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INTRODUCTION.

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.
SERVICES

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

- Center for Reconstruction and Wound Healing
- Clinical Laboratory Services
- Comprehensive Senior Care Program
- Food and Nutrition Services
- Geropsychiatric Services
- Heart Care Services
- Rehabilitation Services
- Multi-Specialty Clinic
- Primary Stroke Center
- Rehabilitation Services
- Respiratory Care
- Senior Behavioral Health Services
- Senior Emergency Room
- Social Services
- Subacute Nursing Care Center
- Surgical Services
EXECUTIVE SUMMARY – COMMUNITY BENEFITS

The 2019 Sherman Oaks Hospital (SOH) Community Benefits Report (CBR) provides an annual update to the hospital’s 2019 Community Health Needs Assessment (CHNA); and determines relevance of current health status issues found in the community as of 2019. 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 (Key Indicators) 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 the Community Benefits Report is to address the issues defined as the most important for SOH to address during the Implementation Plan Period (2020, 2021, and 2022).

The primary needs to be addressed from 2020 to 2022 are outlined in following sections, and both the planned interventions, and the actual results are discussed in summary form.

Sherman Oaks Hospital has used the 2016 CHNA results as a basis for its ongoing process of addressing the needs of its service area, and has updated its needs assessment using the 2019 CHNA results. The Primary Service Area that constitutes SOH’s cores 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.
SERVICE AREA
Although it has evolved slightly from the last CHNA report, SOH’s Primary Service Area (PSA) remains concentrated around the hospital’s site, extending mostly east and west from that location. For 2017 (the last full year of available data), the PSA accounted for 50% of all discharges from the hospital. A Secondary Service Area (SSA) accounts for another 20% of discharges. No other zip code accounts for more than one percent of all discharges.

The Primary Service Area is highlighted on the following map. The PSA zip codes include the following:

- 91401 Van Nuys
- 91402 Panorama City
- 91403 Sherman Oaks
- 91405-06 Van Nuys
- 91411-13 Van Nuys
- 91423 Sherman Oaks
- 91604 Studio City
- 91605-06 North Hollywood
- 91607 Valley Village
LADPH’s Key Indicators Report incorporates zip codes located mostly in the San Fernando Valley, and described by the LADPH as the County of Los Angeles’ Service Planning Area 2 (SPA 2). It is shown in the following map of Los Angeles County. SOH’s approximate location is shown in red.
While Sherman Oaks and its surrounding communities are nearly at the center of this area, the community of clients for Sherman Oaks Hospital is a much smaller area. Los Angeles County performed a County Health Survey in 2017 which is similar to the surveys conducted by KeyGroup and its cooperating agencies in 2019. The results of both surveys are incorporated in our discussion along with comments relating the two.

In 2019, Sherman Oaks Hospital contracted KEYGROUP to oversee the process of developing a CHNA directly addressing needs in Sherman Oaks Hospital’s service area. This CHNA was designed to comply with California’s Senate Bill 697 (SB 697) and to meet the requirements under the Patient Protection and Affordable Care Act (ACA). KEYGROUP subcontracted with Valley Care Community Consortium (VCCC) to help conduct the 2017 Community Health Needs Assessment. VCCC has over 15 years of experience in conducting CHNAs in the San Fernando Valley and has significant research expertise that harnesses the collective wisdom of its membership representing multiple institutions and disciplines. To better understand the health needs in the hospital service area, KEYGROUP and VCCC reviewed numerous state and county sources. A local literature review was conducted, and community assets and resources were documented. This analysis process concentrated on the whole of SPA 2, and uses data from various years.

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 2019 CHNA report which can be found on SOH’s website.

**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 2020, 2021, and 2022. This Community Benefit Report summarizes SOH’s progress in meeting the community’s needs as outlined in the previous Implementation Plan from 2017, since the 2019 CHNA report was not completed until the end of 2019, and the 2020-2022 Implementation Plan was not completed until early May 2020. The issues listed below are the ones selected as the ones most appropriate for SOH’s intervention in 25017. The SOH’s Results section of each lists the accomplishments related to each need category. A following section lists the issues from the 2019 CHNA report that were not addressed in the 2017 Implementation Plan, and notes that plans to address those issues are still in process.

1. **Coordination of Care** – Existing payment programs and referral patterns among healthcare providers are highly site-specific, and patients leaving a hospital or other care provider are often also leaving the payment program that covered their care. Any follow-up care is often at the mercy of the entity to which the patient is referred, and often there is little or no coordination regarding care needs and/or regimens to assure maximum recovery. This can result in preventable relapses or complications. Over the previous three years, the federal government has attempted to address these issues in many ways, but a true coordination system has yet to be developed. Individual providers are attempting to work across healthcare provider “silos” to organize care coordination programs, but much work remains to be done. With the advent of Covid-19, many plans to deal with care coordination are being reworked “on the fly” as data on its spread and severity become available.

**SOH’s plan** includes working with stepdown providers, including nursing and rehabilitation hospitals, as well as home health agencies and social service agencies, 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 as they continue their recovery. Additional research will be done to create methodologies for identifying high-utilization clients, and coordinating with social service providers to assist in supporting these clients in their homes so they do not become admissions to the hospital.

**SOH’s Results** – Protocols have been in place to guide transitions of patients to selected nursing and retirement housing communities, as well as programs to allow easier transition to home environments. These are being reviewed regularly, and the current Covid-19 pandemic is resulting in day-to-day updates to many of the concerns resulting from the situation. 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 are conducted within the hospital to assess progress, and monthly meetings are organized to review coordination of care with Skilled Nursing Facilities, Home Health Agencies, and Hospice providers, as well as meetings with Assisted Living communities in the area.

2. Transitions of Care – The actual provision of care is just as fragmented as the payment system that supports it, and 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 their 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. Existing payment programs generally provide no ability to fund follow-up care or patient management programs. Some early systems are being designed to work with the most frequently seen clients to minimize the amount of time they spend in inpatient settings, but funding for such systems is not commonly available, and care providers are developing these systems on their own. The advent of Covid-19 has created opportunities and demand for better tracking and coordination of care, while at the same time creating issues with patient transfers as providers attempt to limit their Covid-19 exposure.

SOH’s Plan included provisions to improve communications between the hospital and step-down providers both before and after transitions, to clarify client needs and necessary treatment protocols upon transfer. These provisions are now in review, to address Covid-19 issues and continue to provide the most appropriate care. As payment programs develop to facilitate such services, the hospital will work with providers to maintain an equitable reimbursement environment for all involved parties.

SOH’s Results – As noted in item 1 above, protocols currently in place are 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 quarantine environments. These are being reviewed as necessary to assess their usefulness in assuring continued recovery from the acute incidents that brought them to the hospital in the first place, and to ensure that virus strains are not transferred along with the patients. Monthly meetings are
organized to review coordination of care with Skilled Nursing Facilities, Home Health Agencies, and Hospice providers.

3. **Payment Issues** – The Affordable Care Act has been successful in increasing the number of California residents who have health insurance in some form, with one-third of the state’s residents now covered by MediCal. Fewer than 12% of the state’s total residents are without insurance, down from over 16% three years ago. One side effect of the push to get people insured is that many of the insurance programs developed have been designed with substantial deductibles. So even though more people have insurance, they still face significant costs if they actually use that insurance. Thus, while the proportion of uninsured and self-pay patients decreased and the number of clients with insurance cards has grown, the amount of bad debt from unpaid deductibles and coinsurance has also increased. As insurance rates rise faster than inflation, employers who provide health insurance have increased their deductibles and copays as well. And while the ACA-conforming policies ostensibly cover a wide range of illnesses, including mental illness, the range of conditions not covered is still large. Finally, the election results and expected review of the ACA under the new administration will create new challenges and opportunities as the legislative and regulatory environment evolves.

**SOH’s Plan** includes provisions to continue assuring that clients who can get insurance coverage are directed to the appropriate sources. In addition, SOH will continue to review planned and newly passed legislation to ensure continuing affordability among clients.

**SOH’s Results** – The insurance qualification process is now deeply rooted in the admission and Emergency Department triage process, to assure that patients who may qualify for various payment programs are enrolled in a timely manner. Changes in reimbursement due to Covid-19 are being tracked and analyzed to assure that patients presenting with virus symptoms are treated appropriately, and billing for those services is directed to the correct payment source.

4. **Mental Health** - According to the primary data collected via key informant interviews, focus groups and surveys, many of the health care providers identified mental health as a major issue in the Sherman Oaks Hospital service area. Discharge records for 2014 from SOH show that the single most common MS-DRG family is Psychoses (the
overall term for mental health issues), accounting for nearly 18% of all discharges for that year. Mental Health was the most commonly cited Health Need by VCCC focus group participants throughout SPA 2, and was also the fourth most-mentioned item, described as “Access to Mental Health Providers”. This condition is often a comorbidity with other physical ailments, and mental issues existing beside actual physical disabilities complicate treatment for the physical manifestations. While mental health conditions are formally considered equivalent to physical ailments for payment purposes, diagnosis and treatment protocols for them are less well-defined, and most insurers tend to encourage outpatient care for all but the most dangerous mental conditions. Additional problems related to mental health include a high incidence of homelessness and substance abuse, which are not amenable to inpatient treatment and are typically not considered reimbursable services by payors. Since hospitals have no control over patients’ mental illness treatment courses after they are discharged, and compliance with treatment regimens is difficult, patients with mental issues in addition to their physical ills are some of the most often re-admitted clients at any hospital. The mental health issues associated with Covid-19 are only beginning to be revealed and analyzed, and treatment modalities are expected to reflect discoveries related to the virus.

**SOH’s Plan** – As a primary care provider of mental health services, particularly in geriatric services, SOH is dedicated to continuing its existing services. 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 hospitals 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, and reflect innovations in care to address Covid-19 issues.

**SOH’s Results** – The specialized 16-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.
5. **Diabetes** – Diabetes was the physical ailment most cited as an issue by the focus groups at SOH, and the second-most common Health Need cited by the VCCC focus group respondents. It is a common underlying condition for many other acute admissions to SOH and other hospitals because it presents so many complications that create crisis situations. While it is not one of the most common admission diagnoses, it is one of the most common complications accompanying the admitting diagnosis. It was among the top ten causes of death cited in the Los Angeles Department of Public Health’s *Strategic Plan*. Adult-onset diabetes is largely a lifestyle disease, commonly associated with obesity and lack of exercise. As with mental illness, treatment for diabetes is typically a long-term process and best conducted on an outpatient basis. But as is the case with mental illness, hospitals have little ability to control compliance with treatment regimens and thus, many diabetics find themselves in and out of hospitals as they fail to manage their condition. Diabetes was the second-most cited issue among respondents in VCCC’s Focus Groups.

**SOH’s Plan** is primarily focused on education, since care for acute diabetes issues is expensive and often delivered after the most effective treatments are available. SOH will continue to participate in health fairs, and coordinate with schools and community groups to educate area residents on the risks that lead to diabetes.

**SOH’s Results** - Examples of health fairs supported with diabetes education materials include the Encino Family Festival, Sherman Oaks Street Fair, and several farmers’ markets. It should be noted that SOH sponsors a farmers’ market on weekly basis, in the hospital’s parking lot. Diabetes management classes are also offered at the hospital.

6. **Heart Disease** - Cardiovascular disease includes congestive heart failure, heart attack, coronary heart disease/coronary artery disease and stroke. Coronary issues are among the most frequently reported reasons for SOH hospital admissions, and these conditions are similar among other SPA 2 hospitals. Coronary Heart Disease and Stroke are the Number 1 and Number 2 causes of death in the *Strategic Plan*, and together they represent over half of all deaths due to the top ten causes of death in the county.

**SOH’s Plan** includes education regarding stroke and cardiac risks, along with maintaining state-of-the-art services for cardiac emergencies seen at the hospital. The hospital’s Acute Rehabilitation Unit is a center for rehabilitation and recovery from cardiac events. Epic Cardiology Medical Group is coordinating with both SOH
and Sherman Oaks hospital to provide state of the art care for patients, and expand the range of services available at the hospital.

**SOH’s Results** – The education programs provided by the hospital are ongoing, and growth in expertise among staff in the Acute Rehabilitation Unit is allowing the hospital to expand its range of services to those recovering from cardiac events. Epic Cardiology’s clinical expertise is being utilized to monitor and fine-tune the services provided at the hospital.

7. **Lack of Knowledge about Health Services** - Knowledge of healthcare needs are both commonly held and highly specialized. Nearly everyone knows that he/she should exercise, eat in moderation, and not engage in risky activities. Beyond those basics, knowledge of specific behaviors and regimens to maintain good health is less common, and for people with specific health issues, the appropriate actions may not be intuitive. Added to this limited knowledge base is the fact that accessing experts (i.e., physicians, dieticians, etc.) can be costly for those not highly insured. Data is available on websites and various disease-related organizations work to inform the public about their specific illnesses, but many area residents may not know where to find needed information, or may not feel they can afford to see the appropriate professional. During the primary data collection process, health care professionals and service providers shared that there is a lack of knowledge regarding the existing health care services among their constituents. This lack of knowledge regarding low cost health care services makes it difficult for their clients to access the care they need.

**SOH’s Plan** focuses on educational programs that target area residents who are not current clients of the hospital, delivered at health fairs, schools, retirement communities and other locations where people are interested in learning about health options. Additionally, the hospital staff maintains a database of insurance opportunities that can be used to cover uninsured clients, and works with eligible clients to get them into appropriate programs. This is an ongoing process as insurance options change often, and many more changes are possible over the next few years. As was noted earlier, changes to services and payment systems are being made as Covid-19 responses change available options, and the hospital will continue to monitor and address changes as they occur.

**SOH’s Results** – the programs listed above have been provided, along with procedures to assure patients insurance coverage where available. Education programs have included:
• A Doctors Day Fair
• Hospital Week
• Coalition Meetings with Assisted Living Facilities, Skilled Nursing Facilities, Home Health Agencies, and Hospice providers.
• Dinner Programs with staff physicians to update area providers regarding specialized services.
• 30-minute video programs covering the Wound Center, the Cardiac Cath Lab, and general information about SOH.
• Self Defense Courses for community members
• Fire Safety Seminars
• Local education programs in the hospital and in the immediate community, focusing on Covid-19 prevention and management of the pandemic.

Two new issues were developed in the 2019 CHNA process which differ from the ones listed in the 2016 CHNA. These issues are discussed below and will be addressed going forward, although the planning process is ongoing, and subject to change as conditions related to Covid-19 impact these matters.

8. **Homeless Issues** – The problem of homeless populations in SOH’s service area is larger than the hospital can resolve on its own, but as a point of initial contact with many homeless people, SOH can serve as a referral and coordination resource to assist homeless service agencies in providing solutions to those who need them. Recent propositions have passed providing new funding for homeless programs, and opportunities to assist in the development of new options and services may present new options for SOH participation.

**SOH’s Plan** will focus on City and County innovations to assist currently homeless residents of the PSA to find housing and supportive services to facilitate their re-entry into mainstream housing, employment, and mental health status. These programs are still in development, and the ultimate availability of housing options beyond the known Covid-19 interim solutions as of this report date will influence SOH’s ability to participate in referral
and treatment programs. Until more concrete programs are defined, and participation regulations clarified, SOH will continue to monitor plans and refer homeless patients treated at the hospital to existing service providers as appropriate.

9. **Chronic Care Management** – Many of the ills that are common in the area’s population, such as diabetes, obesity, high blood pressure, and cardiac disease are lifestyle- and chronic-disease related, so although they typically present at the hospital in acute status, they are controllable in outpatient settings once the patient is stabilized. Many healthcare organizations are starting to address these Social Determinants of Health (SDOH), realizing that managing the conditions that create these health problems can be done in home-based settings. The hospital has a vested interest in assisting other providers to manage their clients, to minimize the number of re-admissions and complications that compromise patient health.

**SOH’s Plan** includes improved communication with community services organizations dealing with the SDOH issues identified as medical precursors. In addition, as services become available to assist former patients to transition back to their home, and assess those environments for potential hazards and lifestyle issues, the hospital will work with these organizations and the payors that cover patients’ hospitalization costs to coordinate services that will minimize the potential for rehospitalization, and contribute to higher levels of resident health.

Sherman Oaks Hospital’s commitment to the improvement of health in its community is ongoing, and SOH will continue to expand its services and involvement in community health improvement programs.
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 on site and in the community. Schedule H of the hospital's IRS Form 990 for 2018 (the most recent year available) is presented below, showing expenditures of over $29 million.

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<th>Part I - Financial Assistance &amp; Means Tested Government Programs</th>
<th>(a) Number of activities or programs - optional</th>
<th>(b) Persons served - optional</th>
<th>(c) Total Community Benefit Expense</th>
<th>(d) Direct Offsetting Revenue</th>
<th>(e) Net Community Benefit Expense</th>
<th>(f) Percent of Total Expense</th>
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ACKNOWLEDGMENTS

This 2019 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:

- Valley Community Care Consortium, including the Community Commons website. The Service Planning Area 2 of Los Angeles County data was generated by VCCC from the Community Commons platform website.
- The Los Angeles County Department of Public Health’s Strategic Plan 2013-2017
- The UDS Mapper website
- Speedtrack’s hospital-specific website, with data extracted and provided by Sherman Oaks Hospital
- Stratasan Inpatient Product Lines data was extracted and provided by Sherman Oaks Hospital
- American Community Survey section of the U.S. Census website
- Catholic Healthcare West Community Need Index