

TWO CALIFORNIAS

CALIFORNIAS

BECKER'S
HOSPITAL
REVIEW

CEO + CFO ROUNDTABLE

November 12, 2019

Lessons from a Children's
Health System in the
Appalachia of the West

THERE IS **THIS** CALIFORNIA



AND THERE IS ANOTHER CALIFORNIA



A snapshot of the
SAN JOAQUIN VALLEY



A region of
CONTRADICTIONS

Home to nearly
4 MILLION
Californians

Provides the majority of the US
FOOD SUPPLY

Home to two of the
POOREST
Congressional Districts in the US

Balancing
divergent issues:

WATER

**HIGH-SPEED
RAIL**

**POPULATION
GROWTH**

Diverse
population:

62.28%

Hispanic

27.89%

White

3.68%

Asian

2.17%

African
American



A CLOSER LOOK AT VALLEY CHILDREN'S HEALTHCARE

CHILDREN SERVED

182,637

FACILITIES

- 330**-Bed Main Hospital
- 3** Satellite NICUs
- 7** Specialty Care Centers
- 8** Primary Care Practices
- 1** Urgent Care Center

CARED FOR KIDS FROM

31 STATES

STAFF

- 650+** Physicians
- 3,400+** Employees
- 450+** Volunteers

PAYER MIX

76% MEDICAID



**GENERATIONAL
POVERTY**



**CHILDHOOD
OBESITY**



UNEMPLOYMENT



FOOD INSECURITY



LITERACY



AIR QUALITY

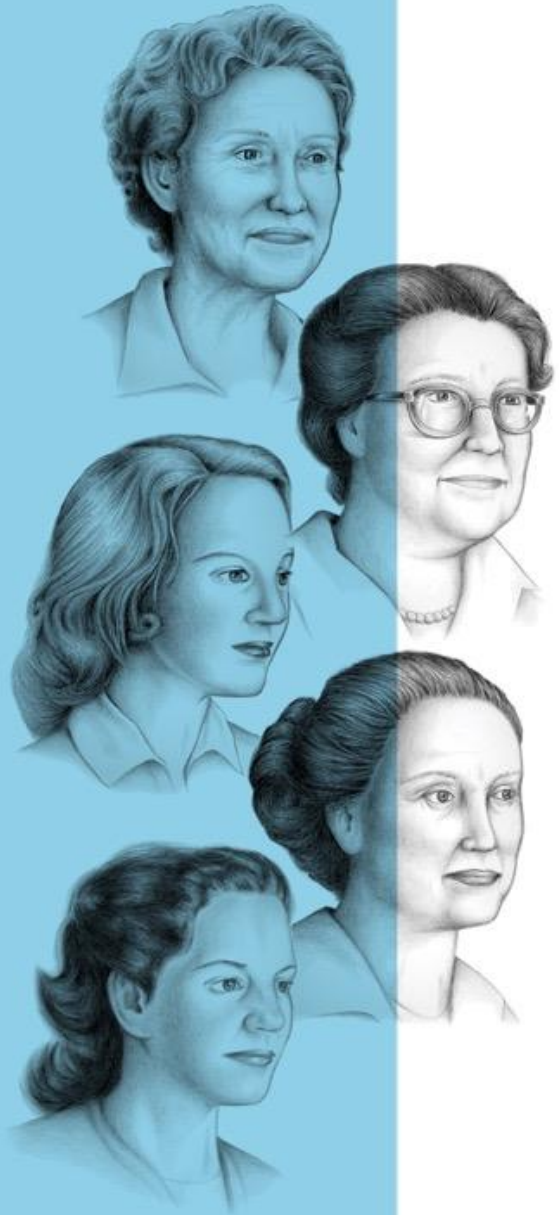
COUNTY HEALTH RANKINGS



(OUT OF 57)

COUNTY	RANKING OUT OF 57
Kern	52
Fresno	51
Tulare	50
San Joaquin	46
Merced	45
Madera	40
Mariposa	38
Stanislaus	34
Kings	33
Sacramento	31
Santa Barbara	18
San Luis Obispo	13

SOURCE: Health Outcomes Rank out of 57, 2019 (Robert Wood Johnson Foundation and the University of Wisconsin Population Health Institute)



VALLEY CHILDREN'S HEALTHCARE

HUMBLE BEGINNINGS

Five young mothers with a singular vision – a vision that we honor to this day

FROM A SMALL, LOCAL HOSPITAL
**TO A HEALTH SYSTEM
SERVING KIDS ACROSS
45,000 SQUARE MILES**

The mission of Valley Children's Healthcare is to provide high-quality, comprehensive healthcare services to children, regardless of their ability to pay, and to continuously improve the health and wellbeing of children.



Our growth from a 45-
bed hospital to today's
healthcare system

**SURPASSED OUR
CONCEPT OF A
STRATEGIC
CHALLENGE.**

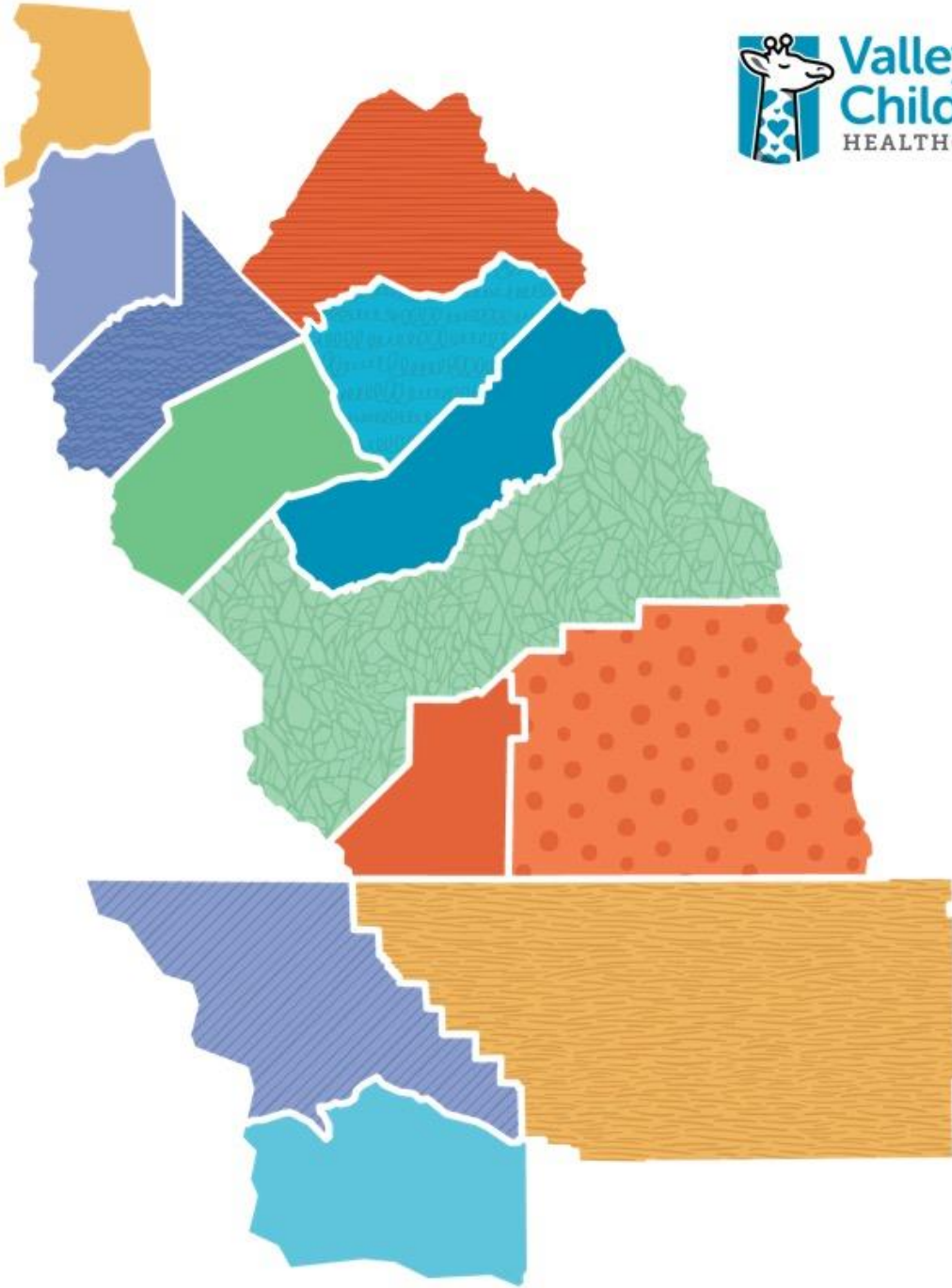
WHY?

**IT WAS MORE
THAN JUST 'SCALE
AND REPEAT.'**

WE LEARNED

THAT A “REGION”

is neither a target audience nor homogeneous.



HOSPITAL SYSTEMS

IN OUR SERVICE AREA:

- Dignity Health
- Adventist Health
- Tenet Healthcare
- Sutter Health
- Trinity Health
- 2 Kaiser Permanente hospitals
- 5 independent hospitals
- 5 healthcare district hospitals



NO TWO COUNTIES LOOK ALIKE.

The region's underlying organizational,
financing and delivery structure



DOES NOT TRANSFER FROM

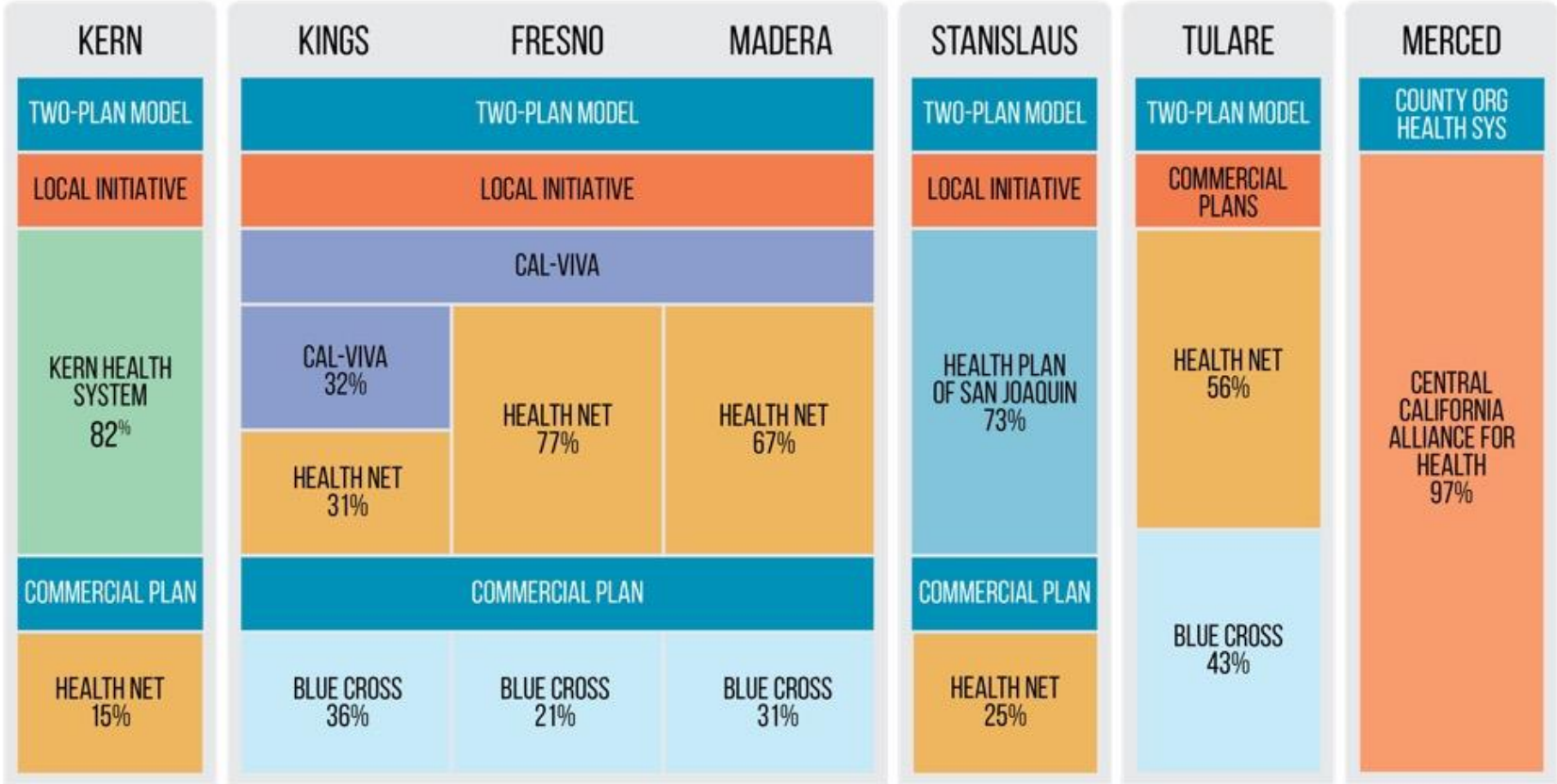
COUNTY

TO

COUNTY

Managed Medicaid (HMO) Structures and Market Share

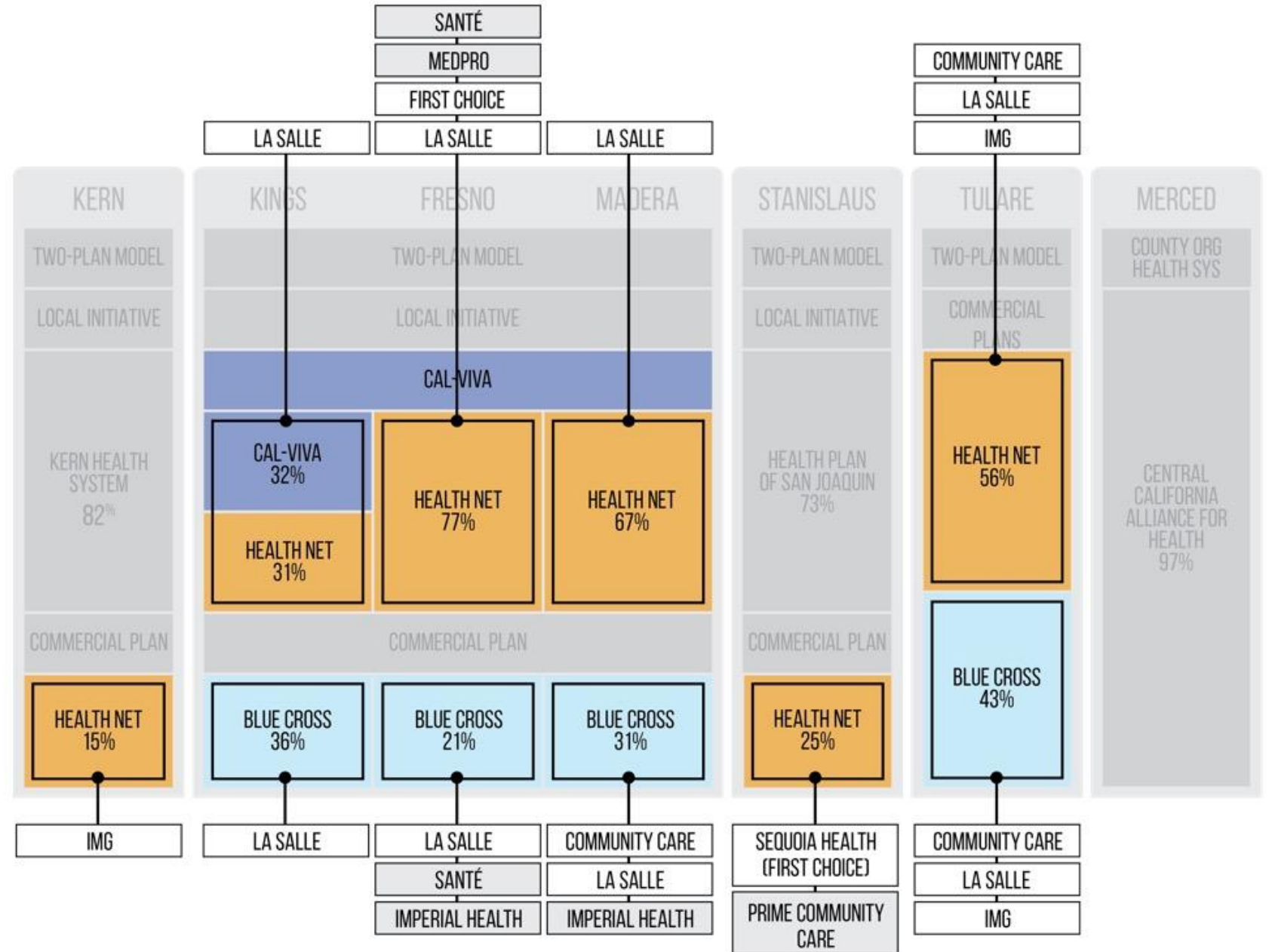
SOURCE: 2017 OSHPD Non-Public Inpatient Database. Estimates based on insurance coverage for normal newborns.



Managed Medicaid (HMO) Plans contract with different IPAs for their physician network

Kern Health, Health Plan of San Joaquin, and Central CA Alliance do not use IPAs

Grey boxes represent new entrants with small or no market share today



OPERATING WITH COMPLETE FIDELITY TO OUR MISSION

We never started with market share as our goal. We set out to build an infrastructure around serving kids as close to home as possible and simultaneously pursuing multiple paths—some that, at times, seemed at odds with one another.

BUILD RELATIONSHIPS CENTERED AROUND KIDS

Ensure that we are at the forefront of pediatric care in our region – ensuring access to specialists in communities across our region

Cardiology
Plastic Surgery
Gastroenterology
Hematology
Genetics

Nephrology
Neonatology
Child Abuse
Neurology
Infectious Disease



BECOME A PART OF A COMMUNITY'S INFRASTRUCTURE IN CARING FOR KIDS



Strategically invest in 'brick and mortar' delivery sites away from our main campus

Move closer to our high-value care proposition by incorporating lower cost sites of care and more outpatient, close-to-home options that support a more competitive price position

HELP OTHERS IMPROVE THEIR ABILITY TO CARE FOR KIDS **CLOSER TO HOME**

Clinical Partnerships

Acute Care Hospitals

- Cascades best practices, clinical guidelines, policies, and protocols
- Established with 90% of adult hospitals in the region
- Enhances care coordination
- Improves patient and family satisfaction
- Improves quality and patient outcomes

Rural Health Centers (RHCs) and Federally Qualified Health Centers (FQHCs)



Telemedicine

- Real-time video consults with Valley Children's specialists
- 'Store and forward' readings of EEGs and echocardiograms

STRENGTHEN COMMUNITY PARTNERSHIPS CENTERED AROUND KIDS

Build partnerships to align, leverage and accelerate the work of our community partners in caring for kids





PARTNER WITH ADULT HOSPITALS AND SYSTEMS: LEARN TO BE SUCCESSFULLY AGNOSTIC

Valley Children's Inside

NICUs and Neonatologists; Pediatric Intensivists; Pediatric Hospitalist Staffing and Pediatric Surgical Support

Dignity Health.
Mercy San Juan Medical Center

EMANUEL
MEDICAL CENTER

Kaweah Delta

SIERRA VIEW
MEDICAL CENTER

Dignity Health.
Memorial Hospital

KAISER PERMANENTE.

Dignity Health.
French Hospital
Medical Center

Dignity Health.
Marian Regional
Medical Center

COMMUNITY
REGIONAL
MEDICAL CENTER

PARTNER WITH MULTIPLE SYSTEMS OF CARE: LEARN TO BE SUCCESSFULLY AGNOSTIC

Align incentives so that all partners experience financial success as the partnership grows

Speak with unified voice for children across the region

Share best practices to support the quadruple aim

Capture all available resources locally

LEAD IN MEETING UNMET BEHAVIORAL HEALTH NEEDS OF KIDS

Form partnership to increase access to behavioral health care services

- Inpatient, outpatient, telepsychiatry, and psychiatric residency



GOAL:

1 inpatient psychiatric bed for every **2,000** people

STATE OF CALIFORNIA:

1 inpatient bed for **5,834** people

IN VALLEY CHILDREN'S HEALTHCARE 12-COUNTY SERVICE AREA:

1 inpatient bed for **9,792** people

1 inpatient bed for every **18,968** child/adolescent (6-17)

BUILD INFRASTRUCTURE TO CARE FOR KIDS OUTSIDE OUR FOUR WALLS

GUILDS CENTER FOR COMMUNITY HEALTH

Keeping kids well
where they live,
learn and play



NEVER LOSE SIGHT OF OUR KIDS AND THEIR NEEDS

Invest for the future:

- Eliminate barriers to access
- Clinical excellence across all services and levels of care
- Staff and physicians
- Physical infrastructure – facilities, technology, equipment
- Pediatric to adult healthcare transition



LESSONS LEARNED

- 1 Stay at the top of the funnel

- 2 Anticipate the future – distinguish between the signals and the noise

- 3 Master operations at a distance
- 4 Translate our brand promise and quality standards to every place we care for kids

- 5 Continually invest resources to keep kids well

CHALLENGES

& ISSUES GOING FORWARD



Guarantee a win/win/win –
for the kids, our partners, and
Valley Children's

Disruptive forces in
healthcare financing

Recruitment and retention of
pediatric specialists

Consistently fulfill
our brand promise
across the region



THANK YOU

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