

EVERY HOSPITAL TELLS A STORY

Regardless of whether it serves a small rural setting or a sprawling urban population, an area's local hospital plays an integral role in shaping and defining its community.



THE CHANGING LANDSCAPE OF THE AMERICAN HOSPITAL SYSTEM

- The trend of multi-hospital systems replacing freestanding community hospitals picked up speed after 1965.
- The five hospital consolidations noted in 1961 ballooned to upwards of 50 per year in the 1970s.
- By the 1980s, an estimated 30% of hospital beds in the United States existed within hospital systems.
- In 2008, the American Hospital Association estimated that almost half of the nearly 6,000 U.S. hospitals belonged to a hospital system.

FEBRUARY 1954 (An Article from Fortune Magazine)

“Today [physicians] who practice privately are subject to the sort of controversy long familiar to management that involves charges of overpayment and hints of incompetence.

Lay gossip about the physician's abilities and his fees is harsher than it used to be, and articles in popular magazines are irreverent. . . .

Today, however, the old-fashioned doctor has gone with the old-fashioned family. With new aids to diagnosis, new treatments, and new drugs, any competent physician can accomplish more and quicker cures than he can with any amount of bedside attendance. Under these circumstances patients credit the treatment, not the physician, with keeping him well.”

2002



St. Luke
Medical Center,
Pasadena

MILESTONES FROM THE PAST

- The 1946 Hospital Survey and Construction Act (Hill Burton Act)
- The 1965 passage of Medicare
- The 1983 introduction of Medicare's diagnosis-related groups (DRGs)
- The 1986 Emergency Medical Treatment and Active Labor Act (EMTALA)
- The 1994 Northridge Earthquake
- The 1996 Health Insurance Portability and Accountability Act (HIPAA)



Granada Hills
Community
Hospital,
Granada Hills

NAVIGATING THROUGH THE CHANGES -- 1986

“Some argue that as many as 1,000 hospitals will close by the end of this decade, resulting in a decline in the training of needed medical personnel, and the creation of serious problems of care to select populations and communities. They argue, for example, that the hospitals that are especially at risk of closure are the small rural hospitals, many of which are the only providers of medical care to their local communities. . . . In contrast, others argue that rural . . . hospitals . . . through adapting to these changes and through increasing support of their local communities and state governments, will not have to close but, rather, will reshape their mission and continue to provide needed medical care.”

- Health Affairs, Fall 1986

2004



Robert F. Kennedy
Medical Center,
Hawthorne

MAY 31, 1987 (An Article from the Sacramento Bee)

“Judging from recent media reports, American medicine must be on the verge of utter decay. Government officials complain that we doctors do vast amounts of unnecessary surgery. We are accused of inappropriately hospitalizing too many patients and in discharging them prematurely.

We are being harassed by government and big business for over utilizing sophisticated and expensive medical technology -- while at the same time, the courts hold us liable when we fail to admit a patient who turns out to be sicker than we originally perceived.

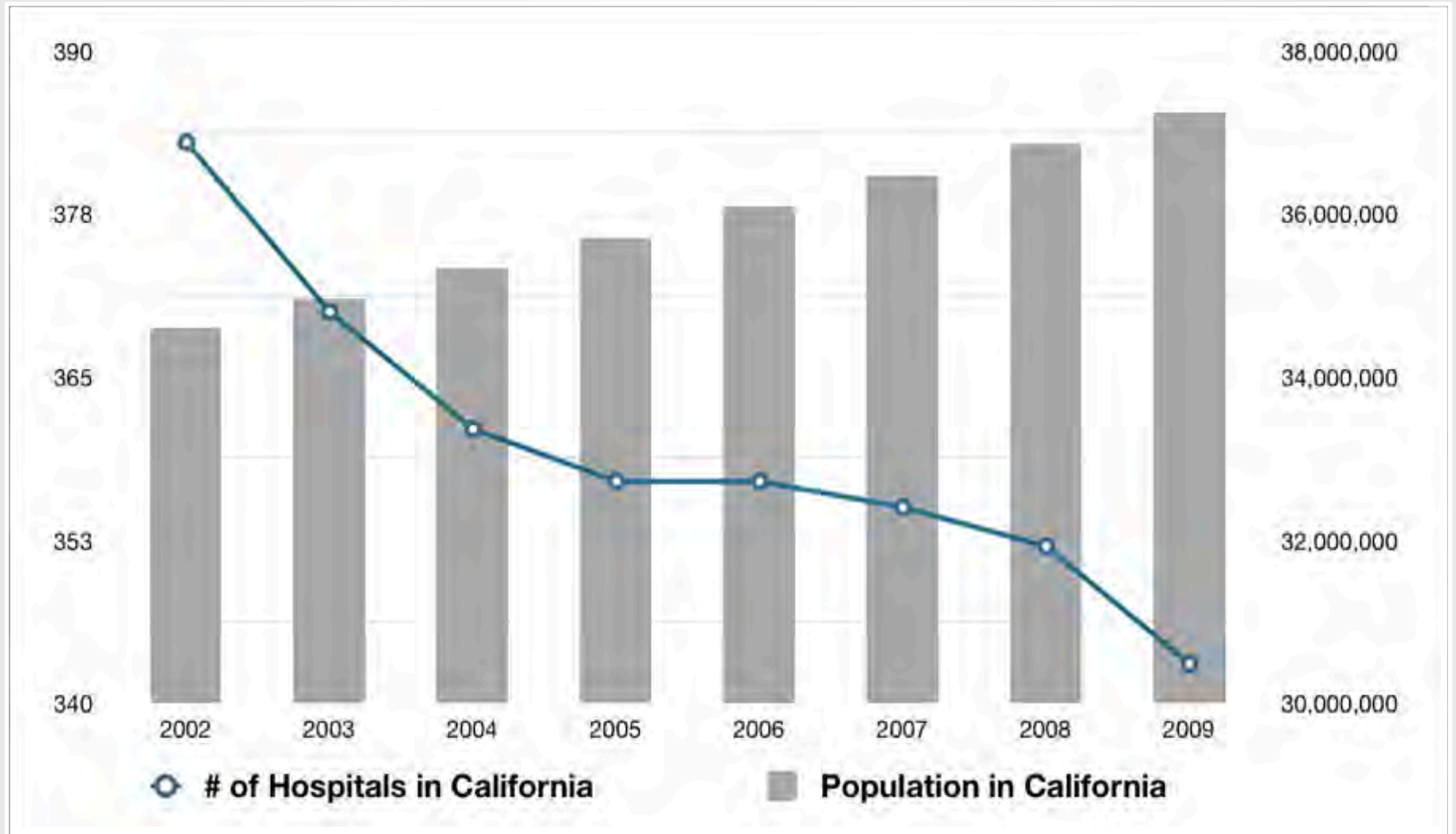
And lawyers and patients consider us negligent and irresponsible if we fail to use sophisticated tests which would detect early and curable disease.”

2005



Brea
Community
Hospital, Brea

HOSPITALS IN CALIFORNIA



2007



King/Drew
Medical
Center, Watts

YESTERDAY

- Demonstrate a commitment to honest and responsible conduct.
- Increase the likelihood of preventing, identifying and correcting unlawful and unethical behavior at an early stage.
- Encourage employees to report potential problems to allow for appropriate internal inquiry and corrective action.
- Minimize any financial loss to government and taxpayers through early detection and reporting, as well as any corresponding financial loss to the provider.

TODAY

- The Affordable Care Act requires all health care providers to implement formal health care compliance programs as a condition of enrollment in Medicare, Medicaid and the Children's Health Insurance Program (CHIP).
- These compliance programs must contain certain core principles established by the Federal Government.
- OIG recommends seven elements from the 2010 U.S. Federal Sentencing Guidelines Manual as the basis for these core elements.

TOMORROW

Hospitals: Beginning October 2012, hospitals face a 1% reduction overall in Medicare payments under the Inpatient Prospective Payment System (IPPS), designed to calculate performance bonuses. By 2015, hospitals showing poor performance may also face additional reductions.

Physicians: Beginning in 2015, the value-based payment modifier applicable to Medicare Fee for Service applies to all groups of 25 or more eligible professionals (including physicians, practitioners and therapists), followed by a complete phase-in by 2017.

2008



Century City
Doctors Hospital,
Los Angeles

2009

AMERICAN RECOVERY AND REINVESTMENT ACT



APRIL 22, 2011 (AN ARTICLE FROM THE NEW YORK TIMES)

“Patients and doctors often complain that appointments are rushed, but the time that doctors spend with each patient — 16 to 20 minutes, on average — has remained largely unchanged for years.

Instead, patients have gotten sicker and treatments more complex. Half of American citizens have a chronic disease like high blood pressure or diabetes, and a quarter have two or more such conditions. . . . For many of their patients, doctors must increasingly rush through a blizzard of questions and tests, leaving little time for the kind of intimate chit-chat for which doctors and patients alike yearn. Some patients must schedule two or three office visits to have all of their medical issues addressed.”

2011



Coast Plaza
Hospital, Norwalk