

Verity Health System's Request for Modification of St. Francis Medical Center's Condition IV (g)

August 3, 2017

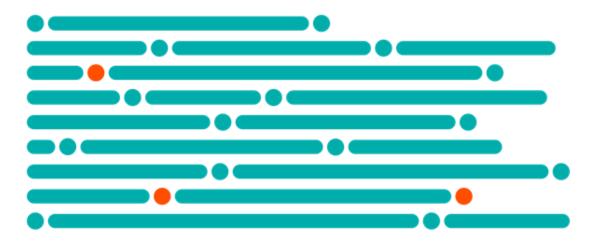


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Introduction & Purpose

On June 27, 2017, pursuant to Title 11, California Code of Regulations, Section 999.5, subdivision (h), Verity Health System submitted a request to modify Condition IV (g) set forth in in the California Attorney General's "Conditions to Change in Control and Governance of St. Francis Medical Center and Approval of the System Restructuring and Support Agreement by and among Daughters of Charity Ministry Services Corporation, Daughters of Charity Health System, Certain Funds Managed by BlueMountain Capital Management, LLC, and Integrity Healthcare, LLC." The California Attorney General's decision, dated December 3, 2015, requires St. Francis Medical Center, a general acute care hospital located in Lynwood, California and a member hospital of Verity Health System, to limit its emergency department diversion hours to 200 hours per year for 10 years under Condition IV (g) as set forth below:

IV.

For ten years from the closing date of the System Restructuring and Support Agreement, St. Francis Medical Center shall be operated and maintained as a licensed general acute care hospital (as defined in California Health and Safety Code Section 1250) and shall maintain and provide 24-hour emergency and trauma medical services at no less than current¹ licensure and designation with the same types and/or levels of services, including the following:

- a) 46 emergency treatment stations at a minimum;
- Designation as a Level II Trauma Center and operating a Level II Trauma Center that complies with all requirements under California laws and regulations and Los Angeles County Emergency Medical Services Agency Prehospital Care Policies and Procedures;
- c) Designation as a 5150 Receiving Facility, as defined by the Welfare and Institutions Code, section 5150, for behavioral health patients under involuntary evaluation, and operating such a receiving facility that complies with all requirements under Welfare and Institutions Code, section 5150 and other California laws and regulations;
- d) Psychiatric evaluation team;
- e) Designation as an Emergency Department Approved for Pediatrics;
- f) Designation as a Paramedic Base Station, with the same number of assigned paramedic units that currently exists; and
- g) The annual maximum number of hours on diversion is 200 hours.

¹ The term "current" or "currently" throughout this document means as of January 1, 2014.

St. Francis Medical Center must give one-year advance written notice to the Los Angeles County Emergency Medical Services Agency and the California Department of Public Health if St. Francis Medical Center seeks to reduce trauma or trauma-related care services or stop operating the Level II Trauma Center after ten years from the closing date of the System Restructuring and Support Agreement.

Verity Health System's request to modify Condition IV (g) seeks an increase in the required annual maximum number of hours on diversion at St. Francis Medical Center to no more than 15% of total emergency department operational time or 1,314 hours per year. A hospital goes on diversion when there are not enough beds or staff available in the emergency room or the hospital itself to adequately care for patients. When a hospital goes on diversion, it notifies area Emergency Medical Services units so that they can consider transporting patients to other hospitals that are not on diversion.

Vizient, Inc. (Vizient) and JD Healthcare, Inc. (JD Healthcare) were retained to prepare this report for the Office of the California Attorney General to analyze Verity Health System's request to increase the maximum number of emergency department diversion hours at St. Francis Medical Center as set forth in Condition IV (g). In preparation of this report, Vizient and JD Healthcare performed the following:

- A review of Verity Health System's request to modify Condition IV (g) dated June 27, 2017 and submitted to the Office of the California Attorney General;
- An analysis of utilization and service information provided by the California Office of Statewide Health Planning and Development (OSHPD);
- A review of service area trends to determine if similar emergency services and diversion patterns are occurring at other area hospitals; and
- Interviews with representatives from St. Francis Medical Center, Los Angeles County Emergency Medical Services Agency, and area hospitals (see Appendix).

Background & History

Daughters of Charity, a group of women dedicated to caring for the needs of the poor, was established in France by St. Vincent de Paul and St. Louise de Marillac in 1633. The Daughters of Charity continued its mission and opened its first hospital in Los Angeles in 1859. Daughters of Charity expanded its hospitals into San Jose in 1889 and San Francisco in 1893. These establishments were the forerunners of St. Vincent Medical Center, O'Connor Hospital, and Seton Medical Center. During the 1980s, Daughters of Charity expanded to include Seton Medical Center Coastside (1980), St. Francis Medical Center (1981), and Saint Louise Regional Hospital (1987). In 1986, the hospitals joined Daughters of Charity National Health System, based in St. Louis, Missouri. In 1995, the hospitals left Daughters of Charity National Health System and merged with Catholic Healthcare West. When it withdrew from Catholic Healthcare West, Daughters of Charity Health System was formed in 2001.

In order to avoid possible insolvency and bankruptcy and to sustain hospital operations, Daughters of Charity Health System initiated a Request for Proposal process in March 2015 to identify potential buyers who could possibly have an interest in acquiring the system in its entirety, individual (or groups of) hospitals, or other assets. On July 17, 2015, Daughters of Charity Health System, Daughters of Charity Ministry Services Corporation, BlueMountain Capital Management, LLC, and Integrity Healthcare, LLC entered into the System Restructuring and Support Agreement for Integrity Healthcare to manage hospital operations and for BlueMountain to provide capital to support financial and capital needs.

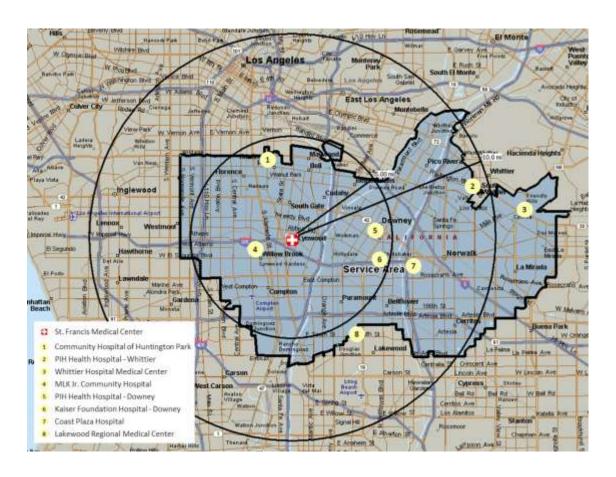
On July 31, 2015, Daughters of Charity Health System submitted notice of the proposed transaction and requested the California Attorney General's consent. MDS Consulting was retained by the Office of the California Attorney General to prepare a healthcare impact statement to describe the possible effects that the proposed transaction could have on the communities served by St. Francis Medical Center. On October 2, 2015, the healthcare impact statement was issued. On December 3, 2015, the California Attorney General issued her decision granting conditional consent to the proposed transaction².

² The Attorney General's Decision is available in full on the California Attorney General's website at https://oag.ca.gov/charities/nonprofithosp_archive.

Service Area Overview

St. Francis Medical Center operates a 384 licensed bed, general acute care hospital located at 3630 East Imperial Highway in Lynwood, California. St. Francis Medical Center provides emergency, trauma, neonatal intensive, cardiovascular, oncology, pediatric, behavioral health, and maternal and child health services to the residents of Southeast Los Angeles, including the communities of Lynwood, South Gate, Downey, Huntington Park, Bell Gardens, Maywood, and Compton.

As shown on the map, general acute care hospitals within St. Francis Medical Center's service area include Martin Luther King Jr. Community Hospital, Community Hospital of Huntington Park, PIH Health Hospital – Whittier, Whittier Hospital Medical Center, PIH Health Hospital – Downey, Kaiser Foundation Hospital – Downey, Coast Plaza Hospital, and Lakewood Regional Medical Center. St. Francis Medical Center is one of 14 trauma centers in Los Angeles County, including California Hospital Medical Center, Cedars-Sinai Medical Center, Children's Hospital of Los Angeles, Providence Holy Cross Medical Center, Huntington Memorial Hospital, Henry Mayo Newhall Memorial Hospital, LAC/Harbor-UCLA Medical Center, Long Beach Memorial Medical Center, Northridge Hospital Medical Center, LAC+USC Medical Center, St. Mary Medical Center, Ronald Reagan UCLA Medical Center, and Antelope Valley Hospital.



Key Inpatient Statistics & Impact on Emergency Department Diversion

The following table shows inpatient volume trends at St. Francis Medical Center for FY 2014-2017.

	ST. FRANCIS MEDI	CAL CENTER INF	PATIENT STATISTIC	CS	
Admissions	FY 2014	FY 2015	FY 2016	FY 2017	Trend (FY 14-17)
Intensive Care	1,640	1,814	1,907	2,064	A
Telemetry	2,496	2,781	2,995	3,676	A
Other Acute Care	5,621	5,667	6,607	6,733	A
Acute Care Total	9,757	10,262	11,509	12,473	A
Psychiatric	2,218	2,483	2,017	2,084	▼
Total	11,975	12,745	13,526	14,557	A
Patient Days					
Intensive Care	9,214	8,689	8,546	10,220	A
Telemetry	10,495	11,266	11,630	14,637	A
Other Acute Care	28,397	29,237	32,230	37,851	A
Acute Care Total	48,106	49,192	52 <i>,</i> 405	62,707	A
Psychiatric	12,253	12,102	12,501	12,848	A
Total	60,359	61,294	64,906	75,555	A
Average Daily Census					
Intensive Care	25.2	23.8	23.4	28.0	A
Telemetry	28.8	30.9	31.9	40.1	A
Other Acute Care	77.8	80.1	88.3	103.7	A
Acute Care Total	131.8	134.8	143.6	171.8	A
Psychiatric	33.6	33.2	34.2	35.2	A
Total	165.4	167.9	177.8	207.0	A
Occupancy					
Acute Care	59.6%	61.0%	65.0%	77.7%	A
Psychiatric	83.9%	82.9%	85.6%	88.0%	A
Total	63.4%	64.3%	68.1%	79.3%	A

Source: St. Francis Medical Center. Fiscal year end 6/30

Note: Excludes pediatric, obstetric, and neonatal intensive care

- Between FY 2014 and FY 2017, acute care admissions and the acute care average daily census increased significantly (28% and 30%, respectively). The largest increase in admissions and patient days occurred in FY 2017. The trend of increasing admissions and average daily census is likely to continue because of population demographics and the growth in utilization associated with the expansion of Medi-Cal and Covered California. While federal and state legislative and policy changes may affect future utilization, at this time, St. Francis Medical Center is making operational adjustments based on currently foreseeable trends;
- While Martin Luther King, Jr. Community Hospital opened in July 2015 with 131 beds, it has not resulted in reduced demand for inpatient services at St. Francis Medical Center. Representatives

from Martin Luther King, Jr. Community Hospital stated that they are operating over capacity, and, similar to other hospitals, are experiencing higher inpatient and emergency volumes as a result of the provisions of the Affordable Care Act, including the expansion of Medi-Cal;

- Similar to national trends, one reason for the additional use of emergency rooms is as people
 have gained access to insurance because of expanded Medicaid and health exchanges, they
 have been utilizing the emergency room for primary care services since there is a national
 shortage of primary care physicians and many do not accept Medicaid patients. Increased use of
 emergency services subsequently leads to increased inpatient admissions;
- Inpatient capacity plays a very important role in determining the level of emergency department saturation that increases the number of diversion hours. When a hospital's "med beds," including medical/surgical beds, telemetry beds, and intensive care beds, are at or near capacity, patients requiring admission are frequently held in the emergency department until an appropriate bed becomes available. This accumulation of patients requiring admission often results in an increase of the number of diversion hours;
- According to representatives from St. Francis Medical Center, the biggest issue impacting
 emergency department saturation has been the lack of inpatient capacity for intensive care,
 medical/surgical, and especially, telemetry services;
- Additionally, patients with behavioral health issues can have a significant impact on emergency department saturation. St. Francis Medical Center has a 40 licensed bed acute psychiatric unit that provides inpatient stabilization and outpatient treatment. It has a Psychiatric Evaluation Team that has 5150³ authority and conducts mobile crisis evaluation services for patients that are experiencing, or are at risk of experiencing, a psychotic episode. Behavioral health patients can be held involuntarily in the emergency department for 72 hours awaiting either release or admission to the hospital or behavioral health unit. St. Francis Medical Center often has numerous patients on simultaneous 72-hour holds that reduce the number of available emergency department beds. While the number of psychiatric admissions at St. Francis Medical Center has gone down slightly, patients are staying longer resulting in an increased number of patient days and a higher average daily census;

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³ Welfare and Institutions Code, Section 5150: When a person, as a result of a mental health disorder, is a danger to oneself or others, a peace officer, professional person, or member of the staff at a designated 5150 Receiving Center may, upon probable cause, hold the person at the 5150 facility for evaluation and treatment over a 72-hour period.

- St. Francis Medical Center is in the process of expanding needed services for higher acuity
 patients, providing greater access to the community for healthcare. The following additional
 services will significantly increase ambulance transports and inpatient volume, thereby potentially
 increasing the number of hours on diversion:
 - Changing from a Level II Trauma designation to a higher Level I Trauma Center designation (expected to be achieved by December 2018); and
 - Attaining Comprehensive Stroke Center certification.
- When St. Francis Medical Center goes on diversion, it does so for Advanced Life Support (ALS)⁴ ambulances, which are ambulances transporting patients with medical emergencies (9-1-1 calls). These patients requiring a higher level of care during transport will go to the next closest hospital that is not on diversion. St. Francis Medical Center still receives walk-in patients and Basic Life Support (BLS)⁵ ambulance patients that may be transported from skilled nursing or other facilities that do not enter through the 9-1-1 emergency system. As such, these patients arrive unpredictably without advance notice. In situations in which all hospitals in the surrounding area are on diversion at the same time, St. Francis Medical Center and the other area hospitals continue to receive ALS patients based on which hospital is closest regardless of their diversion status.

⁴ According to Los Angeles County Emergency Medical Services Agency, Advanced Life Support (ALS) transport is a ground or air transport of a patient who requires or may require skills or treatment modalities that do not exceed the paramedic scope of practice. An ALS transport may be required for either a non-emergency or emergency transport.

⁵ According to Los Angeles County Emergency Medical Services Agency, Basic Life Support (BLS) transport is a ground or air transport of a patient who requires skills or treatment modalities that do not exceed the Los Angeles County emergency medical technician (EMT) scope of practice. A BLS transport may be sufficient to meet the needs of the patient requiring either non-emergency or emergency transport.

Trauma Center Emergency Department Capacity & Diversion Hours

	LOS A	NGELES COUNT	Y TRAUMA CEN	ITERS: EMERGE	NCY ROOM ST	TATISTICS				
		Trauma	Treatment		Remaining			Number of Hours of Diversion		
Hospital	ED Level	Designation	Stations	Total Visits	Capacity	Capacity	% Capacity	2014	2015	2016
St. Francis Medical Center	Basic	Level II	46	67,627	92,000	24,373	74%	3,504	2,672	614
Antelope Valley Hospital	Basic	Level II	28	120,758	56,000	(64,758)	216%	0	305	162
California Hospital Medical Center	Basic	Level II	35	82,660	70,000	(12,660)	118%	1,323	1,458	3,180
Cedars-Sinai Medical Center	Basic	Level I	51	89,878	102,000	12,122	88%	97	1,908	1,558
Children's Hospital of Los Angeles	Basic	Level I	39	83,803	78,000	(5,803)	107%	19	102	110
Providence Holy Cross Medical Center	Basic	Level II	32	104,668	64,000	(40,668)	164%	512	776	698
Huntington Memorial Hospital	Basic	Level II	50	70,779	100,000	29,221	71%	385	571	1,501
Henry Mayo Newhall Memorial Hospital	Basic	Level II	36	66,086	72,000	5,914	92%	259	562	308
LAC/Harbor-UCLA Medical Center	Basic	Level I	75	88,481	150,000	61,519	59%	1,772	2,094	1,338
LAC+USC Medical Center	Comprehensive	Level I	106	148,404	212,000	63,596	70%	0	0	1,073
Long Beach Memorial Medical Center	Basic	Level II	64	102,435	128,000	25,565	80%	1,709	1,955	2,005
Northridge Hospital Medical Center	Basic	Level II	28	67,024	56,000	(11,024)	120%	837	643	233
St. Mary Medical Center Long Beach	Basic	Level II	26	54,279	52,000	(2,279)	104%	2,204	955	872
Ronald Reagan UCLA Medical Center	Comprehensive	Level I	33	49,531	66,000	16,469	75%	3,242	3,846	4,009
Total			649	1,196,413	1,298,000	101,587	92%	15,863	17,847	17,661
Average								1,133	1,275	1,262

Source: OSHPD Alirts Annual Utilization Reports, 2014-2016

- St. Francis Medical Center operates as a regional Level II Trauma Center. It is expanding its service capability to be designated as a Level I Trauma Center;
- In 2016, the trauma center emergency departments in Los Angeles County were on diversion for a combined total of 17,661 hours with an average of 1,262 hours at each hospital. On average, these trauma center emergency departments were on diversion approximately 14% of the time in 2016 (1 year = 8,760 hours);
- In 2016, Ronald Reagan UCLA Medical Center was on diversion for the greatest amount of time (4,009 hours), California Hospital Medical Center was on diversion for the second greatest amount of time (3,180 hours), and Long Beach Memorial Medical Center was on diversion for the third greatest amount of time (2,005 hours);
- In 2016, three of the hospitals with trauma centers located closest to St. Francis Medical Center, California Hospital Medical Center, LAC/Harbor-UCLA Medical Center, and Long Beach Memorial Medical Center, were on diversion 36%, 15%, and 23% of the time, respectively. Between 2014 and 2016, diversion hours at California Hospital Medical Center increased by 140% and diversion hours at Long Beach Memorial Medical Center increased by 17%;

- On the OSHPD Automated Licensing Information and Report Tracking System (ALIRTS)⁶, St. Francis Medical Center reported diversion of 3,504 hours (40%), 2,672 hours (31%), and 614 hours (7%) for 2014, 2015, and 2016, respectively. This equates to an average of 2,263 hours (26%) over the three-year period. However, according to representatives from St. Francis Medical Center, the number of diversion hours for 2016 is misreported on OSHPD ALIRTS. The St. Francis Medical Center representatives cited the diversion data reported by Los Angeles County Emergency Medical Services Agency as the correct source of data for 2016. According to the data provided by Los Angeles County Emergency Medical Services Agency, St. Francis Medical Center had 942 hours of diversion in 2016 (11%). Using this data for 2016, St. Francis Medical Center had an average of 2,373 hours (27%) over the three-year period from 2014-2016;
- The reduction of diversion hours in 2016 was a result of initiatives to improve the efficiency of the emergency department. These efforts included redesigning triage and registration to expedite low acuity patients, increasing telemetry bed capacity, implementing improved throughput processes, and recruiting and training new registered nurses. While these efforts were effective in lowering the diversion time for 2016, the emergency department is very sensitive to "tipping points" when circumstances combine to create a situation where ALS 9-1-1 ambulance-transported patients must be diverted. These circumstances can include high emergency department volumes due to the flu season, shortages of available medical personnel, unpredictable surges in volume, critical incidents such as a multiple car accidents, etc. Additionally, the expansion of Medi-Cal and insurance access for patients has led to continuing increases in emergency department volume and inpatient admissions that are unlikely to abate. These factors also affect other area hospitals, many of which have increased diversion hours. As other hospitals experience increased volume and emergency room diversion, St. Francis Medical Center will accept the overflow volume from these facilities with a potential domino effect that eventually may cause St. Francis Medical Center to also go on diversion;
- Other trauma centers near St. Francis Medical Center that see similar types of patients reported historically comparable three-year averages, including California Hospital Medical Center (1,987 hours or 23%), LAC/Harbor-UCLA Medical Center (1,735 hours or 20%), and Long Beach Memorial Medical Center (1,890 hours 22%);

⁶ As displayed in the above table, OSHPD ALIRTS provides emergency visits and hours of diversion for hospitals in the State of California on an annual basis. In addition to OSHPD ALIRTS, Los Angeles County Emergency Medical Services Agency also reports annual diversion by hospital. This report utilizes OSHPD ALIRTS for the level of data it provides and for comparative purposes.

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- According to Cathy Chidester, Director of the Los Angeles County Emergency Medical Services
 Agency, there are no established standards for the number of hours or percent of time that
 emergency departments are on diversion; and
- In addition to diversion protocols for ALS ambulance patients, protocols are in place at St. Francis Medical Center for ST-Elevation Myocardial Infarction (STEMI)⁷ patients and trauma patients. St. Francis Medical Center may go on diversion for trauma patients when there are two patients in two of their operating rooms. St. Francis Medical Center may also go on diversion for patients when there is one STEMI patient in one of their catheterization labs. However, while diversion hours for these categories are not reported separately from diversion for ALS ambulance patients, representatives from St. Francis Medical Center indicated that they have minimal to no diversion for trauma or STEMI patients.

⁷ ST-Elevation Myocardial Infarction (STEMI) is a very serious type of heart attack during which one of the heart's major arteries (one of the arteries that supplies oxygen and nutrient-rich blood to the heart muscle) is blocked. ST-segment elevation is an abnormality detected on the 12-lead ECG.

Service Area Emergency Department Capacity & Diversion Hours

SERVICE AREA HOSPITALS: EMERGENCY ROOM STATISTICS										
	Treatment			Remaining .			Number of Hours of Diversion			
Hospital	Distance	ED Level	Stations	Total Visits	Capacity	Capacity	% Capacity	2014	2015	2016
St. Francis Medical Center	-	Basic	46	67,627	92,000	24,373	74%	3,504	2,672	614
Kaiser Foundation Hospital - Downey	4.8	Basic	63	95,026	126,000	30,974	75%	1,612	2,777	2,777
PIH Health Hospital - Downey	5.0	Basic	22	54,724	44,000	(10,724)	124%	879	2,440	531
Community Hospital of Huntington Park	5.4	Basic	14	38,697	28,000	(10,697)	138%	224	466	519
Coast Plaza Hospital	6.6	Basic	8	17,229	16,000	(1,229)	108%	0	4	1
Lakewood Regional Medical Center	9.1	Basic	14	48,847	28,000	(20,847)	174%	1,352	1,170	1,423
PIH Health Hospital - Whittier	10.9	Basic	56	76,483	112,000	35,517	68%	8	628	333
Whittier Hospital Medical Center	12.8	Basic	11	31,910	22,000	(9,910)	145%	24	72	56
Total			234	430,543	468,000	37,457	92%	7,603	10,229	6,254
Average								950	1,279	782

ource: OSHPD Alirts Annual Utilization Reports, 2014-2016

Note: Martin Luther King, Jr. Community Hospital is excluded as a result of opening in mid-2015. In addition, its FY 2016 Alirts Annual Utilization Report is unavailable. Los Angeles County Emergency Medical Services Agency reports 1.096 diversion hours in 2016 and 309 diversion hours in 2015 for Martin Luther King, Jr. Community Hospital.

- In 2016, the service area hospitals were on diversion for a combined total of 6,254 hours. St.
 Francis Medical Center is the only designated trauma center among these hospitals;
- On average, the service area hospitals' emergency departments were on diversion approximately 9% of the time in 2016. However, the variance in diversion time was large, with the smallest number reported of one hour and the largest reported by Kaiser Foundation Hospital – Downey of 2,777 hours;
- In 2016, Kaiser Foundation Hospital Downey, located approximately five miles from St. Francis Medical Center, was on diversion 32% of the time. Over the three-year period, Kaiser Foundation Hospital – Downey reported a similar average to St. Francis Medical Center of 2,389 hours (27%);
- Martin Luther King, Jr. Community Hospital, located approximately three miles from St. Francis
 Medical Center, opened its emergency department in July 2015 (see footnote under above table).
 According to representatives from Martin Luther King, Jr. Community Hospital, its emergency
 department has 29 treatment stations and was designed to handle between 35,000 and 45,000
 emergency visits annually; however, the emergency department is currently operating over its
 capacity with approximately 50,000 annual visits;
- According to representatives from St. Francis Medical Center, the emergency department becomes much busier when other area hospitals are on diversion, and this additional volume

causes their emergency department to go on diversion more often as a result. When the total number of diversion hours at other area hospitals is higher, as it was in 2014 and 2015, it corresponds to higher diversion hours at St. Francis Medical Center;

- According to representatives from the Los Angeles County Emergency Medical Services Agency, 9-1-1/ambulance phone calls and emergency department visits have increased across Los Angeles County, including the South Los Angeles region, and are likely to continue to increase; and
- Based on the capacity limitations at St. Francis Medical Center, market conditions, and operational factors, St. Francis Medical Center representatives believe that with their continued efforts for improvement, and despite a large increase in patient volume, they should be able to manage the number of hours on emergency room diversion to not exceed 15% of the time.

Conclusion

Over the three-year period from 2014 to 2016, St. Francis Medical Center was on diversion an average of 27% of the time (2,373 hours). Trauma centers that serve a similar patient population reported comparable diversion hours to St. Francis Medical Center. For 2014-2016, California Hospital Medical Center was on diversion an average of 23% of the time (1,987 hours), LAC/Harbor-UCLA Medical Center was on diversion an average of 20% of the time (1,735 hours), and Long Beach Memorial Medical Center was on diversion an average of 22% of the time (1,890 hours).

While analysis shows that St. Francis Medical Center's diversion hours for 2014-2016 were higher than the average for both the service area hospitals and the Los Angeles County trauma centers, St. Francis Medical Center reported a significant decrease to 942 diversion hours in 2016. Representatives from St. Francis Medical Center attributed this significant decrease in diversion hours to increased initiatives to ensure efficiency in the emergency department, including redesigning triage and registration to expedite low acuity patients, increasing telemetry bed capacity, implementing improved throughput processes, and recruiting and training new registered nurses.

While St. Francis Medical Center will continue these efforts to keep diversion hours low, the 942 hours of diversion time in 2016 is unlikely to be sustainable since many of the reasons for diversion will continue and are beyond an individual hospital's control. Diversion hours are expected to increase from 2016 because of a large growth in inpatient volumes, seasonal increases in the demand for emergency services (e.g., flu season), population growth and aging demographics, a lack of inpatient capacity for intensive care, medical/surgical, and telemetry services, the impact of transitioning from a Level II to a Level I Trauma Center, achieving certification as a Comprehensive Stroke Center, and the impact of other service area hospital emergency departments going on diversion. Because of these factors and in comparison to other area trauma centers that are averaging 20-23% of the time on diversion, a threshold of 15% of diversion time for St. Francis Medical Center will require continued efficiency by St. Francis Medical Center while at the same time allowing for the impact of factors beyond its control. While federal and state legislative and policy changes may affect future utilization, at this time, St. Francis Medical Center is preparing and operating based on current and future foreseeable trends

If the California Attorney General agrees to amend the maximum number of diversion hours for St. Francis Medical Center, Vizient and JD Healthcare recommend that the new maximum annual number of hours on diversion at St. Francis Medical Center be 1,314 hours (i.e., 15% of the time).

Appendix

List of Interviewees

Last Name	First Name	Position	Affiliation
Batchlor, MD, MPH	Elaine	Chief Executive Officer	Martin Luther King, Jr. Community Hospital
Casillas, MD	Oscar	Medical Director, Emergency Department	Martin Luther King, Jr. Community Hospital
Chidester, MSN, RN	Cathy	Director	Los Angeles County Emergency Medical Services Agency
Drake, DNP, RN	Derek	Chief Nursing Officer	St. Francis Medical Center
Fisher, MD	John	Chief Medical Officer	Martin Luther King, Jr. Community Hospital
Kozai, PharmD	Gerald	President and Chief Executive Officer	St. Francis Medical Center
Merritt, MSN, RN	Robert	Vice President, Ambulatory and Special Services	St. Francis Medical Center
Peterson, PhD	Margaret	President	California Hospital Medical Center
Stout, MSN, RN	Jeffrey	Vice President, Patient Care Services and Chief Operating Officer	St. Francis Medical Center
Tadeo, RN	Richard	Assistant Director	Los Angeles County Emergency Medical Services Agency