Non-Designated Public Hospitals & DSRIP

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District Hospital Leadership Forum

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DISTRICT HOSPITAL LEADERSHIP FORUM

Non-Designated Public Hospitals

- 41 district hospitals and 1 municipal hospital
  - Publicly elected Boards of Directors (similar to school district/water district elections/Boards)
  - Local governments responsible for providing for the healthcare needs of their communities
    - Ability to use public funds – CPEs/IGTs – as non-federal share

NDPH Characteristics

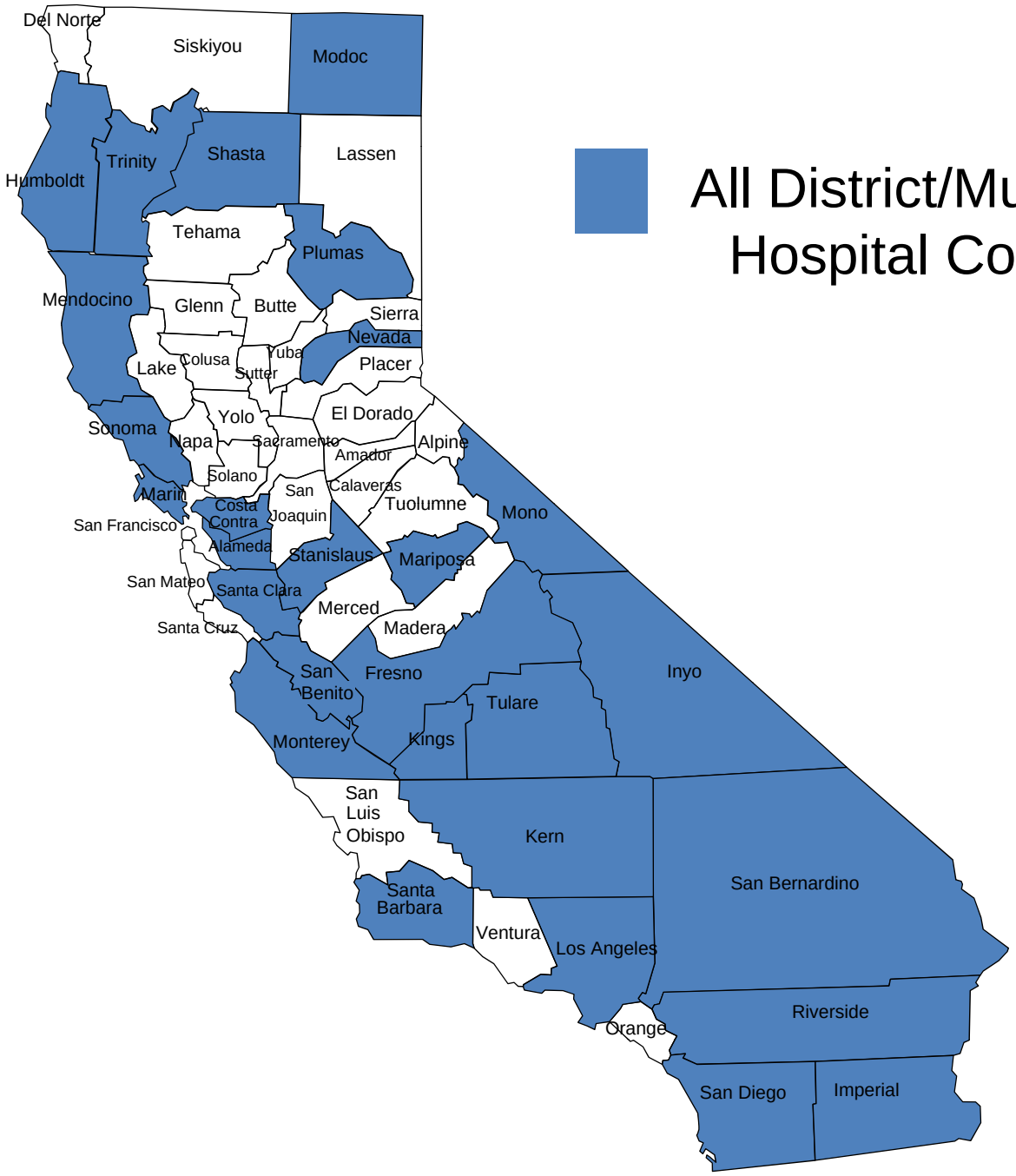
- 28 rural, 20 of which are critical access hospitals
- 29 in health personnel shortage area
- Licensed acute beds range from 3 to more than 400
  - Services range from emergency coupled with a medical unit and distinct part nursing facility to tertiary/trauma
- Many rural NDPHs have rural health clinics

Additional Characteristics

- In aggregate, 25% Medi-Cal
  - Some well over 60% Medi-Cal
  - 70% government payer
  - Exacerbates physician recruitment challenges
- -3% operating margin
- District residents tax themselves to support hospital in some instances
  - $0 to $2 million annually on average
  - Recent increases related to seismic

Characteristics (cont.)

- Transitions disproportionately affecting districts
  - Transitioning to APR-DRGs; overall “losers”
  - Medi-Cal managed care expansion in rural areas
  - DP/NF rate reduction recoupment



All District/Municipal Hospital Counties

NDPHs and DSRIP 2.0

- Considerations: Diversity among hospitals
- As in NY DSRIP, urge including a funded planning period (6 to 12 months) for NDPH DSRIP
- DPH Concept Paper provided an excellent road map even for small NDPHs

Current Potential NDPH DSRIP Efforts

- Delivery System Transformation
  - Behavioral health
    - Currently the small district hospitals do not provide specific behavioral health services and attempt to transfer BH patients that present in their EDs generally with little success
    - Large district hospitals currently provide some inpatient and outpatient behavioral health services
      - Challenges of those providing services are the silos that treat BH patients in communities, difficulties in recruiting BH staff, under-reimbursement, and increasing need and declining number of providers
    - Some planned DSRIP projects: Telemedicine, crisis stabilization/intervention centers, OP clinic, expanded IP services
  - Specialty care expansion
    - Primary care expansion for medical home
  - Transitioning patients from ED/inpatient to outpatient

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Current Potential NDPH DSRIP Efforts

- Chronic disease management
  - Communication among community social service and health providers
  - Targeting patients with specific conditions for care management
  - Assist with post-acute transitions
  - Chronic pain management
  - Community health workers
- Resource utilization
  - Antibiotic stewardship
  - Contrast imaging
- Prevention (interest especially in rural areas)
  - Smoking Cessation program
  - Dietary Education
  - Cardiac Maintenance program
  - Obstetrical classes

Differences among DSRIP Plans Among NDPHs

- Generally larger NDPHs have more resources than smaller facilities and plan to implement more expansive projects
  - Example: Small rural would implement a crisis intervention program that could result in a transfer to a larger facility out of the area; larger facility would also implement the crisis intervention program but would be able to provide the patient inpatient and outpatient services in the same facility.

Differences among DSRIP Plans Among NDPHs

- Example: Regarding prevention projects, an urban large district hospital could implement a more expansive project with numerous community partners while a small hospital would be limited in number of partners/scope of project
- Incentive payments in 2012 ‘proposed but not implemented’ NDPH DSRIP 1.0 took into account the scope of the projects. Anticipate a similar model in DSRIP 2.0.

- If a requirement ultimately is for a number of projects, expectation would be for larger hospitals to complete more projects.

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Future

- District/municipal hospitals are integral component California's hospital/health network
- Like other hospitals, planning and implementing projects that allow these facilities to better meet communities' needs and deliver care in the most appropriate manner
- Appreciate opportunities provided by participation in DSRIP 2.0 to better serve communities

Questions?