



Sherman Oaks Hospital

Member of Prime Healthcare



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INTRODUCTION

Sherman Oaks Hospital, a member of Prime Healthcare Foundation, is a 153-bed, not-for-profit, acute-care community hospital located in Sherman Oaks, California. It is staffed by 700 professional and support staff, with 400 physicians on staff. Patients treated through Sherman Oaks Hospital receive the services of a large medical system in a smaller, more personal setting. Sherman Oaks Hospital serves a diverse population and incorporates elements of urban, suburban, and rural medicine, offering a wide array of patient services. We have a bustling emergency department, 16 intensive care beds, digital (film-less) radiology and laboratory services; as well as a comprehensive operations suite with separate GI and laboratory facilities. The hospital is recognized for advanced technology and compassionate care and provides 24/7 emergency care in addition to a full range of specialized

medical, surgical, and diagnostic services to improve and save lives. Sherman Oaks Hospital is nationally recognized as a “100 Top Hospital” by IBM Watson Health.

MISSION AND VALUES

As a not-for-profit hospital, we strive to ensure that all residents have access to the most advanced healthcare treatments and services available, regardless of ability to pay. This is expressed in our mission statement, and the values that crystallize that statement.

Our Mission is to deliver compassionate, quality care to patients and better healthcare to communities.

Our Values include:

Quality

We are committed to always providing exceptional care and performance.

Compassion

We deliver patient-centered healthcare with compassion, dignity and respect for every patient and their family.

Community

We are honored to be trusted partners who serve, give back and grow with our communities.

Physician Led

We are a uniquely physician-founded and physician-led organization that allows doctors and clinicians to direct healthcare at every level.

LEADERSHIP

Sherman Oaks Hospital is overseen by a governing board composed of physicians and medical professionals, and community members who are users and/or service collaborators with the hospital. They are listed below.

Governing Board & Leadership

Sunny Bhatia, M.D. - Chair of the Board / Chief Medical Officer

EM V. Garcia – Vice-Chair of the Board / Chief Executive Officer

Roland L. Santos - Chief Nursing Officer

J. Nathan Rubin, M.D. - Chief of Staff

Rick Mahalingam - Regional Chief Financial Officer

Kenn Phillips - Community Member

David Thorson - Community Member

Christopher Cooper - Community Member

Jason Greenspan, M.D. - Member-at-Large

SERVICES

Sherman Oaks Hospital serves a diverse population and incorporates elements of urban, suburban, and rural medicine, offering a wide array of patient services. These include:

- Behavioral Health Services
- Center for Reconstruction and Wound Healing with Hyperbaric Medicine
- Clinical Laboratory Services
- Comprehensive Care for Joint Replacement
- Critical Care Services
- Emergency Services (ER)
- Food and Nutrition Services
- Heart Care Services
- Hospital Pharmacy
- Imaging Services
- Multi-Specialty Clinic
- Nursing Services
- Primary Stroke Center
- Rehabilitation Services
- Respiratory Therapy Services
- Senior Behavioral Health Services
 - Mobile Psychiatric Evaluation Services
- Sub-acute Nursing Care Center
- Surgical Services

- Transfusion-Free Medicine Surgery
- Other Services
 - Case Management
 - Physician Referral Services
 - Social Services
 - Home Health
 - Meal Preparation Services
 - Equipment Rental
 - Social/Emotional Support Services

EXECUTIVE SUMMARY – COMMUNITY BENEFIT

The 2023 Sherman Oaks Hospital (**SOH or the Hospital**) Community Benefit Report (**CBR**) provides an annual update to the Hospital's 2022 Community Health Needs Assessment (**CHNA**), and determines relevance of current health status issues found in the community as of 2023. As the process of reviewing and analyzing community needs has progressed, it is clear that while changes have occurred in the San Fernando Valley as a whole, and in Sherman Oaks Hospital's immediate area, the changes have not been uniform throughout the valley.

This Community Benefit Report incorporates data from area-wide analyses provided by the Los Angeles County Department of Public Health (**LADPH**) Key Indicators of Health which includes data concentrating on the area immediately surrounding SOH, as well as overall data for the county. Some data is not directly comparable between the two areas, but each discussion provides insight into needs found in the SOH service area.

The primary focus of this Community Benefit Report is to address the issues defined as the most important for SOH to address during the Implementation Plan Period (2023, 2024, and 2025). The primary needs to be addressed from 2023 to 2025 are outlined in the following sections. Both the planned interventions, and the actual results are discussed in summary form.

Sherman Oaks Hospital has used the 2022 CHNA results as a basis for its ongoing process of addressing the needs of its service area. The Primary Service Area that constitutes SOH's core service area changed only minimally over the three-year period. That area is defined below, and the interventions to address the needs stated are outlined in the Sherman Oaks Hospital Service Area Needs and Interventions reports found nearby.

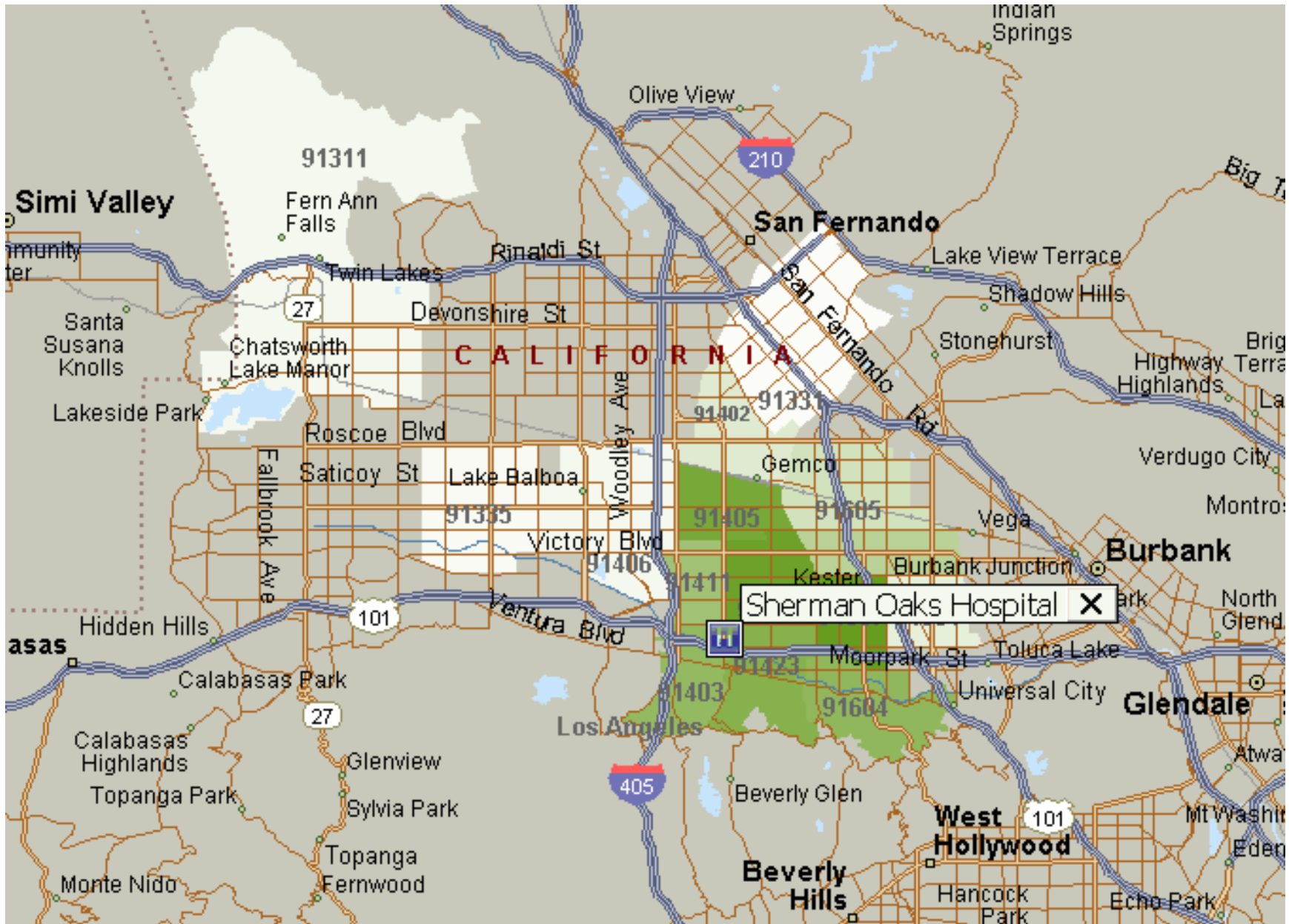
SERVICE AREA

SOH's Primary Service Area (**PSA**) remains unchanged from 2022, concentrated around the hospital's site, extending mostly east and north from that location. For 2023, the PSA zip codes each accounted for more than 2% of discharges from the hospital for a total of 60% of all discharges. A Secondary Service Area (**SSA**) accounts for another 7% of discharges: these zip codes received more than 1% but less than 2% of all discharges. This area has changed, but this is to be expected since the numbers of discharges from any of these zip codes are so small. No other zip code accounts for more than one percent of all discharges, although it should be noted that discharges with no zip code listed represented 2.6% of total discharges. The Primary Service Area is highlighted in green on the following map. The PSA zip codes include the following:

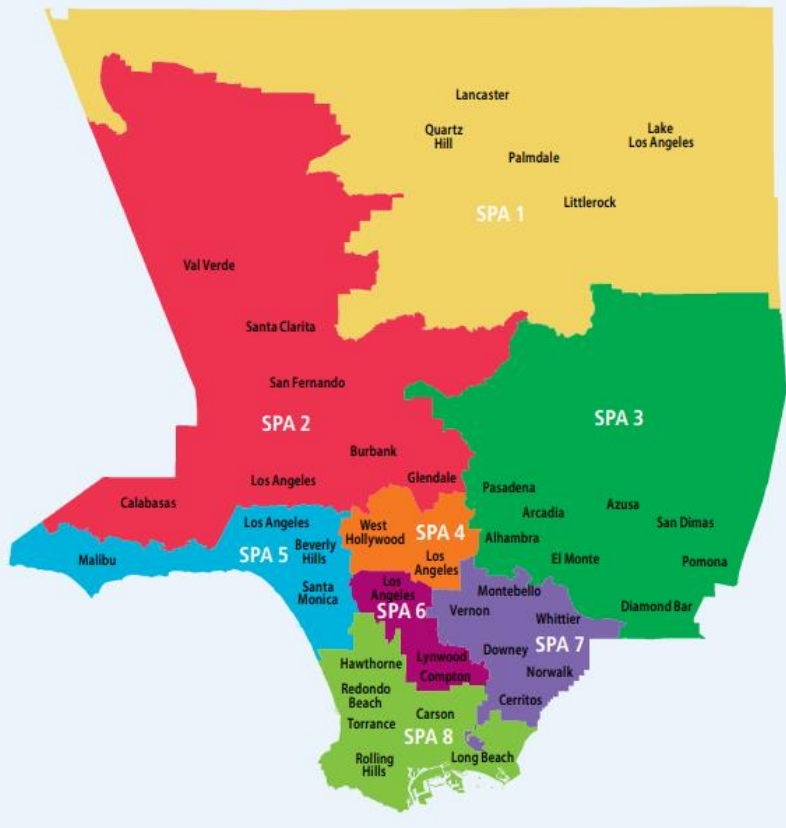
- 91401 Van Nuys
- 91402 Panorama City
- 91403 Sherman Oaks
- 91405 Van Nuys
- 91411 Van Nuys
- 91423 Sherman Oaks
- 91601 North Hollywood
- 91604 Studio City
- 91605 North Hollywood
- 91606 North Hollywood
- 91607 Valley Village

The Secondary Service Area is highlighted in white on the following map. The SSA zip codes include the following:

- 91306 Winnetka
- 91311 Chatsworth
- 91331 Pacoima
- 91335 Reseda
- 91406 Van Nuys



SERVICE PLANNING AREAS (SPAs)



The Los Angeles County Department of Public Health (**LADPH**) is charged with collecting and analyzing health indicators for the county as a whole. To provide more localized information on various portions of the county, LADPH divides the county into eight Service Planning Areas (**SPAs**). SOH is located in SPA 2 which encompasses the San Fernando Valley. It is shown in red on the following map of Los Angeles County. SOH is located very near the “Los Angeles” label in the red zone.

Los Angeles County last performed a County Health Survey in 2017. Since it is the most recent county-wide analysis of healthcare needs it has been reviewed to highlight areas that may be appropriate for further study.

LADPH’s report, entitled *Key Indicators of Health by Service Planning Area 2017*, is the most recent county-wide study. It lists over 100 various indicators of health. It is interesting to note that SPA 2 is among the healthiest areas in the county, with 30 measures on which the area is above average. By contrast, only five health indicators were

below the county average, including:

- Sharing meals as a family daily,
- Using E Cigarettes,
- Suicide rate per 100,000 population,
- Incidence of Alzheimer’s Disease, and
- Incidence of Breast Cancer.

In the interest of brevity, only the data used to directly create the service needs to be addressed by SOH are outlined in the following section. Detailed data can be found in the 2022 CHNA report which can be found on SOH's website.

It should be noted that LADPH also produced health data reports by City Council Districts (CDs) for Los Angeles which provide similar health data for each district. These reports are sourced from many of the same sources as the SPA reports, and cover the same period, with most reported data covering periods before 2017. Since SOH is at the edge of CD 2, and its service area is overlays parts of three CDs, the SPA data is considered most representative. Given the age of the data reported, limited emphasis is placed on the information supplied. It should also be noted that the data was analyzed using the CD boundaries that were in place before the realignment of City Council Districts that occurred following the 2020 Census.

SHERMAN OAKS HOSPITAL SERVICE AREA NEEDS AND INTERVENTIONS

The results of the CHNA process formed the basis for the Implementation Plan that was to guide SOH's participation in community health care for the years 2023, 2024 and 2025. This Community Benefit Report summarizes SOH's progress in meeting the community's needs as outlined in the previous 2020-2022 Implementation Plan and incorporates needs and plans found in the 2023-2025 Implementation Plan completed May 2023. The issues listed below are the ones selected as the ones most appropriate for SOH's intervention in 2022.

The four needs considered the most salient, and suitable for intervention by SOH are listed below. They are:

1. Mental Health
2. Continuity of Care
3. Homelessness, and
4. Employee Retention

The following section provides details related to these issues from the 2022 CHNA report, and notes that plans to address those issues are still in process. Each need is outlined, and SOH's original Implementation Plan to address

it is reported. Environmental changes that occurred since the CHNA report date are also noted, and the Hospital's progress in addressing these needs is highlighted.

It is important to note that the Covid-19 pandemic had been the dominant health issue for the period analyzed in the 2022 CHNA. While still a subject of watchfulness, it no longer drives planning processes looking forward, as other issues have become more pressing. Among these in 2023 was growth in the unhoused population in the county, and government and public health organizations' attempts to deal with the problems associated with the unhoused population. Additional issues have resulted from changes in reimbursement for healthcare services which have affected the eligibility of many residents for MediCal or Covered California benefits. Another new opportunity was the introduction of SB1338. This legislation created "Care Courts" designed to focus attention on those accused of minor crimes but felt to have mental health issues contributing to their behavior. As these Care Courts begin to operate, potential new avenues of care are expected to result. These opportunities will be reviewed and addressed as they allow the Hospital to expand its services.

The focus group process was part of the Community Health Needs Assessment process in 2022, and represented the most detailed dissection of health care issues among community representatives at the sessions. The four that emerged from the processes were considered by the group to be the most pressing, and also to be issues which SOH could address to some extent in concert with the larger community. They represent community health problems as a group, and individually they represent opportunities for the Hospital to provide improvements. They are outlined below.

1. **Mental Health** – This category was the most cited issue, both in terms of the number of participants choosing it as important, and in terms of considering it most important. This general term generated many related ideas, and they were consolidated into this general category. Among issues related to mental health was a need for inpatient mental health services, problems with substance abuse that intersected general mental health problems, and issues related to acute physical problems presented at the Emergency Department which are related to mental health problems suffered by the patient. An attempt to deal with the intersecting issues of crime and mental health has been developed with the creation of "Care Courts," which are designed to allow persons arrested for minor crimes but who may need mental health interventions to have both their

infractions and health needs addressed in a more comprehensive manner. Thus, although the underlying problems subsumed under the “Mental Health” rubric are continuing, the available methods of addressing the problem are changing rapidly, and were not addressed in either the 2022 CHNA or the 2023-2025 Implementation Plan.

SOH’s Implementation Plan as of early 2023 included dedication to continuing its existing services as a primary provider of inpatient mental health services in the San Fernando Valley. Going forward, as more focus is directed to mental health issues associated with acute admissions to hospitals, SOH is expanding its coordination practices with community providers to identify high-intensity users of Hospital services with accompanying mental health issues that can be addressed in alternative settings. With better coordination, these clients can be directed to more appropriate care sites. SOH will also research options to coordinate community care solutions with the Hospital’s inpatient services as crises arise in those community locations. As the development of Care Courts under California’s CARE Act (SB1338) continues, SOH staff will work with court staff and social work organizations to provide inpatient services and step-down follow-up as appropriate.

SOH’s Results – The specialized 19-bed inpatient unit is designed specifically to focus on senior behavioral health, addressing the unique emotional, behavioral, and mental health needs of adults ages 50 and older. SOH’s program is designed to improve day-to-day functioning, leading to improved health and a higher quality of life. Our team is comprised of experienced and compassionate healthcare professionals who are devoted to providing the care and emotional support these patients and families need. Because the program is Hospital based, we can accept patients suffering from psychiatric issues and chronic medical conditions. At the close of 2023, increases in mental health encounters were continuing to occur, and the Hospital has expanded its services to address the influx. More concrete updates to operations will be instituted as the impact of Care Court referrals and revised treatment paradigms are encountered.

2. **Continuity of Care** – An emerging topic of discussion within medical and social work circles is Social Determinants of Health (SDOH). SDOH issues include conditions that exist outside a healthcare institution, often in the home or immediate neighborhood, that make it difficult to manage chronic diseases such as diabetes, high blood pressure or osteoporosis. Many of these issues can be addressed more appropriately

with non-institutional interventions, but they are often not brought to medical attention until the patient enters the emergency room. Changes in MediCal and Covered California eligibility requirements have also forced providers to cope with redetermination of eligibility for all MediCal recipients over a year's time. Since this process requires input from insureds, many existing recipients have not provided the necessary paperwork, or have been determined ineligible for continuing MediCal coverage. Hospitals and medical groups have become the first providers to discover that their patients are in need of either re-application for MediCal coverage, or assistance in applying for alternate health insurance as required by the state. In either case, the options available to assist clients in managing their care have changed, and providers must help their patients navigate the new environment.

SOH's plan as stated in its 2023 Implementation Plan includes working with stepdown providers, including nursing and rehabilitation hospitals, as well as home health agencies, mental health clinics and social service agencies. The Hospital is working with these groups to develop protocols to share information back and forth about clients transferred from one site to another, with provisions to assist other providers in maintaining health status of transferred clients on their recovery path. Additional research is in process to create methodologies for identifying high-utilization clients. This will allow coordination with medical groups' social service providers to assist in supporting these clients in their homes, so they do not become admissions to the Hospital. Another important issue related to continuity of care is assuring that patients' insurance status is reviewed and redetermined, and the most advantageous coverage intervention is offered to persons whose coverage has lapsed. Meanwhile SOH has a policy of providing financial assistance to patients with medical needs whose income is less than 450% of the Federal Poverty Level and who lack health insurance. Under SOH's Presumptive MediCal Program, patients for whom health services are a burden are assisted to file for available assistance to allow them to access care immediately, and followed up to assure that they either are provided with an insurance option or covered under the Hospital's policy for medically necessary care.

SOH's Results – As health systems of all types recover from pandemic-era disease management protocols and changes in reimbursement, new issues have arisen. Prior to 2023, the primary focus involving continuity of care was managing utilization, as the pandemic strained both SOH's physical capacity and its workforce's stamina. As admissions for Covid-related illnesses have declined, many of the elective and non-emergency

procedures that had been delayed or postponed have re-emerged as drivers of hospital admissions. As was noted above, many of the patients presenting who were diagnosed with conditions requiring treatment but were postponed to free up space for Covid patients have returned to get their delayed treatments performed. In some cases, they may find themselves no longer eligible for the treatments originally prescribed until they are re-enrolled or moved to new coverage. Once coverage is re-established ailments may have worsened, requiring different treatment courses. Protocols have been revised to address these changes. Management has continually evolved operations to cope with changes in treatment protocols and types of medical issues presenting at the Hospital, as well as in changing transition strategies related to outplacement of patients needing care best provided in non-hospital settings. Staff and management are in constant contact with step-down providers, using Zoom and other virtual meeting applications. Patient transitions to selected nursing and retirement housing communities are continuing to occur, as well as programs to allow easier transition to home environments. These are regularly being reviewed. SOH continues to assess existing methodologies' usefulness in assuring continued recovery from the acute incidents that brought patients to the Hospital in the first place. Weekly meetings, as well as ad hoc conferences as needed, are conducted within the Hospital to assess progress. Regular meetings are organized to review coordination of care with Skilled Nursing Facilities, Home Health Agencies, and Hospice providers. SOH also collaborates with police and fire departments, where allowed, to coordinate care for persons who are repeat users of emergency services, alleviating calls to 911 for less-than-life-threatening injuries. And as noted earlier, SOH will partner with its eligibility consultants to assure that patients having trouble negotiating the redesignation process are provided with adequate guidance to find acceptable coverage. SOH is also working with police and fire agencies to identify frequent users of emergency services and find ways to guide them to alternative service providers better able to address their needs. As the Covid emergency subsidies, SOH has maintained contact with the California Department of Public Health and has worked with them to implement evolving treatment modalities as new vaccines have become available and distribution has become the primary problem. Vaccination clinics have been held at the Hospital and at local health fairs. The Hospital sponsored Community Vaccine Clinics in conjunction with the MyTurn.gov program, and provided vaccinations to over 350 community members. Along with the Covid-19 services, SOH also provided stroke and heart health information. The Hospital will continue to work with appropriate agencies

to deliver vaccinations and boosters as demand indicates, and will maintain its public information efforts as appropriate. As more public events are scheduled, SOH staff will continue to monitor opportunities to staff booths and provide health and safety information.

- 3. Homelessness** has become a major issue in Los Angeles as more and more residents are living on the streets. It has also been a major topic of litigation, and attempts to deal with it are spilling into the political arena. Several bond issues have passed in the last two elections to provide funds for housing and treatment of unhoused residents, with mixed results. The most recent election at the end of 2022 resulted in a new slate of City Council representatives who will have different ideas as to how to address the problem. Unhoused patients represented a significant portion of the discharges from SOH in 2023, with discharges to unknown zip codes comprising 2.6% of all discharges. The actual provision of care is just as fragmented as the payment system that supports it. Patients discharged from hospitals or other care facilities often find themselves at loose ends once they leave the premises. Care coordinators and social service agencies attempt to manage transitions, but their ability to assure appropriate care in offsite situations is constrained by their inability to actively follow clients from the facility to another care site or to home. Also, there are no formal programs to determine that the care settings into which patients are released are the most appropriate, or even adequate. City agencies, police, and court systems are exploring new methods of coping with the unhoused population. Existing payment programs generally have no ability to fund follow-up care or patient management, but pressure is building to address the problem more concretely, and programs such as Project HomeKey and Inside Safe are providing short-term relief. But longer-term solutions are slow in coming, and are encountering resistance both from neighbors who fear the influx of questionable residents, and from unhoused people who object to the strictures imposed by housing providers. Meanwhile hospital emergency departments continue to serve as primary care centers for people with no ties to a healthcare provider.

SOH's Plan includes provisions to improve communications between the Hospital and step-down providers both before and after hospitalization, to clarify client needs and necessary treatment protocols upon transfer. The unhoused patients needing discharge from SOH are a particular point of need, and protocols are now in review, to ensure that persons with no discharge address are referred to suitable agencies to find housing with adequate services to continue courses of care. As payment programs develop to facilitate such

services, the Hospital will coordinate with providers to maintain an equitable reimbursement environment for all involved parties. The advent of several programs designed to get unhoused people into temporary and permanent accommodations will present new opportunities for the Hospital to join with these providers in easing the transition from street to hospital to residential situations. And as new housing solutions are developed, SOH will work with the developers and social service providers to coordinate care to minimize emergency room utilization.

SOH's Results – For the patients with no receiving location specified (2.6% of all discharges in 2023), SOH's discharge planners have relied on protocols to locate social service and/or housing agencies to guide the transition. These protocols are continually being reviewed and updated to guide transitions of patients to selected nursing and retirement housing communities, as well as programs to allow easier transition to home or temporary housing environments. New programs such as Project Room Key and Inside Safe provide new options, these opportunities are accessed as appropriate. All these options are being reviewed as necessary to assess their usefulness in assuring continued recovery from the acute incidents that brought unhoused people to the Hospital in the first place. Meetings that used to be monthly are now supplemented by rapid response conferences as treatment protocols, transfer arrangements, and payment policies change.

- 4. Employee Retention** – One of the most prominent effects of the Covid pandemic has been the “Great Resignation” in which many employees were either laid off or forced to work from home, and who have elected not to come back to work. In the healthcare field, the opposite happened as many staff were required to work punishing extra hours on site to cope with the influx of patients while simultaneously attempting to protect their own health. As the pandemic has subsided, many employees in all fields have elected not to return to their old employers. This phenomenon has been particularly evident in inpatient healthcare settings, such as hospitals, nursing facilities and retirement communities. As with homelessness, governmental attempts at solutions have addressed some immediate problems, but often with lingering after-effects, while legislation aimed at increasing staff wages has targeted healthcare providers without an equivalent increase in reimbursement. An additional complication is the advent of a higher minimum wage for fast-food workers, making those outlets more competitive for entry-level staff.

SOH's Plan is two-pronged. First, the Hospital is reviewing its pay and employee benefits policies to determine the best ways to maintain existing staff and increase staff satisfaction. Recruitment efforts to replace staff losses are ongoing, providing real-time data on wage and benefits demands in the healthcare marketplace. Specific examples include Walk-in Wednesday hiring events, Career Fairs, Employee Recognition programs and an Employee Discount Marketplace. Where needed, changes in staffing compensation and benefits policies are being implemented. Secondly, management is pursuing relationships with multiple colleges and trade schools to provide internships and on-the-job experience for persons seeking employment in the healthcare field. Educational institutions range from USC and UCLA to West Coast University and the Los Angeles City College system. These programs offer opportunities to community members to pursue careers that benefit themselves while improving healthcare in the neighborhood.

SOH's Results – Many of these relationship efforts were put on hold through the height of the pandemic, and are now being restarted. The programs that survived are still sending students to the Hospital on a regular basis. On a typical day, 15 to 18 students are on site. Additional programs are in process, and negotiations are ongoing with other schools and programs. Many of these programs are targeted at communities of color and low-income populations seeking better employment opportunities. The employee retention efforts have been effective enough to allow the Hospital to maintain its census close to its pre-Covid levels, and the backlog of elective surgeries is clearing.

COMMUNITY BENEFIT EXPENSES

Sherman Oaks Hospital provides services to patients without regard to ability to pay for those services, in addition to funding training and public education programs both onsite and in the community. An unofficial summary of details of the Hospital’s IRS form 990 Schedule H for 2022 (the most recent year available) is presented below, showing Community Benefit expenditures of over \$8.6 million, or 9.6% of total expenses.

Sherman Oaks Hospital Community Benefit Calculation (unofficial)	
Net community benefit expense -Net Patient Charges written off pursuant to financial assistance policies	\$ 126,728.31
Medicaid and Other Means Tested Net Government Programs community benefit expense	8,269,580.00
Community Health Improvement Services	
a. Medical Transport	151,382.00
b. Street Fair	10,000.00
Medical Education - affiliated health professions, students	63,731.00
Total Net Community Benefit Expenses	\$ 8,621,421.31
Total Expenses	89,588,073.00
As percentage of Total Expenses	9.62%

ACKNOWLEDGMENTS

This 2023 CBR is the result of the commitment and efforts of many individuals who contributed time, expertise, and resources to create a comprehensive and effective community assessment. Special thanks go to the SOH Steering Committee and the Advisory Committee members, the staff at Sherman Oaks Hospital, Community leaders and organizations that participated in our interviews and members of the community that took the survey and shared their experiences and information for the benefit of this assessment.

Many data sources were utilized in developing the health profile for the Sherman Oaks Hospital Primary Service Area and larger comparison areas. Data from the U.S. Census Bureau underlies much of the information presented, but several agencies and providers have done important analysis on the Census data, and results of their work are included throughout this document. Important sources include:

- The Los Angeles County Department of Public Health's *Strategic Plan 2018-2023*
- The Los Angeles County Department of Public Health's *Key Indicators of Health by Service Planning Area 2017*
- American Community Survey section of the U.S. Census website
- Catholic Healthcare West Community Need Index