

§ 999.5(d)(5)(C)

Description of Services to Medi-Cal, County Indigent and Other Classes of Patients

A description of the medical services provided by O'Connor Hospital to Medi-Cal patients, county indigent patients and other classes of patients is set forth in the Community Health Impact Report, attached to Section (5) (G) of this application, and is incorporated by reference herein. The data and/or information provided by O'Connor Hospital in response to this section represents its best estimate of the costs of the medical services provided by O'Connor Hospital to its Medi-Cal, Medicare, managed care, county indigent and other classes of patients. Generally, all types of medically necessary hospital services are available to these classes of patients.

Relevant excerpts from the Community Health Impact Report are attached hereto.

Profile and Key Services: O'Connor Hospital (OCH), San Jose, CA

- OCH was founded in 1889 as the first hospital in Santa Clara County and is currently the only Catholic hospital in San Jose
- The hospital's 358-bed acute care facility offers a full range of care and was awarded The Joint Commission Gold Seal of Approval as a Primary Stroke Center and is certified as a Center of Excellence for Hip Replacement and Knee Replacement
- In 2013, OCH provided \$47 million in community benefit programs to the community in addition to more than \$22 million in care for the elderly
- U.S. News and World Report Best Hospital San Jose Metropolitan Area 2010-11 ranked OCH among the top hospitals in San Jose
- The hospital's Wound Care Center was one of the first in the nation certified by The Joint Commission as a Wound Care Center of Excellence, and the O'Connor Family Center is recognized as a "Best Birthing Center" by Bay Area Parent magazine
- OCH is also home to the only Family Medicine residency program in the local service area, affiliated with Stanford University

Key services include:

- Cardiac Services
- Emergency Services
- Orthopedics and Joint Replacement
- Stroke Program
- Vascular Services
- Women's and Children's Services
- Wound Care Clinic (20 private rooms), including Hyperbaric Medicine

Cost and Revenue by Payor

- OCH relies on government programs for reimbursement of services, with Medicare and Medi-Cal participants accounting for approximately 47% and 23% of patient days in FY2012, and approximately 47% and 24% in FY2013, respectively
 - Medicare and Medi-Cal participants accounted for more than 70% of all patient days over the past two years
- OCH is a net receiver of supplemental funding under the Provider Fee and Meaningful Use government programs
 - In FY2013, OCH received \$9 million, up from \$3 million in FY2012

**O'Connor Hospital
Cost of Services by Payer Category
FY 2010 - 2014**

	2010	2011	2012	2013	2014
Operating Expenses	\$297,815,368	\$315,029,575	\$303,121,738	\$317,012,714	\$314,014,872
Adjusted Operating Expenses	\$291,158,743	\$293,568,208	\$282,548,707	\$292,586,795	\$300,285,059
Cost of Services by Payer					
Medicare	\$141,237,500	\$142,159,785	\$132,723,540	\$136,168,454	\$138,163,400
Medi-Cal	\$54,484,825	\$62,014,362	\$63,607,498	\$70,707,732	\$70,714,236
Third Party	\$88,274,084	\$81,834,110	\$74,498,929	\$75,201,127	\$79,324,700
Other	\$7,162,334	\$7,559,951	\$11,718,740	\$10,509,482	\$12,082,723

**O'Connor Hospital
Net Patient Revenue by Payer
FY 2010 - 2014**

	2010	2011	2012	2013	2014
Medicare	\$112,074,406	\$111,302,760	\$109,033,162	\$120,414,014	\$107,173,352
Medi-Cal	\$25,519,882	\$45,705,211	\$45,991,916	\$60,782,905	\$33,430,237
Third Party	\$140,466,111	\$123,542,292	\$112,384,376	\$115,429,475	\$116,685,269
Other	\$692,578	\$693,311	\$3,614,126	(\$12,189,861)	(\$8,062,277)
Total	\$278,752,977	\$281,243,574	\$271,023,580	\$284,436,533	\$249,226,581

Source: OSHPD Disclosure Reports 2010 - 2014

Patient Origin

The tables below demonstrate that 50 zip codes comprise the service area from which 90% of O'Connor Hospital's inpatient discharges originated in CY 2011. The top eleven zip codes account for 50.7% of total discharges.

ZIP Code	Community	O'Connor Discharges	Percent of Total	Cumulative Percent	Service Area Total Discharges	O'Connor Market Share
95128	San Jose	673	5.3%	5.3%	3,372	20.0%
95112	San Jose	668	5.2%	10.5%	4,253	15.7%
95125	San Jose	660	5.2%	15.7%	4,488	14.7%
95111	San Jose	646	5.1%	20.8%	4,561	14.2%
95127	San Jose	630	5.0%	25.8%	5,185	12.2%
95122	San Jose	625	4.9%	30.7%	4,595	13.6%
95050	Santa Clara	624	4.9%	35.6%	2,876	21.7%
95126	San Jose	583	4.6%	40.1%	2,650	22.0%
95116	San Jose	524	4.1%	44.3%	4,729	11.1%
95035	Milpitas	421	3.3%	47.6%	3,974	10.6%
95121	San Jose	398	3.1%	50.7%	2,681	14.8%
95117	San Jose	397	3.1%	53.8%	2,213	17.9%
95051	Santa Clara	385	3.0%	56.8%	3,863	10.0%
95148	San Jose	376	3.0%	59.8%	2,825	13.3%
95123	San Jose	357	2.8%	62.6%	4,744	7.5%
95132	San Jose	338	2.7%	65.3%	2,642	12.8%
95136	San Jose	307	2.4%	67.7%	3,166	9.7%
95124	San Jose	249	2.0%	69.6%	3,672	6.8%
95008	Campbell	221	1.7%	71.4%	3,354	6.6%
95133	San Jose	220	1.7%	73.1%	1,749	12.6%
95110	San Jose	217	1.7%	74.8%	1,447	15.0%
95129	San Jose	215	1.7%	76.5%	2,187	9.8%
95131	San Jose	199	1.6%	78.1%	1,803	11.0%
95118	San Jose	197	1.5%	79.6%	2,538	7.8%
95120	San Jose	146	1.1%	80.7%	2,161	6.8%
95054	Santa Clara	140	1.1%	81.8%	1,523	9.2%
95014	Cupertino	110	0.9%	82.7%	2,955	3.7%
95020	Gilroy	100	0.8%	83.5%	4,588	2.2%
95134	San Jose	97	0.8%	84.3%	979	9.9%
95138	San Jose	86	0.7%	84.9%	1,081	8.0%
95070	Saratoga	85	0.7%	85.6%	1,882	4.5%
94087	Sunnyvale	84	0.7%	86.3%	3,383	2.5%
94086	Sunnyvale	67	0.5%	86.8%	3,182	2.1%
95032	Los Gatos	65	0.5%	87.3%	1,875	3.5%
94539	Fremont	53	0.4%	87.7%	2,416	2.2%
95119	San Jose	49	0.4%	88.1%	693	7.1%
94538	Fremont	38	0.3%	88.4%	5,035	0.8%
95030	Los Gatos	34	0.3%	88.7%	997	3.4%

ZIP Code	Community	O'Connor Discharges	Percent of Total	Cumulative Percent	Service Area Total Discharges	O'Connor Market Share
94085	Sunnyvale	30	0.2%	88.9%	1,339	2.2%
94022	Los Altos	29	0.2%	89.1%	1,338	2.2%
94536	Fremont	17	0.1%	89.3%	5,663	0.3%
94043	Mountain View	16	0.1%	89.4%	2,057	0.8%
95002	Alviso	16	0.1%	89.5%	185	8.6%
94560	Newark	12	0.1%	89.6%	3,519	0.3%
94040	Mountain View	11	0.1%	89.7%	2,073	0.5%
95033	Los Gatos	10	0.1%	89.8%	501	2.0%
94041	Mountain View	8	0.1%	89.8%	792	1.0%
94306	Palo Alto	8	0.1%	89.9%	1,731	0.5%
94303	Palo Alto	7	0.1%	90.0%	3,863	0.2%
94024	Los Altos	6	0.0%	90.0%	1,387	0.4%
<i>Subtotal</i>		<i>11,454</i>	<i>90.0%</i>			
All Other		1,272	10.0%	100.0%		
Total		12,726	100.0%			

Source: OSHPD 2011 Inpatient Database

Note: Excludes normal newborns

O'Connor Hospital Service Area Map



Daughters of Charity Health System



O'Connor Hospital



St. Louise Regional Hosp.



Primary Service Area



Secondary Service Area



Area Hospitals

1. Good Samaritan Hospital San Jose
2. Kaiser Hospital – San Jose
3. Kaiser Hospital – Santa Clara
4. Regional Med. Ctr. of San Jose
5. Santa Clara Valley Med. Ctr.
6. Washington Hospital – Fremont

Service Area Population and Demographic Profile

The total population in O'Connor Hospital's service area is expected to grow at a rate of 1.1% annually through CY 2019, with the fastest growth occurring in the 65+ age cohort.

Age Cohort	Estimated 2014		Projected 2019		CAGR	Cumulative Change 2014-2019
	Population	Percent of Total	Population	Percent of Total		
Service Area						
0-17	476,299	24.0%	496,177	23.7%	0.8%	4.2%
18-44	751,332	37.9%	745,785	35.6%	-0.1%	-0.7%
45-64	521,982	26.3%	573,813	27.4%	1.9%	9.9%
65+	232,636	11.7%	281,849	13.4%	3.9%	21.2%
Total	<u>1,982,249</u>	<u>100.0%</u>	<u>2,097,624</u>	<u>100.0%</u>	<u>1.1%</u>	<u>5.8%</u>
California						
0-17	9,313,067	24.2%	9,388,558	23.3%	0.2%	0.8%
18-44	14,639,527	38.0%	14,892,503	37.0%	0.3%	1.7%
45-64	9,786,617	25.4%	10,244,346	25.4%	0.9%	4.7%
65+	4,810,836	12.5%	5,734,627	14.2%	3.6%	19.2%
Total	<u>38,550,047</u>	<u>100.0%</u>	<u>40,260,034</u>	<u>100.0%</u>	<u>0.9%</u>	<u>4.4%</u>

Source: Claritas 2014 Database

The service area households are more affluent compared to the state of California overall, with a median household income of \$89,509 compared to the state median of \$54,015.

Socioeconomic Indicator	Estimated 2014	Projected 2019	CAGR	Cumulative Change 2014-2019
Service Area				
Population	1,982,249	2,097,624	1.1%	5.8%
Households	666,814	707,990	1.2%	6.2%
Average Household Size	2.9	2.9	0.0%	-0.2%
Median Household Income	\$89,509	\$100,321	2.3%	12.1%
Average Household Income	\$123,356	\$135,914	2.0%	10.2%
Income Distribution				
Under \$25,000	13.8%	12.2%	-1.2%	-5.8%
\$25,000-\$49,999	15.5%	14.3%	-0.4%	-2.0%
\$50,000-\$99,999	26.7%	25.0%	-0.1%	-0.6%
\$100,000 +	44.1%	48.5%	3.2%	16.9%
California				
Population	38,550,047	40,260,034	0.9%	4.4%
Households	13,003,529	13,592,743	0.9%	4.5%
Average Household Size	2.9	2.9	0.0%	0.0%
Median Household Income	\$54,015	\$56,929	1.1%	5.4%
Average Household Income	\$81,689	\$87,810	1.5%	7.5%
Income Distribution				
Under \$25,000	21.9%	20.5%	-0.5%	-2.4%
\$25,000-\$49,999	22.3%	21.4%	0.1%	0.6%
\$50,000-\$99,999	29.2%	28.6%	0.5%	2.4%
\$100,000 +	26.6%	29.5%	3.0%	15.8%