

St. Vincent Medical Center
Good Samaritan Hospital Proposal

Summary of Key Terms

Good Samaritan Hospital, located less than one mile from St. Vincent Medical Center, proposes to accept St. Vincent's acute care patients (with the exception of transplant patients), rehabilitation patients, and outpatients, including emergency and clinic patients. Transplant and skilled nursing patients will be placed in the community with the facilities that have more than adequate capacity. Good Samaritan will hire qualified St. Vincent patient care staff, including nurses and techs, and will need the staff to care for the accepted patients. With the St. Vincent staff in place, Good Samaritan will have the capability to serve the expected transfer volume and can complete the transition within 30 days after St. Vincent has met its regulatory notice and closing requirements.

Good Samaritan proposes to invest an amount in St. Vincent that would be appropriate given the succession plan and make the necessary investments at Good Samaritan to allow for the orderly transition of patients and staff.

Background

St. Vincent and Good Samaritan both have long and distinguished histories in downtown Los Angeles, with St. Vincent established in 1856 and Good Samaritan in 1885.

The hospitals have been competing for a dwindling number of commercial patients, in an area that has too many acute care beds, with the area's hospital having an average census of just 54%. This creates two pressures: one is the hospitals in the area operate at far less than capacity (with St. Vincent and Good Samaritan each operating an average census of less than 50% full occupancy); and two is the insurers are able to force the hospitals to accept insurance rates significantly below state averages in the highly fragmented and competitive area. Low census and terrible commercial rates lead to the unsustainable losses St. Vincent incurs. And those operating losses are not mitigated by disproportionate share funding that other hospitals in the area receive because historically St. Vincent had few Medi-Cal and uninsured patients.

Good Samaritan has the capacity to handle the St. Vincent patients. In addition to having unoccupied beds that can handle the expected acute care inpatient admissions, the Hospital has just completed construction of an 196,000 square foot Medical Pavilion. The new Pavilion's Frank R. Seaver ambulatory surgery center is licensed and will accept patients in its state-of-the-art outpatient surgery operating rooms in September, 2018. The new Pavilion's radiation oncology center with its Varian linear accelerator and oncology support services was licensed and welcomed its first patient on August 20, 2018.



The Hospital has 5 procedure labs, including 4 new cardiology/neurology hybrid labs plus the fifth older lab. All accommodate cardiac catheterization and electrophysiology, plus neuro-interventional procedures for stroke and other patients. These are state-of-the-art facilities used for cutting edge cardiology procedures (including one of the most active TAVR programs in the county) and stroke interventions (including treatment for aneurisms). These procedure labs support the emergency department's STEMI and comprehensive stroke programs, which are both certified and extremely busy. The Hospital is also on schedule to complete the required seismic upgrades, which require moving some support services into the main hospital which already is seismically compliant. In short, this 408 bed hospital with all private rooms is well prepared to accept the St. Vincent patients and provide high quality services in the same community.

Proposal

If St. Vincent closed and its property and facilities converted to residential and non-healthcare business uses, Good Samaritan could provide the medical care needed by the community. There is a nearly complete overlap in the services provided by St. Vincent and Good Samaritan, including emergency services (with St. Vincent only recently upgrading its standby emergency service to a licensed basic emergency room), cardiology, orthopedics, infectious disease, digestive, respiratory, and kidney (the top 6 medical diagnostic categories by discharge volume at St. Vincent in the year ending March 31, 2018). In addition to providing all of the major services St. Vincent provides, Good Samaritan also offers obstetrics and neonatal intensive care which St. Vincent does not, and would continue those services. Good Samaritan is re-opening its 23 bed rehabilitation unit September 1, 2018.

St. Vincent offers eight major service lines, all of which Good Samaritan is prepared to accept:

Service Line	St. Vincent	Good Samaritan
Cancer Care	Surgery, chemotherapy (medical oncology), brachytherapy and radiation therapy.	5 South with 38 beds can be reopened and accept oncology patients who need inpatient care. A new radiation oncology center opened in August, 2018, with a Varian Linear Accelerator, and cancer support services are co-located in the area. The hospital has an outpatient infusion center.
Ear Surgery	House Clinic, a leading facility for the treatment of multiple complicated ear disorders that has partnered with St. Vincent.	Frank R. Seaver ambulatory surgery is licensed and opening next month, starting with 4 ORs (with 4 more ready to complete if needed). This increases outpatient surgery capacity and inpatient capacity since many outpatient surgeries will move. The House Clinic volume is almost all outpatient and would easily be handled in the new outpatient surgery. House Clinic physicians were consulted about the ASC design, which was modified to meet their needs.
Emergency Services	Basic (as of 4-1-15), 10 beds. Shares a service area with Good Samaritan.	12 beds + 10 overflow + 5 urgent care treatment bays. A project underway for the ED to double in size from 12-24 ED beds. Certified for STEMI and Comprehensive Stroke
Gastroenterology	Colonoscopy, Upper endoscopy Endoscopic retrograde cholangiopancreatography -ERCP	Full GI lab, able to support all the procedures done at St. Vincent.

Service Line	St. Vincent	Good Samaritan
Cardiac Care	Interventional cardiology, cv surgery	5 cath and EP labs, 4 of the 5 are new and hybrid; 38 bed CVDOU + 38 bed DOU + intensive care beds Full support for all interventional cardiology procedures including TAVRs, and CV surgery
Neurosurgery	Skull base, pituitary, spinal fusion	Currently offers spine surgery, basic neurosurgery, tertiary level surgery for aneurisms, basic neurology, neuro-intensivist availability, and neuro-interventional procedures
Orthopedics	Joint Replacement, Sports Medicine, Spine	Has a 1206(d) outpatient surgical specialties clinic. Specialties in the clinic include orthopedics, general and vascular surgery, urology, neurosurgery and neurology. A dedicated spine coordinator provides pre-op patient education and care coordination.
Rehabilitation	19 bed unit	23 bed unit re-opening September 1, 2018.

According to 2017 OSHPD data, St. Vincent had an average daily census of 160 acute care patients (58,276 patient days). When acute rehabilitation days are deducted, the acute average daily census is 145 (52,890 patient days), with 138 of the patients in general acute care and 7 in critical care. According to the 12 months data ending March 31, 2018 showing the number of patients discharged by medical diagnostic category (MDC), and applying an average length of stay of 5.1 days for the non-transplant acute patients, we could expect an average of 29 cardiology patients, 20 orthopedic surgery inpatients and 95 general medical surgical patients if every single St. Vincent patient came to Good Samaritan.

Service Line	MDC	MDC Title	Discharges	Admitted Thru ER	% Admitted Thru ER	Days 5.1 LOS	ADC
Cardiology	5	Circulatory	2053	1572	75%	10470	29
Orthopedics	8	Muscular	1435	394	27%	7318	20
Med Surg	4	Respiratory	1088	885	81%	5549	15
Med Surg	6	Digestive	1074	850	79%	5477	15
Med Surg	18	Infectious Disease	1044	921	88%	5324	15
Med Surg	11	Kidney	943	717	76%	4809	13
Med Surg	1	Nervous	625	366	59%	3188	9
Med Surg	7	Hepatic	490	337	69%	2499	7
Med Surg	10	Endo	368	275	75%	1987	5
Med Surg		Other	1135	766	67%	5788	16
Total Acute			10255			52409	144
Cardiology						10470	29
Orthopedics						7318	20
Med/Surg						34621	95
Rehab						5386	15

We cannot expect all the patients would go to Good Samaritan, but even if they did, Good Samaritan has the beds for the patients and would be getting the needed = patient care staff by hiring St. Vincent staff.

Only transplant and skilled nursing services cannot be provided at Good Samaritan. Three major transplant centers in Los Angeles (at USC Keck Medical Center, UCLA and Cedars Sinai Medical Center) could easily handle the St. Vincent transplant cases. According to the 2017 OSHPD data, St. Vincent did 6 simultaneous pancreas / kidney transplants and 76 kidney transplants. The three major transplant centers in Los Angeles that could care for the patients and their volume (according to 2017 OSHPD data) are:

Procedure	St. Vincent	UCLA	USC Keck	Cedars-Sinai	Total
Pancreas and kidney	6	1	3	11	21
Kidney	76	322	140	184	722
Total	82	323	143	195	743
% of Total	11%	43%	19%	26%	100%

Good Samaritan has established relationships with both UCLA and USC, which has facilitated the coordination of care for patients who require quaternary level care. Good Samaritan would use its relationships and experience to ensure a seamless transition of transplant patients to our city's outstanding academic medical centers.

Skilled nursing could be provided at one of the four hospital-based skilled nursing units (White Memorial Hospital, Hollywood Presbyterian, LA Community or East Los Angeles Doctors' Hospital which collectively average 66% occupancy and have 46 beds available) or at one of the 24 free standing skilled nursing units in the immediate area. There is an abundance of skilled nursing facility beds to care for the average daily census of 22 skilled nursing patients from St. Vincent.

Hospital Staff

Verity is appropriately concerned about placing its staff if St. Vincent closed. Again, the interests of the two entities align perfectly since in fact Good Samaritan would need to hire staff to care for the additional patients it would accept from St. Vincent. Good Samaritan would extend employment offers to the St. Vincent patient care staff (nurses, technical staff), management, and support service staff needed to care for the patients. Both hospitals have California Nurses Association (CNA) and Service Employees International Union (SEIU) contracts, (St. Vincent with SEIU United Healthcare Workers West).

Good Samaritan would hire staff to care for the incremental volume received at Good Samaritan due to the St. Vincent transaction. We would also hire staff to help fill vacancies we have had in our patient care staff so we can reduce Good Samaritan's temporary staffing and its associated costs.

Medical Staff

Most of the physicians who actively practice at Good Samaritan are also members of the St. Vincent Medical Staff, so there would be no delay or barriers to them using Good Samaritan. Physicians who need to join the Medical Staff would submit applications that would be processed on an expedited basis to avoid any disruption to patient-physician relationships.

St. Vincent provided information about three hospital based physician groups. Its emergency room is staffed by California Emergency Physicians Medical Group, radiology by Rad Advantage and anesthesia by St. Vincent Anesthesia Group. St. Vincent Anesthesia Group gave notice of termination effective July 1, 2018.

Good Samaritan's hospital based medical groups, including radiology, pathology, anesthesia, and emergency, will need additional staffing and physicians to handle the increase in volume. Physicians who have practiced with St. Vincent hospital-based groups would be welcome to apply for membership in the groups who practice at Good Samaritan. Again, our goal would be to maintain long-standing relationships – in this case between physicians and other physician specialists, in the new setting at Good Samaritan.

Community Need

Presently 10 hospitals are sited within five miles of Good Samaritan, with a total of 3,120 licensed acute care beds. This does not include the 2 hospitals in the area that recently closed: Pacific Alliance Hospital with 138 beds that closed in 2018 and Promise East Los Angeles with 177 beds that closed in 2017.

If we assume St. Vincent closed (reducing the bed count by 339 acute care beds) and all its patients plus all the patients from the other two hospitals that closed went to one of the nine remaining hospitals, the collective average daily census (using 2017 preliminary OSHPD data) would still fill just 66% of the available beds. Thus, on average in this 5 mile market, 1,839 patients would be using acute care hospital beds, and 942 beds would still be empty every day.

As noted above, there are three well regarded transplant centers in Los Angeles that could care for the kidney and simultaneous pancreas / kidney transplants presently handled by St. Vincent.

Within the acute care beds in the Downtown LA area, 118 are dedicated acute rehabilitation beds that run an average daily census of 51 patients, for an occupancy rate of 43%. Good Samaritan is re-opening its 23 bed unit on September 1, 2018 and could easily accommodate the 15 average patients per day from St. Vincent.

Critical care beds are similarly available, and St. Vincent has reported to OSHPD a very low census of just an average of 7 patients a day in critical care beds.

Timing

Good Samaritan has the licensed beds, including rehabilitation, starting September 1, 2018, and its new cath and EP labs, radiation oncology, and ambulatory surgery center are licensed and accepting patients (with the ambulatory surgery scheduled for its first patients in September 2018). The only limiting factor on accepting patients is staff. If St. Vincent staff become available and can be hired, then Good Samaritan is ready to start accepting patients immediately with a full transition over a thirty day time period.