56	26,820	1,797	14.9
576	SEPTICEMIA W/O MECHANICAL VENTILATION 96+ HOURS AGE > 17	54	54	27,196	4,895	5.6
296	NUTRITIONAL & MISC METABOLIC DISORDERS AGE >17 W CC	53	53	16,082	3,964	4.1
383	OTHER ANTEPARTUM DIAGNOSES W MEDICAL COMPLICATIONS	50	50	11,131	4,092	2.7
390	NEONATE W OTHER SIGNIFICANT PROBLEMS	47	47	4,534	2,243	2.0
294	DIABETES AGE >35	45	45	14,609	3,800	3.8
183	ESOPHAGITIS, GASTROENTERITIS/MISC DIGEST DISORDERS AGE >17 W/O CC	44	44	12,306	5,822	2.1
204	DISORDERS OF PANCREAS EXCEPT MALIGNANCY	43	43	20,555	5,390	3.8
174	GASTROINTESTINAL HEMORRHAGE W CC	42	42	21,537	5,482	3.9
277	CELLULITIS AGE >17 W CC	40	40	14,679	2,693	5.5
494	LAPAROSCOPIC CHOLECYSTECTOMY W/O COMMON DUCT EXPLORATION W/O CC	36	36	14,213	8,253	1.7
449	POISONING & TOXIC EFFECTS OF DRUGS AGE >17 W CC	34	34	21,060	8,326	2.5

\* This figure has been adjusted for Kaisers, Shriners, and other hospitals that do not report charges

Data Source: Patient Discharge Data 2007 (MIRCa) Office of Statewide Health Planning and Development (OSHDP) August 2008

### 6.21 Target Market Consumer Behavior Trends

- Median house value **significantly below** state average.
- Median household income **significantly below** state average.
- Percent of population living below 100% of the poverty **above** the state average.
- Median age **above** state average.
- Foreign-born population percentage **significantly below** state average.
- Focus Group and Town Hall meeting participants cite lack of managed care contract alignment as a major reason for seeking services offered by HDMC outside the community.
- Out-migration of patients is higher in privately insured and Medicare sectors.
- Increasing number of consumers without routine medical care are dependent on emergency department for urgent care.
- Patients with insurance receive care where directed by their payor.
- Declining economy and consumer spending result in a decline in number of elective procedures.
- Patients are less likely, in today's economy, to opt for higher out-of-pocket options.
- Delivery of healthcare through the Internet (telemedicine) will be used more in rural areas to manage chronic and acute conditions.

### 6.22 California Market Trends

- California's Medi-Cal program provides essential healthcare services to the poorest and most vulnerable Californians.
- California ranks last in the nation in funding healthcare for these patients.
- In 2008, California hospitals lost more than \$3.8 billion in unpaid Medi-Cal costs.
- With the growth in unemployment, hospitals are experiencing the effects of more Californians without job-based insurance.
- There is a reported 30 percent decrease in elective procedures.
- California hospitals are shouldering the financial burden of providing care to the state's elderly and low-income.
- Medi-Cal funding has fallen short of covering costs for California hospitals by more than \$3.7 billion
- More people are forgoing routine medical care or are using hospital emergency departments as a provider for their essential healthcare services.
- Of persons below poverty level, 32% in California are estimated to have no health insurance.

### 6.23 Market Opportunities

The age distribution of the market would indicate a higher utilization of the following services:

- |                                  |                      |
|----------------------------------|----------------------|
| ▪ Urgent Care                    | ▪ Gastroenterology   |
| ▪ Emergency Services             | ▪ Medical Cardiology |
| ▪ Outpatient Diagnostic Services | ▪ Ophthalmology      |
| ▪ Outpatient Rehab               | ▪ Telemedicine       |
| ▪ Pediatrics                     | ▪ Orthopedics        |
| ▪ OB/GYN                         | ▪ Outpatient Surgery |

## **7. Critical Issues**

Socioeconomic and market force issues, patient utilization, access and unmet healthcare needs were some of the emerging themes that led us to the following critical issues.

- HDMC is the sole provider of emergency and acute care and ancillary diagnostics within a 35 mile radius.
- In 2008 HDMC absorbed \$3 million in costs for unreimbursed care. The troubled economy, growth in unemployment and an increasing number of uninsured patients will further challenge HDMC's fiscal stability.
- HDMC lacks some sub-specialty medical staff needed to provide the office-based, emergency room back up, and inpatient services the community needs. As a result, patients unable to access care locally must seek specialty healthcare outside their community and emergency patients often require transfer to clinical facilities elsewhere.
- The age distribution, economic profile of the community, and the shortage of industry or large employer base will continue to result in increasing demand for services for uninsured and under-insured patients.
- The County hospital is located 75 miles away preventing Hi-Desert patients from reasonable access to safety-net clinical services.
- HDMC's emergency department is a vital safety net for patients seeking urgent medical care.
- Customer satisfaction and consistent delivery of quality services are key to improved community perception of HDMC.
- Low reimbursement and payor mix are major obstacles to physician recruitment and retention.
- HDMC has historically had a passive relationship with large local employers (i.e.: Town of Yucca Valley, City of Twentynine Palms, civilian employees on the Base, Morongo Unified School District, Copper Mountain College and the utility companies).

## **8. Response Strategies, Strategy Achievement Goals & Measurable Action Steps**

Upon analysis of the critical issues, the following strategies, goals and objectives were developed.

### **8.1 COMMUNITY**

*Determine the healthcare needs of the District and create and foster alliances to meet those needs*

- 1. Determine healthcare needs and set appropriate service expectations**
  - 1.1. Complete healthcare needs assessment
- 2. Understand and develop appropriate responses to geographic considerations**
  - 2.1. Geographic healthcare accessibility assessment
  - 2.2. Transportation assessment and response
- 3. Develop culturally specific approaches to delivery services**
  - 3.1. Identify cultural individualities
  - 3.2. Determine outpatient education needs
  - 3.3. Investigate preventative and alternative medicine support strategies
- 4. Leadership in identification and coordination of community resources**
  - 4.1. Explore behavioral health expansion with county
  - 4.2. Implement physician recruitment partnerships
- 5. Enhance internal alliances to foster efficient service delivery**
  - 5.1. Develop District-wide communication plan
  - 5.2. Conduct employee community alliance survey
  - 5.3. Ensure a doctor friendly clinical environment
  - 5.4. Establish proactive employee support program
- 6. Foster external alliances for efficient service delivery**
  - 6.1. Non-District healthcare providers
  - 6.2. Other community organizations
    - 6.2.1. Understand community organization capabilities
  - 6.3. Government entities
  - 6.4. Establish community leadership development program / institute
  - 6.5. Patient referral streamlining: enhanced transfer coordination
  - 6.6. Leadership alliance enhancement
- 7. Foster external alliances for mutually beneficial opportunities with major Morongo Basin employers**
  - 7.1. Town of Yucca Valley
  - 7.2. City of Twentynine Palms
  - 7.3. Marine Base
  - 7.4. Copper Mountain College
  - 7.5. Morongo Unified School District
  - 7.6. Water districts and utility companies

## 8.2 PEOPLE

*Build, sustain and grow the best people*

1. **Establish a comprehensive staff development program**
  - 1.1. Hardwire "Road to Excellence"
  - 1.2. Develop succession plan
  - 1.3. Develop a C N A career ladder program
  - 1.4. Leadership training for budgeting and financial accountability
2. **Enhance physician and staff satisfaction and collaboration**
  - 2.1. Develop a partnership plan between physicians and employees
  - 2.2. Develop a plan to improve communication and collaboration between rehab and Restorative Nursing Assistant (RNA) services
  - 2.3. Conduct an employee satisfaction survey
  - 2.4. Conduct a physician satisfaction survey
3. **Establish accountability at all levels**
  - 3.1. Annually identify high-medium-low performers; develop and implement employee performance plans
  - 3.2. Develop an education and competency plan
  - 3.3. Create and implement new leadership evaluation tool to improve consistent leadership accountability
  - 3.4. Strategy to improve patient satisfaction of physician services
4. **Recruit needed staff and physicians**
  - 4.1. Identify and recruit needed physicians
  - 4.2. Recruit needed staff in support of delivery of services
  - 4.3. Enhance rehab services by increasing RNA delivery of care
  - 4.4. Develop a plan to recruit licensed professionals
5. **Increase retention and decrease turnover**
  - 5.1. Provide educational opportunities in support of staff development
  - 5.2. Implement 30-day and 90-day meetings with 100% of new staff

### 8.3 GROWTH

*Assess existing services for viability and create sustainable, measurable growth through new services and additional patient volumes*

- 1. Determine feasibility of new services as identified by internal and external constituents in keeping with District resources**
  - 1.1. Pain management services
  - 1.2. EEG program
  - 1.3. Women's outpatient service line
  - 1.4. Pulmonary rehab program
  - 1.5. Open urgent care clinic
  
- 2. Assess and evaluate existing services**
  - 2.1. 64-slice CT scanner
  - 2.2. Joint replacement program
  - 2.3. Rehabilitation services
  - 2.4. Expand volume to meet existing capacity of infusion clinic
  - 2.5. Outpatient laboratory volumes
  - 2.6. Home health services
  - 2.7. Hospice services
  - 2.8. Expand Yucca Valley rural health clinics
  - 2.9. Behavioral health services
  - 2.10. Special Additions
  
- 3. Identify potential new services and initiatives**
  - 3.1. Cardiology
  - 3.2. Nuclear medicine testing
  - 3.3. Additional ob/gyn
  - 3.4. Increase rural health clinic referrals to District-related ancillary services
  - 3.5. Explore feasibility of establishing a 1206-D clinic
  - 3.6. Time share clinic for rotation by medical specialty providers from around the region
  - 3.7. Identify collaborative recruitment opportunities of medical specialists
  
- 4. Evaluate existing properties and businesses**
  - 4.1. Conduct master site plan study
  - 4.2. Conduct ambulatory site plan
  - 4.3. Enhance appearance and function of currently-occupied spaces
  
- 5. Develop initiatives that enhance image, showcase services**
  - 5.1. Develop image enhancement plan
  - 5.2. Develop internal and external communication plan
  - 5.3. Create marketing plan based on strategic initiatives
  - 5.4. Establish community leadership development program/institute

## 8.4 SERVICE

*Measurably improve service to the customer*

### 1. Develop methods to improve communication with customers.

- 1.1. Provide internet access for residents of the Continuing Care Center (CCC)
- 1.2. Provide emergency department customers with timely status checks of wait time
- 1.3. Provide emergency department customers with measurably improved discharge times
- 1.4. Improve patient satisfaction to 65% with courtesy of staff during the admitting process for med/surg and LDRP (Press Ganey/HCAHPS)
- 1.5. Improve patient satisfaction to 50% with nurses keeping the patient informed in the med/surg and LDRP (Press Ganey/HCAHPS)
- 1.6. Improve patient satisfaction to 65% with nurse's explanation of new medications in med/surg and LDRP (Press Ganey/HCAHPS)

### 2. Assess and improve the delivery of service in an environment of privacy

- 2.1. Create a separate pre and post op area in the surgery department of the hospital
- 2.2. Improve the physical environment of Airway to relieve the waiting room congestion
- 2.3. Measurably improve patient satisfaction in the emergency department by providing services in an environment of privacy
- 2.4. Improve the physical environment of Airway to improve privacy during registration
- 2.5. Improve to 50% patient perception of privacy in med/surg and LDRP (Press Ganey/HCAHPS)

### 3. Develop methods to improve staff responsiveness to customer needs.

- 3.1. CCC will provide a physician friendly environment on the CDP unit to decrease use of swing beds and increase resident volumes
- 3.2. CCC will identify specific staff and area to improve the quality of life for hospice residents.
- 3.3. CCC will increase space for resident activities
- 3.4. The rural health clinics will measurably improve patient satisfaction by relieving the over crowded conditions of the waiting rooms and enhancing the provision of customer service
- 3.5. Improve patient satisfaction to 55% with attention to special/personal needs in the med/surg and LDRP
- 3.6. Improve patient satisfaction to 50% with improved response to call lights in med/surg and LDRP
- 3.7. Improve patient satisfaction to 50% in med/surg and LDRP with toilet assistance
- 3.8. Improve patient satisfaction to 60% with patient room and bathroom cleanliness in med/surg and LDRP
- 3.9. Improve patient satisfaction to 50% with attention to noise volumes in patient room areas in med/surg and LDRP
- 3.10. Improve cleanliness in the emergency department
- 3.11. Improve surgeon satisfaction with patient flow and appearance of the hospital operating room
- 3.12. Assess and evaluate the feasibility to increase capacity at Airway operating room
- 3.13. Provide physicians with a work /charting area at the med/surg nurse's station
- 3.14. Develop methods to deliver outpatient services at HDMC with decreased wait time
- 3.15. Improve patient flow throughput in the emergency department (60-0 minutes)
- 3.16. Decrease wait time in medical imaging by improving the coordination of services for patients scheduled for early morning exams
- 3.17. Assess and evaluate the feasibility of an emergency department fast-track service

## 8.5 FINANCE

*Ensure financial capabilities to support District programs and services*

1. **Ensure appropriate cash management activities**
  - 1.1. Streamline accounts payable functions
  - 1.2. Implement Revenue Cycle Suite to automate accounts receivable functions
2. **Implement prudent internal and external steps to maximize revenues**
  - 2.1. Renegotiate payor contracts
  - 2.2. Align contract terms to increase volume from the District's large employers
  - 2.3. Contract for assistance in linking patients with government aid
  - 2.4. Expand physician teaching for proper documentation
  - 2.5. Develop agreement with San Bernardino for east county healthcare
  - 2.6. Implement training programs to enhance prospective payment receipts
  - 2.7. Implement improved charging and coding in the emergency department
  - 2.8. Implement a tracking system to monitor and rebut Recovery Audit Contractor (RAC)
  - 2.9. Improve utilization of CCC's CDP beds versus med/surg swing beds
3. **Expand financial analytic capabilities**
  - 3.1. Increase analytic personnel
  - 3.2. Assess the feasibility of implementing the MediTech cost accounting module
  - 3.3. Expand manager training for financial reports
4. **Evaluate studies and reports to enable optimal product line development**
  - 4.1. Perform studies in support of objectives identified in the "Growth" section of the Strategic Plan
5. **Maximize sources of capital**
  - 5.1. Solicit outside contributions
  - 5.2. Establish a capital campaign
  - 5.3. Dispose of excess property
  - 5.4. Analysis of long term debt obligations for refinancing and new debt opportunities
  - 5.5. Pursue grant opportunities
  - 5.6. Determine the amount of District investments to be used for capital purchases

## 8.6 QUALITY

*Measurably improve the quality of services and patient safety*

### **1. Improve the perception of quality care**

- 1.1. Improve patient satisfaction and HCAHP scores for med/surg and LDRP

### **2. Improve the quality of care outcomes**

- 2.1. Improve Pneumonia CORE Measure scores for vaccination administration when indicated and smoking cessation education (goal 90%)
- 2.2. Improve Congestive Heart Failure CORE Measures scores for discharge instructions and smoking cessation education (goal 90%)
- 2.3. Improve Surgical Care Improvement CORE Measures scores for antibiotics given within 1 hour of surgery and blood clot prevention treatment given within 24 hours of surgery (goal 85%)
- 2.4. Maintain urinary tract infection rates for the hospital and CCC with nationally accepted rates (2/1000)

### **3. Improve National Patient Safety Goals for the following:**

- 3.1. Two patient identifier in the CCC (goal 95%)
- 3.2. Identified medications in the operating room (goal 90%)
- 3.3. Medication reconciliation (goal 90%)
- 3.4. Patient falls (3.2/1000)
- 3.5. Pressure ulcer reduction in the CCC (2% of ADC)

### **4. Achieve regulatory compliance and full accreditation in applicable district areas.**

- 4.1. Continuing Care Center will be successfully surveyed by the State of California for full licensure
- 4.2. Hospital will be successfully surveyed by applicable regulatory and accreditation agencies
- 4.3. Home health and hospice will be successfully surveyed by applicable regulatory and accreditation agencies

### **5. Measurably improve skills enhancement/competency for all district employees.**

- 5.1. Implement opportunities to improve staff competencies

### **6. Improve the environment of care to promote the quality of care.**

- 6.1. Implement opportunities to improve the environment of care to promote the quality of care

### **7. Improve staff and physician team work and communication to improve the quality of care.**

- 7.1. Implement the opportunities to improve the quality of care through improving staff and physician team work and communication
- 7.2. Improve District-wide communication using information technology

## **9. Next Steps/Management Action**

This strategic plan forms the basis for the strategic, operational, and financial direction and decisions that will guide the District for fiscal years 2010, 2011, and 2012.

Each Critical Issue identified in this strategic plan has an identified Response Strategy as well as specific Strategy Achievement Goals. These goals will generate a host of Measurable Action Steps to be implemented by management. Many of these action items may respond and facilitate achievement of several strategy achievement goals.

Management will publicly report progress toward satisfying the identified critical issues through the respective response strategies, strategy achievement goals, and measurable action steps. Reporting to the District Board of Directors will occur on the first month following the completion of each quarter in the strategic plan beginning October, 2010.

The strategic plan hierarchy is illustrated below:

1. Critical Issues
  - 1.1. Response Strategies
    - 1.1.1. Strategy Achievement Goals
      - 1.1.1.1. Measurable Action Steps

Management would like to express appreciation to all the varied contributors to the successful development of this plan, including Morongo Basin residents, our patients and their family members, members of our medical staff, the District Board of Directors, as well as our District employees and Kris Kington-Barker, our planning consultant. We feel the product exemplifies the spirit of teamwork, and community ownership that makes the Morongo Basin a unique place to live and work.