

**Analysis of the Request to Modify Condition V of the
Attorney General's Conditions to the Change in
Governance and Control of Central California
Foundation for Health on the Availability and
Accessibility of Healthcare Services at Delano Regional
Medical Center**

Prepared for the Office of the California Attorney General

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Table of Contents

Introduction and Background 3

Discussion..... 4

Community Impact 5

Recommendation 5

Appendix 6

 Delano Regional Medical Center Service Area Map 6

 List of Interviewees 7

Introduction and Background

On June 22, 2020, pursuant to Title 11, California Code of Regulations, Section 999.5, subdivision (h), Adventist Health System/West (Adventist Health), a California nonprofit religious corporation and Adventist Health Delano, formerly known as Central California Foundation for Health, a California nonprofit public benefit corporation, doing business as Delano Regional Medical Center, a general acute care hospital, submitted a request to amend Condition V, item (o)¹. Condition V, item (o) requires Delano Regional Medical Center to operate sleep lab services for ten years from the closing date of the Affiliation Agreement as follows:

V.

For ten years from the closing date of the Affiliation Agreement, Delano Regional Medical Center shall maintain and provide the following healthcare services at current licensure and designation with the current types and/or levels of services:

- a. Nuclear medicine services;
- b. Occupational therapy;
- c. Outpatient Clinic -Wasco Medical Plaza & Urgent Care, located at 2300 7th St., Wasco, CA;
- d. Outpatient Clinic -Delano Urgent Care Clinic, located at 1201 Jefferson St., Delano, CA;
- e. Outpatient Clinic - Delano Wound Care Clinic, located at 1519 Garces Hwy., Delano, CA;
- f. Radiology services;
- g. Diagnostic imaging;
- h. Physical therapy;
- i. Podiatry services;
- j. Social services;
- k. Speech pathology;
- l. Blood bank services;
- m. Dialysis services;
- n. Pathology services; and
- o. Sleep lab services.

¹ As set forth in the California Attorney General's November 22, 2019 Conditional Consent to the proposed change of control and governance of Central California for Health, pursuant to the terms of the Affiliation Agreement, dated January 4, 2019, by and between Adventist Health and Central California Foundation for Health.

Adventist Health and Adventist Health Delano request the California Attorney General to amend Condition V, item (o) by eliminating sleep lab services from the list of healthcare services required to be provided by Delano Regional Medical Center.

The request made for this amendment is based on the assertion by Adventist Health and Adventist Health Delano that, although listed as a provided service in both the Affiliation Agreement and the written notice submitted to the California Attorney General on February 15, 2019, sleep lab services were never provided at Delano Regional Medical Center and were only included as a result of a clerical error.

JD Healthcare, Inc. was retained by the California Attorney General to assess the potential impact of the proposed request on the availability and accessibility of healthcare services to the communities served by Delano Regional Medical Center. In preparation of this report, JD Healthcare, Inc. performed the following:

- A review of the written request submitted to the California Attorney General on June 22, 2020;
- Interviews with a physician representative of a medical group, located in the medical office building adjacent to Delano Regional Medical Center, that provides pulmonary and sleep services and has privileges at the hospital, and representatives of Adventist Health Delano; and
- A review of sleep lab services available in the geographic area.

Discussion

Sleep labs are set up for overnight stays, usually in a hospital or an outpatient center. An EEG machine monitors the sleep stages and cycles of REM or non-REM sleep to identify possible disruptions in the pattern of sleep. A sleep lab study will also measure eye movements, heart and breathing rates, snoring, and body movements. Sleep studies diagnose sleep disorders such as sleep apnea, periodic limb movement disorder, narcolepsy, restless leg syndrome, insomnia, and nighttime behaviors like sleepwalking and REM sleep behavior disorder. Sleep studies require the interpretation and diagnosis by a trained physician specialist.

According to those interviewed, Delano Regional Medical Center never provided sleep lab services. The hospital did have plans to include a sleep lab in its new outpatient center that opened on the hospital's campus in June 2018. In preparation for opening the outpatient center,

Delano Regional Medical Center began advertising sleep services on its web site. However, before the outpatient center opened, administration determined sleep services were not feasible and discontinued planning to include the sleep lab in the outpatient center. The advertised sleep services were not removed from the web site and by error were subsequently listed as a provided healthcare service in both the Affiliation Agreement and the written notice submitted to the California Attorney General.

Community Impact

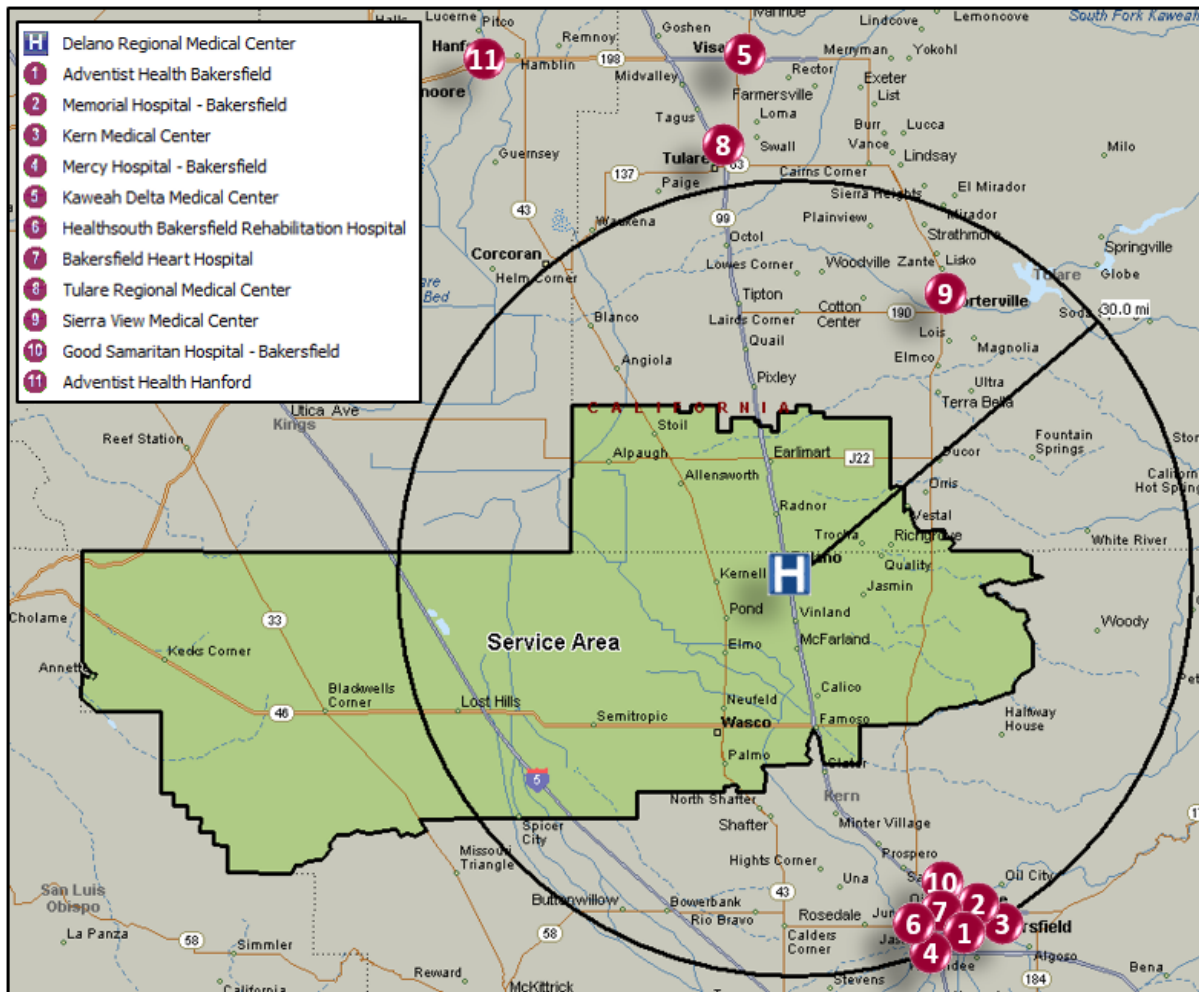
Since Delano Regional Medical Center never provided sleep lab services, there is no impact on the availability or accessibility of healthcare services by deleting Condition V, item (o) requiring sleep lab services at the hospital. Additionally, a physician specialist in the medical office building next to the hospital does provide sleep studies and diagnostic services in the city of Delano, however, without an overnight lab. Other sleep lab services, including overnight labs, are available in the city of Porterville (approximately 30 miles to the northeast) and the city of Bakersfield (approximately 30 miles to the south).

Recommendation

JD Healthcare, Inc. recommends that the California Attorney General amends Condition V, item (o) of the Conditional Consent removing the requirement for Delano Regional Medical Center to provide sleep lab services.

Appendix

Delano Regional Medical Center Service Area Map



List of Interviewees

Last Name	First Name	Position	Affiliation
Bansal, MD	Ruchi	Pulmonologist	Prime Pulmonary & Sleep Center
Cauthron	Matthew	Director of Community Integration	Adventist Health Delano
Hutcheson	Wally	Finance Officer	Adventist Health Delano
Wade, RN	Evelyn	Chief Nursing Officer	Adventist Health Delano