

**O'Connor Hospital
Community Benefit Report Fiscal Year 2016**



A message to the community from the President and Chief Executive Officer

As a part of Verity Health System, for the past calendar year, O'Connor Hospital has continued to serve its community in Santa Clara County. Our commitment to addressing the growing healthcare needs of our community is as strong as ever.

O'Connor Hospital recognizes the need to be an essential community partner and to provide community benefit programs and activities for our neighbors in need. The O'Connor Hospital 2016 Community Health Needs Assessment has provided us with a roadmap to help plan and evaluate our community benefit activities.

Community benefit programs continue to be a priority for O'Connor Hospital. In fiscal year 2016, O'Connor Hospital provided services for cases at a Net Cost of \$622,000 for Charity Care and provided services to more than 18,000 Medi-Cal cases at a Net Cost of \$13 million.

The numbers only tell a small part of the story; the real impact is in the life of each individual O'Connor Hospital has served and cared for.

In 1889, O'Connor Hospital established a standard of excellence in providing quality care that focuses on patient safety and satisfaction; from that standard we have never wavered. Together in Health is more than a marketing tagline; it is the basis of our approach to individual healthcare. Together, physicians, staff members, and the entire O'Connor team, strive to partner with our patients to provide individualized healthcare.

We look forward to carrying this proud heritage into the future.

Jordan Herget
President and Chief Executive Officer
O'Connor Hospital

About O'Connor Hospital

O'Connor Hospital, a California nonprofit, non-religious entity, is a 358-bed acute care hospital in San Jose, CA, the largest city in the county. O'Connor Hospital offers a full range of inpatient and outpatient medical, surgical, and specialty programs. Services include: cardiology and cardiac rehabilitation; orthopedic and joint replacement; spine and pain management; stroke; women's health, oncology diagnosis and treatment; and services provided at our Wound Care Clinic.

O'Connor Hospital's Emergency Department features 23 beds, board-certified physicians, and specialty-trained nurses. O'Connor is home to one of the few family medicine residency programs in the Bay Area, an affiliation with Stanford University.

Prior to December of 2015, O'Connor Hospital was a member of the Daughters of Charity Health Care System. The Daughters of Charity operated O'Connor Hospital from 1899 until December of 2015 when the agreement to the transition of operations and leadership to BlueMountain Capital Management LLC, and the newly-formed healthcare system, Verity Health System, was approved by the California Attorney General, Kamala Harris.

During the past calendar year since assuming leadership responsibilities, Verity Health System has continued a commitment to serving the needs of the community. In an effort to provide services to the population of underserved patients, O'Connor sponsors programs such as the Health Benefits Resource Center, which provides information on insurance resources. Additionally, the hospital is fully accredited by the Center for Medicare and Medicaid Services, the California Department of Public Health, and The Joint Commission.

This report summarizes the plans for O'Connor Hospital to sustain and develop community benefit programs that address prioritized needs from the 2016 Community Health Needs Assessment (CHNA) conducted by O'Connor Hospital and the Santa Clara County Community Benefits Coalition.

Community Served

O'Connor Hospital serves residents of all ages living throughout Santa Clara County which includes the following cities: Campbell, Cupertino, Gilroy, Los Altos, Los Altos Hills, Los Gatos, Milpitas, Monte Sereno, Mountain View, Palo Alto, San Jose, Santa Clara, Saratoga and Sunnyvale.

Despite the fact that half of households in Santa Clara County earn more than \$100,000 per year, according to the U.S. Census Bureau, one in five (20%) county residents live below 200% of the federal poverty level. In addition, one third of the children in Santa Clara County are eligible for free or reduced-price lunch (33%).

About Verity Health System

The employees and physicians of Verity Health System are proud to carry on a long history of serving diverse communities as a regional health system in California. With four hospitals in Northern California and two in Southern California, Verity partners with our community physicians to provide quality, compassionate care to our patients and their family members.

Today, Verity Health System seeks to build upon the rich legacy left by the Daughters of Charity Health System through a transformation of our health care practices. That work includes a focus on more efficient delivery of quality health care and an enhanced alignment with our physician partners.

With more than 8,000 employees and physicians, the System is governed by the independent Verity Health System Board of Directors. It is a non-profit, non-religious health care system with 1,650 inpatient beds, six active emergency rooms and a host of medical specialties, committed to providing community benefit through a variety of community-based outreach programs and wellness activities.

Our Values

The word “verity” refers to the state of being true. For all of us associated with Verity Health System, that means we will be authentic in our interactions with our patients, their family members and with each other. We choose to align ourselves with the following values, aspiring to live into these values each day so that they may guide our actions.

RESPECT

We demonstrate that we value others and ourselves through our words and actions.

CARING

We provide our patients and their families with compassionate, quality care, treating them and each other with kindness.

INTEGRITY

We act with honesty and transparency and do the right thing.

PASSION

We are dedicated to making a difference in the health of our communities and in the lives of those we serve.

STEWARDSHIP

We are committed to being wise stewards of our resources, creative in our approach to challenges and opportunities, and accountable for the results we want to achieve as a charitable organization.

Community Needs Assessment

In 2016, O’Connor Hospital participated in the Community Health Needs Assessment (CHNA) conducted by the Santa Clara County Community Benefits Coalition. The CHNA report and the plan to address those needs (Implementation Strategy Report) may be found on the hospital website: www.oconnor.verity.org

O’Connor Hospital’s Focus

O’Connor Hospital acknowledges there are many pressing community needs. We have chosen to focus our efforts on activities that build upon the foundation set by our previous community benefit initiatives (serving the poor, minority populations, elderly and children). The activities O’Connor focused on during fiscal year 2016 fall into two reporting areas: Access to Care and Community Health Education. The programs and activities we support are based on the following:

- Serving the sick and those living in poverty who lack basic resources.
- Developing and implementing community-based programs targeted towards improving health and lifestyle behaviors and illness prevention.
- Promoting and sponsoring events that offer healthcare services and education to the community at large.
- Providing information and advocating for low-income, uninsured or underinsured people to gain access to medical insurance, government assistance programs, health care services and continuum of care.

For the purpose of this report, the activities O’Connor Hospital prioritized in fiscal year 2016 will be reported and categorized by benefits for persons living in poverty and benefits for the broader community.

O’Connor Hospital Community Benefits Fiscal Year 2016	
Benefits for Persons Living in Poverty	\$54,949,749
Benefits for Broader Community	\$ 33,475
Total Quantifiable Benefits	\$54,949,749
Unpaid Costs of Medicare Program	\$37,183,203

O’Connor Hospital Community Benefits Activities	
Benefits for Persons Living in Poverty	Benefits for Broader Community
Charity Care	Community Health Education
Family Medicine Residency Program	Community Health Fairs and Screenings
Health Benefits Resource Center	Health Professions Education
Unreimbursed Cost of Public Programs	Partnerships with Community Organizations

Benefits for Persons Living in Poverty

In fiscal year 2016, O'Connor provided more than \$54 million in community benefit activities, representing 18.1% of O'Connor Hospital expenses. The activities that fall into this category intend to improve access to care for low-income individuals, the medically underserved and other vulnerable populations. These activities include providing health care services to the underinsured and uninsured community members, operating the Health Benefits Resource Center, and partnering with community programs that care for the homeless.

Health care services to the underinsured and uninsured

In fiscal year 2016, O'Connor Hospital provided more than \$800,000 in costs of charity care services. Charity care is the cost of care for services provided to individuals with no means of paying.

Family Medicine Residency Program

O'Connor Hospital sponsors the San Jose-O'Connor Family Medicine Residency Program which is affiliated with Stanford University School of Medicine. The program is comprised of 24 family medicine residents and 2 sports medicine fellows who learn how to administer care for underserved population while primarily practicing at O'Connor Hospital.

Health Benefits Resource Center

The O'Connor Hospital Health Benefits Resource Center (HBRC) is a one-stop informational and referral service that advocates for those living in poverty. The center helps low-income individuals with health insurance enrollment assistance, CalFresh (food stamps) enrollment and reporting and linkage to additional community resources. Services are provided in English, Spanish and Vietnamese. In fiscal year 2016, the net cost for O'Connor Hospital to operate the program which provided health insurance enrollment assistance to **3510 people was \$154,721.**

Benefits for the Broader Community

O'Connor Hospital supports a wide range of programs and activities that provide information and resources to improve the health and welfare of the broader community, providing more than \$33,000 in community benefit activities in fiscal year 2016. Activities included presenting community health education classes, participating in community health fairs and screenings, providing health professions education, and partnerships with community organizations.

Community Health Education

In fiscal year 2016, more than **240 individuals** attended one of O'Connor Hospital's no-cost health education classes. The classes address a wide range of health topics including preventative care, physical activity, nutrition, and more. Additionally, each month, O'Connor presents a series of childbirth and family education classes for new families to learn more about the birthing process and how to care for newborns. **~445 persons were in attendance.**

Support Groups

O'Connor Hospital also provides a variety of support groups with a safe, healing environment where community members can gather together to cope with their illness or learn about an illness in support of a loved one. In fiscal year 2016, support groups met at O'Connor Hospital, including Stroke Support Group, South Bay Neuropathy Support Group, Diabetes Support Group, and ICD Support Group.

We served approximately 200 attendees. Most of these groups are led by a Registered Nurse from O'Connor.

Community Health Fairs and Screenings

Each year, O'Connor Hospital is pleased to partner with and participate in community events and health fairs by providing health education information and screenings. Our community health team provided a variety of health screenings at multiple hospital events.

Partnerships with Community Organizations

O'Connor Hospital believes in community-based collaboration and is committed to working with partners to build a healthier community. We work with the American Cancer Society, American Heart Association/American Stroke Association, Hep B Free Santa Clara County, Stroke Awareness Foundation and many more organizations to achieve goals that are greater than what the hospital or organization can accomplish alone.

O'Connor Hospital Community Benefit Strategy for Fiscal Years 2017- 2019

This report summarizes the plans for O'Connor Hospital to sustain and develop new community benefit programs that address prioritized needs from the 2016 Community Health Needs Assessment (CHNA) conducted by O'Connor Hospital and the Santa Clara County Community Benefits Coalition. More details can be found in the 2016 Implementation Strategy Report posted to our website.

Target Area

O'Connor Hospital serves residents of all ages living throughout Santa Clara County, which includes the following cities: Campbell, Cupertino, Gilroy, Los Altos, Los Altos Hills, Los Gatos, Milpitas, Monte Sereno, Morgan Hill, Mountain View, Palo Alto, San Jose, Santa Clara, Saratoga and Sunnyvale.

Health Needs and How Priorities Were Established

The 2016 CHNA was conducted by the Santa Clara County Community Benefit Coalition. Members of the Coalition include: El Camino Hospital, Hospital Council of Northern & Central California, Kaiser Permanente, Lucile Packard Children's Hospital at Stanford, O'Connor Hospital, Saint Louise Regional Hospital, Santa Clara County Public Health Department, Stanford Hospital & Clinics and United Way Silicon Valley. The Coalition contracted with Resource Development Associates to create a compendium of secondary data. The team also contracted with Applied Survey Research to conduct primary research, synthesize primary and secondary data, facilitate the process of identification and prioritization of community health needs and assets and document the process and findings into a report.

Community input was obtained during the fall of 2015 via key informant interviews with local health experts, focus groups with community leaders and representatives, and resident focus groups. Health needs were identified by synthesizing primary qualitative research and secondary data, and then filtering those needs against a set of criteria. Needs were then prioritized by the Coalition using a second set of criteria.

O'Connor Hospital Priority Health Needs

The O'Connor Hospital Community Benefit Advisory Committee (CBAC) reviewed the prioritized health needs, the hospital's existing community benefit activities and resources available to address each need.

Taking into consideration the magnitude of the need, the Hospital's resources, Coalition members' activities and additional community assets, The CBAC discussed all of the county-wide health needs and determined through discussion and group consensus the top six priorities for the O'Connor Hospital community. Each member ranked their top ten, followed by each individual presenting their prioritization and their reasoning. This led to an engaging discussion. Some members of the group then re-prioritized their lists. The final lists were reviewed and the health needs ranked according to the votes they received. The following top five health needs, in order of priority, were deemed applicable to the community served by this hospital.

1. Access to healthcare
2. Obesity and Diabetes
3. Cancer
4. Birth Outcomes
5. Behavioral Health

Access to Health Care Services is a health need in Santa Clara County because socioeconomic conditions (poverty, low levels of education, lack of health insurance) as well as factors such as the size of the health care workforce and linguistic and transportation barriers all affect access to care, which negatively impacts health.

O'Connor Hospital will continue to meet the community's health care needs by providing charity care and caring for those with public insurance. Health education programs offered by O'Connor will expand to cover new topics and will be presented in languages other than English. O'Connor will continue to support programs that provide health professions education opportunities to improve the healthcare workforce. Through these actions, it is anticipated that the community will improve in overall health and well-being. It is also anticipated that through these actions, individuals will have increased access to healthcare services.

Obesity and Diabetes is a health need as marked by relatively high rates of diabetes among adults in Santa Clara County. A major driver of diabetes rate is obesity, directly linked to poor nutrition and lack of exercise, and physical environment such as availability of fresh food versus convenient, fast food. Obesity is a health need as indicated by high rates of obese youth (24-31%%) and adults (21%) in Santa Clara County, and high rates of overweight as well (14% and 36% respectively). By increasing awareness of the dangers of diabetes and the direct link between diabetes and obesity, O'Connor Hospital hopes to contribute to an increase in improved community health.

Cancer is a substantial health need. Santa Clara County incidence rates for breast, cervical, liver and prostate cancers are higher than benchmarks/state averages. O'Connor Hospital plans to provide

education to the community and screenings (specifically hepatitis B screenings) to targeted populations. By providing targeted screenings, O'Connor hopes to create awareness and notify individuals living with the disease so that they can make lifestyle changes and monitor their condition. O'Connor Hospital also plans to support community organizations that create awareness and provide additional educational resources and support. It is anticipated that education will improve cancer detection at earlier stages. It is also anticipated that by conducting Hepatitis B screenings and providing education it will improve liver cancer mortality rates.

Birth Outcomes are a health need because of the percentage of low birth-weight babies in Santa Clara County, which is no better than the state average (approximately 7%). County African-Americans are disproportionately affected by low birth-weight (9%), pre-term babies, and infant mortality. A driver of this health need is inadequate early prenatal care. We hope to increase number of healthy birth weights while decreasing health issues for pregnant women and newborns through education and prenatal care.

Behavioral Health is prioritized as a health need and includes mental health (including depression and anxiety) and substance abuse. Community input indicates high concern about stress and depression specifically and the rising rates of marijuana and binge drinking among youth. Primarily through our emergency department, O'Connor Hospital encounters community members with behavioral health issues. By enhancing staff awareness of resources available to community members, we can increase collaboration with outside agencies.

O'Connor Hospital FY2016 Community Benefit	Persons Served	Total Community Benefit Expense	Direct offsetting Revenue	Actual Net Community Benefit Expense
Benefits for Persons Living in Poverty				
Charity Care at Cost	503	\$813,050	\$0	\$813,050
Unreimbursed costs of public programs - Medi-Cal - Other indigent programs	30,411	\$105,350,598	\$54,315,505	\$51,015,094
Community Health Improvement Services	3,448	\$272,005	\$85,000	\$187,005
Health Professions Education ¹	1,097-	\$4,137,281	\$1,209,000	\$2,928,281
Subsidized Health Services	-	-	-	-
Cash and in-kind Contributions to Community Groups	-	-	-	-
Community Building Activities including CB operations	258	\$6,319	\$0	\$6,319
Total quantifiable community benefits for persons living in poverty	35,717	\$110,559,253	\$55,609,505	\$54,949,749
Benefits for the Broader Community				
Community Health Improvement Services	908	\$53,866	\$22,970	\$30,896
Health Professions Education	-	-	-	-
Subsidized Health Services	-	-	-	-
Research	-	-	-	-
Cash and in-kind Contributions to Community Groups	670	\$2,579	\$0	\$2,579
Community Building Activities including CB operations	-	-	-	-
Total quantifiable community benefits for the broader community	1,578	\$56,445	\$22,970	\$33,475
Total Quantifiable Benefits	37,295	\$110,615,698	\$55,632,475	\$54,981,224
Net CB as % of total expense				18.1%
Unpaid Costs of Medicare Program	26,136	\$131,217,735	\$94,034,532	\$37,183,203