

**Submission to the California Attorney General
Regarding proposed Asset Purchase Agreement
By and between
Vista Hospital Systems, Inc. and French Hospital Medical Center, Seller
And
Universal Health Services, Buyer**

Filed August 12, 2003

**VOLUME I
Schedules A through R**

SCHEDULE A

**See separate Adobe Acrobat files for the Asset Purchase Agreement
and the Schedules referred to therein**

SCHEDULE B
LETTER OF INTENT



UHS of Delaware, Inc.

Central Region
7000 West William Cannon Drive
Building One, Suite 150

Austin
Texas
78735

(512) 347-3499 (Phone)
(800) 887-2005
(512) 330-9872 (Facsimile)

September 20, 2002

Mr. Jim Braley
Vice President
Cambio Health Solutions, LLC
105 Continental Place
Brentwood, TN 37027

Re: Vista Hospital Systems, Inc. and French Hospital Medical Center

Dear Mr. Braley:

This letter expresses Universal Health Services, Inc.'s ("UHS") interest in purchasing substantially all of the assets of Vista Hospital Systems, Inc. and French Hospital Medical Center (Hospitals) and related entities, from the owners of the Hospitals ("Seller") as more particularly described below, and upon terms and conditions set forth in the enclosed materials.

1. Assets to be Purchased.

A. We understand that the assets consist of Corona Regional Medical Center, located in Corona, California; Arroyo Grande Community Hospital, located in Arroyo Grande, California; and French Hospital Medical Center, located in San Luis Obispo, California and other related entities. We propose to purchase all of the assets (with the exception of Cash and Cash Equivalents, Assets is Limited As to use, and Other Assets including Deferred Financing Costs, Deposits and Goodwill and those assets which UHS, in its sole discretion, determines not to purchase (the "Excepted Assets")) (the "Assets").

B. Both UHS and the Seller will use their respective best efforts to structure the transaction to comply with all the federal and state laws and regulations and to assist each party to minimize federal and state tax liabilities.

2. Consideration. Based upon audited financial statements for 12-months ended December 31, 2001 and unaudited financial statements for 5-months ended May 31, 2002 and assuming no material adverse change from these financial statements, UHS will pay an aggregate of \$140.6 million in cash, for all the Assets at Closing. The Seller will use up to \$25.6 million of the

purchase price to retire Accounts Payable and Accrued Expenses for which it is legally liable. Assets to be purchased include without limitation, all current assets (other than Excepted Assets, if any), real property and improvements, tangible and intangible personal property and going concern value of the Assets. All Assets of the Seller will be free and clear of all liens and encumbrances except easements, rights of way, servitudes, restrictions and any other matter which does not materially impact the use or value of the assets. The current assets computed in accordance with generally accepted accounting principles and prepared on a basis consistent with the balance sheet of May 31, 2002 (excluding items not assumed by UHS) transferred at the Closing Date shall not be less than reflected on the May 31, 2002 balance sheet with any shortfall to be paid in cash to UHS and any excess to be paid to the Seller. UHS will not assume any liabilities, whatsoever, including without limitation, Accounts Payable, Accrued Expenses, Current Installments on Long-Term Debt, Current Capital Lease Obligations Accrued Interest, Accrued Interest Payable, Other Accrued Liabilities, Due to Third Party Payors, Long-term debt, including Certificates of Participation, Capital leases, Malpractice Insurance, Notes Payable and Deferred Revenue or any environmental liabilities of the Seller or any claims arising out of any act or omission of the Seller prior to the Closing Date including, without limitation, any malpractice or worker's compensation liabilities or any other liabilities not specifically assumed.

3. Non-Competition. The Seller would deliver to UHS a binding agreement that Seller will not build, invest in, assist in the development of, or have any management role in another healthcare facility within fifty miles of each Hospital for five years after closing of the Definitive agreement without the written consent of UHS.

4. Books and Records. Prior to closing, the Seller will allow UHS during normal business hours, upon reasonable notice, to review books, records and other information as UHS may reasonably request and shall have access to the employees and medical staff of the Seller. If requested by UHS, the Seller will cooperate and cause their independent accountants to cooperate in the preparation of an audit of the Seller's financial statements and with filing such financial statements with UHS's filings with the Securities and Exchange Commission if requested by UHS.

5. Medicare Recapture. UHS and Seller will make every effort to minimize Medicare Recapture liability.

6. Conditions. The terms set forth in this letter are based upon and subject to our completion of due diligence to the reasonable satisfaction of UHS prior to signing the Definitive Agreement. In addition to the foregoing, this proposal is conditioned upon the following:

A. The Seller shall have conducted their business in the ordinary course since May 31, 2002, and no material adverse changes in the operations, condition of the real or personal property or financial condition or prospects of the Seller between May 31, 2002 and the date of closing shall have occurred;

B. Approval by all necessary federal, state and city regulatory agencies, including without limitation the U.S. Department of Justice, the Federal Trade Commission and the state agencies responsible for Seller licensing and the sale of the Asset without imposition of material burdensome conditions on UHS;

C. Receipt of reasonable satisfactory environmental surveys and reports relating to the real property of the Seller;

D. The preparation of, and agreement to, Definitive Agreements for this transaction which would include customary warranties and representations (including without limitation those relating to the condition, financial and otherwise, of the Seller and the Assets and representations regarding the level and methodology and formulae of third party reimbursement arrangements), covenants and conditions and indemnities all of which will survive the Closing, as well as other terms documenting the agreement between UHS and the Seller.

E. Approval by the Seller's Board of Directors.

F. Approval by the UHS Board of Directors.

There will be no financing contingency.

7. Exclusivity. Inasmuch as we will expend substantial effort and expense in connection with this matter, if this proposal is acceptable to you, you will not solicit, negotiate or provide information concerning the sale or other disposition of all or any part of the Assets to any third party until the earlier of sixty days after the date of your acceptance of this Letter or until UHS advises you that it does not wish to proceed with this transaction.

8. Confidentiality.

A. All proprietary and confidential information furnished by one party to the other before and after the date of this letter agreement shall, unless otherwise required by law, be held by the receiving party in confidence and disclosed only to its directors, officers, employees, counsel, and accountants involved in the proposed transaction. In the event that the transaction discussed in this letter is not completed, each party shall promptly return all documents and other written information received from the other party. Without the written consent of the Seller, UHS shall not discuss any aspect of the proposed transaction with any person affiliated with the Seller, including any physician, board member, employee, community leader, officer, or public official, until consummation of the transaction.

B. The proposed financial terms, the terms and conditions of our proposal and our identity are not to be disclosed to anyone, including any other prospective purchaser, other than the Seller, and their respective advisors, or as required by law or regulatory authorities.

9. Guaranty. UHS will purchase the Assets through one or more subsidiaries. All obligations of any such subsidiary would be guaranteed by UHS regardless of which UHS subsidiary is involved in the Definitive Agreement.

10. Assignment. UHS shall have the right in its sole discretion to assign its rights to purchase Arroyo Grande Community Hospital and French Hospital Medical Center to one or more parties. Seller shall cooperate in such assignment and with such other parties to the same extent it cooperates with UHS pursuant to Paragraph 4 hereof.

11. Expenses. UHS and the Seller shall each bear their respective legal accounting and other expenses in connection with the transaction contemplated hereby whether or not the transaction is consummated. Notwithstanding the foregoing, the Seller shall be responsible for all closing costs, including without limitation title costs, title insurance, recording fees and transfer and other taxes arising from the transactions contemplated hereby.

This letter expresses our interest in proceeding with our work on this transaction toward an execution of a Definitive Agreement on the terms set forth herein but this is not an offer capable of acceptance and, except as set forth in paragraphs 7, 8 and 11 hereof, no binding agreement shall exist between the parties until the execution of a Definitive Agreement as set forth in paragraph 6D hereof.

We are prepared to devote substantial efforts to complete the transaction. Upon the execution of this letter by the Seller, UHS would proceed with due diligence activities and simultaneously commence negotiation of a Definitive Agreement. In the absence of any unforeseen regulatory or other external delays, UHS would be prepared to execute a Definitive Agreement within sixty days.

I look forward to hearing from you.

Very truly yours,

Richard C. Wright
Vice President - Development

Vista Hospital Systems, Inc. and French Hospital Medical Center
September 20, 2002
Page 5

AGREED TO AND ACCEPTED:

UHS
November 20, 2002

UHS of Delaware, Inc.

7000 West Williams Cannon Drive
Building One, Suite 150

Austin
Texas
78705

512.330.9659
Fax: 512.330.8848

Via: Fax

Mr. Jim Braley
Vice President
Cambio Health Solutions, LLC
105 Continental Place
Brentwood, Tennessee 37027

Re: Vista Hospital Systems, Inc., and French Hospital Medical Center

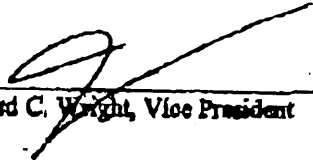
Dear Mr. Braley:

Reference is made to that Letter of Intent dated September 20, 2002 by and among Universal Health Services, Inc., Vista Hospital Systems, Inc. and French Hospital Medical Center. This will confirm that you have agreed to extend the due diligence period specified in paragraph 4 and the penultimate paragraph of the Letter of Intent and the exclusivity period contained in paragraph 7 to the Letter of Intent until December 27, 2002. All other provisions of the Letter of Intent shall remain in full force and effect.

Please indicate your agreement to the foregoing by signing and returning the enclosed copy with this letter.

Sincerely,

UNIVERSAL HEALTH SERVICES, INC.


Richard C. Wright, Vice President

ACCEPTED AND AGREED:

VISTA HOSPITAL SYSTEMS, INC.

By: 

FRENCH HOSPITAL MEDICAL CENTER

By: 

CHAIRMAN AND CEO VISTA + FRENCH

A Subsidiary of Universal Health Services, Inc.



UHS of Delaware, Inc.

7000 West William Cannon Drive
Building One, Suite 150

Austin
Texas
78735

512.330.0858
Fax: 512.330.9648

December 24, 2002

Mr. Jim Braley
Vice President
Cambio Health Solutions, LLC
105 Continental Place
Brentwood, TN 37027

Re: Vista Hospital Systems, Inc. and French Hospital Medical Center

Dear Mr. Braley:

This letter expresses Universal Health Services, Inc.'s ("UHS") interest in purchasing substantially all of the assets of Vista Hospital Systems, Inc. and French Hospital Medical Center ("Hospitals") and related entities, from the owners of the Hospitals ("Seller") as more particularly described below, and upon terms and conditions set forth in the materials enclosed with our original letter. Other than with respect to such enclosed materials, this letter supersedes our letter of September 20, 2002 and November 20, 2002 in their entirety. We understand that the proposal would be submitted to the United States Bankruptcy Court as part of a "Pre-negotiated Sale." The transaction would be contingent upon, among other things, receipt of all necessary Bankruptcy Court and regulatory approvals.

It is the intention of the parties that the Assets (as defined herein) shall be sold by the Seller to UHS pursuant to a transaction that will be consummated under 11 U.S.C. Sections 363 and 365 of the United States Bankruptcy Code of 1978, as amended, and that the Assets shall be sold to UHS pursuant to a single asset purchase agreement. It is the agreement of the parties that the Sellers shall file a motion for the sale of the Assets with their petitions in bankruptcy and with all other customary first day applications and orders, and seek therein approval of bidding procedures and the setting of the most expeditious date for a sale hearing based upon the present financial exigencies of the Hospitals and the extensive pre-petition efforts to market the Assets. It is further agreed that the Bidding Procedures to be proposed to the Court shall include the requirement that any other qualified bidders bid for all three Hospitals as a single unit and against the executed Definitive Agreement (as defined herein) with respect to all terms other than price.

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A Subsidiary of Universal Health Services, Inc.

1. Assets to be Purchased.

A. We understand that the assets consist of Corona Regional Medical Center, located in Corona, California; Arroyo Grande Community Hospital, located in Arroyo Grande, California; and French Hospital Medical Center, located in San Luis Obispo, California and other related entities. We propose to purchase all of the assets (with the exception Cash and Cash Equivalents, Assets Limited As to Use, and Other Assets including Deferred Financing Costs, Deposits and Goodwill and those assets which UHS, in its sole discretion, determines not to purchase (the "Excepted Assets")) (the "Assets").

B. Both UHS and the Seller will use their respective best efforts to structure the transaction to comply with all the federal and state laws and regulations and to assist each party to minimize federal and state tax liabilities.

2. Consideration. Based upon audited financial statements for 12 months ended December 31, 2001 and unaudited financial statements for 5 months ended May 31, 2002 and assuming no material adverse change from these financial statements, UHS will pay an aggregate of \$120.6 million in cash, for all the Assets at Closing. The Seller will use up to \$25.6 million of the purchase price to pay liabilities for which the Seller is legally obligated including but not limited to accounts payable and accrued expenses. Assets to be purchased include without limitation, all current assets (other than Excepted Assets, if any), real property and improvements, tangible and intangible personal property and going concern value of the Assets. All Assets of the Seller will be free and clear of all liens and encumbrances except easements, rights of way, servitudes, restrictions and any other matter which does not materially impact the use or value of the assets. The current assets computed in accordance with generally accepted accounting principles and prepared on a basis consistent with the balance sheet of May 31, 2002 (excluding items not assumed by UHS) transferred at the Closing Date shall not be less than reflected on the May 31, 2002 balance sheet with any shortfall to be paid in cash to UHS and any excess to be paid to the Seller. UHS will not assume any liabilities, whatsoever, including without limitation, Accounts Payable, Accrued Expenses, Current Installments on Long-Term Debt, Current Capital Lease Obligations Accrued Interest, Accrued Interest Payable, Other Accrued Liabilities Due to Third Party Payors, Long-term debt, including Certificates of Participation, Capital Leases, Malpractice Insurance, Notes Payable and Deferred Revenue or any environmental liabilities of the Seller or any claims arising out of any act or omission of the Seller prior to the Closing Date including, without limitation, any malpractice or worker's compensation liabilities or any other liabilities not specifically assumed. Vista and French will obtain tail insurance for malpractice liability at their own expense. Notwithstanding the foregoing, UHS will agree to assume outstanding capital lease obligations provided any amount outstanding at Closing will be credited against the Purchase Price. In addition, UHS shall assume the employee long term leave bank of Seller and be credited with thirty percent (30%) of the amount accrued at Closing against the Purchase Price. UHS shall receive an additional credit against the Purchase Price for the amount of the sale proceeds from the sale of the Hospice. Seller agrees to spend at least \$4 million in

A Subsidiary of Universal Health Services, Inc.

cash for capital expenditures during the period from the date hereof to date of closing, and UHS should receive a credit against the Purchase Price to the extent that less than \$4 million is expended.

3. Non-Competition. The Seller would deliver to UHS a binding agreement that Seller will not build, invest in, assist in the development of, or have any management role in another healthcare facility within fifty miles of each Hospital for five years after closing of the Definitive Agreement without the written consent of UHS.
4. Books and Records. Prior to closing, the Seller will allow UHS during normal business hours, upon reasonable notice, to review books, records and other information as UHS may reasonably request and shall have access to the employees and medical staff of the Seller. If requested by UHS, the Seller will cooperate and cause their independent accountants to cooperate in the preparation of an audit of the Seller's financial statements and with filing such financial statements with UHS' filings with the Securities and Exchange Commission if requested by UHS.
5. Medicare Recapture. UHS and Seller will make every effort to minimize Medicare Recapture liability.
6. Conditions. The terms set forth in this letter are based upon and subject to our completion of due diligence to the reasonable satisfaction of UHS prior to signing the Definitive Agreement. In addition to the foregoing, this proposal is conditioned upon the following:
 - A. The Seller shall have conducted their business in the ordinary course since May 31, 2002, and no material adverse changes in the operations, condition of the real or personal property or financial condition or prospects of the Seller between May 31, 2002 and the date of closing shall have occurred;
 - B. Approval by all necessary federal, state and city regulatory agencies, including without limitation the U.S. Department of Justice, the Federal Trade Commission and the state agencies responsible for Seller licensing and the sale of the Asset without imposition of material burdensome conditions on UHS;
 - C. Receipt of reasonable satisfactory environmental surveys and reports relating to the real property of the Seller;
 - D. The preparation of, and agreement to, Definitive Agreements for this transaction which would include customary warranties and representations (including without limitation those relating to the condition, financial and otherwise, of the Seller and the Assets and representations regarding the level and methodology and formulae of third party reimbursement arrangements), covenants and conditions, as well as other terms documenting the agreement between UHS and the Seller.

A Subsidiary of Universal Health Services, Inc.

- E. Approval by the Seller's Board of Directors.
- F. Approval by the UHS Board of Directors.

There will be no financing contingency.

7. Exclusivity. Inasmuch as we will expend substantial effort and expense in connection with this matter, if this proposal is acceptable to you, you will not solicit, negotiate or provide information concerning the sale or other disposition or financing of all or any part of the Assets to any third party or engage in any refinancing activity with respect to the Assets (other than with respect to financing for a possible bid to purchase French Hospital Medical Center and Arroyo Grande Community Hospital from UHS or for exit financing as part of a plan of reorganization) until the earlier of February 1, 2003, or until UHS advises you that it does not wish to proceed with this transaction.

8. Confidentiality.

A. All proprietary and confidential information furnished by one party to the other before and after the date of this letter agreement shall, unless otherwise required by law, be held by the receiving party in confidence and disclosed only to its directors, officers, employees, counsel, and accountants involved in the proposed transaction. In the event that the transaction discussed in this letter is not completed, each party shall promptly return all documents and other written information received from the other party. Without the written consent of the Seller, UHS shall not discuss any aspect of the proposed transaction with any person affiliated with the Seller, including any physician, board member, employee, community leader, officer, or public official, until consummation of the transaction.

B. The proposed financial terms, the terms and conditions of our proposal and our identity are not to be disclosed to anyone, including any other prospective purchaser, other than the Seller and the Seller's Bondholder's, and their respective advisors (acting in their capacity as Seller), or as required by law or regulatory authorities.

9. Guaranty. UHS will purchase the Assets through one or more subsidiaries. All obligations of any such subsidiary would be guaranteed by UHS regardless of which UHS subsidiary is involved in the Definitive Agreement.

10. Assignment. UHS shall have the right in its sole discretion to assign its rights to purchase Arroyo Grande Community Hospital and French Hospital Medical Center to one or more parties. Seller shall cooperate in such assignment and with such other parties to the same extent it cooperates with UHS pursuant to paragraph 4 hereof.

11. Expenses. UHS and the Seller shall each bear their respective legal accounting and other expenses in connection with the transaction contemplated hereby whether or not the transaction

A Subsidiary of Universal Health Services, Inc.

Vista Hospital Systems, Inc. and French Hospital Medical Center
December 24, 2002
Page 5

is consummated. Notwithstanding the foregoing, the Seller shall be responsible for all closing costs, including without limitation title costs, title insurance, recording fees and transfer and other taxes arising from the transactions contemplated hereby.

This letter expresses our interest in proceeding with our work on this transaction toward an execution of a Definitive Agreement on the terms set forth herein but this is not an offer capable of acceptance and, except as set forth in paragraphs 7, 8 and 11 hereof, no binding agreement shall exist between the parties until the execution of a Definitive Agreement as set forth in paragraph 6D hereof.

We are prepared to devote substantial efforts to complete the transaction. Upon the execution of this letter by the Seller, UHS would proceed with due diligence activities and simultaneously commence negotiation of a Definitive Agreement. In the absence of any unforeseen regulatory or other external delays, UHS would be prepared to execute a Definitive Agreement by January 31, 2003.

I look forward to hearing from you.

Very truly yours,

UNIVERSAL HEALTH SERVICES, INC.

ACCEPTED AND AGREED:

A Subsidiary of Universal Health Services, Inc.

30386964.2

TOTAL P. 06

Vista Hospital Systems, Inc. and French Hospital Medical Center

January 21, 2003

Mr. Jim Braley
Vice President
Cambio Health Solutions, LLC
105 Continental Place
Brentwood, TN 37027

Re: Vista Hospital Systems, Inc. and French Hospital Medical Center

Dear Mr. Braley:

Reference is made to the letter agreement by and among Vista Hospital Systems, Inc., French Hospital Medical Center and Universal Health Services, Inc., dated December 24, 2002 (the "Letter Agreement"). In connection with the proposed transaction set forth in the Letter Agreement, it is the intention of the parties that the Seller will file a "Pre-packaged Plan" in bankruptcy (rather than a "Pre-negotiated Sale") pursuant to which UHS will purchase all of the Hospitals or, in the alternative, UHS will purchase the Corona Regional Medical Center and Seller will retain the Arroyo Grande Community Hospital and the French Hospital Medical Center with appropriate adjustments to the consideration payable.

The Letter Agreement is hereby further amended to extend the Exclusivity period contained in Paragraph 7 of the Letter Agreement through February 15, 2003 and the date by which UHS would be prepared to execute a Definitive Agreement to February 15, 2003. Capitalized terms used herein and not otherwise defined have the meanings ascribed to such terms in the Letter Agreement. Except as specifically amended hereunder, all terms and conditions of the Letter Agreement shall remain in full force and effect.

If you are in agreement with the foregoing, please sign as indicated in the space provided below and return it to the undersigned.

Very truly yours,

UNIVERSAL HEALTH SERVICES, INC.

By: _____
Richard C. Wright
Vice President

Vista Hospital Systems, Inc. and French Hospital Medical Center
January 21, 2003
Page 2

ACCEPTED AND AGREED:



UHS of Delaware, Inc.

7000 West William Cannon Drive
Building One, Suite 150

Austin
Texas
78735

512.330.9658
Fax: 512.330.9648

March 3, 2003

Mr. Jim Braley
Vice President
Cambio Health Solutions, LLC
105 Continental Place
Brentwood, TN 37027

Re: Vista Hospital Systems, Inc. and French Hospital Medical Center

Dear Mr. Braley:

Reference is made to this letter agreement by and among Vista Hospital Systems, Inc., French Hospital Medical Center and Universal Health Services, Inc. (collectively, the "Parties"), dated December 24, 2002, as amended by that certain letter agreement by and among the Parties, dated as of January 21, 2002 and February 7, 2003 (as amended, the "Letter Agreement"). Capitalized terms used herein and not otherwise defined have the meanings ascribed to such terms in the Letter Agreement.

The Letter Agreement is hereby further amended to extend the Exclusivity period referred to in Paragraph 7 thereof through March 14, 2003 and the date by which UHS would be prepared to execute a Definitive Agreement to March 14, 2003. Except as specifically amended hereunder, all terms and conditions of the Letter Agreement shall remain in full force and effect.

If you are in agreement with the foregoing, please sign as indicated in the space provided below and return it to the undersigned.

Sincerely,

Agreed and Accepted:



UHS of Delaware, Inc.

7000 West William Cannon Drive
Building One, Suite 150

Austin
Texas
78735

512.530.0858
Fax: 512.330.9848

March 7, 2003

Mr. Jim Braley
Vice President
Cambio Health Solutions, LLC
105 Continental Place
Brentwood, TN 37027

Re: Vista Hospital Systems, Inc. and French Hospital Medical Center

Dear Mr. Braley:

Reference is made to this letter agreement by and among Vista Hospital Systems, Inc., French Hospital Medical Center and Universal Health Services, Inc. (collectively, the "Parties"), dated December 24, 2002, as amended by that certain letter agreement by and among the Parties, dated as of January 21, 2002, February 7, 2003, and March 3, 2003 (as amended, the "Letter Agreement"). Capitalized terms used herein and not otherwise defined have the meanings ascribed to such terms in the Letter Agreement.

The Letter Agreement is hereby further amended to extend the Exclusivity period referred to in Paragraph 7 thereof through March 31, 2003 and the date by which UHS would be prepared to execute a Definitive Agreement on March 31, 2003. Except as specifically amended hereunder, all terms and conditions of the Letter Agreement shall remain in full force and effect.

If you are in agreement with the foregoing, please sign as indicated in the space provided below and return it to the undersigned.

Sincerely,

Agreed and Accepted:



UHS of Delaware, Inc.

7000 West William Cannon Drive
Building One, Suite 150

Austin
Texas
78735

512.330.0058
Fax: 512.330.0044

March 25, 2003

Mr. Jim Braley
Vice President
Cambio Health Solutions, LLC
105 Continental Place
Brentwood, TN 37027

Re: Vista Hospital Systems, Inc. and French Hospital Medical Center

Dear Mr. Braley:

Reference is made to this letter agreement by and among Vista Hospital Systems, Inc., French Hospital Medical Center and Universal Health Services, Inc. (collectively, the "Parties"), dated December 24, 2002, as amended by that certain letter agreement by and among the Parties, dated as of January 21, 2003, February 7, 2003, March 3, 2003 and March 7, 2003 (as amended, the "Letter Agreement"). Capitalized terms used herein and not otherwise defined have the meanings ascribed to such terms in the Letter Agreement.

The Letter Agreement is hereby further amended to extend the Exclusivity period referred to in Paragraph 7 thereof through May 1, 2003 and the date by which UHS would be prepared to execute a Definitive Agreement to May 1, 2003. Except as specifically amended hereunder, all terms and conditions of the Letter Agreement shall remain in full force and effect.

If you are in agreement with the foregoing, please sign as indicated in the space provided below and return it to the undersigned.

Sincerely,

Agreed and Accepted:



UHS of Delaware, Inc.

7000 West William Cannon Drive
Building One, Suite 150

Austin
Texas
78735

512.330.9858
Fax: 512.330.9848

February 7, 2003

Mr. Jim Braley
Vice President
Cambio Health Solutions, LLC
105 Continental Place
Brentwood, TN 37027

Re: Vista Hospital Systems, Inc. and French Hospital Medical Center

Dear Mr. Braley:

Reference is made to the letter agreement by and among Vista Hospital Systems, Inc., French Hospital Medical Center and Universal Health Services, Inc. (collectively, the "Parties"), dated December 24, 2002, as amended by that certain letter agreement by and among the Parties, dated as of January 21, 2002 (as amended, the "Letter Agreement"). Capitalized terms used herein and not otherwise defined have the meanings ascribed to such terms in the Letter Agreement.

The Letter Agreement is hereby further amended to extend the Exclusivity period referred to in Paragraph 7 thereof through March 3, 2003 and the date by which UHS would be prepared to execute a Definitive Agreement to March 3, 2003. Except as specifically amended hereunder, all terms and conditions of the Letter Agreement shall remain in full force and effect.

If you are in agreement with the foregoing, please sign as indicated in the space provided below and return it to the undersigned.

Very truly yours,

UNIVERSAL HEALTH SERVICES, INC.

Vista Hospital Systems, Inc. and French Hospital Medical Center
February 6, 2003
Page 2

ACCEPTED AND AGREED:

SCHEDULE C

BILL OF SALE AND ASSIGNMENT AND ASSUMPTION OF OBLIGATIONS

**BILL OF SALE
AND
ASSIGNMENT AND ASSUMPTION OF OBLIGATIONS**

THIS BILL OF SALE AND ASSIGNMENT AND ASSUMPTION OF OBLIGATIONS (“Assignment”) is entered into as of _____, 2003 by and between UHS-Corona, Inc., a Delaware corporation (“Assignee”), and VISTA HOSPITAL SYSTEMS, INC., a California nonprofit public benefit corporation (“Vista”) and FRENCH HOSPITAL MEDICAL CENTER, a California nonprofit public benefit corporation (“French”) (Vista and French are together referred to as “Assignor”), in accordance with that certain Asset Purchase Agreement dated as of _____, by and between Assignee and UNIVERSAL HEALTH SERVICES, INC., a Delaware corporation, the parent corporation of Assignee (“Universal”), on the one hand, and Assignor, on the other hand (“Agreement”). All capitalized terms used and not otherwise defined in this Assignment shall have the meanings given them in the Agreement.

NOW THEREFORE, the parties agree as follows:

1. For good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and except as set forth and expressly excluded in this Section 1 and in Sections 4 and 5 of this Assignment, Assignor hereby sells, transfers, conveys, assigns, contributes and delivers to Assignee all of Assignor’s right, title and interest in and to all of the businesses, properties and assets of Assignor, of every kind and nature, whether tangible or intangible and wherever located, which directly or indirectly are related to, used in, necessary for or contribute to the operation of that certain fully licensed and operational: (a) 228 bed general acute-care hospital which is commonly known as Corona Regional Medical Center, (b) 65 bed general acute-care hospital which is commonly known as Arroyo Grande Community Hospital, and (c) 112 bed general acute-care hospital which is commonly known as French Hospital Medical Center (the “Hospitals”) and the medical office buildings and any other activity or business related thereto (“Transferred Assets”), including, without limiting the generality of the foregoing, the following.

a. All equipment and other tangible personal property, other than items of tangible personal property that are consumed, disposed of or held for sale or inventoried in the ordinary course of business.

b. All inventories of office, janitorial, maintenance, shop and other supplies, drugs, food and other disposables which are existing as of the date hereof which: (i) are not obsolete; (ii) for drugs and other supplies intended for patient consumption, have expiration dates more than 30 days after the date hereof; (iii) for perishable food, are fresh and (iv) are not otherwise designated by Assignee in writing as excluded as provided in Paragraph 1.1(d) of the Agreement.

c. Those written contracts, agreements, leases, obligations, commitments, and covenants (“Contracts”) to which Assignor is a party as of the date hereof: (i) that are set forth on Schedules “1.1(b)” and “1.1(e)” of the Agreement; (ii) which constitute routine supply or service contracts pursuant to which Assignor paid or received less than \$15,000 during

Assignor's last two fiscal years or pursuant to which Assignor expects less than \$15,000 to be paid or received during Assignor's current fiscal year, whether or not listed on Schedule "1.1(e)"; or (iii) which were entered into or amended after the date of the Agreement, and of which Assignor gave notice to Universal and Universal did not disapprove pursuant to Paragraph 6.1(d) of the Agreement; provided, however, that the Contracts shall not include any contract which Assignee reasonably determines; (iv) to be in violation of any Law or safe-harbor therein contained; or (v) to contain terms which, in the aggregate, are commercially unreasonable.

d. To the extent lawfully transferable, all accreditations, registrations, licenses, permits, and other governmental consents or authorizations necessary to or intended for the operation of the Hospital Businesses as presently conducted by Assignor.

e. Those advance payments, prepayments, prepaid expenses, deposits and the like, including those items which are located on the Financial Statements as "Other Current Assets", which Universal designated to purchase pursuant to Paragraph 1.1(g) of the Agreement, defined in the Agreement as the Prepaids, in the categories and amounts set forth on the Estimated Closing Statement, subject to final adjustment in the Closing Statement.

f. All of Assignor's right, title and interest in and to any and all business names, marks and logos now or ever used in connection with the Hospital Businesses, and any and all names, marks and logos under which Assignor or any Hospital Business has done business or offered programs, together with all abbreviations and variations thereof, including but not limited to the business names and logos set forth in Schedule "1.1(h)" of the Agreement, and all goodwill associated therewith..

g. All unexpired warranties and covenants not to compete that are transferrable to Assignee received from third parties in connection with any Transferred Asset, including but not limited to such warranties and covenants set forth in any construction agreement, lease agreement, equipment purchase agreement, consulting agreement, agreement for architectural and engineering services or purchase or sale agreement.

h. All of the Hospitals' Records.

i. All claims, choses in action, rights of recovery, rights of set off, rights to refunds and similar rights pertaining to the Transferred Assets.

j. All proprietary materials, documents, information, media, methods and processes, and any and all rights to use the same, including but not limited to all telephone numbers, intangible assets of an intellectual property nature, all proprietary computer software, all clinical and policy and procedure manuals, and all promotional, marketing and recruiting materials.

k. Any and all rights respecting computer and data processing hardware that is proprietary to Assignor or any Affiliate of Assignor, and all computer and data processing hardware that is part of a computer system used by any of the Hospital Businesses, whether or not any of such hardware or the central processing unit for any such computer system is located at the Hospitals.

1. All right, title and interest of Assignor in and to those joint ventures, partnerships, limited liability companies or other Persons (whether such interest is a stock, partnership, membership or other ownership interest or is as a creditor), listed on Schedule "1.1(n)" of the Agreement, together with all of Assignor's right, title and interest in and to such joint venture, partnership or operating agreement or other documents relating thereto also listed on Schedule "1.1(n)" of the Agreement, and in and to all distributions and allocations which Assignor is entitled to receive therefrom as of the date hereof.

m. All other assets, activities and businesses reflected in whole or in part on the Financial Statements.

2. Assignor hereby binds itself and its successors and assigns, unto Assignee and its successors and assigns, to warrant and defend the title to all of the Transferred Assets against every Person lawfully claiming or to claim the Transferred Assets or any part thereof, subject to the limitations on indemnification obligations set forth in Paragraph 15 of the Agreement.

3. Assignor hereby constitutes and appoints Assignee and its permitted successors and assigns as its true and lawful attorney or attorneys, with full power of substitution, to act for Assignor and in its name and stead or otherwise, by and on behalf of and for the benefit of Assignee and its permitted successors and assigns, to demand and receive from time to time any and all of the Transferred Assets, and to give receipts and releases for and in respect of same and any part thereof, and from time to time to institute and prosecute in the name of Assignor or otherwise, but at the expense (subject to any reimbursement or indemnification required under the Agreement) and for the benefit of Assignee and its permitted successors and assigns, any and all proceedings at law, in equity or otherwise which Assignee or its successors or assigns may deem proper in order to collect, assert or enforce any claim, right or title of any kind in and to the Transferred Assets, and to defend or compromise any and all actions, suits or proceedings in respect of any of the Transferred Assets, and to do all such acts and things in relation thereto as Assignee or its successors or assigns shall deem desirable. Assignor hereby declares that the appointment made and the powers hereby granted are coupled with an interest and are and shall be irrevocable by Assignor in any manner or for any reason.

4. The sale, transfer, conveyance and assignment set forth in Section 1 of this Assignment does not include the Retained Assets, as provided in Paragraph 1.2 of the Agreement.

5. Assignee hereby expressly assumes and agrees to pay, perform, observe and discharge as and when due all obligations, liabilities, commitments, requirements and duties ("Obligations") of Assignor under the Assumed Obligations; provided, however, that Assignor acknowledges and agrees that: (1) the Assumed Obligations include, and Assignee hereby assumes, Assignor's Obligations under Contracts only to the extent that such Obligations pertain to or are to be performed during any period commencing on or after the date hereof; and (ii) the Assumed Obligations do not include, and Assignee does not assume, any of the Excluded Liabilities, which Excluded Liabilities are, and from and after the date hereof shall continue to be, the sole responsibility of Assignor.

6. This Assignment is executed and delivered in connection with the Agreement, and anything to the contrary herein notwithstanding, nothing herein shall in any way vary the promises, agreements, representations, and warranties of any of the parties set forth in the Agreement.

7. This Assignment may be executed in one or more counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have executed this Assignment as of the date first written above.

UNIVERSAL HEALTH SERVICES, INC.

By _____
Name: _____
Title: _____

VISTA HOSPITAL SERVICES, INC.

By _____
Name: _____
Title: _____

FRENCH HOSPITAL MEDICAL CENTER

By _____
Name: _____
Title: _____

SCHEDULE D

**REQUEST FOR PROPOSALS
PREPARED BY
CAMBIO HEALTH SOLUTIONS, LLC**

Vista Hospital Systems, Inc.
and
French Hospital Medical Center, Inc.

REQUEST FOR PROPOSALS

AND

PRELIMINARY DUE DILIGENCE INFORMATION

July 1, 2002

CAMBIO
HEALTH SOLUTIONS. LLC

Document Number: _____

Vista Hospital Systems, Inc.

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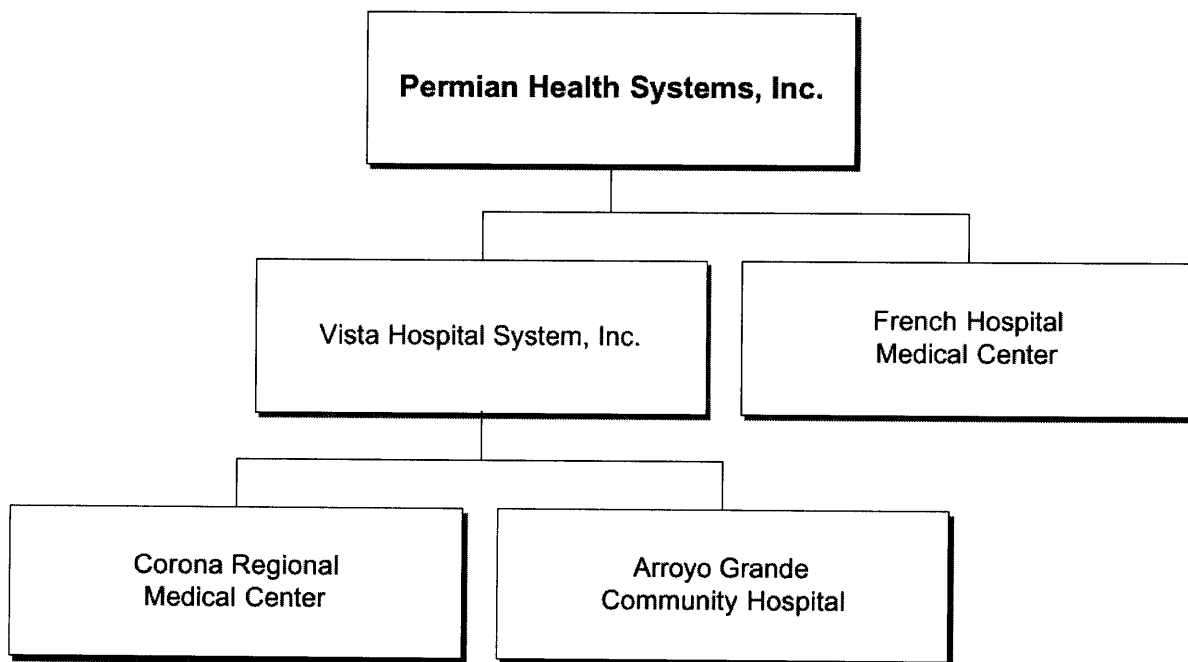
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Request For Proposal

Introduction

Vista Hospital Systems, Inc. (Vista) and French Hospital Medical Center, Inc. (French), together with Vista, the “Corporation” has retained Cambio Health Solutions, LLC (Cambio) to act as the Corporation’s agent in the marketing of the Corporation’s assets consisting of Vista Hospital Systems, Inc., which includes Corona Regional Medical Center (the acute care hospital and the rehabilitation hospital) in Corona, California and Arroyo Grande Community Hospital in Arroyo Grande, California, and French Hospital Medical Center, Inc., which includes French Hospital Medical Center in San Luis Obispo, California. Both corporate entities are under a holding company- Permian. For simplicity sake, all corporations are referred to as Vista. The Corporation has determined that the sale of all of the assets as a package, or each asset individually will be pursued at the same time that the Corporation considers other options.



This Request For Proposal (RFP) is being provided to the recipients pursuant to an executed confidentiality agreement (the terms of which govern the obligations of the Corporation and the recipient with regards to confidentiality). By acceptance of this Confidential RFP and in accordance with the confidentiality agreement, the recipient agrees that it will not distribute this Confidential RFP to others, in whole or in part, at any time without the prior written consent of the Corporation; and that it will keep confidential all information contained herein, or made available in connection with any further investigation. This Confidential RFP is being delivered for informational purposes only and upon the express understanding that it will be used for the purpose set forth above. Upon request, the recipient will return promptly all material received from the Corporation and Cambio (including this Confidential RFP) without retaining any copies thereof. In furnishing this Confidential RFP, the Corporation undertakes no obligation to provide the recipient with access to any additional information or to update any of the information contained herein.

Confidentiality

The Corporation considers the entire contents of this RFP and attachments, including but not limited to the financial statements, to be confidential in accordance with a confidentiality agreement executed by all parties receiving the RFP. The Boards of Vista and French have determined that confidentiality relative to this transaction is of the utmost importance. Therefore, there should be no contact with the medical staffs, employees, patients and the communities served by the hospitals. Nor are any of the above to be made aware of the solicitation process unless approved by Cambio. Due diligence activities consisting of document review will be conducted at a site to be determined by Cambio. Interviews with management and key personnel will be conducted off-site, to the extent possible, unless otherwise agreed and arranged by Cambio. Cambio will coordinate on-site visits. Vista has requested that potential acquirers cause a minimum number of their staff and agents to conduct on-site visits, and when they do, it is expected that such staff and agents dress in a manner that would be consistent with casual visits by families of patients, unless otherwise agreed to by Cambio.

Vista Hospital Systems, Inc.

Purpose and Limitations of Document

The purpose of this RFP is to obtain information about the following:

- a) The structure of a purchase or other transaction (the "Transaction") regarding the "Corporation."
- b) The form, amount and timing of consideration to be paid.
- c) The commitment of Respondent to maintain / add medical services / medical staff.
- d) The experience, financial condition, capability, operating philosophy and approach of each Respondent. Special emphasis should be placed on the respondents' commitment to the communities that the hospitals serve as well as to the employees and medical staffs of the hospitals.

The information being sought pursuant to this RFP is intended to assist the Board in conducting its analysis and consideration of the options available.

This RFP does not constitute an offer to merge or sell the "Corporation," and, except for agreement with respect to confidentiality, nothing contained in this RFP, or proposed in response to it, is intended to constitute a binding obligation of the Board, the "Corporation," or any Respondent. Respondents are advised that the execution of any binding agreement regarding a Transaction with the "Corporation" and the implementation thereof is conditional upon the written approval of Vista and the appropriate regulatory authorities.

This document contains information about the content of, and process necessary for the submission of a complete response to this RFP (a "Proposal") and should be read in its entirety. Respondents are referred to the information concerning Vista included with this RFP. In depth due diligence will be conducted off-site and scheduled only through Cambio.

Vista Hospital Systems, Inc.

The information contained in this RFP has been prepared to assist the Respondents in making their own evaluation of the “Corporation” and does not purport to contain all of the information that the Respondent may desire in order to make such an evaluation. In all cases, **Respondents should conduct their own investigation and analysis of the “Corporation” and the data set forth in this RFP.** Cambio has not independently verified any of the information contained herein. **Neither Cambio nor the “Corporation” makes any representation or warranty, expressed or implied, as to the accuracy or completeness of the information contained in the RFP.** Nor shall either Cambio or the “Corporation” have any liability for any representations, either expressed or implied, contained in this RFP or any other written or oral communications transmitted to the Respondent in the course of its evaluation of the “Corporation.”

Proposal Process

Overview

The Board is seeking Proposals for the sale of all assets as a package, or each asset individually (in the form of a detailed letter of intent or memorandum of understanding) that set forth the basic conditions of the Respondent’s proposed Transaction with the “Corporation.” The purpose of the RFP process is to provide the Board with sufficient information to evaluate all proposals thoroughly and objectively with respect to the specific nature, terms and conditions of the Transaction.

Non-Binding Nature of Proposals

In as much as the Board is not in a position to accept any proposal regarding a Transaction until it has completed its evaluation of all of the available options, Respondents may consider their Proposal to be non-binding. Respondents are advised, however, that the Board is seeking Proposals that it may consider, with a high degree of certainty, to reflect commitments that will remain essentially unchanged absent any future due diligence finding of a fact material to the proposal. Respondents should therefore explicitly identify those aspects of their Proposals that are subject to change and describe the events that would result in adjustment of the material aspects of their Proposals.

Due Diligence

Respondents are asked to perform preliminary due diligence on the “Corporation” in advance of submitting their Proposals. This due diligence is not intended to be all-inclusive or final, and it is assumed that in the event of a formal agreement regarding a transaction with the “Corporation” further due diligence is contemplated. The Board, however, is providing the opportunity for preliminary due diligence, in order to assure that certain matters are identified in advance and reflected in any Proposal.

RFP Process Overview

The Board desires to review RFP proposals during the week of September 16, 2002. Respondents are expected to commit the appropriate level of resources necessary to complete the RFP process in accordance with this schedule.

Schedule

Vista Hospital Systems, Inc. and French Hospital Medical Center Projected Time Line	
Items	Date
Site tours for each Respondent	Scheduled after 7/1/02 No Later Than 8/16/02
Respondent to submit 4 copies of a detailed proposal in the form of a letter of intent	No Later than 8/19/02
Evaluation of Proposals/ Letters of Intent	Completed no later than 9/6/02
Negotiations/ letter(s) of Intent approved by Vista President and Vista Board	Week of 9/16/02
Sign Letter(s) of Intent	End of September
Execute Definitive Agreement (s)	End of November
Closing	Approximately 90-120 days following execution of Definitive Agreement dependent upon Attorney General's approval
At the option of the Board, certain Respondents may be requested to present their proposal in person and respond to questions regarding the Proposed Transaction.	

Any change to the above mentioned timetable deadlines shall be at the sole discretion of the "Corporation."

Contacts during the RFP Process

No contact should be made with the “Corporation” or any Board members (including Board members of the local boards), employees, medical staff or agents without the authorization of Cambio, which will not be unreasonably withheld. All communication or inquiries relating to these materials or to a possible Transaction should be directed to Cambio. It is understood that on-site inspections may be a critical component of the RFP and due diligence process. Any on-site visits will be scheduled and coordinated by Cambio.

Please direct all inquiries to one of the following professionals of Cambio:

For information and document requests:

Jim Braley	Joe Nolan
Vice President	Senior Operations Executive
877 515-5354 x. 2040	877 515-5354 x.2051
Cell 770 262-3601	Fax 615-371-4642
Fax 770 650-9928	
E-Fax 413 280-6640	
Cambio Health Solutions, LLC	
105 Continental Place	
Brentwood, TN 37027	
FAX 615 371-4642	

For RFP and Proposal discussion and clarification:

Jim Braley
Vice President
877 515-5354 x.2040
Cell 770 262-3601
FAX 770 650-9928
E-Fax 413 280-6640

Vista Hospital Systems, Inc.

Due Diligence Materials will be available off site for review. Cambio will assist in coordinating document review.

Requested Content of the Proposal

As part of your Proposal, please provide complete and detailed responses to the following questions:

a) Legal Description of Proposed Transaction

b) Terms

Describe the structure and terms of your proposed Transaction with the “Corporation.” Specifically describe how your proposed plan addresses the following key issues as they relate to the “Corporation” and its financial condition:

Amount of consideration;

Any preconditions to the Respondent’s offer;

Specific assets / liabilities included in the transaction;

Treatment of contingent liabilities and pending litigation;

Employee contracts and pension plan obligations;

Amount and term of any escrow arrangement.

c) Pro-forma Financial Statements Combined with a Credit Profile

Provide a copy of the Respondent’s most recent audited financial statements and credit profile. Describe how the proposed transaction would affect your credit profile, credit ratings, and future ability to access capital. Describe how the proposed transaction would be financed. Respondents must demonstrate an ability to finance any proposed transaction immediately. Indicate a committed minimum level of working capital to the transaction.

Vista Hospital Systems, Inc.

d) Mission and Strategy

Describe how the proposed Transaction contributes to the overall goals and mission of your organization and your proposed strategy for the “Corporation” and its medical programs post-transaction for:

- a) Short-Term: year 1;*
- b) Medium Term: years 2-3;*
- c) Long-Term: beyond 3 years*

e) Governance

Describe the structure, membership, and functions of the governing body that would oversee the acquired asset(s) post transaction:

- a) Degree of local control and
- b) Physician involvement.

f) Management

Discuss the management structure that you would put in place to operate the acquired asset(s).

g) Managed Care

Describe your ability to compete for managed care contracts in Riverside County and San Luis Obispo County, California and the adjacent market. Also, please provide a list and description of your current managed care contracts and a map of your network in the region.

h) Facility / Capital Investment

Discuss the detail of any proposed new structure / enhancement of existing structure(s). Specify your commitment to minimum capital expenditures and the associated timeframe.

i) Medical Services / Operations

Discuss how the “Corporation” would operate post-Transaction with specific reference to the following areas:

- 1) The achievement of efficiencies;
- 2) The retention, discharge, redeployment and training of employees;

- 3) The process and procedure for consolidated administrative and clinical operations (if applicable);
- 4) Enhancement, addition or elimination of medical services, giving details of minimum financial commitment to physician recruitment;
- 5) The level of integration with other facilities operated by Respondent with respect to efficiencies, operations, and managed care contracting.

j) Competition

In the event that any facilities owned and operated by the Respondent serve the same marketplace as the “Corporation,” please describe the Respondent’s approach to resolving any competitive issues.

k) Financial Information

This RFP contains recent financial information. As more recent information becomes available during the RFP process, it will be distributed to all Respondents.

l) Closing Process Schedule

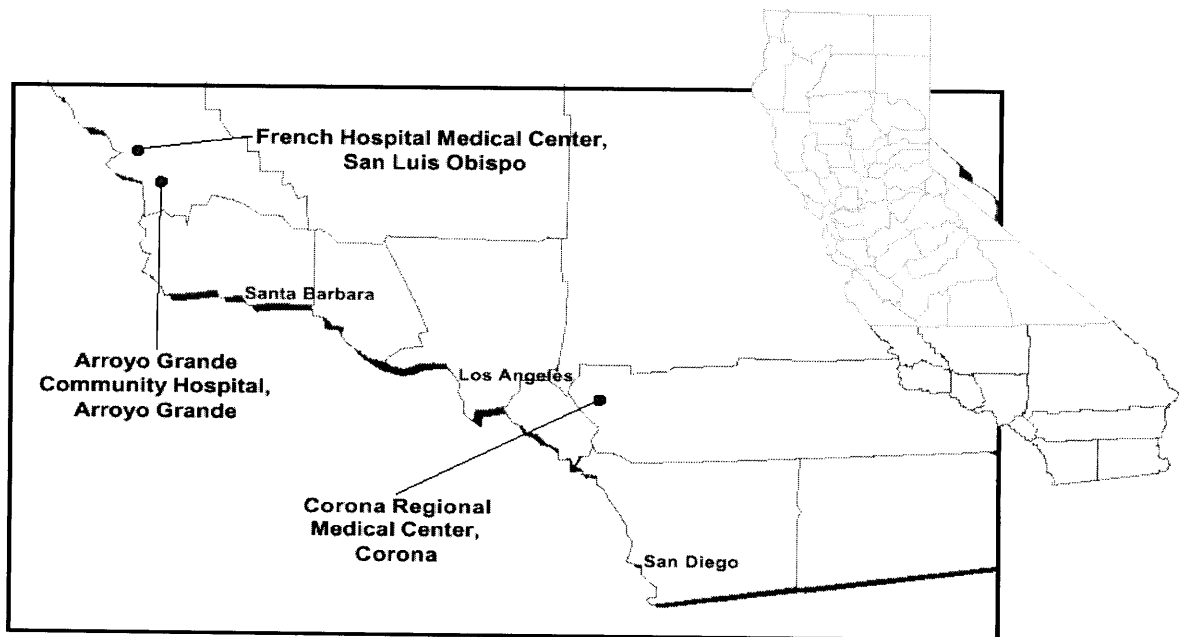
Provide an estimated detailed schedule and closing process description for the proposed transaction with the “Corporation.” Please discuss any potential limitations and impediments related to the Respondent’s closing process such as California Attorney General review (including a fairness opinion), Federal Trade Commission approval, if applicable, and other public approval. Describe what assurances you can give that these potential impediments can be overcome and that you can complete this transaction according to the proposed schedule.

Preliminary Information- Hospitals

Overview

The Vista Hospital Systems, Inc. and French Hospital Medical Center, Inc. consist of three facilities located in Corona, San Luis Obispo, and Arroyo Grande, California. Each of the facilities is a 501 (c)(3) not-for-profit acute care hospital.

The proposed transaction will involve the sale of the three facilities, which have an aggregate of 325 acute care beds and 80 rehabilitation beds. Corona Regional Medical Center is located in Corona, California and includes two campuses: an acute care hospital and a rehabilitation facility. Corona Regional Medical Center is a 148 - bed acute care facility and the Rehabilitation Hospital is an 80-bed facility. Arroyo Grande Community Hospital located in Arroyo Grande is a 65- bed acute care facility. French Hospital Medical Center located in San Luis Obispo is a 112- bed acute care facility. The name and location of each facility is provided in the map below.



Vista Hospital Systems, Inc.

Facility	Licensed Beds	Admissions	
		FYE 12/31/01	YTD 5/31/02
Corona Regional Medical Center and Rehabilitation Facility	148 Acute 80 Rehab	8,281	3,889
Arroyo Grande Community Hospital	53 Acute 12 Skilled Nursing	3,329	1,331
French Hospital Medical Center	112 Acute	4,315	1,143

All facilities are fully accredited by the Joint Commission on Accreditation of Healthcare Organizations (JCAHO). Each facility has developed a process to ensure ongoing compliance with JCAHO requirements and federal, state and local regulations. All facilities are licensed by the state of California and participate in Medicare, Medi-Cal and other insurance programs.

Corona Regional Medical Center

Introduction / Facility Overview

Corona Regional Medical Center, located in the central portion of the city of Corona, is licensed for 148 acute care beds, and the rehabilitation hospital, located in the southeast portion of the city of Corona, is licensed for 80 beds. Corona Regional Medical Center (CRMC) was established in 1992 following the merger of the acute care hospital and the rehabilitation hospital. It is the area's sole healthcare provider and has expanded its services to meet the demands of the Corona/ Norco community.

The acute care hospital facility was originally constructed in 1964, with additions in 1968, 1974 and 1985. The 80-bed rehabilitation hospital was originally constructed in 1965.

The improvements consist of a three-story, 303,312 square foot general acute care hospital, a two-story 2,886 square foot office building, a 14,400 square foot annex building, a 13,892 square foot converted church, and a one-story 56,248 square foot rehabilitation hospital.

Corona is located approximately 45 miles southeast of Los Angeles and 13 miles southwest of Riverside, in western Riverside County. The city is situated at the base of the mountainous Cleveland National Forest.

The hospital is fully accredited by the Joint Commission on Accreditation of Healthcare Organizations.

Summary of Historical Financial Performance

The table below provides a summary of key financial information for the fiscal years ending 1999, 2000 and 2001, as well as for the interim five-month period ending May 31, 2002. Annualized figures for the current fiscal period are included as well.

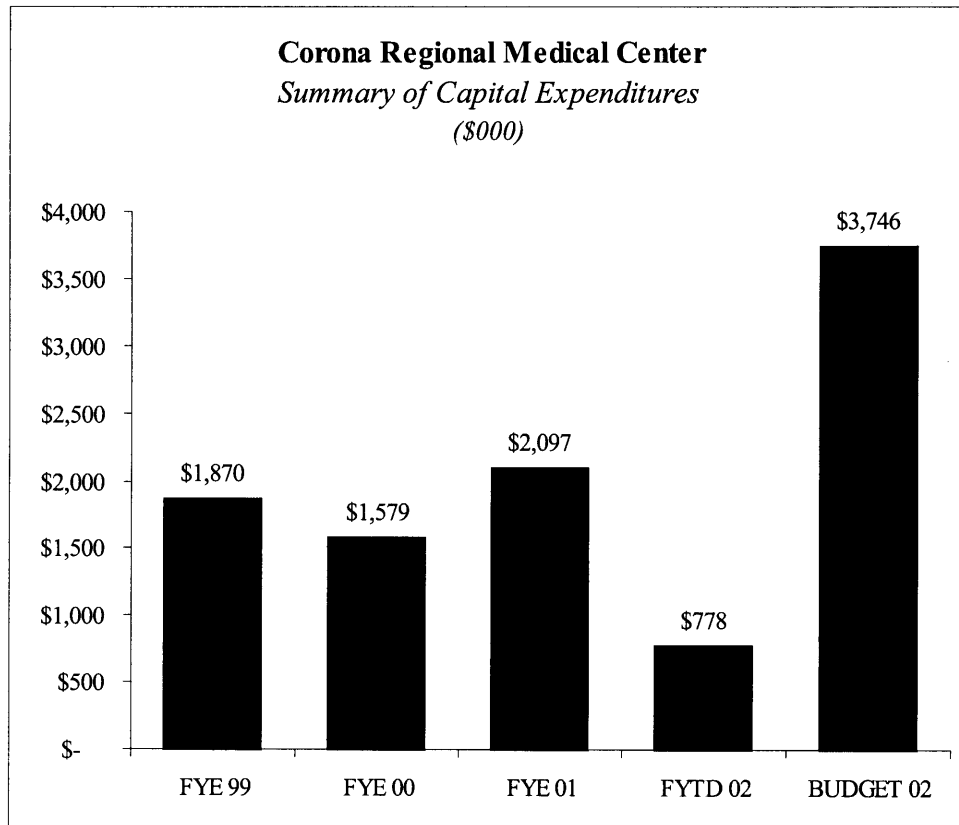
Corona Regional Medical Center
 Summary of Historical Financial Performance
(FY 1999 - 2001, 5 Months Ending 5/31/02)
 (\$000)

	FY 1999	FY 2000	FY 2001	5 Mos. 5/31/02	5 Mos. Annualized
Net Operating Revenue	\$62,618	\$67,124	\$74,226	\$34,007	\$81,618
Total Expenses	60,700	62,560	64,346	28,336	68,008
Operating Income	\$1,919	\$4,563	\$9,881	\$5,671	\$13,610
Operating Margin	3.1%	6.8%	13.3%	16.7%	16.7%
EBIDA*	\$2,524	\$6,420	\$10,399	\$6,071	\$14,570
EBIDA Margin	4.0%	9.6%	14.0%	17.9%	17.9%
Net PP&E	\$42,783	\$41,354	\$40,674	\$40,293	\$40,293
Total Assets	\$67,034	\$68,847	\$70,518	\$75,895	\$75,895

*EBIDA includes Non-operating income/expense

EBIDA has improved substantially over the past year due to the turnaround efforts instituted by the Vista Board with the assistance of Cambio Health Solutions, LLC, which have resulted in substantial expense reductions, renegotiation of managed care contracts and an emphasis on increasing revenue and growing the business.

Capital Expenditures



Capital expenditures for 1999, 2000, 2001 includes dollars expended for capital purchases and does not include capital leases. The 2002 Capital Expenditure Budget includes capital leases.

Operational Statistics

The table below provides a summary of key operating statistics for fiscal years ending 1999, 2000, 2001 and the five-month period ending May 31, 2002.

Corona Regional Medical Center
 Summary of Operating Statistics
 (FY 1999 – 2001, 5 Months Ending 5/31/02)

	FY 1999	FY 2000	FY 2001	5 Mos. 5/31/02
Admissions	8,724	8,652	8,281	3,889
Acute Admissions	7,750	7,736	7,558	3,593
Patient Days	44,785	44,681	44,185	19,820
Average Length of Stay (ALOS)	5.13	5.16	5.34	5.10
Average Daily Census (ADC)	123	122	121	131
Case Mix Index	1.0078	.9791	0.991	1.010
Emergency Room Visits	34,175	35,754	36,390	15,778
Other Outpatient Visits	55,476	67,753	77,570	37,840
Inpatient Surgical Cases	1,956	1,973	2,133	886
Outpatient Surgical Cases	3,048	3,208	3,145	1,762
Home Health Visits	19,690	20,051	14,009	4,607

Note: Statistics include acute and subacute (SNF, Rehab, Psychiatric and Subacute Vent).

Reimbursement

The table below provides payor mix statistics for fiscal years 1999, 2000 and 2001, as well as for the five-month period ending May 31, 2002.

Corona Regional Medical Center
 Payor Mix Statistics
 (FY 1999 - 2001, 5 Months Ending 5/31/02)

	FYE 99	FYE 00	FYE 01	FYTD 02 Ending 5/31/02
Medicare	29.5%	27.3%	29.6%	31.0%
Medi-Cal	15.7%	15.9%	16.6%	16.5%
Champus	0.3%	0.3%	0.2%	0.2%
Self Pay	3.0%	2.2%	2.3%	2.7%
HMO/PPO	32.4%	38.2%	39.3%	41.9%
FHP	16.0%	12.7%	7.4%	3.7%
Workman's Comp	1.5%	1.6%	2.2%	2.1%
Blue Cross	1.4%	1.4%	2.1%	1.8%
MIA/Other	0.3%	0.3%	0.3%	0.2%
Total	100.0%	100.0%	100.0%	100.0%

Hospital Services and Programs

Corona Regional Medical Center and Rehabilitation Hospital provide usual and customary services and in addition specialty services.

Hospital Services	
Surgery	MRI
Recovery	GI Lab
Intravenous Therapy	Pharmacy
Central Supply	Rehabilitation Services
Anesthesia	Respiratory Therapy
Ultrasound	Physical Therapy
EKG and EEG	Occupational Therapy
Dialysis	Speech Therapy
Diagnostic Imaging	Cardiology
Radiology	Intensive and Coronary Care
Nuclear Medicine	Emergency Services
CT Scanning	Pediatrics

Specialty Services

Acute Care Services	Rehabilitation Hospital –Services
Emergency Service – 24 hour-staffed Board Certified physicians and nurses certified in advanced life support	Acute Rehab – full orthopedic and surgical services
Fast track – 11AM-11PM	Sub Acute Rehab- Short- and long-term treatment for patients who need skilled care
Outpatient Treatment – the “Pavilion” located in hospital- services: surgery, diagnostic imaging, mammography, ultrasound, pulmonary function testing, cardiac rehab, cystoscopy, lab services, EKG, nuclear medicine and pre-operative testing	Behavioral Health Services- “The Willows”- inpatient unit- 18 years and older, and outpatient comprehensive treatment - Focus: Senior Mental Health, Adult and Dual Diagnosis.
Diagnostic Imaging	
Maternity Care – 6 Labor, Delivery, Recovery (LDR) rooms; 16 bed nursery	
“Especially for Women” – Comprehensive health programs, educational and preventive care	
Pediatrics	
Home Care	
Oncology	

Description of Facilities

The following is a description of all owned or leased facilities of Corona Regional Medical Center.

Corona Regional Medical Center

Corona Regional Medical Center

800 South Main Street

Corona, California

Site

- Owned facility
- Opened in 1964 with additions in 1968, 1974, and 1985
- 303,312 gross sq. feet
- Three stories
- Campus acreage – 7.57 +/- acres

Services	Licensed Beds	Staffed Beds
Intensive Care	6	-
Perinatal	12	-
Pediatric	5	-
Coronary Care	4	-
General Acute	122	-
Total	148	92

Corona Rehabilitation Hospital

730 Magnolia Avenue

Corona, California

Site

- Owned facility
- Opened in 1965 with addition in 1979
- 56,248 sq. feet
- One story - Concrete slab on grade
- Campus acreage - 6.42+/- acres

Rehabilitation Hospital	Licensed Beds	Staffed Beds
Acute Psychiatric	40	-
Skilled Nursing	30	-
Acute Care Beds	10	-
Total	80	58

Converted Church

810 S. Belle Avenue

Corona, California

Site

- Owned facility
- Construction 1950's
- 13,892 sq. feet
- Two stories, plus partial basement
- Occupancy – Offices and storage

Office Building

202 Stan Reynolds Parkway

Corona, California

Site

- Owned facility
- Construction circa 1950's
- 2,886 sq. feet
- Two stories
- Occupancy –Offices (mostly vacant)

Annex Building (duplex)

816 S Belle Avenue

Corona, California

Site

- Owned facility
- Construction 1960
- 4,400 sq. feet
- Two stories
- Pathology department and storage

In addition Corona Regional Medical Center master leases the following buildings:

Building Name	Address	Lease Termination	Annual Master Lease Payment (\$000)	Leased Space	Total Number of Units	Total Number Vacant	Total Sq. Footage	Total Sq. Footage Vacant
Medical Arts Building	760 S Washburn Corona, CA	3/2008	\$452,787	Medical Practices/Hospital Services	31	5	36,623	3,509
CMC Building	900 S Main St. Corona, CA	3/2008	\$641,454	Medical Practices/Hospital Services	19	2	51,583	2,336
770 Magnolia Building	770 Magnolia Ave. Corona, CA	3/2008	\$490,286	Medical Practices/Hospital Services	21	1	32,209	1,153

Management and Employees

Management

John Calderone, Ph.D. – Chief Executive Officer, Corona Mr. Calderone has been at Corona Regional Medical Center since 1995. He has 25 years of healthcare experience in both for-profit and not-for-profit organizations. Mr. Calderone received his Master’s degree from Edinboro University of Pennsylvania and his Ph.D. from the University of Pittsburgh.

Alan H. Smith- Chief Financial Officer Alan H. Smith served originally as the Interim Chief Financial Officer beginning in March 2001. Mr. Smith joined the management team of Corona Regional Medical Center in September 2001. He possesses a Master’s degree in Health Administration from Seton Hall University and has eighteen years experience in progressive hospital financial and administrative operations in both proprietary and non-proprietary organizations.

Vista Hospital Systems, Inc.

Employees – FTEs by Department

The table below provides a breakdown of full time equivalents by departments as of June 8, 2002.

Corona Regional Medical Center

Total FTEs by Department

As of June 8, 2002

Department	FTEs		FTEs
INTENSIVE CARE	27.0	DIETARY (COMBINED)	38.6
DOU/PCU	28.2	LAUNDRY & LINEN (COMB.)	2.1
MEDICAL UNIT	48.5	CENTRAL SUPPLY	2.4
SURGICAL UNIT	21.7	PHARMACY	22.7
PEDIATRICS	6.4	MATERIALS MANAGEMENT	7.6
OBSTETRICS/GYN	13.3	SECURITY DEPART	9.1
NURSERY DEPTMT	9.5	EVS (COMBINED)	29.4
SUBACUTE	30.0	PLANT MAINTENANCE	7.8
REHAB UNIT	13.3	COMMUNICATIONS	5.8
SKILLED NURSING FACILITY	5.3	MAIL ROOM/COMMUN.	0.6
PSYCHIATRIC UNIT	29.2	DATA PROCESSING	6.4
EMERGENCY ROOM	30.5	FINANCE/BO/PAT ACCTG	29.5
RAPID ACCESS CR	4.8	ADMITTING	15.1
MOBILE VAN SERVICES	2.0	SCHEDULING	5.7
CPSP VISITS	0.5	PATIENT TRANSFR	1.7
PEDIATRIC CLINIC	2.0	ER REGISTRATION	8.6
BREAST CENTER	9.4	ER F/T REGISTRATION	3.0
CANCER CENTER	3.4	HOSPITAL ADMIN	3.4
COMPACCESS	4.4	MARKETING	3.1
PARTIAL HOSP	19.8	MANAGED CARE	1.0
HOME H-CORONA	12.6	HUMAN RESOURCES	6.0
HOSPICE	13.5	HEALTH INFO SYS	15.9
LABOR & DELIVERY	17.8	TRANSCRIPTION	7.1
OPERATING ROOM	36.2	MEDICAL STAFF	2.0
AMBULATORY SERVICE	11.1	PATIENT RELATIONS	3.5
PAIN MANAGEMENT	0.2	NURSING ADMIN	6.3
LABORATORY (COMBINED)	28.4	REHAB ADMIN	2.2
CARDIOLOGY DEPT	4.6	INSERVICE EDUCATION	0.7
RADIOLOGY (COMBINED)	45.1	CASE MGMT/QA/RISK MGMT	12.2
RESP THERAPY (COMBINED)	20.1	COMMUNITY EDUCATION	0.4
G.I. LAB	2.9	PERINATAL SERVICES	0.7
REHAB SVCS – ACUTE	9.6	FOUNDATION	2.0
REHAB SVCS – SUBACUTE	2.3	MEDICAL ARTS PHARMACY	3.3
REHAB SVCS – REHAB	4.2		
		Total	783.5

Physicians: Medical Staff Composition

As of June 2002, there were 267 physicians on the medical staff of Corona Regional Medical Center.

The table below details the composition of the medical staff by specialty and the number and percentage of admissions for fiscal year ending December 31, 2001 as well as YTD June 2002.

Corona Regional Medical Center

Medical Staff by Specialty

Specialty	Medical Staff Members	Admissions*			
		FY 2001	%	6/1/02 YTD	%
Allergy & Immunology	2				
Cardiovascular Surgery	1				
Anesthesiology	17				
Clinical Psychology	2				
Colon & Rectal Surgery	1				
Cardiology	9	171	1	67	1
Dentistry	2				
Dermatology	2				
Emergency Medicine	11				
Endocrinology	1	106	1	48	1
Family Practice	17	61	0	22	0
Gastroenterology	9	564	5	176	4
General Practice	2				
General Surgery	9	504	5	194	4
General Vascular Surgery	3	4	0	2	0
Gynecological Oncology	4				
Hematology/Oncology	4	218	2	118	3
Infectious Disease	1				
Internal Medicine	24	2,480	23	1187	26

Maternal and Fetal Medicine	1				
Medical Oncology	3				
Neonatology	3				
Nephrology	7	321	3	126	3
Neurology	6	3	0	3	0
OB/GYN	13	2,367	22	922	20
Ophthalmology	6				
Oral Maxillofacial Surgery	1				
Orthopedic Surgery	12	232	3	91	3
Otolaryngology	3	13	0	1	0
Surgical First Assist	3				
Pain management	2				
Pathology	3				
Pediatric Gastroenterology	5				
Pediatrics	17	2,518	23	1113	24
Physical Rehab Medicine	4	89	0	23	1
Physician's Assistant	12				
Plastic Surgery	3	12	0	3	0
Podiatry	8				
Psychiatry	4	412	4	160	4
Pulmonary Medicine	4	639	6	264	6
Radiation Oncology	3			1	0
Radiology	18				
Rheumatology	1				
Thoracic Surgery	1				
Urology	3	175	2	73	1
Other	NA	2	0	48	0
Total	267	10,895	100	4642	100

* The admission numbers in the chart reflect the tracking system by primary and/or secondary physician utilized in the HIM system. The total will not tie to the actual number of admissions reported by the facility.

Market Analysis

Demographics

The facilities are located in Corona, Riverside County, California. The city's overall population growth over the next five years is projected to be higher than the national average. Corona is one of the major growth areas of California at the present time. Income growth is expected to remain stable over the next five years.

POPULATION GROWTH	1990	2001	2006 Projected
Total Population			
Corona	76,095	119,992	135,557
Riverside County	1,170,413	1,573,768	1,715,948
65+ Population			
Corona	4,400	7,095	8,992
Riverside County	153,759	203,133	218,634
Median Age			
Corona	28.2	31.7	32.6
Riverside County	31.4	34.2	35.0

The total population is forecasted to grow over the next five years by 13.0% in the city and 9.0% in the county. The 65-plus population is expected to increase by 26.7% in the city and 7.6% in the county. The median age is expected to increase in the city and county.

There are four additional acute care hospitals providing 898 beds within a 13-mile radius. They are the Following: Kaiser Foundation Hospital Riverside, Parkview Community Hospital, Riverside Community Hospital and Chino Valley Medical Center (Not considered a competitor and therefore not included in the Competitor Analysis - below).

Riverside County has experienced a strong net employment expansion over the past two decades, particularly during the booming growth market of the late 1990s. Services, trade and government have driven growth.

Competitor Analysis

General Hospital Name/ Location	Licensed Acute Care Beds	Payor Mix	ALOS (In days)	Occupancy
Kaiser Foundation Hospital	215	4% Medicare 96% Priv/Other	3.2	51%
Parkview Community Hospital	193	21% Medicare 35% Medi-Cal 44% Priv/Other	3.6	10%**
Riverside Community Hospital	364	25% Medicare 7%% Medi-Cal 68% Priv/Other	4.4	53%
SUBJECT: Corona Regional Medical Center	148 acute care beds/80 rehab	29.6% Medicare 16.6% Medi-Cal 53.8% Priv/Other	5.1	54%

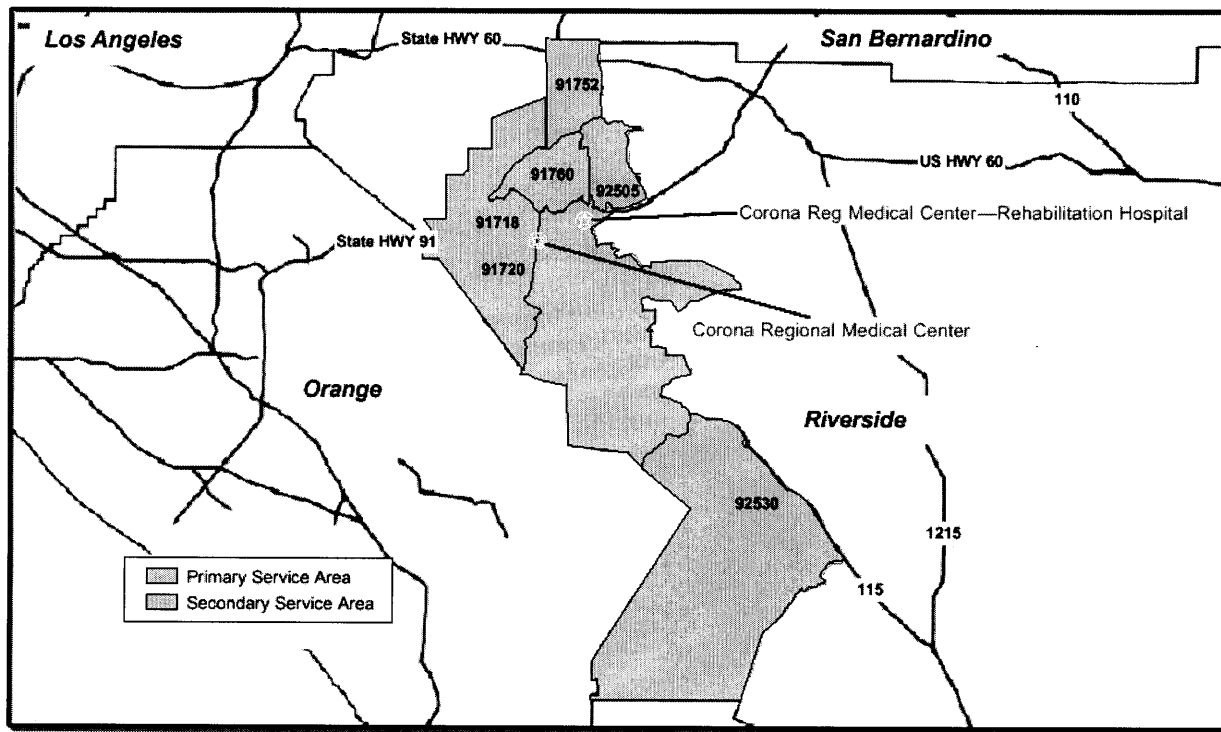
Office of Statewide Health Planning and Development (OSHPD)

* G/A – General Acute- Care, SN – Skilled Nursing

** This hospital was recently and temporarily decertified and subsequently filed for bankruptcy.

Patient Origin

According to the State of California 1999 statistic for patient origin from the hospital's primary service area, Corona Regional Medical Center captured 44.4% of the market. It is expected that this figure has increased since 1999. The Primary and Secondary Service Areas are noted on the map below.



Managed Care

Corona Regional Medical Center's managed care volume exceeds \$110 million in annual gross revenue and is representative of the following major payors: PacifiCare (inclusive of Secure

Vista Hospital Systems, Inc.

Horizons), Blue Cross, Health Net, Blue Shield, Community Care Network, Inland Empire Health Plan and CIGNA. Product offerings include commercial and senior HMO, POS, PPO and managed Medi-Cal. Reimbursement structures are entirely fee-for-service (per diems, case rates, percentage discount), resulting from the gradual phase-out of capitation in early 2001.

Unlike much of Riverside County in which senior managed care has a market penetration of nearly 50%, Corona is a young community with an average age of 29.9. Medical group partners such as PrimeCare Medical Group of Corona, a dominant entity in the local market, reflect a membership mix that mirrors the community with over 90% of its 45,000 members in commercial HMO or POS plans. Currently, less visible players include Riverside Medical Clinic and Prospect Medical Group-Corona, each presenting potential growth opportunities.

Hospital providers, including Corona Regional Medical Center, face continued challenges in their managed care contract negotiations relative to the market exodus of certain health plans and product lines, continued industry consolidation of both plans and providers, as well as an array of pricing/tiering and quality initiatives being introduced by health plans in an attempt to reduce and/or shift the burden of escalating hospital costs.

Management Information Systems

The systems are supported throughout the organization on two different networks. The Meditech system is supported via both of these networks. The first network is the asynchronous, terminal server based network of dumb terminals. Meditech and the server-based applications are supported via the 10/100 baseT (CATV) Ethernet network.

SYSTEM	DEPARTMENT
<i>Meditech 4.7 Modules</i>	<i>Hospital-wide installation</i>
Admissions	
Abstracting/Case Mix	
Billing/Accounts Receivable	
Laboratory	
Material Management	
Medical Records	
Order Entry	
Pharmacy	
Radiology	
Radiology Transcription	
General Ledger	
Accounts Payable	
Payroll/Human Resources	
Magic Office (email)	
Patient Care Inquiry (PCI)	
Community Wide Scheduling	
4.8 Version (loaded / Test)	
Voice Power 2000 – Dictation System	Transcription/Medical Records
Achieve – OASIS	Acute Rehab
SelectData	Home Health
Contract Q – Quadramed	Business Office
Windows 2000 Server	Main campus access
Blackbaud Accounting system	Foundation/Finance
MAS90	Finance Department
3M Codefinder	Medical Records Department
3M APCFinder	Medical Records Department
HBOC Surgi-Server (OR Scheduling)	Surgery Department
ERA Payment Posting	Business Office
Claimstar	Business Office
Micromed Physician Credentialing	Medical Staff Department
Oncall – EDI	Materials Management Dept
Reddinet Emergency Response System	Emergency Department
DDE Medicare Online Billing	Business Office
Mammobase Mammography Tracking System	Breast Center

Benefit Summary:

- PTO Plan or Vacation/Sick/Holiday
- Medical
- Dental / Vision
- Life Insurance / LTD / Voluntary STD
- Pension Plan 403(b)

Insurance

Corona Regional Medical Center maintains a comprehensive insurance program including general liability, automobile liability, property insurance, business interruption insurance, worker's compensation and builder's risk, as well as other coverages. Any pending litigation or proceedings that occurred during the ordinary course of business are for the most part covered by existing insurance programs/policies.

Financial Summary - Corona Regional Medical Center

(Note: The financial statements below do not tie to the audited financial statements on a consolidated basis due to the exclusion of other entities.)

Corona Regional Medical Center Income Statement (\$000)

	<u>FYE 99</u>	<u>FYE 00</u>	<u>FYE 01</u>	<u>FYTD 02 through 5/31/02</u>
Revenues				
Inpatient Revenue	\$ 129,756	\$ 133,453	\$ 162,999	\$ 69,480
Outpatient Revenue	<u>68,093</u>	<u>72,141</u>	<u>86,551</u>	<u>40,935</u>
Total Gross Revenue	197,849	205,594	249,551	110,415
Total Deductions	<u>138,740</u>	<u>142,011</u>	<u>179,337</u>	<u>78,164</u>
Net Patient Revenue	59,110	63,583	70,214	32,251
Other Operating Revenue	<u>3,509</u>	<u>3,540</u>	<u>4,013</u>	<u>1,756</u>
Net Revenue	62,618	67,124	74,226	34,007
Expenses				
Salaries & Temporary labor	24,806	28,411	30,820	13,598
Employee Benefits	6,502	7,178	7,486	3,308
Purchased Services & Med Fees	10,205	8,554	5,806	2,312
Supplies	10,077	10,845	11,571	5,568
Repairs, Rent, Utils, Mktg & Ins	6,070	6,366	7,267	3,006
Other Operating Exp	<u>3,040</u>	<u>1,206</u>	<u>1,397</u>	<u>544</u>
Total Operating Expenses	60,700	62,560	64,346	28,336
Capital Costs				
Interest	7,311	5,400	5,502	2,261
Depreciation & Amortization	2,892	3,293	3,066	1,175
Non Operating (Income)/ Expense	<u>(605)</u>	<u>(1,856)</u>	<u>(518)</u>	<u>(400)</u>
Total Capital Costs	9,597	6,838	8,049	3,036
Net Income (loss)	<u>\$ (7,679)</u>	<u>\$ (2,274)</u>	<u>\$ 1,832</u>	<u>\$ 2,635</u>
EBIDA*	<u>\$ 2,524</u>	<u>\$ 6,420</u>	<u>\$ 10,399</u>	<u>\$ 6,071</u>

*EBIDA includes non-operating income/expense

Corona Regional Medical Center

Balance Sheet

(\$000)

	<u>FYE 99</u>	<u>FYE 00</u>	<u>FYE 01</u>	FYTD 02 through 5/31/02
Current Assets				
Cash*	\$ 4,255	\$ 3,974	\$ 11,380	\$ 15,943
Current Assets Limited to Use	2,570	768	768	768
Patient Receivables	20,445	22,614	26,023	27,811
Allow for Contract. Discounts/Bad Debt	<u>(13,129)</u>	<u>(9,670)</u>	<u>(14,466)</u>	<u>(14,910)</u>
Net Accounts Receivable	7,316	12,944	11,557	12,900
Inventories	1,238	1,255	1,179	1,203
Prepaid Expenses	1,734	1,296	621	533
Other Accounts Receivable	<u>606</u>	<u>868</u>	<u>276</u>	<u>318</u>
Total Current Assets	3,578	3,419	2,076	2,054
Assets Limited as to Use	3,159	3,212	1,120	1,082
Property Plant & Equipment				
Property Plant & Equipment	63,347	64,964	66,495	67,193
Less- Accumulated Depreciation	<u>(20,564)</u>	<u>(23,610)</u>	<u>(25,821)</u>	<u>(26,899)</u>
Net Property Plant & Equipment	42,783	41,354	40,674	40,293
Other Assets				
Deferred Financing Costs	2,586	2,371	2,162	2,077
Deposits	175	116	119	114
Goodwill	513	488	463	463
Other Assets,	<u>100</u>	<u>200</u>	<u>200</u>	<u>200</u>
Total Other Assets	<u>3,373</u>	<u>3,176</u>	<u>2,945</u>	<u>2,854</u>
Total Assets	<u>\$ 67,034</u>	<u>\$ 68,847</u>	<u>\$ 70,518</u>	<u>\$ 75,895</u>
Current Liabilities				
Current Installments on Long-Term Debt	\$ 123	\$ 405	\$ 4	\$ 3
Current Capital Lease Obligations	376	303	273	289
Accounts Payable	1,792	3,967	1,855	2,342
Accrued Expenses	3,077	2,995	3,402	3,492
Accrued Interest Payable	3,338	5,140	8,603	10,044
Other Accrued Liabilities	3,483	3,872	3,282	3,776
Due to Third Party Payors	<u>5,921</u>	<u>6,802</u>	<u>5,886</u>	<u>6,134</u>
Total Current Liabilities	18,110	23,484	23,305	26,081

Vista Hospital Systems, Inc.

Long Term Debt				
Certificates of Participation	71,133	71,164	71,192	71,205
Capitalized Leases	697	576	932	934
Malpractice Insurance	1,154	1,129	998	1,043
Notes Payable	958	15	10	9
Deferred Revenue	<u>3,695</u>	<u>3,466</u>	<u>3,236</u>	<u>3,143</u>
Total Long Term Debt	77,638	76,350	76,369	76,333
Unrestricted Net Assets (Deficit)	<u>(28,713)</u>	<u>(30,987)</u>	<u>(29,155)</u>	<u>(26,520)</u>
Total Liabilities and Fund Balance	<u>\$ 67,034</u>	<u>\$ 68,847</u>	<u>\$ 70,518</u>	<u>\$ 75,895</u>

*It should be noted that the cash position for the consolidated entity is \$1.4 million in total as of 5/31/02. This is due to an accumulated liability of \$19.8 million on the Vista Corporate entity.

ARROYO GRANDE COMMUNITY HOSPITAL

Introduction / Facility Overview

The 75,000 square foot 53-bed hospital was originally constructed in 1961, with subsequent additions in 1975, 1976, 1977, 1989, and 1990, and it sits on 6.3 acres in Arroyo Grande, California. The 600 square foot annex building was constructed circa 1981 and contains offices for the Financial and Accounting functions for Arroyo Grande Community Hospital and French Hospital Medical Center.

The city of Arroyo Grande is located at the northernmost portion of southern California, north of Santa Barbara and approximately 185 miles north of Los Angeles. Arroyo Grande is located in southern San Luis Obispo County and is bordered by the Pacific Ocean to the west and the following three counties: Monterey County to the north, Kern County to the east and Santa Barbara County to the south.

The hospital is fully accredited by the Joint Commission on Accreditation of Healthcare Organization (JCAHO). The hospital provides traditional inpatient and outpatient medical and surgical services.

Summary of Historical Financial Performance

The table below provides a summary of key financial information for the fiscal years ending 1999, 2000 and 2001, as well as for the interim five-month period ending May 31, 2002. Annualized figures for the current fiscal period are included as well.

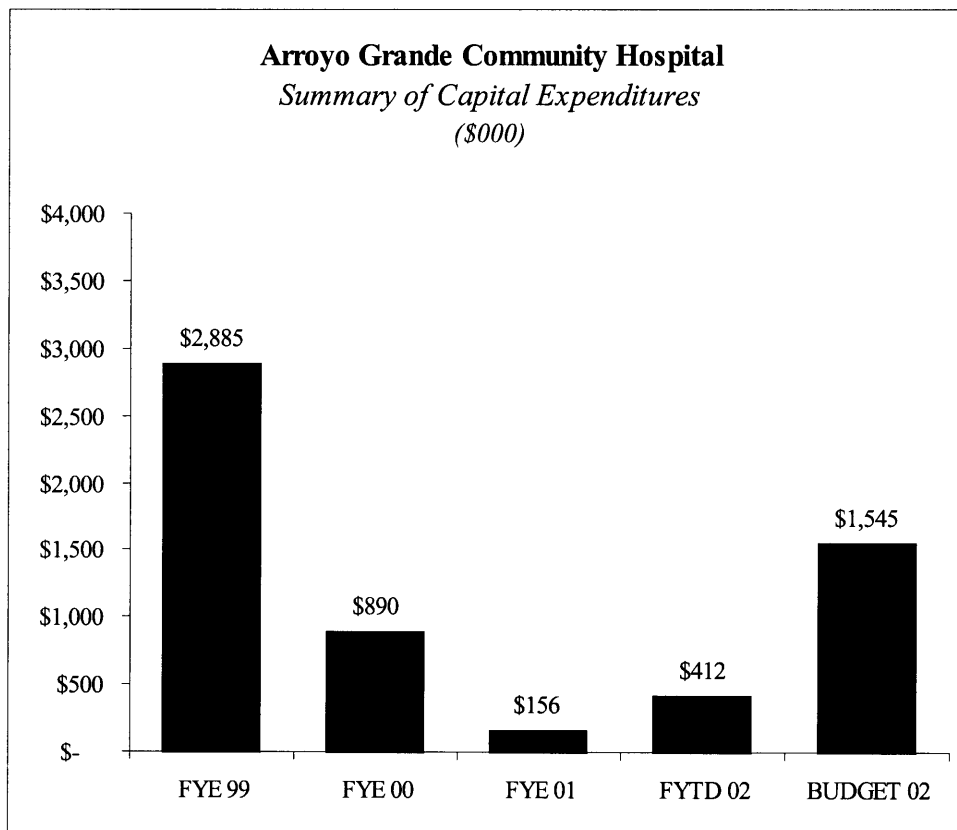
Arroyo Grande Community Hospital
Summary of Historical Financial Performance
(FY 1999 - 2001, 5 Months Ending 05/31/02)
(\$000)

	FY 1999	FY 2000	FY 2001	5 Mos. 05/31/02	5 Mos. Annualized
Net Operating Revenue	\$19,906	\$20,611	\$27,725	\$11,762	\$28,228
Total Expenses	17,373	19,769	21,544	9,385	22,523
Operating Income	\$2,532	\$842	\$6,180	\$2,377	\$5,704
Operating Margin	12.7%	4.1%	22.3%	20.2%	20.2%
EBIDA*	\$2,755	\$1,105	\$6,212	\$2,453	\$5,887
EBIDA Margin	13.8%	5.4%	22.4%	20.9%	20.9%
Net PP&E	\$16,714	\$16,100	\$15,273	\$15,100	\$15,100
Total Assets	\$23,913	\$23,285	\$26,877	\$28,950	\$28,950

*EBIDA includes Non-operating income/expense

EBIDA has improved substantially over the past year due to the turnaround efforts instituted by the Vista Board with the assistance of Cambio Health Solutions, LLC, which have resulted in substantial expense reductions, renegotiation of managed care contracts and an emphasis on increasing revenue and growing the business.

Capital Expenditures



Capital expenditures for 1999, 2000, 2001 includes dollars expended for capital purchases and does not include capital leases. The 2002 Capital Expenditure Budget includes capital leases.

Operational Statistics

The table below provides a summary of key operating statistics for fiscal years ending December 31, 1999, 2000, 2001 and the five-month period ending May 31, 2002.

Arroyo Grande Community Hospital
 Summary of Operating Statistics
 (FY 1999 – 2001, 5 Months Ending 5/31/02)

	FY 1999	FY 2000	FY 2001	5 Mos. 5/31/02
Admissions	3,002	3,379	3,329	1,331
Acute Admissions	2,703	3,096	3,046	1,233
Patient Days	12,770	14,522	15,099	5,641
Average Length of Stay (ALOS)	4.25	4.30	4.54	4.24
Average Daily Census (ADC)	35	40	41	37
Case Mix Index	1.1313	1.0685	1.1519	1.1589
Emergency Room Visits	19,368	20,000	20,980	8,253
Other Outpatient Visits	46,771	51,315	57,127	22,694
Inpatient Surgical Cases	543	624	589	274
Outpatient Surgical Cases	1,081	1,356	1,433	494

Reimbursement

The table below provides payor mix statistics for fiscal years 1999, 2000 and 2001, as well as for the five-month period ending May 31, 2002.

Arroyo Grande Community Hospital
 Payor Mix Statistics
 (FY 1999 – 2001, 5 Months Ending 5/31/02)

	FYE 99	FYE 00	FYE 01	FYTD 02 5/31/02
Medicare	39.8%	41.0%	43.9%	45.3%
Medi-Cal	10.0%	8.7%	8.5%	8.1%
Champus	0.4%	0.3%	0.3%	0.3%
Self Pay	2.4%	2.5%	1.5%	2.1%
HMO/PPO	43.8%	42.2%	41.4%	40.5%
Indigent	1.5%	2.9%	2.0%	1.7%
Other Insurance	2.1%	2.4%	2.4%	1.9%
Total	100.0%	100.0%	100.0%	100.0%

Hospital Services

Arroyo Grande Community Hospital provides the following services and programs.

Hospital Services	
Surgery	MRI (provided by outside service)
Recovery	GI Lab
Intravenous Therapy	Pharmacy
Central Supply	Rehabilitation Services
Anesthesia	Respiratory Therapy
Ultrasound	Physical Therapy
EKG and EEG	Occupational Therapy
Dialysis	Sports Medicine
Diagnostic Imaging	Speech Therapy
Radiology	Pain Management
Nuclear Medicine	Emergency Medicine
CT Scanning	Oncology
Intensive and Coronary Care	Orthopedics
Home Health Agency	

Description of Facilities

The following is a description of all owned or leased facilities of Arroyo Grande Community Hospital.

Arroyo Grande Community Hospital

345 South Halcyon Road

Arroyo Grande, California

Site

- Owned facility
- The original structure was constructed in 1961, with additions in 1975, 1976, 1977, 1989, and 1990.
- 75,000 gross sq. feet main structure, 600 sq. foot annex building
- One story
- Campus acreage – 6.3 +/- acre

Vista Hospital Systems, Inc.

Services	Licensed Beds	Staffed Beds
Intensive Care	8	-
General Acute	45	-
Skilled Nursing	12	-
Total	53 Acute 12 Skilled Nursing	50

In addition, Arroyo Grande Community Hospital master leases the following building:

Building Name	Address	Lease Termination	Annual Master Lease Payment (\$000)	Leased Space	Total Number of Units	Total Number Vacant	Total Sq. Footage	Total Sq. Footage Vacant
Arroyo Grande Community Hospital Medical Office Building (Arroyo Grande Medical Group)	336 S. Halcyon Rd. Arroyo Grande, CA	7/2003	\$94,398	Medical Practices	6	0	7795	NA

Management and Employees

Management

Lionel “Chad” Chadwick, Ph. D. – Chief Executive Officer Lionel “Chad” Chadwick has over 20 years healthcare executive experience. He has been the Chief Executive Officer at Arroyo Grande Community Hospital since September 2001. Prior to that he was the Administrator of French Hospital Medical Center for approximately two years. He also served in an administrative capacity at Sierra Vista Medical Center in San Luis Obispo for approximately two years. During his career, he has worked in proprietary and non-profit hospital facilities throughout California. His experience thus involves the majority of the hospitals in San Luis Obispo County. He has worked in medical group administration and has strong transactional experience. His background includes Kaiser Permanente and Children’s Hospital in San Francisco. Dr Chadwick received his Bachelor’s degree

Vista Hospital Systems, Inc.

from the University of California, San Diego, his Master's degree in Health Administration from Yale University, and his Doctorate in International Health Economics from the London School of Economics. Dr Chadwick has considerable experience in Asian and European healthcare systems.

Wayne C. Allen - Chief Financial Officer Wayne C. Allen has been the Chief Financial Officer for French Hospital Medical Center and Arroyo Grande Community Hospital since April 2002. He has over 25 years experience as a Chief Financial Officer at five different hospitals. Mr. Allen received his Bachelor's degree in Accounting from Arizona State University, and is anticipating receiving a Master's degree in Business Administration pending completion of two courses at California Polytech State University. Mr. Allen has had experience as an auditor with a public accounting firm and has provided consulting on healthcare finances, business development and compliance.

Employees – FTEs by Department

The table below provides a breakdown of full time equivalents by departments as of June 8, 2002.

Arroyo Grande Community Hospital
Total FTEs by Department
As of June 8, 2002

Department	FTEs	Department	FTEs
ICCU	11.8	CENTRAL SERVICE	3.3
ACUTE CARE	39.2	PHARMACY	6.3
TCU	10.8	ENVIRONMENTAL SERVICES	10.1
EMERGENCY	18.6	PLANT MAINTENANCE	3.8
OPERATING ROOM	13.5	DATA PROCESSING	1.9
AMBULATORY SURGERY	4.4	FINANCE/BUSINESS OFFICE	8.4
LABORATORY	18.3	ADMITTING	15.0
CARDIOLOGY/EKG	1.0	ADMINISTRATION	3.9
CARDIAC REHABILITATION	1.9	MARKETING	1.5
EEG	1.8	HUMAN RESOURCES	1.4
RADIOLOGY (COMBINED)	23.4	MEDICAL RECORDS	4.7
RESPIRATORY THERAPY	11.2	MEDICAL STAFF OFFICE	1.5
GI LAB	0.3	NURSING ADMINISTRATION	6.7
REHAB SERVICES	7.8	CASE MGMT / IC / QA	5.1
EDUCATION	1.6	C.I.P. / MODIFIED DUTY	1.1
DIETARY	10.3		
		Total	250.3

Physicians: Medical Staff Composition

As of June 2002, there were 201 physicians on the medical staff of Arroyo Grande Community Hospital.

The table below details the composition of the medical staff by specialty, board certification, average age of physician and the number and percentage of admissions for fiscal year ending December 31, 2001 as well as YTD June 25, 2002.

Arroyo Grande Community Hospital

Medical Staff by Specialty and Status

Specialty	Medical Staff Members	Admissions*				Board Certified	Average Age
		FY 2001	%	6/25/02 YTD	%		
Anesthesiology	16					13	43
Cardiovascular Disease	12	358	10	158	10	10	49
Dermatology	2					2	55
General Dentistry	1					1	51
Emergency Medicine	13	1	0			7	41
Family Practice	20	1363	38	521	33	12	43
Gastroenterology	5	5	0	1	0	3	51
Hematology	1	6	0	2	0	1	53
Internal Medicine	18	216	7	212	13	18	41
Neurology	5	28	0	16	1	4	60
Nephrology	2	3	0	7	0	1	44
Surgery, Neurological	4					4	51
OB/GYN	9	47	1	17	1	8	49
Oral Maxillofacial Surgery	3	6	0	4	0	2	47
Oncology, Medical	4	262	7	59	4	44	45
Hematology Oncology	1					1	54
Radiation Oncology	2					2	51
Ophthalmology	9					8	46
Surgery, Orthopedic	5	305	8	159	10	5	48
Otolaryngology	8	7	0	3	0	8	48

Psychiatry	1					0	56
Pathology	7					7	47
Pathology, Anatomical	1					1	42
Pathology, Clinical	1					1	33
Pediatrics	4					4	44
Pediatrics, Cardiology	1					0	53
Plastic & Reconstr. Surgery	2	7	0	1	0	2	51
Physical Med Rehab	3					2	41
Podiatry	7	13	0	4	0	3	41
Pulmonary Disease	6	34	1	12	0	3	43
Radiology	7					5	48
Radiology, Diagnostic	1					1	48
Rheumatology	1					1	50
Surgery, General	6	455	14	211	13	5	51
Surgery, Colon & Rectal	1					1	53
Surgery, Peripheral Vascular	5					5	51
Surgery, Thoracic	1					1	62
Urology	7	103	3	42	3	7	47
Medicine	NA	351	10	119	11	NA	NA
Osteopathy	NA	23	0	4	0	NA	NA
General Practice	NA	40	1	22	1	NA	NA
Total	201	3633	100	1574	100		NA

* The admission numbers in the chart reflect the tracking system by primary and/or secondary physician utilized in the HIM system. The total will not tie to the actual number of admissions reported by the facility.

Market Analysis

Demographics

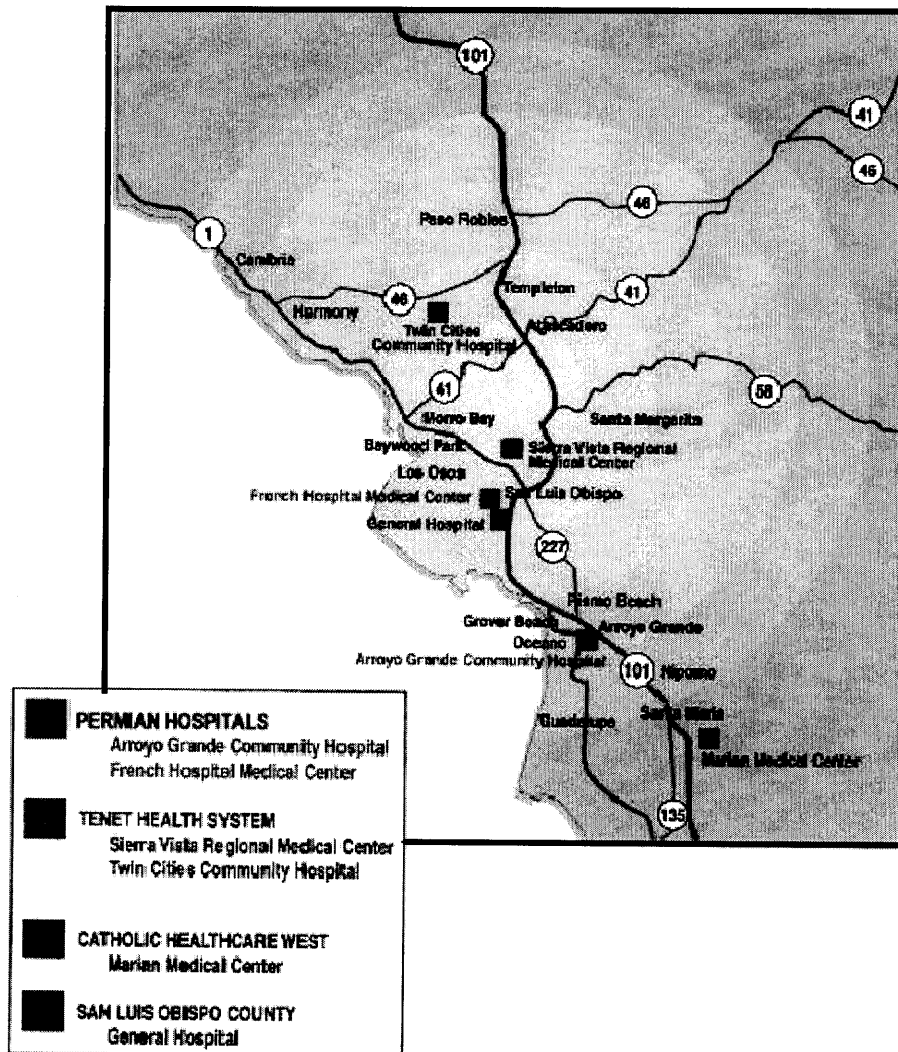
The city of Arroyo Grande is located at the northernmost portion of southern California, north of Santa Barbara, approximately 185 miles north of Los Angeles. Arroyo Grande is located in southern San Luis Obispo County and is bordered by the Pacific Ocean to the west and the following three counties: Monterey County to the north, Kern County to the east and Santa Barbara County to the south.

POPULATION GROWTH	1990	2001	2006 Projected
Total Population			
Arroyo Grande	5,724	6,412	6,648
San Luis Obispo County	217,162	248,893	260,153
65+ Population			
Arroyo Grande	2,870	3,049	3,081
San Luis Obispo County	10,669	34,447	34,713
Median Age			
Arroyo Grande	37.7	41.1	42.3
San Luis Obispo County	33.0	36.0	37.2

The total population is forecasted to experience an average annual growth of 0.7% in the city and 0.9% in the county through 2006. The 65-plus population is expected to increase at an annual rate of 0.2% in the city and 0.2% in the county. Additionally, the median age is expected to increase in the city and county.

The economy is well diversified with government agencies as the single largest employer (including city, county, and federal government). The high employment with the government provides the county with a stabilized economy. In addition, the economy is heavily based in the tourism industry resulting in high trade and services employment. The county experienced steady growth through the 1970s and 1980s and slowed in the 1990s due to state growth controls. The county's economy experienced 2.5% growth in 2001.

Competitor Analysis



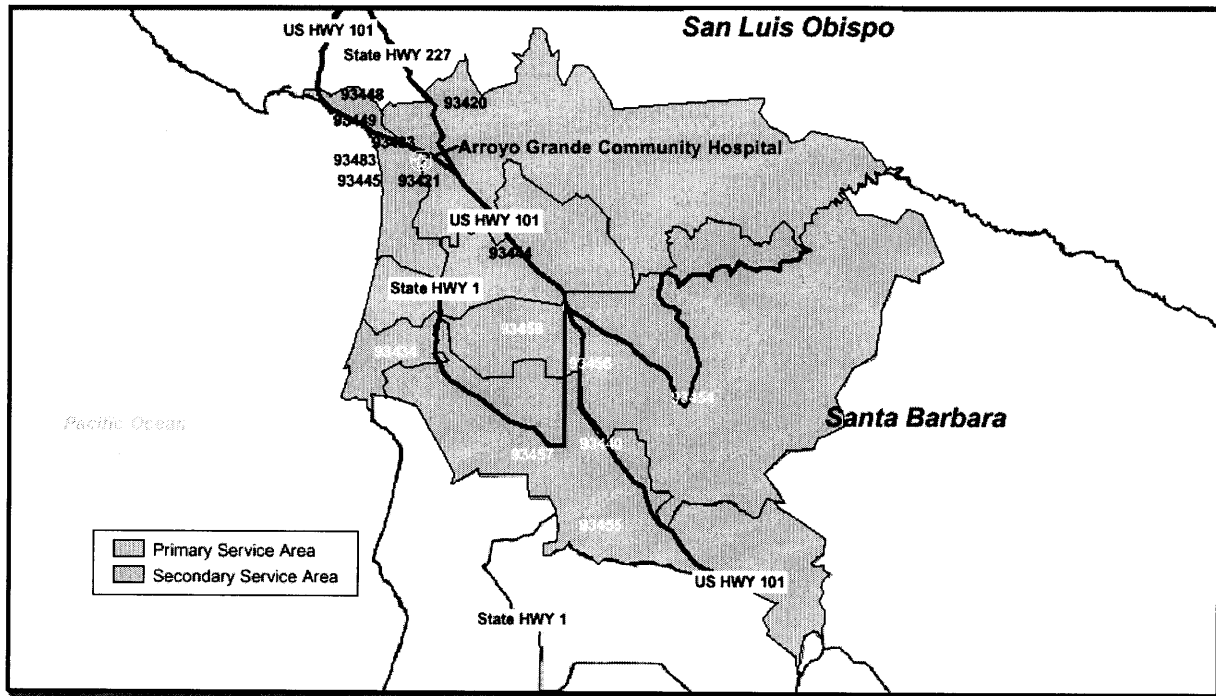
General Hospital Name/ Location	Licensed Acute Care Beds	Payor Mix	ALOS (In days)	Occupancy
French Hospital Medical Center	112	39.3% Medicare 0.5% Medi-Cal 60.2% Priv/Other	4	45%
San Luis Obispo General Hospital	70	17.1% Medicare 48.9% Medi-Cal 34.0% Priv/Other	4	15%
Marian Medical Center	132	52.7% Medicare 25.9% Medi-Cal 21.4% Priv/Other	6	80%
Sierra Vista Regional Hospital	201	30.2% Medicare 13.1% Medi-Cal 56.7% Priv/Other	5	46%
SUBJECT: Arroyo Grande Community Hospital	53 G/A* 12SN	43.9% Medicare 8.5% Medi-Cal 47.6% Priv/Other	4	61%

Office of Statewide Health Planning and Development (OSHPD) / HCIA's U.S. Hospital Profiles

*G/A – General Acute- Care, SN – Skilled Nursing

Patient Origin

According to the State of California 1999 statistic for patient origin from the hospital's primary service area, Arroyo Grande Community Hospital captured 42.3% of the market. The Primary and Secondary Service Areas are noted on the map below. There is some overlap between the Primary Service Areas for Arroyo Grande Community Hospital and French Hospital Medical Center.



Managed Care

Arroyo Grande Community Hospital is a solid community institution, with annual projected managed care gross revenue of nearly \$27 million or approximately 40% of the hospital’s total gross revenue. Its dominant medical group partner, SLO Select IPA, supports the primary care inpatient and outpatient services provided at Arroyo Grande. While unique in its market niche, the hospital also serves as a “feeder” of tertiary cardiac services to sister facility, French Hospital Medical Center. Due to the hospital’s geographic location and the area’s recognition as a travel destination, the facility attracts a loyal following of local residents as well as tourists visiting the area.

Payors include, but are not limited to, Blue Shield, Health Net, United HealthCare and PacifiCare. All managed care agreements are currently fee-for-service.

Management Information Systems

Arroyo Grande Community Hospital is the central Data Center for both Arroyo Grande and French hospitals. The systems are supported by five DEC Alpha 1000 machines. There are three Fax boxes connected to systems to allow users to fax Meditech reports. These fax machines also allow the Lab module to telcom lab results to doctors' offices. There is a pool of 7 modems, which allow 20 physician offices to access the Meditech Systems.

<u>MEDITECH's Community-Wide Scheduling Module</u>	<u>Department:</u> Utilized at AG in the Radiology Dept, Rehab Services and Admissions
<u>MEDITECH's Patient Registration</u>	<u>Department:</u> Utilized in Inpatient Registration, Outpatient Registration, Emergency Room Registration, and Radiology
<u>MEDITECH's Order Entry</u>	<u>Department:</u> Utilized in all nursing units, Med/Surg, ICU, and TCU. This is also used by Rehab services, Respiratory Services, Emergency Room Dept, Surgery, and One Day Stay surgeries
<u>MEDITECH's Patient Care Inquiry (PCI)</u>	<u>Departments:</u> Utilized in Nursing Units to check lab / Rad results and in the Pharmacy to verify pt results before issuing medications. There are currently 15 physician offices connected to the systems to access their patients' results.
<u>MEDITECH's Radiology application</u>	<u>Departments:</u> Utilized by Radiology Techs, staff and Radiologist on duty
<u>MEDITECH's Microbiology application</u>	<u>Departments:</u> Utilized in the Laboratory at French
<u>MEDITECH's Pharmacy software</u>	<u>Departments:</u> Utilized in the Pharmacy
<u>MEDITECH's Departmental application</u>	<u>Department:</u> Utilized with PCI, although departments do not dictate on this system yet.
<u>MEDITECH's Billing/Accounts Receivable (B/AR)</u>	<u>Department:</u> Utilized by Admissions, Billing, Collections, Finance, MIS, Case Mgmt, Radiology, and Lab
<u>MEDITECH's Accounts Payable software</u>	<u>Departments:</u> Utilized by Acct payable, Finance, and Materials Mgmt
<u>MEDITECH's General Ledger software</u>	<u>Departments:</u> Utilized by Finance and Materials Mgmt
<u>MEDITECH's Materials Management</u>	<u>Departments:</u> Utilized by Acct payable, Finance, and Materials Mgmt

Benefit Summary

PTO Plan or Vacation / Sick / Holiday

Medical

Dental / Vision

Life Insurance / LTD / Voluntary STD

Pension Plan 403(b)

Insurance

Arroyo Grande Community Hospital maintains a comprehensive insurance program including general liability, automobile liability, property insurance, business interruption insurance, worker's compensation and builder's risk, as well as other coverages. Any pending litigation or proceedings that occurred during the ordinary course of business are for the most part covered by existing insurance programs/policies.

Financial Summary - Arroyo Grande Community Hospital

(Note: The financial statements below do not tie to the audited financial statements on a consolidated basis due to the exclusion of other entities.)

Arroyo Grande Community Hospital

Income Statement

(\$000)

	<u>FYE 99</u>	<u>FYE 00</u>	<u>FYE 01</u>	<u>FYTD 02 through 5/31/02</u>
Revenues				
Inpatient Revenue	\$ 33,580	\$ 39,485	\$ 60,840	\$ 29,600
Outpatient Revenue	<u>21,949</u>	<u>28,442</u>	<u>43,360</u>	<u>20,694</u>
Total Gross Revenue	55,529	67,926	104,200	50,294
Total Deductions	<u>35,783</u>	<u>47,470</u>	<u>76,622</u>	<u>38,596</u>
Net Patient Revenue	19,745	20,457	27,578	11,698
Other Operating Revenue	<u>161</u>	<u>154</u>	<u>147</u>	<u>63</u>
Net Revenue	19,906	20,611	27,725	11,762
Expenses				
Salaries & Temporary labor	7,677	9,006	9,746	4,364
Employee Benefits	2,292	2,547	2,828	1,211
Medical Fees & Purchased Services	2,355	2,613	2,184	980
Supplies	3,523	4,088	5,098	2,056
Repairs, Rent, Utils, Mktg & Ins	1,363	1,300	1,506	680
Other Operating Expense	<u>163</u>	<u>216</u>	<u>182</u>	<u>94</u>
Total Operating Expenses	17,373	19,769	21,544	9,385
Capital Costs				
Interest	1,918	1,797	2,020	772
Depreciation & Amortization	1,271	1,302	1,199	515
Non Operating (Income) Expense	<u>(223)</u>	<u>(262)</u>	<u>(31)</u>	<u>(76)</u>
Total Capital Costs	2,965	2,837	3,188	1,211
Net Income (loss)	<u>\$ (433)</u>	<u>\$ (1,995)</u>	<u>\$ 2,992</u>	<u>\$ 1,166</u>
EBIDA*	<u>\$ 2,755</u>	<u>\$ 1,105</u>	<u>\$ 6,212</u>	<u>\$ 2,453</u>

* EBIDA includes Non operating income/expense

Vista Hospital Systems, Inc.

Arroyo Grande Community Hospital
Balance Sheet
(\$000)

	<u>FYE 99</u>	<u>FYE 00</u>	<u>FYE 01</u>	<u>FYTD 02</u> <u>through</u> <u>5/31/02</u>
Current Assets				
Cash*	\$ (1,017)	\$ (597)	\$ 5,594	\$ 7,094
Patient Receivables	7,966	12,980	12,659	15,118
Allow for Contract. Discounts/Bad Debt	(3,606)	(8,121)	(8,348)	(10,027)
Net Accounts Receivable	4,360	4,859	4,310	5,091
Inventories	787	845	650	672
Prepaid Expenses & Other Current Assets	618	413	130	80
Other Accounts Receivable	275	2	(0)	0
Total Current Assets	1,681	1,260	780	753
Property Plant & Equipment				
Property Plant & Equipment	28,456	28,979	29,322	29,616
Less- Accumulated Depreciation	(11,742)	(12,879)	(14,049)	(14,516)
Net Property Plant & Equipment	16,714	16,100	15,273	15,100
Other Assets	2,175	1,663	920	913
Total Assets	<u>\$ 23,913</u>	<u>\$ 23,285</u>	<u>\$ 26,877</u>	<u>\$ 28,950</u>
Current Liabilities				
Current Installments on Long-Term Debt	\$ 417	\$ 169	\$ 76	\$ 39
Current Capital Lease Obligations	38	41	9	11
Accounts Payable	1,453	2,037	1,925	2,327
Accrued Expenses	2,103	2,647	3,965	4,172
Due to Third Parties	1,561	2,368	1,940	2,292
Total Current Liabilities	5,573	7,262	7,915	8,842
Long Term Liabilities				
Capitalized Leases	67	26	26	25
Bonds Payable	24,860	24,871	24,882	24,886
Notes Payable	294	68	44	33
Deferred Credits	1,383	1,317	1,301	1,289
Other Non Current Liabilities	442	442	417	417
Total Long Term Liabilities	27,046	26,723	26,669	26,650
Unrestricted Net Assets (Deficit)	<u>(8,705)</u>	<u>(10,700)</u>	<u>(7,708)</u>	<u>(6,542)</u>
Total Liabilities and Fund Balance	<u>\$ 23,913</u>	<u>\$ 23,285</u>	<u>\$ 26,877</u>	<u>\$ 28,950</u>

*It should be noted that the cash position for the consolidated entity is \$1.4 million in total as of 5/31/02. This is due to an accumulated liability of \$19.8 million on the Vista Corporate entity.

Vista Hospital Systems, Inc.

French Hospital Medical Center

Introduction / Facility Overview

The 96,300 square foot 112-bed hospital was built in 1972 with additions in 1986 and 1994. It sits on 15.02 acres in San Luis Obispo, California. San Luis Obispo is located at the northernmost portion of southern California, north of Santa Barbara, approximately 195 miles north of Los Angeles.

The hospital is fully accredited by the Joint Commission on Accreditation of Healthcare Organization (JCAHO). The hospital provides traditional inpatient and outpatient medical and surgical services.

Summary of Historical Financial Performance

The table below provides a summary of key financial information for the fiscal years ending 1999, 2000 and 2001, as well as for the interim five-month period ending May 31, 2002. Annualized figures for the current fiscal period are included as well.

French Hospital Medical Center
 Summary of Historical Financial Performance
 (FY 1999 – 2001, 5 Months Ending 5/31/02)

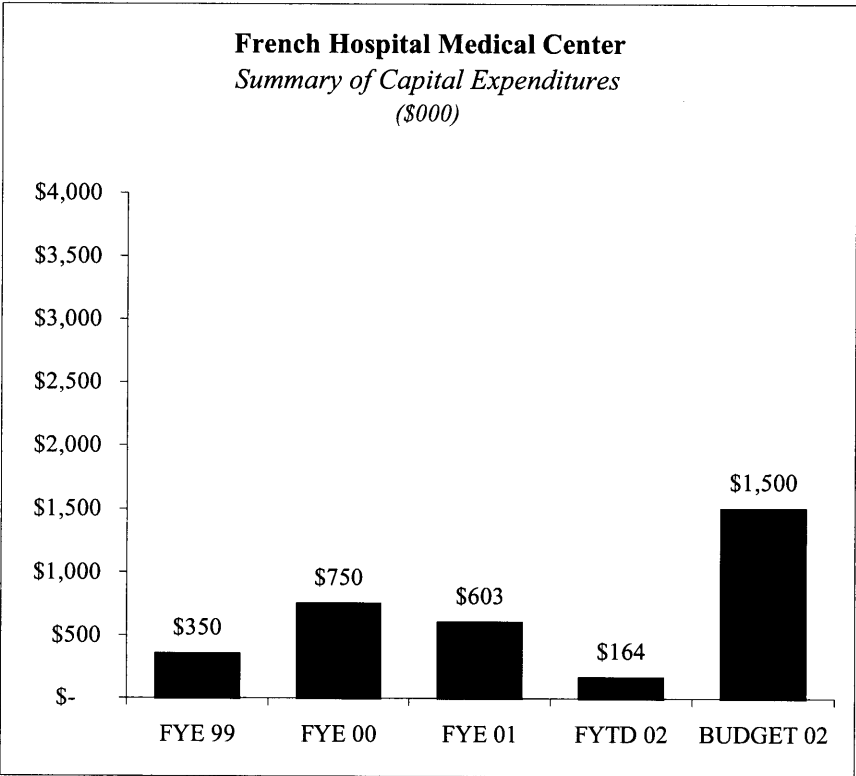
(\$000)

	FY 1999	FY 2000	FY 2001	5 Mos. 5/31/02	5 Mos. Annualized
Net Operating Revenue	\$ 35,996	\$ 33,120	\$ 37,337	\$ 16,521	\$ 39,651
Total Expenses	37,045	36,107	35,858	15,795	37,908
Operating Income	\$ (1,049)	\$ (2,987)	\$ 1,479	\$ 727	\$ 1,744
Operating Margin	-2.9%	-9.0%	4.0%	4.4%	4.4%
EBIDA*	\$ (429)	\$ (1,015)	\$ 2,060	\$ 972	\$ 2,333
EBIDA Margin	-1.2%	-3.1%	5.5%	5.9%	5.9%
Net PP&E	\$ 24,046	\$ 22,133	\$ 20,009	\$ 19,059	\$ 19,059
Total Assets	\$ 35,691	\$ 35,976	\$ 31,453	\$ 30,555	\$ 30,555

*EBIDA includes Non-operating income/expense

EBIDA has improved substantially over the past year due to the turnaround efforts instituted by the Vista Board with the assistance of Cambio Health Solutions, LLC, which have resulted in substantial expense reductions, renegotiation of managed care contracts and an emphasis on increasing revenue and growing the business.

Capital Expenditures



Capital expenditures for 1999, 2000, 2001 includes dollars expended for capital purchases and does not include capital leases. The 2002 Capital Expenditure Budget includes capital leases.

Operational Statistics

The table below provides a summary of key operating statistics for fiscal years ending December 31, 1999, 2000, 2001 and the five- month period ending May 31, 2002.

French Hospital Medical Center
 Summary of Operating Statistics
 (FY 1999 – 2001, 5 Months Ending 5/31/02)

	FY 1999	FY 2000	FY 2001	5Mos. 5/31/02
Admissions	3,818	4,278	4,315	1,733
Patient Days	18,991	15,785	16,284	6,757
Average Length of Stay (ALOS)	4.97	3.69	3.77	3.90
Average Daily Census (ADC)	52	43	45	52
Case Mix Index	1.3833	1.4475	1.3981	1.4358
Emergency Room Visits	12,049	12,450	13,059	5,168
Other Outpatient Visits	84,440	88,546	80,004	34,685
Inpatient Surgical Cases	1,576	1,483	1,505	662
Outpatient Surgical Cases	2,550	2,528	2,407	1,143

Reimbursement

The table below provides payor mix statistics for fiscal years 1999, 2000 and 2001, as well as for the five-month period ending May 31, 2002.

French Hospital Medical Center
 Payor Mix Statistics
 (FY 1999 – 2001, 5 Months Ending 5/31/02)

	FYE 99	FYE 00	FYE 01	FYTD 02 5/31/02
Medicare	33.5%	37.3%	39.3%	43.3%
Champus	3.5%	4.0%	3.6%	3.8%
Medi-Cal	0.4%	0.3%	0.5%	0.4%
Self Pay	2.6%	2.4%	2.0%	1.9%
HMO/PPO	57.4%	53.1%	52.3%	47.9%
Indigent	1.3%	1.7%	1.4%	1.1%
Other Insurance	1.3%	1.2%	0.9%	1.5%
Total	100.0%	100.0%	100.0%	100.0%

Hospital Services

French Hospital Medical Center provides the following services and programs.

Hospital Services	
Surgery	MRI (provided by outside service)
Recovery	GI Lab
Intravenous Therapy	Pharmacy
Central Supply	Rehabilitation Services
Anesthesia	Respiratory Therapy
Ultrasound	Physical Therapy
EKG and EEG	Occupational Therapy
Dialysis	Sports Medicine
Diagnostic Imaging	Speech Therapy
Radiology	Pain Management
Nuclear Medicine	Emergency Medicine
CT Scanning	Pediatrics
Intensive and Coronary Care	Cardiology/ Cardiovascular Surgery
Emergency Services	Outpatient Care

Description of Facilities

The following is a description of all owned or leased facilities of French Hospital Medical Center.

French Hospital Medical Center

1911 Johnson Avenue

San Luis Obispo, California

Site

- Owned facility
- The original structure was constructed in 1972 consisting of 77, 926 sq. feet with a 13,493 sq. foot addition for a Cath lab, EEG and physical therapy areas built in 1986, and a 4,881 sq. foot addition constructed in 1964 for surgery suites.
- 96,300 gross sq. feet
- One story
- Campus acreage – 15.02 +/- acre

Services	Licensed Beds	Staffed Beds
Intensive Care	8	-
Perinatal	8	-
Pediatric	6	-
General Acute	90	-
Total	112	60

In addition, French Hospital Medical Center master leases the following building:

Building Name	Address	Lease Termination	Annual Master Lease Payment (\$000)	Leased Space	Total Number of Units	Total Number Vacant	Total Sq. Footage	Total Sq. Footage Vacant
French Hospital Medical Center Office Building (Pacific Medical Plaza)	1941 Johnson Street San Luis Obispo, CA	12/2020	\$1,130,464	Medical Practices Hospital Services	22	2	46,000	4,264

Management and Employees

Management

Jim Rogers- Chief Executive Officer Mr. Rogers joined the private non-profit hospital in October 2001. With over 25 years of hospital senior leadership experience, Jim has worked as a turnaround specialist for proprietary health systems with facilities in Kentucky, Florida, Utah and Louisiana. Jim's academic credentials include a Bachelor's degree in Business Administration and Psychology from the University of Kentucky and a Master's degree in Business Administration from Xavier University. A strong supporter of advanced learning, Jim obtained a Certificate in Health Care Administration from Trinity University and completed a Health Trust Executive Leadership Fellows Program for the study of international healthcare.

Wayne C. Allen - Chief Financial Officer Wayne C. Allen has been the Chief Financial Officer for French Hospital Medical Center and Arroyo Grande Community Hospital since April 2002. He has over 25 years experience as a Chief Financial Officer at five different hospitals. Mr. Allen received his Bachelor's degree in Accounting from Arizona State University, and is anticipating receiving a Master's in Business Administration pending completion of two courses at California

Polytech State University. Mr. Allen has had experience as an auditor with a public accounting firm and has provided consulting on healthcare finances, business development and compliance.

Employees – FTEs by Department

The table below provides a breakdown of full time equivalents by department as of June 15, 2002.

French Hospital Medical Center
Total FTEs by Department
As of June 15, 2002

Department	FTEs	Department	FTEs
ICCU	23.8	REHAB SERVICES	5.8
DOU	30.4	NON-INVASIVE VASC. LAB	3.7
ACUTE CARE	26.4	EDUCATION	2.3
PEDIATRICS	4.3	DIETARY	19.7
OBSTETRICS	4.9	CENTRAL SERVICE	3.7
NURSERY	1.8	PHARMACY	8.4
EMERGENCY	11.5	ENVIRONMENTAL SERVICES	11.8
LABOR & DELIVERY	7.5	PLANT MAINTENANCE	5.5
OPERATING ROOM	26.8	DATA PROCESSING	2.8
AMBULATORY SURGERY	11.4	FINANCE/BUSINESS OFFICE	12.4
LABORATORY	33.3	ADMITTING	16.3
CARDIAC CATH LAB	5.1	ADMINISTRATION	2.0
CARDIOLOGY/EKG	1.3	MARKETING	0.5
CARDIAC REHABILITATION	3.5	HUMAN RESOURCES	2.5
EEG	0.2	MEDICAL RECORDS	9.7
RADIOLOGY (COMBINED)	21.2	MEDICAL STAFF OFFICE	2.8
RESPIRATORY THERAPY	8.8	NURSING ADMINISTRATION	5.9
GI LAB	2.1	CASE MGMT / IC / QA	6.5
		Total	346.2

Physicians: Medical Staff Composition

As of June 2002, there were 352 physicians on the medical staff of French Hospital Medical Center.

The table below details the composition of the medical staff by specialty, board certification, average age of physician and the number and percentage of admissions for fiscal year ending December 31, 2001 as well as YTD June 25, 2002.

French Hospital Medical Center

Medical Staff by Specialty and Status

Specialty	Medical Staff Members	Admissions*				Board Certified	Average Age
		FY 2001	%	6/25/02	%		
Allergy & Immunology	2	60	1	23	1	2	55
Anesthesiology	23					19	58
Cardiology	14	796	16	402	17	12	49
Cardiovascular Surgery	4	109	2	68	3	3	48
Colon & Rectal Surgery	1	1	0			1	53
General Dentistry	3					0	41
Dermatology	7					1	50
Endocrinology	1	1	0	4	0	1	59
Emergency Medicine	14	13	0			12	42
Family Practice	23	314	6	144	6	19	47
General Surgery	12					11	54
Gastroenterology	6	25	0	10	0	6	50
General Practice	1	9	0	13	0	0	51
Hematology/Oncology	4	20	0	4	0	4	50
Internal Medicine	28	905	17	311	13	21	46
Neonatology	3					3	41
Nephrology	2	53	1	16	0	1	51
Neurology	4	44	1	15	0	2	52
Neurosurgery	3					3	53
Nurse Midwife	6					NA	52
OB/GYN	21	880	16	346	15	14	45
Oncology	1	9	0	22	1	1	37
Ophthalmology	17	9	0	9	0	17	44
Oral Surgery / Dental	4	34	0	1	0	2	51
Orthopedic Surgery	11	311	6	119	5	8	44
Otolaryngology	6	35	0	26	1	5	46
Pathology	8					6	45
Pediatric, Dentistry	4					1	46
Pediatric, Neurology	1					0	36
Pediatrics	23	559	10	265	11	22	49
Physical Medicine	4		0			3	45
Plastic Surgery	5	51	1	20	1	5	52

Podiatry	6	4	0			2	49
Psychiatry	11					10	51
Pulmonary / Critical Care	4	109	2	55	3	4	43
Radiology	20	2	0	1	0	19	49
Rheumatology	3					2	53
Urology	9	164	4	94	5	8	48
Other	32					NA	NA
Medicine	NA	358	7	168	7	NA	NA
Surgery	NA	513	10	273	11	NA	NA
Total	352	5388	100	2409	100	-	NA

* The admission numbers in the chart reflect the tracking system by primary and/or secondary physician utilized in the HIM system. The total will not tie to the actual number of admissions reported by the facility.

Market Analysis

Demographics

San Luis Obispo is located at the northernmost portion of southern California, north of Santa Barbara and is approximately 195 miles north of Los Angeles. The city of San Luis Obispo is situated in the west central portion of the county, which is bordered by the Pacific Ocean to the west and the following three counties: Monterey County to the north, Kern County to the east and Santa Barbara County to the south. San Luis Obispo is the seat of San Luis Obispo County.

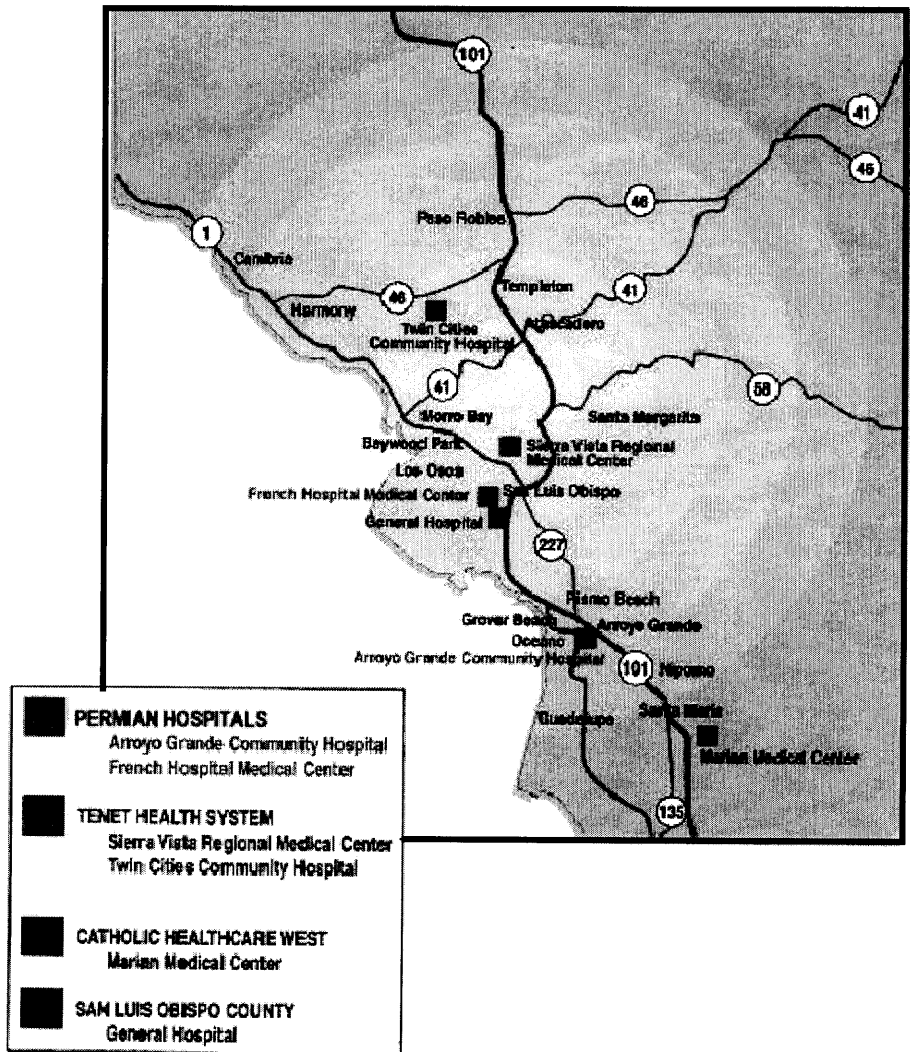
POPULATION GROWTH	1990	2001	2006 Projected
Total Population			
San Luis Obispo	16,952	18,450	18,968
San Luis Obispo County	217,162	248,893	260,153
65+ Population			
San Luis Obispo	5,125	4,775	4,375
San Luis Obispo County	10,669	34,447	34,713
Median Age			
San Luis Obispo	26.3	32.8	35.3
San Luis Obispo County	33.0	36.0	37.2

The total population is forecasted to experience an average annual growth of 0.6% in the city and 0.9% in the county through 2006. The 65-plus population is expected to decrease at an annual rate of 1.7% in the city but increase at an average annual rate of 0.2% in the county. Additionally, the median age is expected to increase in the city and the county.

According to the Community Economics Profile for the City of San Luis Obispo, the healthcare network includes three general acute-care hospitals, close to 200 physician/surgeons, three emergency rooms, 68 dentists, 25 optometrists, 33 chiropractors and two walk-in “urgent care” facilities.

The economy is well diversified with government agencies as the single largest employer (including city, county, and federal government). The high employment with the government provides the county with a stabilized economy. In addition, the economy is heavily based in tourism industry resulting in high trade and services employment.

Competitor Analysis



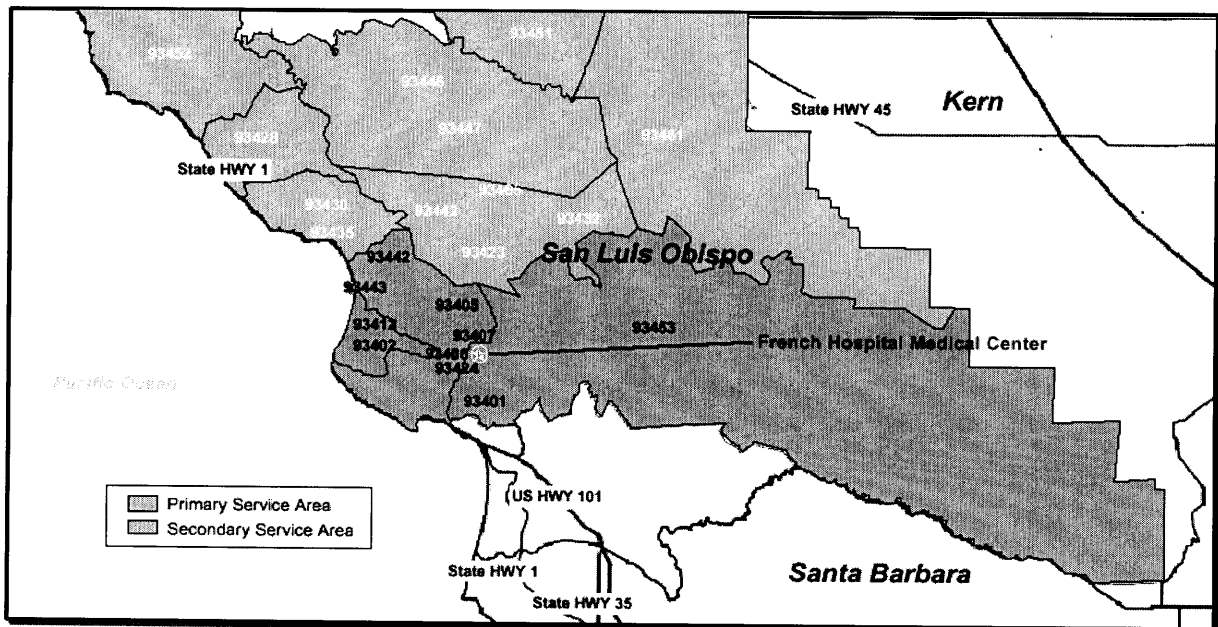
General Hospital Name/ Location	Licensed Acute Care Beds	Payor Mix	ALOS (In days)	Occupancy
Arroyo Grande Community Hospital	53 G/A* 12SN	43.9% Medicare 8.5% Medi-Cal 47.6% Priv/Other	4	61%
San Luis Obispo General Hospital	70	17.1% Medicare 48.9% Medi-Cal 34.0% Priv/Other	4	15%
Twin Cities Community Hospital	84	38.5% Medicare 10.7% Medi-Cal 50.7% Priv/Other	4	58%
Sierra Vista Regional Hospital	201	30.2% Medicare 13.1% Medi-Cal 56.7% Priv/Other	5	46%
SUBJECT: French Hospital Medical Center	112	39.3% Medicare 0.5% Medi-Cal 60.2% Priv/Other	4	45%

Office of Statewide Health Planning and Development (OSHPD)

G/A – General Acute- Care, SN – Skilled Nursing

Patient Origin

According to the State of California 1999 statistic for patient origin from the hospital's primary service area, French Hospital Medical Center captured 34% of the market. The Primary and Secondary Service Areas are noted on the map below. There is some overlap between the Primary Services Areas for Arroyo Grande Community Hospital and French Hospital Medical Center.



Vista Hospital Systems, Inc.

Managed Care

Annual managed care gross revenue at French Hospital Medical Center approximates \$55 million and represents over 40% of the medical center's overall gross revenue base. A noteworthy contributor to the medical center's performance is the inpatient and outpatient business attributable to PacifiCare of California commercial and senior membership assigned to San Luis Obispo Select (SLO Select) IPA. With the recent demise of a competing medical group, Mission Medical Associates, SLO Select has a unique opportunity to capture additional market share and enhance its long-standing partnership with French Hospital Medical Center and Arroyo Grande Community Hospital through increased admissions and outpatient referrals.

French Hospital's major payors include Blue Shield, Health Net, Blue Cross, United Healthcare and PacifiCare. However, the San Luis Obispo market and surrounding areas have seen a radical exit of senior managed care over the last several years, with the exception of PacifiCare's senior product, Secure Horizons. Reimbursement under AAPCC remains considerably lower than most counties in the California marketplace. Secure Horizons' future in the local market is currently undecided and subject to the health plan's completed CY2003 benefit submission to CMS. The medical center maintains primarily fee-for-service agreements with only one distinction -- Secure Horizons is under capitation through year-end 2002.

Management Information Systems

French Hospital Medical Center is a satellite Data Center connecting to the main Data Center located at Arroyo Grande Community Hospital. The systems are support by five DEC Alpha 1000 machines. There are three Fax boxes connected to the systems to allow users to fax Meditech reports. These fax machines also allow the Lab module to telcom lab results to doctors' offices. There is a pool of 7 modems, which allow 20 physician offices to access the Meditech Systems.

<u>MEDITECH's Patient Registration</u>	<u>Department:</u> Utilized in Inpatient Registration, Outpatient Registration, Emergency Room Registration, Radiology, and Lab registration
<u>MEDITECH's Order Entry</u>	<u>Department:</u> Utilized in Cardiovascular Departments, Cath lab, and Respiratory Services
<u>MEDITECH's Patient Care Inquiry (PCI)</u>	<u>Departments:</u> Utilized in Nursing Units to check lab / Rad results and in Pharmacy to verify pt results before issuing medications. There are currently 5 physician offices connected to the systems to access their patients' results.
<u>MEDITECH's Radiology application</u>	<u>Departments:</u> Utilized by Radiology Techs, staff and Radiologist on duty
<u>MEDITECH's Microbiology application</u>	<u>Departments:</u> Utilized in the Laboratory at French
<u>MEDITECH's Pharmacy software</u>	<u>Departments:</u> Utilized in the Pharmacy
<u>MEDITECH's Departmental application</u>	<u>Department:</u> Utilized with PCI, although departments do not dictate on this system yet.
<u>MEDITECH's Billing/Accounts Receivable (B/AR)</u>	<u>Department:</u> Utilized in Admissions, Billing, Collections, Finance, MIS, Case Mgmt. Radiology, and Lab
<u>MEDITECH's Accounts Payable software</u>	<u>Departments:</u> Utilized in Acct payable, Finance, and Materials Mgmt
<u>MEDITECH's General Ledger software</u>	<u>Departments:</u> Utilized in Finance and Materials Mgmt
<u>MEDITECH's Materials Management</u>	<u>Departments:</u> Utilized in Acct payable, Finance, and Materials Mgmt
<u>MEDITECH's Payroll/Personnel</u>	<u>Departments:</u> Utilized in Finance, Materials Mgmt., Payroll, and Human Resources

Benefit Summary:

PTO Plan or Vacation/Sick/Holiday
Medical
Dental / Vision
Life Insurance / LTD / Voluntary STD
Pension Plan 403(b)

Insurance

French Hospital Medical Center maintains a comprehensive insurance program including general liability, automobile liability, property insurance, business interruption insurance, worker's compensation and builder's risk, as well as other coverages. Any pending litigation or proceedings that occurred during the ordinary course of business are for the most part covered by existing insurance programs/policies.

Financial Summary - French Hospital Medical Center

(Note: The financial statements below do not tie to the audited financial statements on a consolidated basis due to the exclusion of other entities.)

French Hospital Medical Center

Income Statement

(\$000)

	<u>FYE 99</u>	<u>FYE 00</u>	<u>FYE 01</u>	<u>FYTD 02</u> <u>through</u> <u>5/31/02</u>
Revenues				
Inpatient Revenue	\$ 96,798	\$ 94,868	\$ 124,584	\$ 62,463
Outpatient Revenue	<u>44,653</u>	<u>46,704</u>	<u>62,669</u>	<u>34,489</u>
Gross Revenue	141,451	141,572	187,253	96,952
Total Deductions	<u>106,626</u>	<u>108,852</u>	<u>150,318</u>	<u>80,571</u>
Net Patient Revenue	34,825	32,720	36,934	16,381
Other Operating Revenue	<u>1,171</u>	<u>400</u>	<u>403</u>	<u>140</u>
Net Revenue	35,996	33,120	37,337	16,521
Expenses				
Salaries & Temporary labor	14,331	13,769	15,019	6,599
Employee Benefits	4,113	4,192	3,885	1,695
Repairs, Rent, Utils, Mktg & Ins	5,466	6,868	5,186	2,051
Supplies	9,563	10,114	9,522	4,461
Repairs, Rent, Utilities, Marketing & Insurance	3,467	2,119	2,128	878
Other Operating Expense	<u>106</u>	<u>(955)</u>	<u>120</u>	<u>111</u>
Total Operating Expenses	37,045	36,107	35,858	15,795
Capital Costs				
Interest	4,611	3,556	3,793	1,468
Depreciation & Amortization	3,513	2,863	2,935	1,065
Non Operating (Income) Expense	(620)	(1,972)	(581)	(246)
Extraordinary items	<u>16,190</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Capital Costs	23,694	4,448	6,147	2,287
Net Income (loss)	<u>\$ (24,744)</u>	<u>\$ (7,435)</u>	<u>\$ (4,668)</u>	<u>\$ (1,560)</u>
EBIDA*	<u>\$ (429)</u>	<u>\$ (1,015)</u>	<u>\$ 2,060</u>	<u>\$ 972</u>

* EBIDA includes Non operating income/expense

Vista Hospital Systems, Inc.

French Hospital Medical Center

Balance Sheet

(\$000)

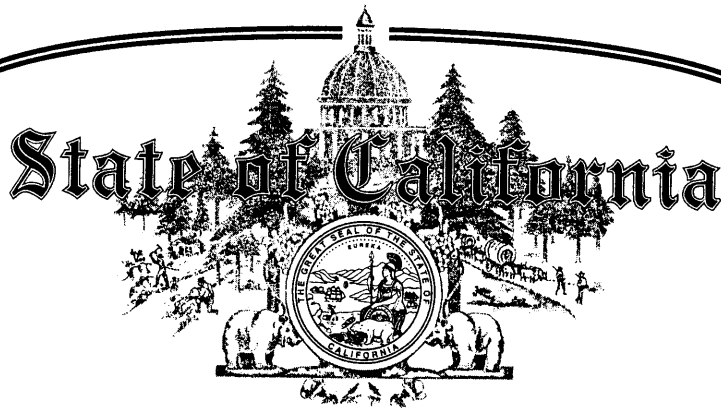
	<u>FYE 99</u>	<u>FYE 00</u>	<u>FYE 01</u>	FYTD 02 through 5/31/02
Current Assets				
Cash*	\$ 880	\$ 1,483	\$ (399)	\$ (1,768)
Patient Receivables	11,639	12,989	14,663	18,912
Allow for Contract. Discounts/Bad Debt	<u>(10,731)</u>	<u>(8,819)</u>	<u>(10,442)</u>	<u>(13,458)</u>
Net Accounts Receivable	908	4,170	4,221	5,454
Inventories	1,143	1,029	1,083	1,092
Prepaid Expenses & Other Current Assets	1,033	727	656	618
Other Accounts Receivable	<u>148</u>	<u>149</u>	<u>1,158</u>	<u>1,446</u>
Total Current Assets	2,324	1,905	2,897	3,156
Property Plant & Equipment				
Property Plant & Equipment	29,007	29,831	30,515	30,578
Less- Accumulated Depreciation	<u>(4,961)</u>	<u>(7,698)</u>	<u>(10,506)</u>	<u>(11,519)</u>
Net Property Plant & Equipment	24,046	22,133	20,009	19,059
Other Assets	<u>7,533</u>	<u>6,284</u>	<u>4,726</u>	<u>4,655</u>
Total Assets	<u>\$ 35,691</u>	<u>\$ 35,976</u>	<u>\$ 31,453</u>	<u>\$ 30,555</u>
Current Liabilities				
Current Installments on Long-Term Debt	\$ 736	\$ 286	\$ 72	\$ 9
Current Capital Lease Obligations	507	553	607	684
Accounts Payable	2,896	5,984	4,388	4,455
Accrued Expenses	6,344	6,722	8,395	8,813
Other Current Liabilities	-	4,066	4,521	4,100
Due to Third Parties	<u>635</u>	<u>2,572</u>	<u>3,134</u>	<u>4,039</u>
Total Current Liabilities	11,118	20,183	21,117	22,101
Long Term Liabilities				
Mortgages Payable	4,000	4,000	4,000	4,000
Capitalized Leases	1,786	1,232	783	546
Bonds Payable	52,538	52,569	52,599	52,611
Notes Payable	769	109	43	-
Deferred Credits	3,243	3,129	3,034	2,984
Other Non Current Liabilities	<u>832</u>	<u>782</u>	<u>752</u>	<u>749</u>
Total Long Term Liabilities	63,167	61,821	61,211	60,889
Unrestricted Assets (Deficit)	<u>(38,594)</u>	<u>(46,028)</u>	<u>(50,875)</u>	<u>(52,435)</u>
Total Liabilities and Fund Balance	<u>\$ 35,691</u>	<u>\$ 35,976</u>	<u>\$ 31,453</u>	<u>\$ 30,555</u>

*It should be noted that the cash position for the consolidated entity is \$1.4 million in total as of 5/31/02. This is due to an accumulated liability of \$19.8 million on the Vista Corporate entity.

Vista Hospital Systems, Inc.

SCHEDULE E

**VISTA HOSPITAL SYSTEMS, INC.
ARTICLES OF INCORPORATION, AS AMENDED**



SECRETARY OF STATE

I, *Kevin Shelley*, Secretary of State of the State of California, hereby certify:

That the attached transcript of 7 page(s) was prepared by and in this office from the record on file, of which it purports to be a copy, and that it is full, true and correct.

IN WITNESS WHEREOF, I execute this certificate and affix the Great Seal of the State of California this day of

APR 08 2003



Secretary of State

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1668069

FILED
In the office of the Secretary of State
of the State of California

ARTICLES OF INCORPORATION
OF
COMMUNITY HEALTH SYSTEMS, INC.

JUL 06 1990

MAPON FONG LU (SECRETARY)

I.

The name of this corporation is Community Health Systems, Inc.

II.

This corporation is a nonprofit public benefit corporation and is not organized for the private gain of any person. It is organized under the Nonprofit Public Benefit Corporation Law for charitable purposes.

III.

The name and address in the State of California of this corporation's initial agent for service of process is:

CT Corporation System

IV.

A. This corporation is organized and operated exclusively for charitable purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986, including without limitation, the ownership and operation of hospitals and nursing homes in a charitable manner and the provision of health care related services in a charitable manner, and including for such purposes, the making of distributions and contributions to organizations that are described in Internal Revenue Code Section 501(c)(3) and exempt from taxation under Internal Revenue Code Section 501(a). Notwithstanding any other provision of these Articles, the corporation shall not carry on any activities not permitted to be carried on (i) by a corporation exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code of 1986 (or

the corresponding provision of any future United States Internal Revenue Law); or (ii) by a corporation, contributions to which are deductible under Section 170(c)(2) of the Internal Revenue Code of 1986 (or the corresponding provision of any future United States Internal Revenue Law).

B. No substantial part of the activities of this corporation shall consist of carrying on propaganda, or otherwise attempting to influence legislation, and the corporation shall not participate or intervene in any political campaign (including the publishing or distribution of statements) on behalf of any candidate for public office.

V.

The property of this corporation is irrevocably dedicated to charitable purposes and no part of the net income or assets of this corporation shall ever inure to the benefit of any director, officer or member thereof or to the benefit of any private person. Upon the dissolution or winding up of the corporation, its assets remaining after payment, or provision for payment, of all debts and liabilities of this corporation shall be distributed to a nonprofit fund, foundation or corporation which is organized and operated exclusively for charitable purposes and which has established its tax-exempt status under Section 501(c)(3) of the Internal Revenue Code of 1986 (or the corresponding provision of any future United States Internal Revenue Law), or shall be distributed to the federal, state or local government for a public purpose.

R. Todd Gardenhire , Incorporator

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6/26/90

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CERTIFICATE OF AMENDMENT
OF
ARTICLES OF INCORPORATION

FILED
In the office of the Secretary of State
of the State of California

AUG 23 1990

MARCH FUNG EU, Secretary of State

R. TODD GARDENHIRE certifies that:

1. He is the incorporator of Community Health Systems, Inc., a California nonprofit public benefit corporation.

2. He hereby adopts the following amendment of the articles of incorporation of this corporation:

Article I is amended to read as follows:

"The name of this corporation is Vista Hospital Systems, Inc."

Article VI is added as follows:

The corporation shall be organized and thereafter operated exclusively for public charitable uses and purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code. Such charitable purposes of the corporation include establishing, owning, maintaining and operating hospitals, nursing homes and related health care facilities, including retirement housing for elderly persons, and performing such other acts necessary or incidental to the above stated purposes. The corporation shall serve only such purposes and functions and shall engage only in activities as are consistent with the purposes herein stated, are exclusively charitable, and are entitled to charitable status under Section 501(c)(3) of the Internal Revenue Code.

3. No directors were named in the original articles of incorporation and none have been elected.

4. The corporation has no members.

I further declare under penalty of perjury under the laws of the State of California that the matters set forth in this certificate are true and correct of my own knowledge.

Date: August 13, 1990

R. Todd Gardenhire, Incorporator

1668069

A427433

FILED

In the office of the Secretary of State
of the State of California

JAN 20 1993

CERTIFICATE OF
RESTATED ARTICLES OF INCORPORATION
OF
VISTA HOSPITAL SYSTEMS, INC.

WANG HUNG TU, Secretary of State

Michael Payne, M.D. and Stephen A. Odell hereby
certify that:

1. They are the duly elected and acting President
and Secretary, respectively, of Vista Hospital Systems, Inc., a
California nonprofit corporation.

2. The Articles of Incorporation of the corporation
are amended and restated to read in full as set forth in
Exhibit A which is attached hereto and incorporated herein by
this reference.

3. The Restated Articles of Incorporation set forth
in Exhibit A have been approved by the Board of Directors of
this corporation.

4. This corporation has no members.

We further declare under penalty of perjury under the
laws of the State of California that the matters set forth on
this certificate are true and correct to the best of our
knowledge and belief.

Executed at Salem, Oregon, California this 18th day
of December, 1992.

VISTA HOSPITAL SYSTEMS, INC.

EXHIBIT "A"
RESTATED ARTICLES OF INCORPORATION
OF
VISTA HOSPITAL SYSTEMS, INC.

I.

NAME

The name of this corporation is Vista Hospital Systems, Inc.

II.

ORGANIZATION

This corporation is a nonprofit public benefit corporation and is not organized for the private gain of any person. It is organized under the Nonprofit Public Benefit Corporation Law for charitable purposes.

III.

PURPOSES

A. This corporation is organized and operated exclusively for charitable purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986, or the corresponding provision of any future United States Internal Revenue Law, (the "Code") including without limitation, establishing, owning, maintaining and operating hospitals, nursing homes and related health care facilities including retirement housing for elderly persons, and performing such other acts necessary or incidental to the above stated purposes. Notwithstanding any other provision of these Articles, the corporation shall not carry on any activities not permitted to be carried on (i) by a corporation exempt from federal income tax under Section 501(c)(3) of the Code, or (ii) by a corporation, contributions to which are deductible under Section 170(c)(2) of the Code.

B. No substantial part of the activities of this Corporation shall consist of carrying on propaganda, or otherwise attempting, to influence legislation, and the corporation shall not participate or intervene in any political campaign (including the publishing or distribution of statements) on behalf of (or in opposition to) any candidate for public office.

C. This corporation is not organized, nor shall it be operated, for pecuniary gain or profit, and it does not contemplate the distribution of gains, profits or dividends to the members thereof or to any private shareholder, as defined for purposes of Section 501(c)(3) of the Code.

D. The property, assets, profits and net income of this corporation are irrevocably dedicated to charitable purposes and no part of the profits or net income of this corporation shall ever inure to the benefit of any director, officer or member thereof or to the benefit of any private person.

IV.

MEMBERSHIP

The corporation shall have no members.

V.

DISSOLUTION

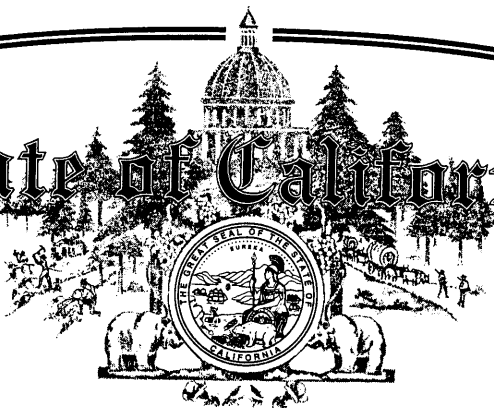
Upon the dissolution or winding up of the corporation, its assets remaining after payment, or provision for payment, of all debts and liabilities of this corporation shall be distributed to a nonprofit fund, foundation or corporation which is organized and operated exclusively for charitable purposes and which has established its tax exempt status under Section 501(c)(3) of the Code.



SCHEDULE F

**FRENCH HOSPITAL MEDICAL CENTER
ARTICLES OF INCORPORATION, AS AMENDED**

State of California



SECRETARY OF STATE

I, *Kevin Shelley*, Secretary of State of the State of California, hereby certify:

That the attached transcript of 4 page(s) was prepared by and in this office from the record on file, of which it purports to be a copy, and that it is full, true and correct.

IN WITNESS WHEREOF, I execute this certificate and affix the Great Seal of the State of California this day of

APR 08 2003



Secretary of State

OF
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1348658

FILED

In the office of the Secretary of State
of the State of California

AUG 19 1985

MARSH FUNK, III

By-

Deputy

ARTICLES OF INCORPORATION
OF
FRENCH HOSPITAL MEDICAL CENTER

I

The name of this corporation is FRENCH HOSPITAL MEDICAL CENTER.

II

The purpose of this corporation is to engage in any lawful act or activity for which a corporation may be organized under the General Corporation Law of California other than the banking business, the trust company business or the practice of a profession permitted to be incorporated by the California Corporations Code.

III

The name and address in the State of California of this corporation's initial agent for service of process is:

Darrel Neuenschwander
c/o. Summit Health Ltd.
1800 Avenue of the Stars
12th Floor
Los Angeles, CA 90067

IV

This corporation is authorized to issue only one class of stock; and the total number of shares which this corporation is authorized to issue is 1,000 shares

DATED:

8/14/85

WILLIAM L. PIERPOINT

FILED

in the office of the Secretary of State
of the State of California

JUL 30 1997

RESTATED
ARTICLES OF INCORPORATION
FRENCH HOSPITAL MEDICAL CENTER

BILL JONES, Secretary of State

The undersigned certify that:

1. They are the president and the assistant secretary, respectively, of French Hospital Medical Center, a California corporation.
2. The Articles of Incorporation of this corporation are amended and restated to read as follows:

ARTICLE I

The name of this corporation is French Hospital Medical Center.

ARTICLE II

- A. This corporation is a nonprofit public benefit corporation and is not organized for the private gain of any person. It is organized under the Nonprofit Public Benefit Corporation Law for charitable purposes.
- B. The primary purpose of this corporation is to establish, own, maintain and operate hospitals, nursing homes and related health care facilities, including retirement housing for elderly persons, and to perform such other acts necessary or incidental to such activities. In addition to the foregoing, this corporation may engage in any lawful act or activity not prohibited to a corporation under the State of California Nonprofit Public Benefit Corporation Law.

ARTICLE III

- A. This corporation is organized and operated exclusively for charitable purposes within the meaning of Section 501(c)(3), Internal Revenue Code.
- B. No substantial part of the activities of this corporation shall consist of carrying on propaganda, or otherwise attempting to influence legislation, and the corporation shall not participate or intervene in any political campaign (including the publishing or distribution of

statements) on behalf of any candidate for public office.

ARTICLE IV

The property of this corporation is irrevocably dedicated to charitable purposes and no part of the net income or assets of this corporation shall ever inure to the benefit of any director, officer or member thereof or to the benefit of any private person. Upon the dissolution or winding up of the corporation, its assets remaining after payment, or provision for payment, of all debts and liabilities of this corporation shall be distributed to a nonprofit fund, foundation or corporation which is organized and operated exclusively for charitable purposes and which has established its tax exempt status under Section 501(c)(3) of the Internal Revenue Code.

ARTICLE V

The sole member of this corporation shall be Permian Health Care, Inc., a Colorado nonprofit corporation which is exempt from federal income taxation under Section 501(a) of the Internal Revenue Code as an organization described in Section 501(c)(3) of the Internal Revenue Code.

ARTICLE VI

All outstanding shares of this corporation are cancelled as of the effective date of the restatement of these Articles of Incorporation.

3. The foregoing amendment and restatement of Articles of Incorporation has been duly approved by the board of directors.
4. The foregoing amendment and restatement of Articles of Incorporation has been duly approved by the required vote of shareholders in accordance with Section 902, California Corporations Code. The number of shares voting in favor of the amendment equaled the vote required. The percentage vote required was 100%.

We further declare under penalty of perjury under the laws of the State of California that the matters set forth in this certificate are true and correct of our knowledge.

Date: July 25, 1997

Stina Hans, President

Michael E. Olsen, Assistant Secretary



SCHEDULE G
BYLAWS OF
VISTA HOSPITAL SYSTEMS, INC.

BY-LAWS
OF
VISTA HOSPITAL SYSTEMS, INC.

Incorporated under the Laws of
the State of California

Adopted by the Board of Directors
as of September 13, 1993

These are Bylaws of Vista Hospital Systems, Inc. adopted by
resolution of the Board of Directors, effective as of the 13
day of September, 1993.

Secretary

Date: 9/13/93

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BY-LAWS
OF
VISTA HOSPITAL SYSTEMS, INC.

Incorporated under the laws of the State of California

ARTICLE 1
NAME, LOCATION AND OFFICES

1.1 Name. The name of this Corporation shall be "Vista Hospital Systems, Inc."

1.2 Principal Office. The principal office of the Corporation shall be located in Arroyo Grande, California. The Corporation may have other offices at such place or places, within or without the State of California, as the Board of Directors may determine from time to time or the affairs of the Corporation may require or make desirable.

ARTICLE 2
PURPOSE AND GOVERNING INSTRUMENTS

2.1 Nonprofit Corporation. The Corporation shall be organized and operate as a nonprofit corporation under the provisions of the California Nonprofit Public Benefit Corporation Law.

2.2 Charitable Purposes. The Corporation is a voluntary association of individuals the purposes of which, as set forth in the Articles of Incorporation, are exclusively charitable within the meaning of Section 501(c)(3) of the Internal Revenue Code. In furtherance of such purposes, the Corporation shall have full power and authority:

(a) To establish, acquire, own, maintain, operate and manage nursing homes, hospitals, and related health care facilities, and retirement housing for elderly persons;

(b) To construct, operate, maintain, improve, buy, own, sell, convey, assign, mortgage, or lease any real property and any personal property necessary or incident to the establishment, acquisition, ownership, maintenance, and operation of nursing homes, hospitals, and related health care facilities, and retirement housing for elderly persons;

(c) To provide nursing and hospital care and other health care services and facilities, and retirement housing for elderly persons;

(d) To accept and receive gifts, grants, contributions, and bequests of real or personal property for the use and benefit of such nursing homes, hospitals, and related health care facilities, and retirement housing for elderly persons;

(e) To hold, invest, reinvest, and expend such funds and properties so received for such purposes;

(f) To borrow money and issue evidences of indebtedness in furtherance of any or all of the objects of its business; and

(g) To perform all other acts necessary or incidental to the above and to do whatever is deemed necessary, useful, advisable, or conducive, directly or indirectly, to carry out any of the purposes of the Corporation, as set forth in the Articles of Incorporation and these Bylaws, including exercise of all other power and authority enjoyed by corporations generally by virtue of the provisions of the California Nonprofit Public Benefit Corporation Law (within and subject to the limitations of both Section 501(c)(3) of the Internal Revenue Code and Section 23071d of the California Revenue and Taxation Code);

(h) To perform all other acts not inconsistent with the Articles of Incorporation, the California Nonprofit Public Benefit Corporation Law and the Corporation's charitable status under Section 501(c)(3) of the Internal Revenue Code and Section 23071d of the California Revenue and Taxation Code.

2.3 Governing Instruments. The Corporation shall be governed by its Articles of Incorporation and its Bylaws.

ARTICLE 3 BOARD OF DIRECTORS

3.1 Authority and Responsibility of the Board of Directors.

(a) The supreme authority of the Corporation and the government and management of the affairs of the Corporation shall be vested in the Board of Directors; and all of the powers, duties and functions of the Corporation conferred by the Articles of Incorporation, these Bylaws, state statutes, common law, court decisions, or otherwise, shall be exercised, performed, or controlled by the Board of Directors.

(b) The governing body of the Corporation shall be the Board of Directors. The Board of Directors shall have supervision, control, and direction of the management, affairs, and property of the Corporation; shall determine its policies or changes therein; and shall actively prosecute its purposes and objectives and supervise the disbursement of its funds. The Board of Directors may adopt, by majority vote, such rules and regulations for the

Corporation as shall be deemed advisable, and may, in the execution of the powers granted, delegate certain of its authority and responsibility to an executive committee. Under no circumstances, however, shall any actions be taken which are inconsistent with the Articles of Incorporation and these Bylaws.

(c) The Board of Directors shall not permit any part of the net earnings or capital of the Corporation to inure to benefit of any member (if there be any), director, officer, trustee, or other private person or individual.

(d) The Board of Directors may, from time to time, appoint, as advisors, persons whose advice, assistance, and support may be deemed helpful in determining policies and formulating programs for carrying out the purposes and functions of the Corporation, provided that such advisors shall not exercise any of the powers of the Board.

(e) The Board of Directors is authorized to employ such person or persons, including an executive director or officer, attorneys, directors, agents, and assistants which in its judgment are necessary or desirable for the administration and for the management of the Corporation, and to pay reasonable compensation for the services performed and expenses incurred by such person or persons.

3.2 Board of Directors. The Board of Directors shall consist of not less than one (1) and not more than nine (9) directors, with the precise number of directors to be fixed, within the limits specified, by resolution adopted from time to time by a majority of all of the directors then in office. A majority of the Board of Directors of this Corporation shall at all times also comprise a majority of the Board of Directors of Permian Health Care, Inc., a Colorado non profit corporation.

3.3 Manner of Election and Term of Office. Except as provided in Section 3.2 above, the regular directors shall be elected at the annual meeting of the Board of Directors of the Corporation by a vote of the directors as provided in Article 3 of these Bylaws. Each director shall take office after the close of such annual meeting and shall continue in office until the expiration of the term for which elected and until his or her successor has been elected and qualified, or until his or her earlier death, resignation, retirement, disqualification, or removal. The term of office of director shall be one year. There shall be no limitation on the number of successive terms of office for which a director may serve.

3.4 Removal. Any director may be removed in accordance with Sections 5221 and 5222 of the California Corporations Code at any regular, special or annual meeting of the Board of Directors, by the affirmative vote of a majority of all the directors then in

office if notice of intention to act upon such matter shall have been given in the notice calling such meeting. A removed director's successor may be elected at the same meeting to serve the unexpired term.

3.5 Vacancies. Any vacancies in the Board of Directors arising at any time and from any cause, including the authorization of an increase in the number of directors, may be filled for the unexpired term at any meeting of the Board of Directors by a majority of the directors then in office. Each director so elected shall hold office until the election at the annual meeting of the Board of Directors and the qualification of his or her successor.

3.6 Compensation. Except as provided below, no director of the Corporation shall receive, directly or indirectly, any salary, compensation or emolument therefrom as such director or in any other capacity, unless authorized by the vote of a majority of all the directors or (notwithstanding any quorum requirement of these Bylaws) by the vote of all the directors other than the director who would receive such salary, compensation or emolument. However, nothing contained herein shall be construed to prevent any director from serving the Corporation in any other capacity and receiving reasonable compensation for services rendered in furtherance of the purposes and functions of the Corporation.

3.7 Place of Meeting. Meetings of the Board of Directors may be held at any place within or without the State of California as set forth in the notice thereof or in the event of a meeting held pursuant to waiver of notice, as may be set forth in the waiver, or if no place is so specified, at the principal office of the Corporation.

3.8 Annual Meeting; Notice. The annual meeting of the Board of Directors shall be held at the principal office of the Corporation or at such other place as the Board of Directors shall determine, on such day and at such time as the Board of Directors shall designate. Unless waived as contemplated in Section 4.2, notice of the time and place of such annual meeting shall be given by the Secretary either personally or by telephone or by mail or by telegraph not less than ten (10) nor more than fifty (50) days before such meeting.

3.9 Regular Meetings; Notice. Regular meetings of the Board of Directors may be held from time to time between annual meetings at such times and at such places as the Board of Directors may prescribe. Notice of the time and place of each such regular meeting shall be given by the Secretary either personally or by telephone or by mail or by telegraph not less than seven (7) nor more than thirty (30) days before such regular meeting.

3.10 Special Meetings; Notice. Special meetings of the Board of Directors may be called by or at the request of the president or

by any two (2) of the directors in office at that time. Notice of the time, place and purpose of any special meeting of the Board of Directors shall be given by the Secretary either by mail at least four (4) days before such meeting or by telephone or telegraph at least twenty-four (24) hours before such meeting.

3.11 Waiver. Attendance by a director at a meeting shall constitute waiver of notice of such meeting, except where a director attends a meeting for the express purpose of objecting to the transaction of business because the meeting is not lawfully called. (See also Article 4, "Notice and Waiver").

3.12 Quorum. At meetings of the Board of Directors, a majority of the directors then in office shall be necessary to constitute a quorum for the transaction of business.

3.13 Vote Required for Action. Except as otherwise provided in these Bylaws or by law, the act of a majority of the directors present at a meeting at which a quorum is present at the time shall be the act of the Board of Directors. Adoption, amendment, and repeal of these Bylaws is provided for in Article 11 of these Bylaws. Vacancies in the Board of Directors may be filled as provided in Section 3.5 of these Bylaws.

3.14 Action by Directors Without a Meeting. Any action required or permitted to be taken at a meeting of the Board of Directors may be taken without a meeting if a consent in writing, setting forth the action so taken, is signed by all the members of the Board of Directors. Such consent shall have the same force and effect as a unanimous vote at a meeting duly called. The signed consent, or a signed copy, shall be placed in the minute book.

3.15 Telephone and Similar Meetings. Directors may participate in and hold a meeting by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other. Participation in such a meeting shall constitute presence in person at the meeting, except where a person participates in the meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called or convened.

3.16 Adjournments. A majority of the directors present, whether or not a quorum is present, may adjourn any meeting to another time and place. If the meeting is adjourned for more than 24 hours, notice of any adjournment to another time or place shall be given prior to the time of the adjourned meeting to the directors who were not present at the time of the adjournment.

ARTICLE 4
NOTICE AND WAIVER

4.1 Procedure. Whenever these Bylaws require notice to be given to any director, the notice shall be given as prescribed in Article 3. Whenever notice is given to a director by mail, the notice shall be sent first class mail by depositing the same in a post office or letter box in a postage prepaid sealed envelope addressed to the director at his or her address as it appears on the books of the Corporation; and such notice shall be deemed to have been given at the time the same is deposited in the United States Mail. Notice shall be deemed to have been given by telegraph at the time notice is filed with the transmitting agency.

4.2 Waiver. Whenever any notice is required to be given to any director by law, by the Articles of Incorporation, or by these Bylaws, a waiver thereof in writing signed by the director entitled to such notice, whether before or after the meeting to which the waiver pertains, shall be deemed equivalent thereto.

ARTICLE 5
COMMITTEES OF DIRECTORS

5.1 Executive Committee. By resolution adopted by a majority of the directors in office, provided that a quorum is present, the Board of Directors may designate one or more executive committees, each of which shall consist of two (2) or more directors, which executive committee, to the extent provided in such resolution, shall have and exercise the authority of the Board of Directors in the management of the affairs of the Corporation, except as restricted by Section 5212 of the California Corporations Code.

5.2 Other Committees of Directors. Other committees, each consisting of two (2) or more directors, not having and exercising the authority of the Board of Directors in the management of the Corporation, may be designated by a resolution adopted by a majority of directors present at a meeting at which a quorum is present. Members of each such committee shall be appointed by the Board. Any member of any committee may be removed by the Board.

5.3 Term of Appointment. Each member of a committee shall continue as such until the next annual meeting of the Board of Directors and until his or her successor is appointed, unless the committee shall be sooner terminated, or unless such member shall be removed from such committee, or unless such member shall cease to qualify as a member thereof.

5.4 Chairman. The Board shall appoint one member of each committee the chairman thereof.

5.5 Vacancies. Vacancies in the membership of any committee shall be filled by the Board.

5.6 Quorum. Unless otherwise provided in the resolution of the Board of Directors designating a committee, a majority of the whole committee shall constitute a quorum; and the act of a majority of members present at a meeting at which a quorum is present shall be the act of the committee.

5.7 Rules. Each committee may adopt rules for its own government, so long as such rules are not inconsistent with these Bylaws or with rules adopted by the Board of Directors.

ARTICLE 6 OFFICERS

6.1 Number and Qualifications. The officers of the Corporation shall consist of a president, one or more vice presidents, as determined by the Board of Directors, a secretary and a chief financial officer. The Board of Directors may from time to time create and establish the duties of such other officers or assistant officers as it deems necessary for the efficient management of the Corporation, but the Corporation shall not be required to have at any time any officers other than a president, a secretary and a chief financial officer. Any two (2) or more offices may be held by the same person, except that neither the secretary nor the chief financial officer may serve concurrently as the president.

6.2 Election and Term of Office. The officers of the Corporation shall be elected by the Board of Directors and shall serve for terms of one (1) year and until their successors have been elected and qualified, or until their earlier death, resignation, removal, retirement, or disqualification.

6.3 Other Agents. The Board of Directors may appoint from time to time such agents as it may deem necessary or desirable, each of whom shall hold office during the pleasure of the Board, and shall have such authority and perform such duties and shall receive such reasonable compensation, if any, as the Board of Directors may from time to time determine.

6.4 Removal. Any officer or agent elected or appointed by the Board of Directors may be removed by the Board of Directors whenever in its judgment the best interests of the Corporation will be served thereby. However, any such removal shall be without prejudice to the contract rights, if any, of the officer or agent so removed.

6.5 Vacancies. A vacancy in any office arising at any time and from any cause may be filled for the unexpired term at any meeting of the Board of Directors.

6.6 President. The president shall be the principal executive officer of the Corporation and shall preside at all meetings of the Board of Directors. The president shall also serve as a member, with right to vote, of the executive committee of the Board of Directors and as a voting member, ex officio, of any and all other committees of the Board of Directors. He or she shall be authorized to sign checks, drafts, and other orders for the payment of money, notes or other evidences of indebtedness issued in the name of the Corporation, and statements and reports required to be filed with government officials or agencies; and he or she shall be authorized to enter into any contract or agreement and to execute in the corporate name, along with the secretary, any instrument or other writing; and he or she shall see that all orders and resolutions of the Board of Directors are carried into effect. Subject to the ultimate authority of the Board, he or she shall have the right to supervise and direct the management and operation of the Corporation and to make all decisions as to policy and otherwise which may arise between meetings of the Board of Directors, and the other officers and employees of the Corporation shall be under his or her supervision and control during such interim period. He or she shall perform such other duties and have such other authority and powers as the Board of Directors may from time to time prescribe.

6.7 Vice President. The vice president, in the order of their seniority, unless otherwise determined by the president or by the Board of Directors, shall, in the absence or disability of the president, perform the duties and have the authority and exercise the powers of the president. They shall perform such other duties and have such other authority and powers as the Board of Directors may from time to time prescribe or as the president may from time to time delegate.

6.8 Secretary.

(a) The secretary shall attend all meetings of the Board of Directors and record all votes, actions and the minutes of all proceedings in a book to be kept for that purpose and shall perform like duties for the executive and other committees when required.

(b) The secretary shall give, or cause to be given, notice of all meetings of the Board of Directors.

(c) The secretary shall keep in safe custody the seal of the Corporation and, when authorized by the Board of Directors or the president, affix it to any instrument requiring it. When so affixed, it shall be attested by his or her signature or by the signature of the chief financial officer or an assistant secretary.

(d) The secretary shall be under the supervision of the president. He or she shall perform such other duties and have such other authority and powers as the Board of Directors may from time to time prescribe or as the president may from time to time delegate.

6.9 Assistant Secretary. The assistant secretaries in the order of their seniority, unless otherwise determined by the president or by the Board of Directors, shall, in the absence or disability of the secretary, perform the duties and have the authority and exercise the powers of the secretary. They shall perform such other duties and have such other powers as the Board of Directors may from time to time prescribe or as the president may from time to time delegate.

6.10 Chief Financial Officer.

(a) The chief financial officer shall have custody of the corporate funds and securities and shall keep full and accurate receipts and disbursements of the Corporation and shall deposit all monies and other valuables in the name and to the credit of the Corporation into depositories designated by the Board of Directors.

(b) The chief financial officer shall disburse the funds of the Corporation as ordered by the Board of Directors, and prepare financial statements each month or at such other intervals as the Board of Directors shall direct.

(c) If required by the Board of Directors, the chief financial officer shall give the Corporation a bond (in such form, in such sum, and with such surety or sureties as shall be satisfactory to the Board) for the faithful performance of the duties of his or her office and for the restoration to the Corporation, in case of his or her death, resignation, retirement, or removal from office of all books, papers, vouchers, money and other property of whatever kind in his or her possession or under his or her control belonging to the Corporation.

(d) The chief financial officer shall perform such other duties and have such other authority and powers as the Board of Directors may from time to time prescribe or as the president may from time to time delegate.

6.11 Assistant Chief Financial Officers. The assistant chief financial officers in the order of their seniority, unless otherwise determined by the president or by the Board of Directors, shall, in the absence or disability of the chief financial officer, perform the duties and have the authority and exercise the powers of the chief financial officer. They shall perform such other duties and have such other powers as the Board of Directors may from time to time prescribe or as the president may from time to time delegate.

ARTICLE 7
DISTRIBUTIONS AND DISBURSEMENTS

7.1 Distributions and Disbursements. The Board of Directors, not less frequently than annually, shall (a) determine all distributions to be made from net income and principal of the Corporation (including funds held by trustees, custodians, or agents of the Corporation) in accordance with the provisions of the Articles of Incorporation, these Bylaws, and the donors' directions if and to the extent applicable as provided herein; (b) make, or authorize and direct the respective trustees, custodians, or agents having custody of the funds of the Corporation to make, payments to organizations or persons to whom payments are to be made, in such amounts and at such times and with such accompanying restrictions, if any, as the Corporation deems necessary to assure use for the charitable purposes and in the manner intended; and (c) determine all disbursements to be made for administrative expenses incurred by the Corporation and direct the respective trustees, custodians, or agents having custody of funds of the Corporation as to payments thereof and funds to be charged.

7.2 Vote Required for Determinations. All such determinations shall be made by the affirmative vote of a majority of Directors present at a meeting duly called at which a quorum is present, unless otherwise expressly provided in these Bylaws or by direction of the donor as a condition of the gift.

7.3 Distribution of Capital. Determinations may be made by the Board of Directors to distribute capital from funds given without directions as to principal or income, as well as pursuant to directions expressly permitting use of principal; but the Board of Directors shall inform the trustee, custodian, or agent having custody of the funds of the Corporation as far in advance as the Board of Directors deems practicable so as to permit the trustee, custodian, or agent to adjust its investment policies accordingly, and may, upon advice from the trustee, custodian, or agent as to how the desired distribution and any necessary liquidation of investment can be accomplished most economically, adjust its directions for distributions so far as it deems practicable accordingly.

7.4 Determination of Effective Means for Carrying Out the Charitable Purposes of the Corporation. The Board of Directors shall gather and analyze facts and conduct such investigation and research as from time to time may be necessary or desirable in order to determine the most effective means for carrying out the charitable purposes and functions of the Corporation, and may direct disbursements for such fact gathering and analysis, investigation, and research from funds given for such purposes or from funds given without designation as to purpose. Disbursements for other proper administrative expenses incurred by the Board of

Directors, including salaries for such professional and other assistance as it from time to time deems necessary or desirable, shall be directed to be paid so far as possible, first from any funds designated for such purposes, and any balance out of income of the funds of the Corporation or such of its principal as is not specifically restricted against such use.

7.5 Furtherance of Charitable Purposes. In furtherance of the charitable purposes and functions of the Corporation, when needs therefor have been determined and with appropriate provisions to assure use solely for such purposes, the Board of Directors may direct distributions to such persons, organizations, governments, or governmental agencies as in the opinion of the Board of Directors can best carry out such purposes and functions or help create new qualified charitable organizations to carry out such purposes and functions.

ARTICLE 8 CONTRACTS, CHECKS, DEPOSITS AND FUNDS

8.1 Contracts. The Board of Directors may authorize any officer or officers, agent or agents of the Corporation, in addition to the officers so authorized by these Bylaws, to enter into any contract or execute and deliver any instrument in the name and on behalf of the Corporation. Such authority must be in writing and may be general or confined to specific instances.

8.2 Checks, Drafts, Notes, Etc. All checks, drafts or other orders for the payment of money, notes or other evidences of indebtedness issued in the name of the Corporation and in such other manner as may from time to time be determined by resolution of the Board of Directors. In the absence of such determination by the Board of Directors, such instruments shall be signed by the chief financial officer or an assistant chief financial officer and countersigned by the president or the vice president of the Corporation.

8.3 Deposits. All funds of the Corporation shall be deposited from time to time to the credit of the Corporation in such banks, trust companies or other depositories as the Board of Directors may select.

8.4 Gifts. The Board of Directors may accept on behalf of the Corporation any contribution, gift, bequest, or devise for the general purposes or for any special purpose of the Corporation.

ARTICLE 9
INDEMNIFICATION AND INSURANCE

To the full extent permitted by law and in the manner provided by law, the Corporation shall, as to its directors and officers, and may, as to its other employees and agents, indemnify, defend and hold harmless from and against liability, any such person who was or is a party to, or is threatened to be a party to, or is otherwise involved in any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative, by reason of the fact that such person is or was a director, officer, employee or agent of the Corporation when serving in an official capacity on behalf of the Corporation, or is or was serving at the request of the Corporation as a member, director, officer, employee or agent of another corporation, domestic or foreign, nonprofit or profit, partnership, joint venture, trust, or other enterprise. The foregoing rights of indemnification shall not be deemed to be exclusive of any other rights to which such persons may be entitled under applicable law, and shall continue as to persons who have ceased to be directors, officers, employees or agents of the Corporation and shall inure to the benefit of the estates, executors, administrators, heirs, legatees or devisees of such persons.

The Corporation may pay expenses, including attorneys' fees, incurred in defending any action, suit or proceeding referred to in this Article in advance of the final disposition of such action, suit or proceeding as authorized by the Board of Directors in the specific case and as permitted by law.

The Corporation may purchase and maintain insurance on behalf of any person who is or was a director, officer, employee, or agent of the Corporation when serving in an official capacity on behalf of the Corporation, or is or was serving at the request of the Corporation as a member, director, officer, employee or agent of another corporation (domestic or foreign, nonprofit or for profit), partnership, joint venture, trust, or other enterprise, against any liability asserted against such person and incurred in any such capacity, or arising out of such person's status as such, whether or not the Corporation would be required or would have the power to indemnify such person against such liability under this Article or otherwise.

ARTICLE 10
MISCELLANEOUS

10.1 Books and Records. The Corporation shall keep correct and complete books and records of account and shall also keep minutes of the proceedings of its Board of Directors and committees having any of the authority of the Board of Directors.

10.2 Corporate Seal. The corporate seal (of which there may be one or more exemplars) shall be in such form as the Board of Directors may from time to time determine.

10.3 Fiscal Year. The Board of Directors is authorized to fix the fiscal year of the Corporation and to change the same from time to time as it deems appropriate.

10.4 Internal Revenue Code. All references in these Bylaws to sections of the Internal Revenue Code shall be considered references to the Internal Revenue Code of 1986, as from time to time amended, to the corresponding provisions of any applicable future United States Internal Revenue Law, and to all regulations issued under such section and provisions.

10.5 Construction. Whenever the context so requires, the masculine shall include the feminine and neuter, and the singular shall include the plural, and conversely. If any portion of these Bylaws shall be invalid or inoperative, then, so far as is reasonable and possible:

(a) The remainder of these Bylaws shall be considered valid and operative.

(b) Effect shall be given to the intent manifested by the portion held invalid or inoperative.

10.6 Table of Contents; Headings. The table of contents and headings are for organization, convenience and clarity. In interpreting these Bylaws, they shall be subordinated in importance to the other written material.

10.7 Relation to Articles of Incorporation. These Bylaws are subject to, and governed by, the Articles of Incorporation.

ARTICLE 11 AMENDMENTS

11.1 Power to Amend Bylaws. The Board of Directors shall have the power to alter, amend, or repeal these Bylaws or adopt new bylaws.

11.2 Conditions. Action by the Board of Directors with respect to Bylaws shall be taken by the affirmative vote of a majority of all directors then holding office.

ARTICLE 12
TAX-EXEMPT STATUS

The affairs of the Corporation shall at all times be conducted in such a manner as to assure status as a "publicly supported" organization as defined in Section 509(a)(1) of the Internal Revenue Code, and to in other ways to qualify for exemption for tax pursuant to Section 501(c)(3) of the Internal Revenue Code.

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SCHEDULE H

**CORPORATE BYLAWS OF
FRENCH HOSPITAL MEDICAL CENTER**

CORPORATE BYLAWS
OF
FRENCH HOSPITAL MEDICAL CENTER

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**CORPORATE BYLAWS
OF
FRENCH HOSPITAL MEDICAL CENTER**

**ARTICLE 1
CORPORATION**

Section 1.1 Corporate Name.

The name of the corporation shall be French Hospital Medical Center, a California nonprofit public benefit corporation (the "Corporation").

Section 1.2 Corporate Purposes.

The Corporation is organized and shall be operated exclusively for charitable purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (or the corresponding provisions of any subsequent federal tax laws) (the "Code"), including, without limitation, establishing, owning, maintaining and operating hospitals, nursing homes and related health care facilities, including retirement housing for elderly persons and performing such other acts necessary or incidental to the above-stated purposes.

To further its charitable mission, the Corporation's purposes shall include, but not be limited to, the following:

- (i) for those patients unable to pay, the Corporation will: (a) provide medical services for those persons in immediate need of care; (b) not discriminate against such persons; and (c) provide such persons with charity care if they satisfy predetermined criteria; and
- (ii) conduct health education and awareness programs available to the public.

The Corporation shall serve only such purposes and functions and shall engage only in activities that are consistent with the purposes stated herein and that are entitled to charitable status under Section 501(c)(3) of the Code.

No part of the net earnings of the Corporation shall inure to the benefit of or be distributable to its Directors or officers, or other private persons, except that the Corporation shall be authorized to pay reasonable compensation for services rendered to, for or on behalf of the Corporation. No substantial part of the activities of the Corporation shall be the carrying on of propaganda or otherwise attempting to influence legislation, except to the extent that the Corporation makes a proper election under Section 501(h) of the Code, and the Corporation shall not participate in or intervene in (including the publishing or distribution of statements) any political campaign on behalf of (or in opposition to) any candidate for public office.

Notwithstanding any other provision of these bylaws (these "Bylaws"), the Corporation shall neither have nor exercise any power, nor shall it engage directly or indirectly in any activity that would adversely affect its status as an organization described in Section 501(c)(3) of the

Code or as an organization to which contributions are deductible under Section 170(c)(2) of the Code.

Section 1.3 Corporate Offices.

The Corporation shall have and continuously maintain in the State of California a registered office and a registered agent, and may have other offices within or without the State of California as the Corporation's board of directors (individually, a "Director" and, collectively, the "Directors" or the "Board of Directors") may, from time to time, determine.

Section 1.4 Corporate Dissolution.

In the event of the dissolution of the Corporation, the Board of Directors shall, after paying or making provision for the payment of all the liabilities of the Corporation, dispose of all of the remaining assets of the Corporation by distributing those assets exclusively for the purposes of the Corporation in such a manner and to such organization or organizations organized and operated exclusively for public charitable uses and purposes as shall, at the time, qualify as exempt from taxation under Section 501(c)(3) of the Code and as other than a private foundation under Section 509(a) of the Code as the Board of Directors shall determine. Any such assets not so disposed of shall be disposed of by a court of competent jurisdiction for the county in which the principal office of the Corporation is then located, exclusively for such purposes or to such organization or organizations as said court shall determine, which are organized and operated exclusively for such purposes.

ARTICLE 2
MEMBER

Section 2.1 Sole Member.

The sole voting member of the Corporation (the "Member") shall be Permian Health Care, Inc., a Colorado nonprofit Corporation.

Section 2.2 Reserve Powers.

In addition to all matters required by law or by other provisions of these Bylaws to be approved by the Member, the Member may initiate and implement any proposal with respect to any of the following, and if any proposal with respect to any of the following is otherwise initiated, it shall not become effective unless approved by the member of the Corporation:

- (i) to change the mission, purpose, philosophy or strategic plan of the Corporation;
- (ii) to change the general structure or the operation of the Corporation as a nonprofit, public benefit corporation;
- (iii) to amend the Corporation's Articles of Incorporation or these Bylaws;

(iv) to dissolve, divide, convert or liquidate the Corporation, or consolidate or merge the Corporation with another corporation or entity;

(v) to sell or encumber, in any manner, the real property of the Corporation, to purchase real property; incur any indebtedness, in an aggregate principal amount in excess of \$1,000,000; or sell all or substantially all of the assets of the Corporation; and

(vi) to approve the Corporation's capital and operating budgets and strategic plans.

Section 2.3 Action by the Member.

The Member may exercise its Reserve Powers by taking either of the following actions:

(a) the board of directors of the Member (the "Member Board of Directors") may act on the Member's behalf in exercising the Member's Reserve Powers. The action of the Member Board of Directors may be communicated, in writing, to the Directors and/or the officers of the Corporation by any reasonable means. The action of the Member shall be deemed to have been taken and effective at the time of passage of the resolution of the Member Board of Directors; or

(b) The Member Board of Directors may, by resolution, appoint any two (2) officers of the Member to act on the Member's behalf, and such authorization may be general or limited to specific instances. In the absence of such resolution, the President and the Secretary of the Member may act together on behalf of the Member without action by the Member Board of Directors. The officers of the Member shall execute and deliver to the President or the Secretary of the Corporation a written instrument or instruments setting forth the action taken and the applicable corporate authorizations or directions from the Member Board of Directors to such officers. The action of the Member shall be deemed to have been taken on the dates the written instruments are so delivered unless the instruments provide otherwise.

ARTICLE 3 BOARD OF DIRECTORS

Section 3.1 Board of Directors.

The Board of Directors shall consist of not less than three (3) nor more than nine (9) persons, with the precise number of Directors to be fixed, within the limits specified, by resolution adopted, from time to time, by a majority of the Directors then in office. A majority of the Member Board of Directors shall, at all times, also comprise a majority of the Board of Directors of the Corporation.

Section 3.2 Powers of the Board of Directors.

Subject to the Member's Reserve Powers, the policy making powers of the Corporation shall be vested in the Board of Directors, which shall have charge, control and management of the policies, property, affairs and funds of the Corporation and shall determine compliance with

the Corporation's stated purposes; shall elect the officers of the Corporation and fill vacancies occurring in such offices; and shall have the power and authority to do and perform all acts or functions not inconsistent with applicable law, these Bylaws or the Corporation's articles of incorporation.

Section 3.3 Election.

The Directors shall be elected to the Board of Directors of the Corporation by the Member, at the Corporation's annual meeting.

Section 3.4 Vacancies; Removals and Resignations.

Directors shall serve for a term of one (1) year and shall hold office until their successors shall have been elected and have qualified. Vacancies on the Board of Directors due to death, resignation or other reason may, but need not, be filled during the term through election by the Member of the Corporation, as provided in these Bylaws. A Director may be removed at any time, with or without cause, by the Member, acting in the best interests of the Corporation, as determined by the Member, in its sole discretion, subject to the provisions of Section 3.1 herein. A Director may resign at any time by giving his written resignation to the President or the Secretary of the Corporation.

Section 3.5 Annual Meeting of Board.

The annual meeting of the Board of Directors shall be held on such day and at such time as the Board of Directors shall designate, at the principal office of the Corporation or at such place as may be designated, from time to time, by the Board of Directors for the purposes of electing the officers of the Corporation for the coming year, as hereinafter provided and transacting such other business as shall be desirable.

Section 3.6 Regular Meetings of the Board.

In addition to the annual meeting described in these Bylaws, the Board of Directors shall hold regular meetings, at such times and at such places as the Board of Directors may designate, at the principal office of the Corporation or such other convenient locations as may be designated by the President.

Section 3.7 Special Meetings of the Board.

Special meetings of the Board of Directors may be called by the President, or upon the written request of any three (3) Directors.

Section 3.8 Notice of Regular Board Meetings.

Written notice of all regular meetings of the Board of Directors shall be (i) mailed by first class mail or overnight courier or (ii) delivered via facsimile transmission to each Director at least five (5) days before the date of the meeting, unless a longer notice period is required by law. If mailed, such notice shall be considered to be delivered when deposited in the United

States mail in a sealed, properly addressed envelope, first class, postage prepaid, and need not state the nature of the business to be conducted, unless required by law.

Section 3.9 Notice of Special Board Meetings.

Written notice of all special meetings of the Board of Directors shall be (i) mailed by first class mail or overnight courier or (ii) delivered via facsimile transmission to each Director at least two (2) days before the date of the meeting, unless a longer notice period is required by law. If mailed, such notice shall be considered to be delivered when it is received by the Director. Such notice shall state generally the nature of the business to be taken up at the meeting.

Section 3.10 Waiver of Notice.

Notice of the time, place and purpose of any meeting of the Board of Directors or any of its committees may be waived by a Director or committee member by telegram, facsimile transmission or other writing, either before or after such meeting has been held. A Director's or committee member's attendance at any meeting, except for the sole purpose of objecting to the holding of such meeting, shall constitute waiver by the Director or committee member of the notice of such meeting.

Section 3.11 Unanimous Consent Action by Board.

Any action required or permitted to be taken at a meeting of the Board of Directors may be taken, without a meeting, if a consent, in writing, setting forth the action so taken, shall be signed by all of the Directors then serving.

Section 3.12 Quorum at Board Meetings.

For all meetings of the Board of Directors (other than for action taken by unanimous written consent), a quorum shall be a majority of the Directors then serving, who shall be present in person, unless a larger number is required by law, or these Bylaws, to be present.

Section 3.13 Manner of Acting.

The act of a majority of the Directors present, in person, at a meeting at which a quorum is present shall be the act of the Board of Directors, unless the act of a larger number of Directors is required by law or these Bylaws.

Section 3.14 Meeting by Conference Telephone.

Directors, or any committee of the Board of Directors, may participate in and act at any meeting of the Board of Directors or a committee by means of conference telephone or similar communications equipment if all persons participating in the meeting can hear each other simultaneously. Participation by such means shall constitute presence, in person, at the meeting.

Section 3.15 Procedure at Meetings.

Robert's Rules of Order, Revised (latest edition) shall govern procedure at all meetings of the Board of Directors and its committees, where not covered expressly by these Bylaws.

Section 3.16 Remuneration of Directors.

Directors and/or members of any committees of the Board of Directors shall not receive any compensation for any services in their capacity as a Director or board committee member; provided, however, that nothing herein contained shall be construed to preclude any Director or board committee member from receiving compensation from the Corporation for expenses actually incurred for serving the Corporation as a Director or board committee member, or for services actually rendered and expenses actually incurred for serving the Corporation in a capacity other than as a Director or board committee member. Notwithstanding the foregoing, Directors and members of committees of the Board of Directors who (i) participate in Corporation sponsored health and welfare insurance programs and (ii) receive a stipend (approved by the Board of Directors) for serving as a Director, shall not be deemed to have received compensation for purposes of these Bylaws.

ARTICLE 4
OFFICERS OF THE CORPORATION

Section 4.1 Designation of Corporate Officers.

The officers of the Corporation shall be a President, one or more Vice Presidents, a Secretary, a Treasurer and such Assistant Secretaries, Assistant Treasurers and other officers as the Board of Directors may, from time to time, elect. All officers shall be elected by the Board of Directors at its annual meeting, shall hold office for a period of one (1) year or until their successors shall have been duly elected and qualified, and, subject to the Reserve Powers and Section 3.1 herein, may be removed by the Board of Directors at any time, with or without cause, subject to the contract rights, if any, of the officer being removed, and acting in the best interests of the Corporation, as determined by the Board of Directors, in its sole discretion, subject to the Reserve Powers and Section 3.1 herein. Any two or more offices may be held by the same person, except that neither the Secretary nor the Treasurer (or any Assistant Secretary or Assistant Treasurer) may serve concurrently as the President. A vacancy in any office may be filled by the Board of Directors for the unexpired portion of the term.

Section 4.2 Duties of the President.

The President shall be the principal executive officer of the Corporation, shall be the direct executive representative of the Board of Directors in the management of the Corporation, and shall have all the duties and authority which such position would customarily require, including the execution of any and all documents for and on behalf of the Corporation, and as may be assigned to the President by resolution of the Board of Directors.

Section 4.3 Duties of the Vice Presidents.

The Vice Presidents shall perform such duties and have such responsibilities as may be prescribed, from time to time, by the President of the Board of Directors.

Section 4.4 Duties of the Secretary.

The Secretary shall send appropriate notices or waivers of notice regarding meetings of the Board of Directors; shall prepare materials for meetings of the Board of Directors; shall act as official custodian of all records, reports and minutes of the Corporation, the Board of Directors and committees; shall be responsible for the keeping and reporting of adequate records of all meetings of the Board of Directors; and shall perform such other duties as are customarily performed by or required of corporate secretaries.

Section 4.5 Duties of the Treasurer.

The Treasurer shall be the chief financial officer of the Corporation and shall have custody and control of all funds of the Corporation and shall have such duties as are customarily performed by or required of corporate treasurers, including giving a bond when requested by the Board of Directors. The Treasurer shall ensure that a true and accurate accounting of the financial transactions of the Corporation is made periodically, that reports of such transactions are presented to the Board of Directors, and that all accounts payable are presented to such representatives as the Board of Directors may designate for authorization of payment.

Section 4.6 Duties of the Assistant Treasurers and Assistant Secretaries.

The Assistant Treasurers and Assistant Secretaries shall perform such duties as shall be assigned to them by the Treasurer or Secretary, respectively, or by the President or by the Board of Directors. If required by the Board of Directors, the Assistant Treasurers shall give bonds for the faithful discharge of their duties in such sums and with such sureties as the Board of Directors shall determine.

ARTICLE 5
COMMITTEES OF THE BOARD OF DIRECTORS

Section 5.1 Committees Generally.

Committees of the Board of Directors shall be standing or special. Each committee shall have at least two (2) Directors and a majority of the membership of every committee shall consist of Directors. All committee members shall be appointed annually by, and shall serve at the pleasure of, the Board of Directors.

Section 5.2 Special Committee.

Special committees may be appointed by the Board of Directors for such special tasks as circumstances warrant. A special committee shall limit its activities to the accomplishment of the tasks for which it is appointed and shall have no power to act except as specifically conferred

by action of the Board of Directors. Upon completion of the tasks for which created, a special committee shall stand discharged.

Section 5.3 Committee Procedures Generally.

Each committee shall record minutes of its deliberations, recommendations and conclusions and shall promptly deliver a copy of such minutes to the Secretary of the Corporation. Reasonable notice of the meetings of any committee shall be given to the members thereof and to the President and the Secretary, each of whom shall have the right to attend and participate in the deliberations of the committee. A majority of the members of each committee then serving, shall constitute a quorum for the transaction of business, and the action of a majority of the members of any committee at a meeting at which a quorum is present, shall be the action of the committee. Each committee may operate through the establishment of one or more subcommittees to be composed of such members of the committee and to have such duties and responsibilities as shall be delegated to the subcommittee by the committee. Each committee may adopt rules for its own operations and for the operations of its subcommittees not inconsistent with these Bylaws or the policies of the Board of Directors.

Section 5.4 Unanimous Consent Action by Committees.

Any action required or permitted to be taken at a meeting of any committee may be taken without a meeting if a consent, in writing, setting forth the action so taken, shall be signed by all of the committee members.

ARTICLE 6 **FISCAL AND OTHER MATTERS**

Section 6.1 Fiscal Year.

The fiscal year of the Corporation shall commence on January 1st of each year and shall end on December 31st of the same year.

Section 6.2 Contracts.

The Board of Directors may authorize any officer or officers, agent or agents, to enter into any contract, make any expenditure or execute and deliver any instruments on behalf of the Corporation. Such authorization may be general or confined to specific instances and may be effected by resolution of the Board of Directors establishing a board policy for such purposes.

Section 6.3 Loans.

The Corporation shall neither loan nor borrow funds on behalf of the Corporation, and shall issue no evidences of indebtedness in the Corporation's name, unless authorized by a resolution of the Board of Directors. Such authority may be general or confined to specific instances. No loan shall be granted to an officer or Director of the Corporation, except as may be permitted by applicable provisions of the California Nonprofit Corporation Law.

Section 6.4 Checks, Drafts, Etc.

All checks, drafts, or other orders for the payment of money, notes or other evidences of indebtedness issued in the name of the Corporation or to the Corporation shall be signed or endorsed by such officer or officers, agent or agents of the Corporation and in such manner as shall, from time to time, be determined by resolution of the Board of Directors. In the absence of such determination by the Board of Directors, such instruments shall be signed by the Treasurer or the Assistant Treasurer and countersigned by the President or a Vice President of the Corporation. The signatures of such persons may be by facsimile, where expressly authorized, but shall not be preprinted on the instrument.

Section 6.5 Deposits.

All funds of the Corporation, not otherwise employed, shall be deposited, from time to time, to the credit of the Corporation in such banks, trust companies or other depositories as the Board of Directors may, from time to time, select.

Section 6.6 Maintenance of Records.

The Corporation shall keep correct and complete books and records of account and other records of the activities of the Corporation, as the Board of Directors deems appropriate. All such records shall be open to inspection upon the demand of the Member or any Director.

Section 6.7 Annual Budgets.

The Board of Directors shall prepare, or have prepared, the annual capital and operating budgets of the Corporation, in consultation with the Member.

Section 6.8 Strategic Plans.

The Corporation shall implement its strategic plans in consultation with the Member.

ARTICLE 7
CONFLICTS OF INTEREST

Section 7.1 Statement of General Policy on Conflicts of Interest.

No transactions involving remuneration or benefit to a director or an officer, or to any organization in which such Director or officer has a material financial interest or of which the Director or officer is a member, officer, director, general partner, principal or controlling stockholder, shall be entered into by the Corporation unless the same is consistent with the Corporation's policies regarding conflicts of interest and applicable law.

Section 7.2 Disclosure.

Every Director and officer shall be required, as a condition of the office, to disclose fully any "conflict of interest" as referenced in this ARTICLE 7.

ARTICLE 8
INDEMNIFICATION

Section 8.1 Indemnification.

The Corporation shall, to the fullest extent to which it is empowered to do so by, and in accordance with the requirements of applicable law, indemnify any person who was or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the Corporation), by reason of the fact that he or she is or was an employee, an agent (including, but not limited to, any contract manager, or such contract manager's agents, employees, officers or directors), a Director or an officer of the Corporation, or is or was serving at the request of the Corporation as an employee, an agent (including, but not limited to, any contract manager, or such contract manager's agents, employees, officers or directors), a director or officer of another corporation, partnership, joint venture, trust or other enterprise, against all expenses, including attorneys' fees, judgments, fines and amounts incurred by him or her in connection with such action, suit or proceeding.

Section 8.2 Contract with the Corporation.

The provisions of this ARTICLE 8 shall be deemed to be a contract between the Corporation and each Director or officer who serves in any such capacity at any time while this ARTICLE 8 is in effect, and any repeal or modification of this ARTICLE 8 shall not affect any statement of facts then or theretofore existing or any action, suit or proceeding theretofore existing or thereafter brought or threatened based, in whole or in part, upon any such statement of facts. The Corporation further agrees that, in the event a person entitled to indemnification under this ARTICLE 8 claims indemnification, the Corporation shall take all required action to effect a prompt and good faith determination of such person's right to indemnification hereunder.

Section 8.3 Indemnification of Employees and Agents.

Persons who are not covered by the foregoing provisions of this ARTICLE 8 and who are or were employees, agents (including, but not limited to, any contract manager, or such contract manager's agents, employees, officers or directors), officers or Directors of the Corporation, or are or were serving at the request of the Corporation as employees, agents (including, but not limited to, any contract manager, or such contract manager's agents, employees, officers or directors), officers or directors of another corporation, joint venture, partnership, trust or other enterprise, may be indemnified to the extent that the Corporation is empowered to do so by applicable law, when and as authorized, at any time and from time to time, by the Board of Directors, in its sole discretion.

Section 8.4 Advance of Expenses.

Expenses incurred in defending a civil or criminal action, suit or proceeding may be paid by the Corporation in advance of the final disposition of such action, suit or proceeding, upon the receipt of a written agreement by or on behalf of a Director and/or an officer to undertake to repay such amount, unless it shall ultimately be determined that he/she is entitled to be indemnified by the Corporation, as authorized in this ARTICLE 8. The provisions of this

Section 8.4 shall apply when the Board of Directors has authorized, in writing, such indemnification under the provisions of these Bylaws.

Section 8.5 Other Rights of Indemnification.

The indemnification provided or permitted by this ARTICLE 8 shall not be deemed exclusive of any other rights to which those persons or entities seeking indemnification may be entitled by law, agreement or otherwise, and shall continue as to a person who ceased to be a Director, officer, employee or agent (including, but not limited to, any contract manager, or such contract manager's agents, employees, officers or directors), and shall inure to the benefit of the heirs, executors and administrators of such persons.

Section 8.6 Liability Insurance.

The Corporation shall have the power to purchase and maintain, on behalf of any person who is or was a Director, officer, employee or agent (including, but not limited to, any contract manager, or such contract manager's agents, employees, officers or directors) of the Corporation, or is or was serving at the request of the Corporation as a director, officer, employee or agent (including, but not limited to, any contract manager, or such contract manager's agents, employees, officers or directors) of another corporation, partnership, joint venture, trust or other enterprise, insurance against any liability asserted against such person and incurred by such person in any such capacity, or arising out of such person's status as such, whether or not the Corporation would have the power to indemnify such person against such liability under the provisions of this ARTICLE 8, subject to applicable limitations of applicable law.

ARTICLE 9
AMENDMENTS

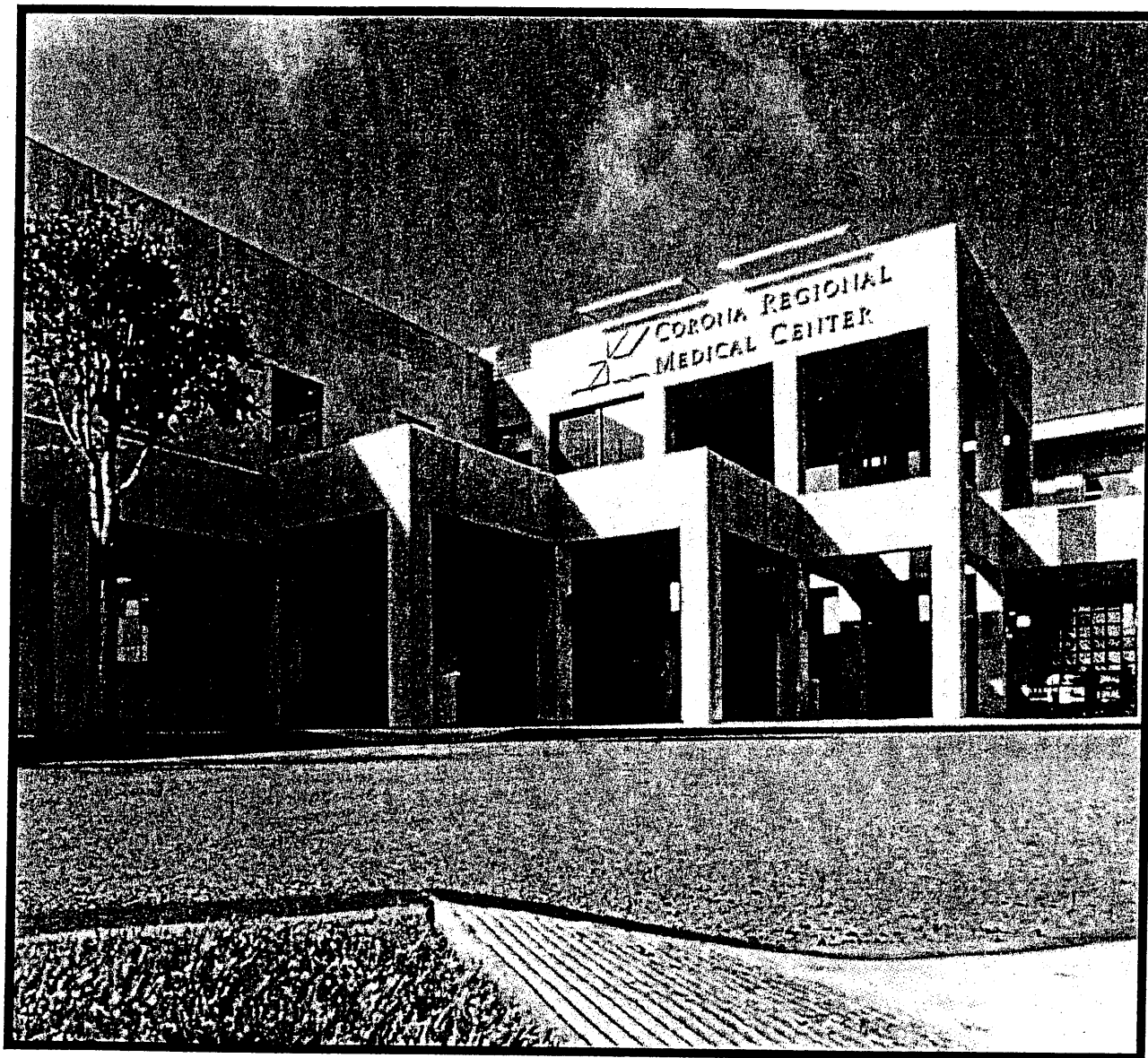
Section 9.1 Amendment Procedure.

These Bylaws may be amended by the affirmative vote of a majority of the Board of Directors, then serving, at the annual meeting or any regular or special meeting of the Board of Directors.

SCHEDULE I

**COMMUNITY NEEDS ASSESSMENT
CORONA REGIONAL MEDICAL CENTER**

Community Needs Assessment and Benefit Plan 2002



 CORONA REGIONAL
MEDICAL CENTER

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Preface

Corona Regional Medical Center (CRMC) is located at 800 South Main Street Corona, California. Our Chief Executive Officer is John A. Calderone Ph.D. and our Governing Board Chairman is Terry Sanderfer MD. The contact person at CRMC is Teri Lynn Ransbury, Director of Marketing.

Corona Regional Medical Center features a 228 bed, acute care facility and an 80 bed rehabilitation center at its nearby Magnolia campus. The Medical Center and the Rehabilitation Center are located in the City of Corona, in Riverside County. The following services are provided at CRMC:

- Full Service Acute Care
- Outpatient Surgery
- Acute Rehabilitation
- Long Term Ventilator Care
- Sub-Acute Care
- Mental Health Program/Behavioral Mental Health
- Partial Day Mental Health Program
- Maternal Child Health
- Home Health
- Hospice
- Comprehensive Cancer Center

Corona Regional Medical Center Physician Profile-2002

At CRMC, our 236 medical staff members represent virtually every major medical specialty, are highly trained and committed to caring for our patients.

<u>Specialty</u>	<u># of Physicians</u>	<u>% Board Certified</u>
Anesthesiology	16	90
Cardiology	9	92
Emergency Medicine	11	73
General/Family Practice	17	80
Gastroenterology	10	85
Internists/Other Medical Specialties	65	89
Neurology	6	33
Ob/Gyn	10	95
Oncology	5	60
Ophthalmology	4	75
Pathology	3	100
Pediatrics	17	75
Plastic Surgery	3	67
Psychiatry	4	50
Radiology	18	95
Surgery (all)	37	62
Thoracic/Cardio Surgery	1	100
Total	236	78.5%

Mission and Vision Statements

Mission Statement

We are dedicated to the health, healing and wellness of those we serve with compassion and integrity.

Vision Statement

The sole acute and rehabilitation provider delivering comprehensive and cost effective services emphasizing superior customer service with a mission to reinvest in our community.

Community Needs Assessment Process

The need for programs or services can be established by analyzing specific health, social, and demographic indicators. The information used to determine these social indicators is obtained from local organizations' records. The records used, are those of the state and local public health departments, department of vital statistics, and other public agencies that keep useful records on the community and or target population. All the information must be linked to various indicators and measures of delivery of health and social services such as accessibility, quality, availability and cost. CRMC in cooperation with the United Way has conducted the community needs assessment using the following approaches.

- Social and Health Status Indicators
- One-on-One Interviews with Community Leaders (Key Informants)
- Community Surveys
- Community Forums

The Community Needs Assessment process was mostly data-driven. Specifically, the data on demographics, social indicators, and the health status indicators were researched. The data collection aspects of the assessment process relied on the sources listed below:

- Riverside County of Health Services
- U.S. Department of Health and Human Services
- U.S. Census Bureau
- Medi-Cal
- State of California Department of Education
- California Rehabilitation Center
- City of Corona
- City of Norco

The One-on-One interviews were conducted with knowledgeable community leaders and physicians. Standardized questions about health care needs in our community were developed. The most common needs identified by the key informant interviews were:

- Lack of knowledge as to what services exist
- Lack of education regarding access to systems
- Lack of affordable healthcare
- Cultural barriers

In addition to the interviews, a Community Asset Survey was also conducted. The surveys were distributed throughout the interview process, community forums, and via e-mail to key informants. Respondents were asked to identify the level of importance each issue played in the overall health of their community. Below is the actual survey distributed.

COMMUNITY ASSET SURVEY

Please select the area that best describes your region/service area. If you serve more than one area, please use an additional survey for each area. Please circle your selection.

Region I East Desert/Coachella Valley	Region II West Desert/Coachella Valley	Region III Corona/Norco	Region IV Hemet/San Jacinto
Indio	Palm Spings	Corona	Menifee
Mecca	Desert Hot Springs	Norco	Winchester
Thermal	Cathedral City	El Cerrito	Homeland
Oasis	Rancho Mirage	Glen Ivy Hot Springs	Mountain Center
Coachella	Palm Desert		Idyllwild/Garner Valley
Thousand Palms	La Quinta		Aguanga
Salton Sea	Indian Wells		Anza
			Sun City
			Nuevo
			Quail Valley

Region V Jurupa	Region VI Moreno Valley	Region VII Palo Verde	Region VIII Pass Area	Region IX Perris Valley
Mira Loma	Moreno Valley	Blythe	Banning	Perris
Rubidoux	March Air Reserve Base	Palo Verde Valley	Beaumont	Mead Valley
Glen Avon			Cabazon	Romoland
Pedley			Cherry Valley	
			Calimesa	

Region X Riverside	Region XI Temecula	Region XII Tri-Communities	Region XIII County-wide
City of Riverside	Temecula	Lake Elsinore	
	Murrieta	Canyon Lake	
		Wildomar	

A. COMMUNITY ISSUES

Service agencies often encounter issues in the area(s) they serve. Here is a list of common issues. For each one, please describe whether you believe it is not an issue, is a minor issue, is a moderate issue, or is a major issue in the community you serve. Please mark the box beside the appropriate number with a check mark.

Healthcare Issues	Not an Issue	Minor Issue	Moderate Issue	Major Issue	Don't Know/ No Opinion
Alcohol Abuse	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5
Asthma	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5
Chronic Illness due to environmental factors	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5
Chronic Illness <i>not</i> due to environmental factors	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5
Dental	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5
Drug Abuse	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5
Family Planning	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5
Hearing	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5
Hepatitis C	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5
HIV/AIDS	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5
Immunization	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5
Infant Mortality	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5
Mental Health	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5
Nutrition	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5
Pre-Natal Care	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5
Vision	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5
Well-Child Care	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5
Other	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5

Healthcare Access	Not an Issue	Minor Issue	Moderate Issue	Major Issue	Don't Know/ No Opinion
Affordable substance abuse treatment programs	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5
Assisted Living Facilities	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5
Convalescent Hospitals	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5
Health Education Classes	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5
Home Health Care	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5
Hospices	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5
Hospitals	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5
Mental Health Care	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5
Preventive Health Screening	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5
Urgent Care Facilities	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5

Affordable Health Care	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5
Affordable Health Insurance	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5

Culturally Sensitive Health Care	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5
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Other _____	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5
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Social Issues	Not an Issue	Minor Issue	Moderate Issue	Major Issue	Don't Know/ No Opinion
Aging Population	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5
Child Abuse	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5
Domestic Violence	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5
Elder Abuse and Neglect	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5
Foster Care	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5
Homelessness	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5
Hunger	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5
Race Relations	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5
Teen Pregnancy	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5
Grandparents raising grandchildren	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5
Heterosexism/Homophobia	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5
Other	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5

Social Services Access	Not an Issue	Minor Issue	Moderate Issue	Major Issue	Don't Know/ No Opinion
Affordable Legal Assistance	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5
Affordable and Quality Child Care	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5
After School Care	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5
Crisis Support Services	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5
Food Bank Programs	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5
Lesbian, Gay, Bisexual, Transgender Services	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5
Information/Referral Services	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5
Other	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5

Economic Issues	Not an Issue	Minor Issue	Moderate Issue	Maj. or Issue	Don't Know/ No Opinion
Lack of Employer-supported employee benefits	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5
Lack of Entry Level Jobs	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5
Lack of Vocational/Technical Jobs	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5
Personal Debt	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5
Poverty	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5
Unemployment/Underemployment	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5
Other	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5

Economic Issues	Not an Issue	Minor Issue	Moderate Issue	Major Issue	Don't Know/ No
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	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	Opinion <input type="checkbox"/> 5
Ability to Read or Write	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5
Access to Special Education	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5
Availability of Money to pay for Higher Education	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5
Language Barriers	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5
Overcrowded Schools	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5
Parental and Community Involvement	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5
Quality of Education	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5
School Safety	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5
Technical and Vocational Schools	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5
Other	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5

Environmental Issues	Not an Issue	Minor Issue	Moderate Issue	Major Issue	Don't Know/ No Opinion
Air Pollution	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5
Noise Pollution	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5
Protection of Open Space	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5
Occupational Exposure to Toxins	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5
Water Pollution	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5
Other	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5

Housing Issues	Not an Issue	Minor Issue	Moderate Issue	Major Issue	Don't Know/ No Opinion
Substandard Housing	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5
Over Crowded Housing	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5
Absentee Landlords	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5
Other	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5

Housing Access	Not an Issue	Minor Issue	Moderate Issue	Major Issue	Don't Know/ No Opinion
Shortage of Affordable Housing	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5
Shortage of Available Housing	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5
Shortage of Family Housing	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5
Shortage of Senior Housing	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5
Special Needs Housing	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5
Other	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5

Quality of Life Issues	Not an Issue	Minor Issue	Moderate Issue	Major Issue	Don't Know/ No Opinion
Adequate Animal Control	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5
Adequate Code Enforcement	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5
Adequate Cultural Activities	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5

Adequate Law Enforcement	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5
Adequate Recreational Activities	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5
Crime	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5
Gangs	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5
Neighborhood Deterioration	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5
Youth Violence	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5
Other	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5

Transportation Issues	Not an Issue	Minor Issue	Moderate Issue	Major Issue	Don't Know/ No Opinion
Public Transportation	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5
Special Needs Transportation	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5
Poor Road Condition	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5
Traffic Congestion	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5
Other	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5

B. PRIORITIES

Which top three issues do you believe are most serious in your community?

C. KEY INFORMANT QUESTIONS

1. Please indicate what you consider your primary racial or ethnic group: (Please check the appropriate box.)

- White
- Black
- Spanish/Hispanic
- American Indian
- Asian or Pacific Islander
- Other (please specify): _____

2. Which word best describes your organization? (Please check the appropriate box.)

- Government
- Education
- Faith-based
- Non-profit
- For profit/Business
- Health
- Other _____

PLEASE RETURN THE COMPLETED SURVEY IN THE ENCLOSED, SELF-ADDRESSED, STAMPED ENVELOPE.

Thank you for your time and comments. We appreciate your willingness to share your concerns about your community's strengths and issues and we value your opinion.

The Community

Corona Regional Medical Center, (CRMC), defines its community in terms of "Service Area." The Service Area refers to the geographic area from which the Medical Center receives the majority of its inpatient admissions. This area includes the cities of Corona and Norco, as well as the unincorporated communities of Home Gardens, El Cerrito, and Glen Ivy Hot Springs.

Demographics and Socioeconomics Indicators

Based on the updated 2000 census data, the primary service area population is estimated at 179,641. From 1990-2000, Corona/Norco has added 57,598 people.

Total Population

Area	1990 Population	2000 Population	Numeric Change	Percent Change
Corona/Norco	122,043	179,641	57,598	47.2%
County of Riverside	1,170,413	1,545,387	374,974	32.0%
State of California	29,760,021	33,871,648	4,111,627	13.8%

Population by Age

Age Group	Corona/Norco		County of Riverside	
	Number	Percent	Number	Percent
Under 18	57,592	32.1%	468,691	30.3%
18-44	78,926	43.9%	588,784	38.1%
45-64	32,374	18.0%	291,948	18.9%
65+	10,749	6.0%	195,964	12.7%

Ethnicity

Corona/Norco is an ethnically diverse region that shows statistics similar to that of Riverside County as a whole.

Corona/Norco vs. Riverside County

- Similar percentages of Hispanic residents (Corona/Norco 35% vs. Riverside 36%).
- Equal percentages of African-American residents (Corona/Norco 6% vs. Riverside 6%).

- Similar percentages of non-Hispanic White residents (Corona/Norco 50% vs. Riverside 51%).
 - Similar percentages of residents of other ethnic origins (Corona/Norco 3% vs. Riverside 2%).
-

Health Indicators

Based on 2000 Health Indicators and Vital Statistics data provided by the County of Riverside which are based on California Department of Finance data, there are several areas where the health status of Corona/Norco exceeds that of the County, State, or National goals. Unless otherwise shown, death and incidence rates presented below describe the number of deaths or cases from a particular cause per 100,000 population.

Morbidity Rates 2000 (per 100,000 population) Reported Incidence of Communicable Diseases
--

Tuberculosis	3.3	Corona/Norco
	4.9	Riverside County
	10.5	California
	1.0	National Goal
Hepatitis C	196.5	Corona/Norco
	112.7	Riverside County
	93.6	California
	1.0	National Goal
Chlamydia	101.9	Corona/Norco
	195.9	Riverside County
	251.3	California
	N/A	National Goal
Gonorrhea	12.2	Corona/Norco
	27.9	Riverside County
	62.7	California
	19.0	National Goal
Shigellosis	0.0	Corona/Norco
	4.0	Riverside County
	8.0	California
	N/A	National Goal
Syphilis-Primary & Secondary	0.0	Corona/Norco
	0.4	Riverside County
	1.0	California
	0.2	National Goal
Measles	0.00	Corona/Norco
	0.0	Riverside County
	0.04	California
	0.0	National Goal

Hepatitis A

11.1
13.7
8.6
4.5

Corona/Norco
Riverside County
California
National Goal

Mortality Rates (per 100,000 population) Deaths by Cause		
---	--	--

1.	Heart disease	300.4	Corona/Norco
		270.0	Riverside County
		201.5	California
		166.0	National goal
2.	All Cancers	173.0	Corona/Norco
		183.9	Riverside County
		179.8	California
		159.9	National goal
	Lung Cancer	44.2	Corona/Norco
		51.2	Riverside County
		46.8	California
		44.9	National goal
	Breast Cancer	25.7	Corona/Norco
		29.6	Riverside County
		25.2	California
		22.3	National goal
3.	Pneumonia/Influenza	28.8	Corona/Norco
		28.6	Riverside County
		28.4	California
		NA	National goal
4.	Accidents	21.5	Corona/Norco
		33.8	Riverside County
		27.4	California
		17.5	National goal
5.	Stroke	45.4	Corona/Norco
		63.6	Riverside County
		63.3	California
		48.0	National goal
6.	Diabetes	26.1	Corona/Norco
		17.9	Riverside County
		20.8	California
		NA	National goal

7.	Homicide	3.5	Corona/Norco
		5.4	Riverside County
		6.1	California
		3.0	National goal
8.	COPD	66.2	Corona/Norco
		53.7	Riverside County
		43.1	California
		60.0	National goal
9.	Suicide	11.8	Corona/Norco
		11.5	Riverside County
		9.5	California
		5.0	National goal
10.	Liver Disease	11.2	Corona/Norco
		13.7	Riverside County
		3.6	California
		N/E	National goal
11.	AIDS	3.8	Corona/Norco
		5.7	Riverside County
		4.3	California
		0.7	National goal

Natality Rates

Infant mortality (rate per 1,000 live births)	6.1	Corona/Norco
	5.9	Riverside County
	5.8	California
	4.5	National goal
Low birth weight infants (%) (Less than 2500g)	5.7	Corona/Norco
	6.1	Riverside County
	6.2	California
	5.0	National goal
Late or no prenatal care (%) (After 1 st Trimester)	14.1	Corona/Norco
	19.9	Riverside County
	16.9	California
	10.0	National goal
Birth to adolescents (%)	2.9	Corona/Norco
	4.6	Riverside County
	3.7	California
	NA	National goal
Births to 35+ mothers (%)	14.5	Corona/Norco
	12.5	Riverside County
	16.1	California
	NA	National goal

Progress Report 2001

Corona Regional Medical Center has made many accomplishments since the submission of the previous community benefit report. There were four areas of focus CRMC has concentrated on:

Tuberculosis

Corona/Norco witnessed a decrease in the incidence rate from 14.5 in 1994 to 8.4 in 1997 and 2.3 in 2000.

- CRMC has provided TB screenings for approximately 1,000 employees upon hire and annually.
- CRMC's Industrial Care Clinic is active in providing TB screenings for the contracted companies in the Corona/Norco region, which includes major employers such as the school district, skilled nursing facilities, and preschools.
- TB testing is also conducted through the Children's Center for area youth.

Community Health Education (particularly on heart disease, cancer, and arthritis)

CRMC has been successful in collaboration with community partners in providing community education through many different types of outreach programs and health fairs.

- CRMC has conducted / participated in a minimum of 10 health fairs annually with the collaborating agencies.
- Literature and pamphlets are displayed in various locations throughout the Medical Center for distribution.
- CRMC in collaboration with American Cancer Society has been successful in providing support for the patients with breast cancer. As of the year 2000 Corona Regional Medical Center added a general cancer support group to our list of offerings.
- Provided free prostate cancer screenings.
- Held quarterly "Look Good, Feel Better" Cancer survivor makeovers in cooperation with the American Cancer Society.
- Held annual Women's Healthcare Symposiums on various topics such as Breast Cancer, Colon Cancer, and Ovarian Cancer.
- Offered free nutritional classes to improve eating habits for a healthier life.
- Offered free cholesterol screenings.
- Offered 12 health-related seminars and free screenings to seniors.
- In collaboration with the Arthritis Foundation offered community seminars for the treatment of arthritis
- In our Children's Center we have three parent support groups weekly, offer Systematic Training for Effective Parenting three sessions a year, Safe Sitters Course offered four times per year

Childhood Immunizations

To create an outreach, prevention, and education program designed to improve the overall health and quality of children, CRMC actively pursued establishment of The Children's Center. The grand opening date occurred on August '98. Since the opening, the Center has provided over 14,000 immunizations. The following services are offered:

- Free immunizations
- Parenting classes
- Nutritional classes
- Resource education
- Health classes
- The above classes have been implemented in Spanish
- Clinics at low to moderate income areas of Corona and Norco
- Speech screenings for 0-5 years
- TB testing

Maternal Health

CRMC offers a wide range of prenatal classes, including childbirth, breastfeeding, parenting classes. These classes received "very good" or "excellent" evaluations from over 90% of the participants. The following educational classes are offered:

- Infant Safety/CPR classes
- Cesarean Birth classes
- Breastfeeding classes
- One-on-one breastfeeding consults
- The New Moms Connection classes
- Crawler Group class.
- Mother's of Toddlers
- Prepared Childbirth classes
- Prepared Childbirth Express (refresher course)
- Maternity Tours (What to Expect)

In addition to the classes offered, CRMC engaged in other activities which addressed the issues of infant mortality, low birth weight, prenatal care, and teen births. The following activities are listed below:

- Women's Health Expo
- Seminars-
- Infant Care Video tape is provided to each family who delivers at CRMC
- The "Milk Line" is available 24 hours for lactation advice or coaching by RN who is a certified lactation specialist
- Gestational Diabetes Education and Intervention

Community Benefit Plan

Areas of Focus 2002 - 2005

As a result of CRMC's internal and external completion of the Community Needs Assessment, the priorities for action have been concluded. Upon reviewing the findings of the health indicators including the morbidity, mortality, and natality rates, the primary areas of focus were identified to be the following:

- Heart Disease
- Childhood Immunization
- Cancer
- Diabetes
- Community Health Education (particularly on heart disease, COPD, and diabetes)
- Maternal/Child health

Community Benefit Plan and Assessment 2002

Heart Disease

Rationale

The Heart Disease rate for Corona/Norco was 300.4 in 2000 that exceeded that of the Riverside County of 270.0 and of the Healthy People 2000 – National goal of 166.0. Although the entire state has experienced a moderate rise from 100.0 in 1997 to 166.0 in 2000, our region has experienced a significantly higher increase in reporting of the disease from 154.4 in 1997 to 300.4 in 2000.

	<i>Incidence Rate per 100,000 (1997)</i>	<i>Incidence Rate per 100,000 (2000)</i>
Corona/Norco	154.4	300.4
Riverside County	124.3	270.0
California	114.6	201.5
National Goal	100.0	166.0

Goals and Objectives

- Implement community-level programs that focus on healthy nutrition, physical activity, and smoking cessation through classes, seminars, and support groups.
- Develop a Healthy Heart assessment program and evaluation that can be distributed to Corona/Norco businesses to assess their own heart healthy policies and environments and make changes to reduce heart disease in their companies. Work in cooperation with Corona/Norco chambers.
- Hold a training session in cooperation with the American Heart Association for school district staff on how to help students adopt healthy behaviors such as good nutrition, and physical activity that will reduce their risk for heart disease later in life.
- Witness an improvement in the Corona/Norco heart disease statistics by the year 2005.

Community Partners

American Heart Association

- Education on Heart Disease is provided through this organization.
- Pamphlets are available for the general public as well as for other organizations. It is available in Spanish as well as English.
- Involved in funding Heart Disease researches. The goal of the research is to develop a plan to reduce disability and death from cardiovascular disease.

Corona & Norco Chambers

- Contact information for area business can be obtained through these organizations.
- Meetings such as monthly chamber breakfasts can be used to announce and recruit for programs.

Riverside County School Districts

- Access to school district staff as well as encouragement towards participating in the teacher training session can be arranged through this entity.

Childhood Immunization

Rationale

The estimated rate of children who are fully immunized by age 2 in the Corona/Norco area is 63.1%. A fully immunized child is defined as a child who receives 4 DTP, 3 polio, and at least 1 MMR by two years of age. This falls significantly short of the Healthy People 2000 and 2010 objectives of upwards of 90%. Corona Regional Medical Center identifies the catchment area to be the children of all ethnicity and of all ages, especially those below the age of two. An awareness resides primarily with the parent who is responsible for the children's immunization. We need to continue our outreach, prevention, and education program designed to improve the health of the children of the community through providing access to these services. Immunization rates for children are useful indicators of a community's overall health awareness and access to medical and public health services. Rates are typically measured when children enter kindergarten at age five. In addition to current measurements, rates are also measured retrospectively. The following is the 2001 assessment of immunization rates of kindergarten students adequately immunized.

Kindergarten Retrospective Survey Immunization rates of Riverside County Toddlers Percent of Kindergarten Students Adequately Immunized

All the children, by age two did not meet the Healthy People 2010 National Objective of above 90% in Riverside County.

	Immunization Status at age 24 months
Riverside County	63.1%
California	70.99%

Goals and Objectives

- Continue to provide at least 3,000 to 5,000 free immunizations through The Children's Center per year.
- Conduct Immunization Clinics 12 times a year.
- Meet bi-monthly with the Community Collaborative Committee, which consists of 10 agencies from our community.
- Participate in the Health Fairs, and host/sponsor the annual Children's Health & Safety Fair and offer immunizations onsite at the event.

- Advertise the free immunizations through Corona/Norco Unified School District, local newspaper, pediatricians, Corona Magazine, Pennysaver and Parks and Recreation Magazine.
- Provide information regarding immunization through the obstetrics program.
- To witness an improvement in immunization statistics for the Corona/Norco area by the year 2005.

Community Partners

Riverside County Health Department

- Offers regular immunization at three sites in Corona/Norco. These opportunities are publicized through the Corona/Norco Unified School District.
- Sponsors RICKI (Riverside County Immunization Coalition for Kids and Infants), and advisory group who oversees the County's immunization efforts, particularly in marketing campaigns. Corona Regional Medical Center serves on this committee.
- Produces public services announcements and television spots regarding the importance of early immunization.
- Has an immunization tracking system for recording county immunizations. Corona Regional Medical Center serves on this committee.

Corona/Norco Unified School District

CNUSD is one of the collaborators in facilitating the educational programs. In addition, the immunization schedules are distributed to the students in the district to take home.

Local Churches

Participates in publicizing the immunizations services offered to the community.

Kiwanis Club

Sponsors an annual "Day of the Child" health fair, which features free immunization, CRMC participates in the fair.

Cancer

Rationale

In 2000, the Corona/Norco area had a rate of 173.0 for all cancers. While the rate per 100,000 population is lower than the California rate of 179.8 and, and lower than Riverside County's rate of 183.9, it is still above the national goal of 159.9. The Corona/Norco area is above the national average in Breast Cancer specifically.

Percentage of Cases (all cancers) (Corona/Norco)

	<i>Incidence Rate per 100,000 (1997)</i>	<i>Incidence Rate per 100,000 (2000)</i>
Corona/Norco	96.7	173.0
Riverside County	111.7	183.9
California	112.3	179.8
National Goal	NA	159.9

Goal and Objectives

- Maintain H.O.P.E. Cancer Support Group.
- Hold annual Women's Healthcare Symposia that address the issue of cancer and specifically Breast Cancer, reconstructive surgery and other cancers.
- Increase frequency of "Look Good, Feel Better" Seminars from quarterly to monthly to accommodate more of the community.
- Promote the availability of the Corona Regional Medical Center Comprehensive Cancer Center and it's resource center.
- Work in conjunction with Corona Regional Medical Center Foundation on the annual Grand Celebration Walk to incorporate a health fair targeted at Cancer education on the day of the event.
- Witness an improvement in the Cancer statistics.

Community Partners

American Cancer Society

- Education on Cancer is provided through this organization.
- Pamphlets are available for the general public as well as for other organizations.

Involved in funding Cancer research. The goal of the research is to focus on new developments in the treatment of cancer as well as finding a cure.

Diabetes

Rationale

Diabetes is prevalent in the Corona/Norco community. With a rate of 26.1, Corona statistics represent significantly more deaths to the disease than the Riverside County's rate of 17.9 and California's rate of 20.8 (Rate per 100,000 population). All regions have seen a significant increase compared to rates in 1997 Mortality Statistics. Diabetes is of concern for the general population and particularly for the Hispanic and African American communities since they are at higher risk for developing the disease.

	<i>Incidence Rate per 100,000 (1997)</i>	<i>Incidence Rate per 100,000 (2000)</i>
Corona/Norco	15.6	26.1
Riverside County	9.7	17.9
California	11.4	20.8
National Goal	NA	NA

Goals and Objectives

- Offer diabetic classes to the community on a quarterly basis.
- Offer a diabetic seminar once every other month to learn about new developments pertaining to diabetes.
- Hold at least one diabetic luncheon to teach diabetics about meal exchanges and options for preparing diabetic friendly meals.
- Kick off a spanish diabetic program with a diabetic luncheon (in spanish) and draw in the community for future classes and seminars to also be held in Spanish.

Community Partners

American Diabetes Association

- Education on Diabetes is provided through this organization.
- Pamphlets are available for the general public as well as for other organizations.

Involved in funding Diabetes research. The goal of the research is to focus on new developments in the treatment of cancer as well as finding a cure.

Community Health Education (Particularly on Heart Disease, COPD, Arthritis and Diabetes)

Rationale

Community education has been an area of focus at CRMC for many years. We are determined to reach out to the community at large in promoting a health behavior for a healthier community. In the following areas of focus (heart disease, COPD, and diabetes), it is crucial to conduct an outreach emphasizing the importance of prevention and early detection. It is also necessary to provide support and information to those who have been diagnosed of having such illnesses.

In 2000, **Heart Disease** was the leading cause of death for Corona/Norco. The rate of 300.4 is exceedingly higher than the County rate of 270.0, California rate of 201.5 and the National goal for Healthy People 2000 of 166.0

In 2000, **COPD (Chronic Obstructive Pulmonary Disease)** claimed the lives of many of Corona/Norco residents. At a rate of 66.2 is higher than the County rate of 53.7 and the California rate of 43.1. (Rate per 100,000 population).

Corona/Norco had a mortality rate of 26.1 for **diabetes** in 2000. The rate much higher than the Riverside county rate of 17.9 and California rate of 20.8 (Rate per 100,000 population). Community Asset surveys linked the increase in the disease to the growing number of minorities who don't have access to the education and resources offered for diabetics due to cultural barriers.

Goals and Objectives

- Participate in at least 10 Health Fairs annually with collaborating agencies. The Fairs will focus on the issues related to the heart disease, COPD, and diabetes.
- Collaborate with the American Heart Association to hold a Healthy Heart Symposium for the community. This would be an event to educate the public about heart disease. The event will focus attention on the fact that heart disease is the No. 1 killer in America and in Corona/Norco. It will emphasize on the importance of early detection and prevention of heart disease. An opportunity for assessing the risk of heart disease will be provided along with other health related activities.
- Collaborate with the American Diabetes Association to promote diabetes awareness in the national observance month (November), as well as implement Spanish diabetic programs to educate those afflicted with the disease and their loved ones.

- Collaborate with the American Diabetes Association (ADA) on providing free diabetes screening once a year.
- Offer free diabetes seminars 1-2 times a year.
- Work directly with the representatives of the American Cancer Society and the American Lung Association to educate the community about COPD and the health risks involved in smoking.
- Offer free cholesterol screenings three times a year.

Community Partners

Riverside County Health Department

The County provides extensive programs involving smoking cessation, which influences both heart disease and COPD. Many of these programs are aimed at youth and are funded by the State of California. The programs include:

- Second-hand smoke education.
- Smoking cessation courses for County employees and large employers.
- Smoking cessation resource guide available to local residents.
- Counter advertising on smoking.
- Training of school districts to administer anti-smoking programs.

American Heart Association

The Corona/Norco affiliate of the American Heart Association sponsors a variety of community education programs.

- Smoking cessation classes through the Corona/Norco Unified School District for student smokers.
- Anti-smoking education to all grade levels.
- "Heart at Work" program for major businesses, which focuses on lifestyles decisions impacting heart health.
- Participation in local health fairs.
- Regional Heart Walk
- HeartScore

American Diabetes Association

Provides diabetes related benefit services including education and screening. The organization is also active in supporting the needs of the community financially.

- Provide educational information on diabetes.
 - Diabetes screenings are offered.
-

Maternal Health
(Particularly on Low Birth Weight, Late Prenatal Care, and Births to 35+ Mothers)

Rationale

Health, social, and other problems are many times directly associated with issues related to maternal health. The issues are multi-dimensional, and have their roots in the early life experiences of children and adolescents. Although Corona had rates lower than the county of Riverside and the state of California, the Needs Assessment still showed this rate to be above the national goal and demonstrated a need for an improvement in the areas of low birth weight, infant mortality, and birth to 35+ mothers. With the ever rising number of births in the Corona/Norco area, maternal health is one issue that cannot be overlooked. The target population is the women of childbearing age.

Total Births by Age of Mother (2000) Corona/Norco

Births By Age of Mother					Total Births	Low Birth Weight Live Births (Births <2,500 grams)	3 rd Trimester Entry into Prenatal Care
Age Group	<18	18-19	20-34	35+			
Number	89	154	2,413	450	3,106	177	17
Percent	2.9%	5.0%	77.7%	14.5%	100%	5.7%	0.6%

Live Births per 1,000 population

<u>Live Birth Rate per 1,000 population</u>	<u>Live Birth Rate per 1,000 Females Age 15-19</u>
17.3	38.6

Percent Low Birth Weight by area (1997) vs. (2000)

	<i>Low birth weight- (less than 2500g) (1997)</i>	<i>Low birth weight- (less than 2500g) (2000)</i>
Corona/Norco	7.6	5.7
Riverside County	6.6	6.1
California	6.1	6.2
National Goal	5.0	5.0

Percent Late Prenatal Care by area (1997) vs. (2000)

	<i>Late Prenatal Care (1997)</i>	<i>Late Prenatal Care (2000)</i>
Corona/Norco	24.2	14.1
Riverside County	24.3	19.9
California	19.2	16.9
National Goal	10.0	10.0

Goals and Objectives

- Conduct monthly Community Collaborative Committee Meetings with community members.
- Receive "Very Good" or "Excellent" evaluations on the maternal related classes.
- Conduct 21 New Mom's Connection, a support group for new moms. Provides free information and education to new mothers.
- Continue to conduct at least 6 Early Childhood S.T.E.P. Class (Systemic Training for Effective Parenting). The class teaches effective parenting techniques, including

communication and discipline skills. We will offer the class in English as well as Spanish and continue to partner with area Headstarts for use of facility and access to Spanish speaking parents.

- Offer 10, two-hour Breastfeeding classes. The class teaches breastfeeding techniques and breast pump selection and use.
- Continue to offer Infant Safety and CPR Class, a two-hour course once a month. The class teaches safety measures and infant CPR. Begin to offer the course in Spanish.
- On every Tuesday or Thursday, offer a two hour Prepared Childbirth Class (four week sessions).
- Continue to offer a Childbirth Express Course for parents who are familiar with the birthing process, but need a refresher.
- Maintain and distribute a maternity education calendar to area Doctor offices, clinics, and WIC to ensure that the community is informed of hospital maternity classes.
- Continue to hold maternity tours on a monthly basis and add weekly evening tours to accommodate parents unable to attend the "maternity tea" tour.

Community Partners

March of Dime in collaboration with the Los Angeles Chapter conducts variety of programs that address prenatal issues. The following programs are offered throughout the Inland Empire and as follows:

- Conduct workshops for teenagers. Keynote speakers are invited to address the prenatal issues.
- Receive donated clothing from major chain stores. The donated items are again donated to the indigent families, particularly the pregnant moms.
- Parenting classes offered in various local schools.
- Literature distribution.
- Baby & you, a prenatal educational program.

Corona/Norco Unified School District conducts a teen parent program, which encourages teen mothers to stay in school. The program is very successful with many of its graduates continuing to college. The rate of second pregnancy among this group is also much lower than the rate of second pregnancy among the non-participation teens. Panels of teens from this program are invited to speak in appropriate forum in an effort to de-glamorize the teen pregnancy.

Corona Community Medical Group offers maternal related classes.

Soroptomist is involved with various agencies in providing seminars.

Sharing Assessment Findings with the Community

The assessment findings will be reported to the community in several ways:

United Way; A representative from the United Way of the Inland Valleys will summarize the final report and make it available on their website.

Press Enterprise; Representatives from the newspaper will report on assessment findings to be in a featured article.

Local Libraries as well as various community organizations will all receive copies of the Community Needs Assessment and the Community Benefits Plan.

Physicians; Findings will be presented at the General Medical Staff Meeting.

Governing Board; Findings will be presented at Governing Board meeting.

Community Benefits and Economic Value

Corona Regional Medical Center has monitored its community benefit activities since 1994. Below is the report for the 2001 year.

Medical-Care Services

<u>Government Sponsored Health Care:</u> (The difference between the cost of care provided and the reimbursement received for that care).	\$26,235,665
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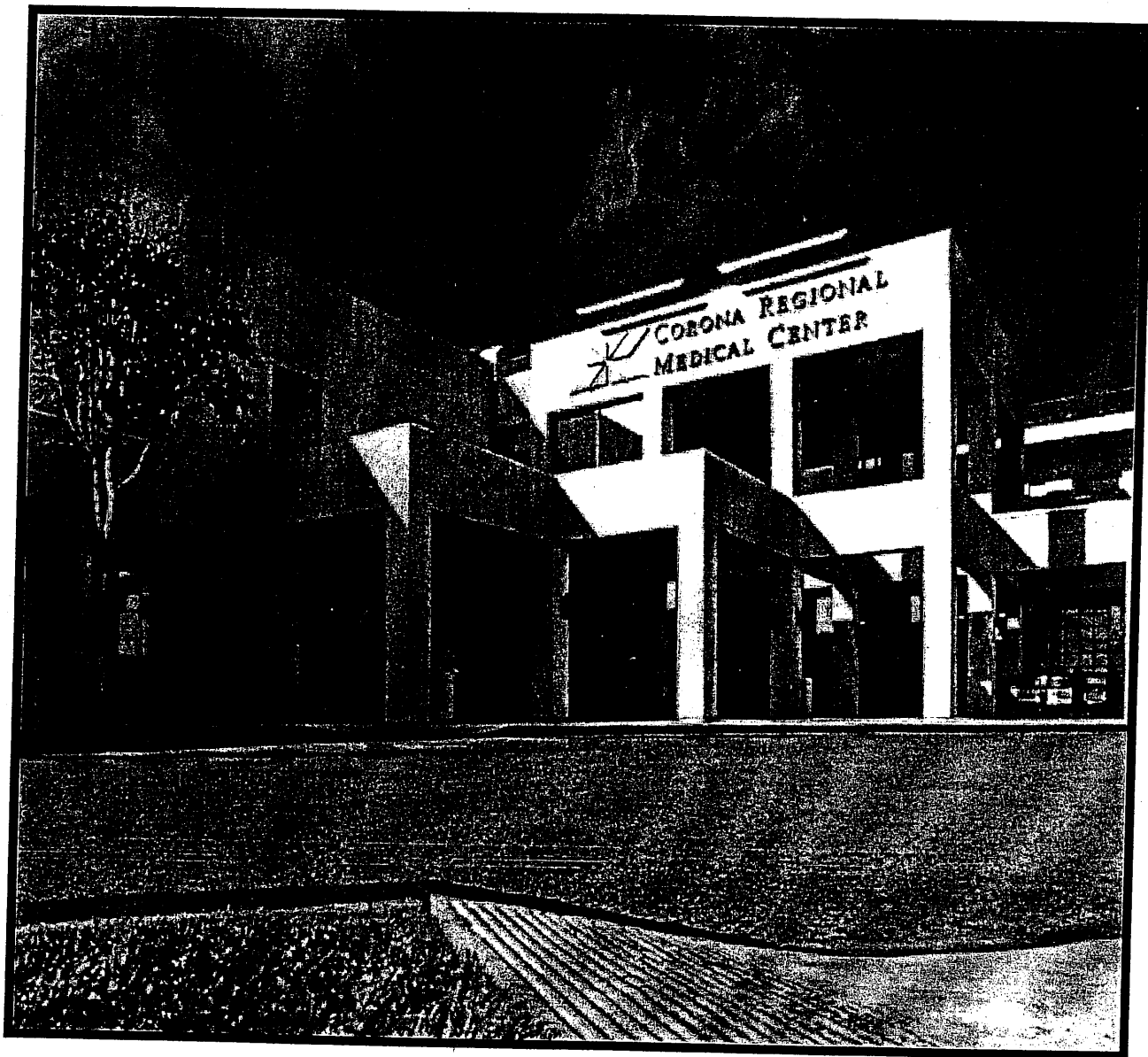
Other Benefits to Vulnerable Population

<u>Charity Care:</u> (This includes free health care services Provided to persons who cannot pay or Who can only pay a portion of their expenses. Also includes Medi-Cal days in excess of Coverage limits and catastrophic expenses In this financial class).	\$251,022
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Other Benefits for the Broader Community and Health Research, Education and Training

<u>Community Services :</u> (This is the cost of non-billed services provided	\$88,527
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Community Needs Assessment and Benefit Plan Update 2000 - 2001



Preface

Corona Regional Medical Center (CRMC) is located at 800 South Main Street Corona, California. Our Chief Executive Officer is John A. Calderone Ph.D. and our Governing Board Chairman is James Verplancke. The contact person at CRMC is Teri Lynn Ransbury, Director of Business Development.

Corona Regional Medical Center features a 148 bed; acute care facility and an 80 bed rehabilitation center at its nearby Magnolia campus. The Medical Center and the Rehabilitation Center is located in the City of Corona, in Riverside County. The following services are provided at CRMC:

- Full Service Acute Care
- Outpatient Surgery
- Acute Rehabilitation
- Long Term Ventilator Care
- Sub-Acute Care
- Mental Health Program/Behavioral Mental Health
- Partial Day Mental Health Program
- Home Health
- Hospice
- Comprehensive Cancer Center

Corona Regional Medical Center Physician Profile-2000

At CRMC, our 260 medical staff members represent virtually every major medical specialty, are highly trained and committed to caring for our patient.

<u>Specialty</u>	<u># of Physicians</u>	<u>% Board Certified</u>
Anesthesiology	20	80
Cardiology	12	67
Emergency Medicine	11	73
General/Family Practice	15	80
Gastroenterology	9	89
Internists/Other Medical Specialties	64	75
Neurology	5	80
Ob/Gyn	18	62
Oncology	8	75
Ophthalmology	7	57
Pathology	3	67
Pediatrics	20	85
Plastic Surgery	3	67
Psychiatry	7	30
Radiology	19	85
Surgery (all)	37	73
Thoracic/Cardio Surgery	2	50
Total	260	75%

Mission and Vision Statements

Mission Statement

We are dedicated to the health, healing and wellness of those we serve with compassion and Integrity.

Vision Statement

The sole acute and rehabilitation provider delivering comprehensive and cost effective services emphasizing superior customer service with a mission to reinvest in our community.

Community Needs Assessment Process

The need for programs or services can be established from health, social, demographic indicators. The information comes from local organizations records. The records used to ascertain social indicators are those of the state and local public health departments, department of vital statistics, and other public agency that keeps useful records on the community and or target population. All the information must be linked to various indicators and measures of delivery of health and social services such as accessibility, quality, availability and cost. CRMC has conducted the community needs assessment using the following approaches.

- Social and Health Status Indicators
- Telephone Interviews with Community Leaders
- Community Survey

The Community Needs Assessment process was mostly data-driven. Specifically the data on demographics, social indicators, and the health status indicators were researched. The data collection aspects of the assessment process relied on sources below:

- Riverside County of Health Services
- U.S. Department of Health and Human Services
- California Department of Finance
- City of Corona
- City of Norco

The telephone interviews were conducted with knowledgeable community leaders and physicians. Standardized questions about health care needs in our community were developed. It consisted of members from the American Heart Association, Corona/Norco Unified School District, American Cancer Society, Soroptomist Club, Board Members, Physicians, and Coalition for Family Preservation. The most common needs identified by the telephone interviews were:

- Community outreach to underserved population
- Better access to physician and hospitals
- Health education

In addition to the interviews, CRMC conducted an Individual Health Assessment Survey. The surveys were mailed out to 5000 random households in Corona/Norco in 1999. Respondents were asked 15 questions regarding their personal health and well-being and 10 questions on their general self-description. The results are as follows:

1. In general, would you say that your health is:

Excellent	21%
Very Good	55%
Fair	20%
Poor	4%

2. Thinking about your physical health, which includes physical illness and injury, how many days during the past 30 days was your physical health **not** good?

0 days	73%
1-10 days	25%
more than 10 days	2%

3. Your mental health, which would includes stress, depression, and emotional problems, how many days during the past 30 days was your mental health **not** good?

0 days	73%
1-10 days	25%
more than 10 days	2%

4. During the past 30 days, about how many days did poor physical or mental health keep you from doing the daily activities, such as self-care, work, or recreation?

0 days	88%
1-10 days	10%
more than 10 days	2%

5. Are you **limited** in any way with the daily activities because of a health condition, health problem or impairment?

Yes	15%
No	85%

6. What is the major health condition, health problem or impairment that limits your activities?

Arthritis	15%
Diabetes	10%
Fatigue	4%
Obesity	3%

Other	15%
None	53%

7. Are you receiving any medical treatment for your health condition, health problem or impairment?

Yes	27%
No	73%

8. Why are you not receiving medical treatment?

Good Health	37%
Cost of Health Care	11%
Not needed/No response	62%

9. Is there a particular place or person you usually go to when you are sick or need advice about your health?

Yes	85%
No	15%

10. What type of place do you usually go to?

Doctor's Office	48%
Hospital	7%
Other (i.e. HMO)	45%

11. In general, how do you get to this place for your care?

a. I drive	91%
b. Someone drives me	7%
c. Public bus	2%
d. Taxi	0%
e. Other	0%

12. What is the main reason you do **not** have a particular place or person you usually go to when you are sick or need advice about your health?

HMO/Appointment - availability	5%
Cost	5%
No Response	90%

13. During the past 12 months, was there a time when you or your family needed or thought you needed medical care but could not get it?

Yes	86%
No	14%

14. What type if barriers did you or your family experience?

HMO/Appointment-availability	25%
Cost	8%
No Response	77%

15. What types of health services would improve your quality of life and well-being?

No Referrals	15%
Quality Care	17%
Health Education	8%
No Response	60%

SELF DESCRIPTION

1. Female	61%
Male	39%

2. Ethnicity	
Non-Hispanic White/Anglo	73%
Hispanic/Latino	14%
African American/Black	3%
Asian	8%
Native American	2%
Other	0%

3. Age Group	
14-17 years	0%
18-29 years	3%
30-39 years	18%
40-49 years	13%
50-59 years	18%
60-69 years	19%
70-79 years	9%
80 years and older	11%

4. What language do you prefer to speak and read?

English	88%
Spanish	10%
Other	1%

5. In total, how many **years** of education (including college) did you complete?

1-12 years	15%
13-16 years	52%
17+ years	11%

6. What Zip Code do you live in?

91720	81%
91719	7%

7. What is your current employment status?

Employment/Full Time	37%
Employment/Part Time	7%
Retired	30%
Homemaker	9%
Full Time Student	1%
Unemployed	0%
Other	3%

8. Your Occupation

Financial	3%
Medical	3%
Sales	7%
Engineer	3%
Management	8%
Technician	4%
Service Industry	10%
Mechanic	2%

9. What is your total annual household income?

Under \$15,000	8%
\$15,000 - \$24,999	9%
\$25,000 - \$34,999	15%
\$35,000 - \$49,999	6%
\$50,000 - \$74,999	36%
\$75,000 - \$99,999	8%
\$100,000+	15%

10. What type of health insurance coverage do you have?

Medicare	11%
Medicare HMO	9%
Medi-Cal	1%
Medi-Cal HMO	1%
HMO Plan	47%
PPO	21%
CHAMPUS	2%
No health insurance	2%
Other	6%

Individual Health Assessment

Directions: Below are a number of questions about your health and well-being as well as your experience in using health care services. Please complete the survey and return it in the postage-paid envelope promptly. Thank you for your participation.

Personal Health and Well-being

1. In general, would you say that your health is:
a. Excellent b. Very Good c. Fair d. Poor
2. Thinking about your physical health, which includes physical illness and injury, how many days during the past 30 days was your physical health **not** good? _____ days
3. Your mental health, which includes stress, depression, and emotional problems, how many days during the past 30 days was your mental health **not** good? _____ days
4. During the past 30 days, about how many days did poor physical or mental health keep you from doing the daily activities, such as self-care, work, or recreation? _____ days
5. Are you **limited** in any way with the daily activities because of a health condition, health problem or impairment? Yes No
6. What is the major health condition, health problem or impairment that limits your activities? _____
7. Are you receiving any medical treatment for your health condition, health problem or impairment? Yes No
8. Why are you not receiving medical treatment? _____
9. Is there a particular place or person you usually go to when you are sick or need advice about your health? Yes No
10. What type of place do you usually go to? _____
11. In general, how do you get to this place for your care?
a. I drive b. Someone drives me c. Public bus d. Taxi
d. Other, please describe: _____

12. What is the main reason you do **not** have a particular place or person you usually go to when you are sick or need advice about your health? _____
13. During the past 12 months, was there a time when you or your family needed or thought you needed medical care but could not get it? Yes No
14. What type of barriers did you or your family experience? _____
15. What types of health services would improve your quality of life and well-being? _____

Self Description

1. Female Male
2. Ethnicity
 Non-Hispanic White/Anglo Asian Hispanic/Latino Native American
 African American/Black Other, specify: _____
3. Age Group
 14-17 years 18-29 years 30-39 years 40-49 years
 50-59 years 60-69 years 70-79 years 80 years and older
4. What language do you prefer to speak and read? _____
5. In total, how many **years** of education (including college) did you complete? _____ yrs
6. What Zip Code do you live in? _____
7. What is your current employment status?
 Employed/Full Time Employed/Part Time Unemployed Retired
 Homemaker Full Time Student Other, explain: _____
8. Your Occupation: _____
9. What is your total annual household income?
 Under \$15,000 \$15,000-\$24,999 \$25,000-\$34,999
 \$35,000-\$49,999 \$50,000-\$74,999 \$75,000-\$99,999 \$100,000+
10. What type of health insurance coverage do you have?
 Medicare Medicare HMO Medi-Cal Medi-Cal HMO
 HMO Plan PPO CHAMPUS No health insurance
 Other, please describe: _____

The Community

Corona Regional Medical Center, (CRMC), defines its community in terms of "Service Area." The Service Area refers to the geographic area from which the Medical Center receives the majority of its inpatient admissions. This area includes the cities of Corona and Norco.

Demographics and Socioeconomics Indicators

Based on the updated 1997 census data, the primary service area population is estimated at 154,040. From 1990-1997, Corona/Norco has added 35,264 people, more than any other Inland Empire community. With an annual growth rate of 6.9% in 1997, Corona is the tenth fastest growing large city in the United States.

Total Population

	<u>1990</u>	<u>1997</u>
91760 Norco	22,383	28,067
91719 East Corona	38,862	59,321
91720 West Corona	57,531	66,652
Total	118,776	154,040
County Total	1,163,166	1,323,664
California	29,976,000	32,956,588

	<u>Median Age</u>	<u>% <age 18</u>	<u>% age 65+</u>	<u>Total Families</u>
91760 Norco	36.9	21.9%	4.7%	4,490
91719 East Corona	37.5	27.3%	8.7%	9,607
91720 West Corona	35.9	31.7%	5.6%	14,445

Ethnicity

Corona/Norco is an ethnically diverse region. Relative to the State of California, Corona and Norco had:

Corona

- Higher percentage of Hispanic residents (Corona 31.2% vs. CA 27.4%).
- Significantly lower percentage of African-American residents (Corona 3.3% vs. CA 7%).
- Slightly lower percentage of non-Hispanic White residents (Corona 54.9% vs. CA 55.5%).
- Similar percentage of residents of other ethnic origins (Corona 10.6% vs. CA 10.2%).

Norco

- Lower percentage of Hispanic residents (Norco 16% vs. CA 27.4%).
- Same percentage of Black residents (Norco 7% vs. CA 7%).
- Higher percentage of non-Hispanic White residents (Norco 74% vs. CA 55.5%).
- Significantly lower percentage of residents of other ethnic origins (Norco 3% vs. CA 10.2%).

Income and Poverty

- Corona's 1996 average median income of \$56,126 was substantially above that of Riverside County (\$43,168), and the 8th highest among the Inland Empire's 48 cities.
- Norco's average income is lower (\$44,470) than Corona's average median income.
- Corona has an estimated 6.3% with annual income under \$10,000.
- Norco has an estimated 4.9% with an annual income under \$10,000.
- The poverty rate, relative to the Riverside County (11.5%), California (10.6%), Corona (8.3%), and Norco (5.4%) is lower.

Education

- In 1990, 52.6% of the Corona's residents had at least attended college, and 27.9% had either a bachelor degree or advanced degree.
- In 1990, 33.6% of the Norco's residents had at least attended college, and 9.2% had either a bachelor degree or advanced degree.

- Within close proximity to Corona are 19 Public & Private colleges with a combined enrollment of 122,138.
- The Corona-Norco Unified School District has 21 elementary schools, 5 intermediate schools, 6 high schools, and 1 special school. Eleven private schools are located in Corona.

Health Indicators

Based on 1997 Health Indicators and Vital Statistics data provided by the County of Riverside which are based on California Department of Finance data, there are several areas where the health status of Corona/Norco exceeds that of the County, State, or National goals. Unless otherwise shown, death and incidence rates presented below describe the number of deaths or cases from a particular cause per 100,000 population.

Morbidity Rates (per 100,000 population) Reported Incidence of Communicable Diseases

Tuberculosis	8.4	Corona/Norco
	4.8	Riverside County
	13.5	California
	3.5	National goal
Hepatitis	44.1	Corona/Norco
	51.6	Riverside County
	27.7	California
	NA	National goal
Measles	0.0	Corona/Norco
	0.1	Riverside County
	0.1	California
	0.0	National goal
Shigellosis	3.2	Corona/Norco
	7.4	Riverside County
	12.4	California
	NA	National goal
AIDS	14.3	Corona/Norco
	21.3	Riverside County
	30.1	California
	43.0	National goal
Syphilis	3.2	Corona/Norco
	6.3	Riverside County
	13.5	California
	10.0	National goal

Gonorrhea	16.2	Corona/Norco
	29.9	Riverside County
	58.5	California
	NA	National goal
Chlamydia	104.5	Corona/Norco
	136.5	Riverside County
	193.1	California
	NA	National goal

**Mortality Rates (per 100,000 population)
Deaths by Cause**

1.	Heart disease	154.4	Corona/Norco
		124.3	Riverside County
		114.6	California
		100.0	National goal
2.	Cancer	96.7	Corona/Norco
		111.7	Riverside County
		112.3	California
		NA	National goal
3.	COPD	24.7	Corona/Norco
		25.1	Riverside County
		20.8	California
		NA	National goal
4.	Accidents	22.7	Corona/Norco
		28.9	Riverside County
		25.9	California
		NA	National goal
5.	Pneumonia/Influenza	22.7	Corona/Norco
		13.4	Riverside County
		15.8	California
		NA	National goal
6.	Stroke	20.1	Corona/Norco
		23.9	Riverside County
		26.0	California
		20.0	National goal
7.	Diabetes	15.6	Corona/Norco
		9.7	Riverside County
		11.4	California
		NA	National goal
8.	Homicide	7.8	Corona/Norco
		8.8	Riverside County
		13.4	California
		7.2	National goal

9.	Suicide	7.1	Corona/Norco
		11.7	Riverside County
		9.8	California
		10.5	National goal
10.	Cirrhosis	5.8	Corona/Norco
		9.8	Riverside County
		9.4	California
			National goal
11.	AIDS	1.3	Corona/Norco
		3.5	Riverside County
		12.1	California
		NA	National goal

Natality Rates

Infant mortality (per 1000 live births)	4.0	Corona/Norco
	6.0	Riverside County
	5.9	California
	7.0	National goal
	11.0 Blacks	National goal
Low birth weight infants (%) (Less than 2500g)	7.6	Corona/Norco
	6.6	Riverside County
	6.1	California
	5.0	National goal
	9.0 Blacks	National goal
Late prenatal care (%) (After 1 st Trimester)	24.2	Corona/Norco
	24.3	Riverside County
	19.2	California
	10.0	National goal
Birth to adolescents (%)	8.6	Corona/Norco
	14.2	Riverside County
	11.7	California
	NA	National goal
Births to 35+ mothers (%)	14.6	Corona/Norco
	11.7	Riverside County
	14.7	California
	NA	National goal

Progress Report 1999

Corona Regional Medical Center has made many accomplishments since the submission of the previous community benefit report. There were four areas of focus CRMC has concentrated on:

Tuberculosis

Corona/Norco witnessed a decrease in the incidence rate from 14.5 in 1994 to 8.4 in 1997.

- CRMC has provided TB screenings for approximately 900 employees upon hire and annually.
- CRMC's Industrial Care Clinic is active in providing TB screenings for the contracted companies in the Corona/Norco region, which includes major employers such as the school district, skilled nursing facilities, and preschools.

Community Health Education (particularly on heart disease, cancer, and arthritis)

CRMC has been successful in collaboration with community partners in providing community education through many different types of outreach programs and health fairs.

- CRMC has conducted 10 health fairs annually with the collaborating agencies.
- Literature and pamphlets are displayed in various locations throughout the Medical Center for distribution.
- CRMC in collaboration with American Cancer Society has been successful in providing support for the patients with breast cancer.
- Provided free prostate cancer screenings.
- Offered free nutritional classes to improve eating habits for a healthier life.
- Offered free cholesterol screenings.

Childhood Immunizations

To create an outreach, prevention, and education program designed to improve the overall health and quality of children, CRMC actively pursued establishment of The Children's Center. The grand opening date occurred on August '98. Since the opening, the Center has provided over 1250 immunizations. The following services are offered:

- Free immunizations
- Parenting classes
- Nutritional classes
- Resource education
- Health classes

Maternal Health

CRMC offers a wide range of prenatal classes, including childbirth, breastfeeding, parenting, etc. These classes received "very good" or "excellent" evaluations from over 90% of the participants. The following educational classes are offered:

- Infant Safety/CPR classes
- Cesarean Birth classes
- Car Seat Safety classes
- Breastfeeding classes
- Big Brother/Big Sister classes
- Nutrition in Pregnancy classes
- Pre-Term Birth Prevention classes
- The New Moms Connection classes
- Lamaze classes
- Labor & Delivery Orientation classes

In addition to the classes offered, CRMC engaged in other activities which addressed the issues of infant mortality, low birth weight, prenatal care, and teen births. The following activities are listed below:

- Women's Health Expo
- Medi-Cal's CPSP (Comprehensive Perinatal Services Program)
- Seminars

Community Benefit Plan

Areas of Focus 2000 - 2001

As a result of CRMC's internal and external completion of the Community Needs Assessment, the priorities for action have been concluded. Upon reviewing the findings of the health indicators including the morbidity, mortality, and natality rates, the primary areas of focus were identified to be the following:

- **Tuberculosis**
- **Hepatitis**
- **Pneumonia/Influenza**
- **Childhood Immunizations**
- **Community Health Education (particularly on heart disease, COPD, arthritis, and diabetes)**
- **Maternal Health (particularly low birth weight infants, late prenatal care, births to age 35+ mothers)**

Community Benefit Plan and Assessment Update 2000

Tuberculosis

Rationale

The TB rate for Corona/Norco was 8.4 in 1997 that exceeded that of the Riverside County of 4.8 and of the Healthy People 2000 – National goal of 3.5. Although there has been a steady decrease of TB cases since 1994, our region is still experiencing a significantly high report of the disease. The target populations are identified to be the employees in the Corona/Norco regions that might be at a higher risk for contracting TB due to the demographics of the company's workforce.

	<i>Incidence Rate per 100,000 (1994)</i>	<i>Incidence Rate per 100,000 (1997)</i>	<i>Healthy People 2000 National Goal</i>
Corona	7.5	7.9	3.5
Norco	20.6	10.7	3.5
Riverside County	7.8	4.8	3.5
California	NA	13.5	3.5

Goals and Objectives

- Industrial Care Clinic to provide TB screenings at least once annually for the contracted companies in the Corona/Norco region which includes the employees of the school district, skilled nursing facilities, and preschools.
- Continue to provide TB screenings for approximately 900 CRMC employees upon hire and annually.
- Witness an improvement in the TB statistics by the year 2000.

Progress and Ongoing Commitments:

Corona Regional Medical Center goals and objectives outlined in the 1999 Community Benefits Plan will be continued throughout 2000. We have seen a decrease in the Tuberculosis rate in Corona from 7.9 (crude rate per 100,000 population) to 6.1, however, Norco continues to climb from a rate of 10.7 to 11.1.

Industrial Care Clinic is active in providing at least annually TB testing to contracted employers. They have performed over 3000 the past year. They have also offered the testing at a reduced rate to school age children and have provided testing for over 1000 children.

CRMC has provided over 900 TB tests to CRMC employees and physicians over the past year.

Revised or Additional Objectives:

We will develop a focus campaign in the Norco area to educate the high-risk residents about testing and treatment.

We will focus on the larger employer groups and distribute information with assistance of the Norco Chamber of Commerce.

Community Partners

County of Riverside Health Services Agency

- All students in the County of Riverside are screened for TB when they enter into a school within the County unless a proof of a negative screening can be provided for the past year.
- The general public may access a TB screening whenever necessary.
- Once an active case is identified, it is investigated and followed-up with a treatment.

Lung Association

- Education on TB is provided through this organization.
- Pamphlets are available for the general public as well as for other organizations. It is available in Spanish as well as English.
- Involved in funding TB researches. The goal of the research is to develop a more efficient screening test and efficient treatment regimen.

Childhood Immunization

Rationale

The estimated rate of children who are fully immunized by age 2 in the Corona/Norco area is 60%. A fully immunized child is defined as a child who received 4 DTP, 3 polio, and at least 1 MMR by two years of age. This falls significantly short of the Healthy People 2000 objective of 90%. CRMC identifies the catchment area to be the children of all ethnicity and of all ages especially those below the age of two. An awareness resides primarily with the parent who is responsible for the children's immunization. We need to create an outreach, prevention, and education program designed to improve the health of the children of the community through providing access to these services. Immunization rates for children are useful indicators of a community's overall health awareness and access to medical and public health services. Rates are typically measured when children enter kindergarten at age five. In addition to current measurements, rates are also measured retrospectively. The following is the 1997 assessment of immunization rates of kindergarten students adequately immunized per 24,457 students in Riverside County.

Kindergarten Retrospective Survey Immunization rates of Riverside County Toddlers (born in 1991): By Race and Age Checkpoint

All the children, by race and age two did not meet the Healthy People 2000 National Objective of 90% in Riverside County.

Race	<u>3 mos</u> 1 polio, 1DTP	<u>7 mos</u> 2 polio, 3 DTP	<u>12 mos</u> 3 polio, 4 DTP, 1MMR	<u>19 mos</u> 3 polio, 4 DTP, 1 MMR	utd at all check- point	<u>24 mos</u> 3 polio, 4 DTP, 1 MMR	<u>27.5 m</u> 3 polio, 4 DTP, 1 MMR	<u>3 yrs</u> 3 polio, 4 DTP, 1 MMR
White	83.7%	57.3%	81.3%	45.1%	28.8%	62.8%	71.2%	71.9%
Hisp.	73.6	40.6	74.1	33.5	15.5	54.8	67.8	73.2
Black	73.2	41.5	68.3	36.6	17.1	48.8	51.2	63.4
Asian	92.9	75.0	82.1	43.9	35.7	57.1	75.0	64.3
Others	95.9	70.8	87.5	54.2	29.1	79.2	83.4	83.4
Total	79.9	51.3	78.1	40.4	23.6	59.3	69.6	71.9

Percent of Kindergarten Students Adequately Immunized 1997

	DTP 4+	Polio 3+	MMR 1	MMR 2	Hep B
Riverside Co	96.3	97.2	99.2	96.5	71.9
California	95.6	96.2	98.5	94.3	71.8

Goals and Objectives

- Provide at least 2500 free immunizations through The Children Center.
- Conduct Immunization Clinics 12 times a year.
- Meet monthly with the Community Collaborative Committee, which consists of 10 agencies from our community.
- Participate in the Health Fairs.
- Advertise the free immunizations through Corona/Norco Unified School District, local newspaper, pediatricians, Corona Magazine, and Parks and Recreation Magazine.
- Provide information regarding immunization through the obstetrics program.
- To witness an improvement in immunization statistics for the Corona/Norco area by the year 2000.

Progress and Ongoing Commitments

Based on the 1998 Kindergarten Retrospective Survey conducted by the California Department of Health Services Immunization Branch we have seen a slight improvement in our area: 1998 - 64.3%, 1997 - 59.3%, and 1996 - 57.7.

We have added four immunization clinics per month and developed a working relationship with the Corona Norco Unified School District (CNUSD). The CNUSD refers children who are being excluded from class due to lack of immunizations.

We are conducting 60 immunization clinics per year, giving an average of 350 per month for a total of 4200 annually. These are provided at sites identified by our collaborative committee, as areas with the highest need. We advertise our clinics in local publications and by posters throughout our market area.

CRMC participated and co-sponsored the Corona Norco Unified School District Health and Safety Fair. Over 2000 attended the health and safety fair.

CRMC Participated in "The Day of the Child" (sponsored by the Kiwanis) with over 500 in attendance.

A video for all new moms who deliver at CRMC emphasizing the importance of immunization and the recommended immunization schedule has been developed and we will begin distribution 10/00.

Revised objectives:

- *Provide a minimum of 5000 immunizations annually*
- *Conduct 45 immunization clinics annually*
- *To witness an improvement in immunization statistics in the year 2003*

Community Partners

Riverside County Health Department

- Offers regular immunization at three sites in Corona/Norco. These opportunities are publicized through the Corona/Norco Unified School District.
- Sponsors RICKI (Riverside County Immunization Coalition for Kids and Infants), and advisory group who oversees the County's immunization efforts, particularly in marketing campaigns.
- Produces public services announcements and television spots regarding the importance of early immunization.

Corona/Norco Unified School District

CNUSD is one of the collaborators in facilitating the educational programs. In addition, the immunization schedules are distributed to the students in the district to take home.

Local Churches

Participates in publicizing the immunizations services offered to the community.

Kiwanis Club

Sponsors an annual "Day of the Child" health fair, which features free immunization, CRMC participates in the fair.

Hepatitis

Rationale

In 1997, Corona/Norco reported 68 incidents of **Hepatitis**, the rate of 44.1. The rate per 100,000 population is higher than the California rate of 27.7, and lower than the Riverside County's rate of 51.6. In most recent statistics indicated in 1998 the number of incidences for Corona increased to 76, this is 8 more cases within a year. Depending on the type (A, B, or C) of Hepatitis the frequency of occurrence per race/ethnicity varied. The target population is identified through the race/ethnicity data. For Corona/Norco the percentage of occurrence per race/ethnicity are as follows:

Percentage of Cases per Race/Ethnicity (Corona/Norco)

	Hepatitis A	Hepatitis B	Hepatitis C
White	50%	36.4%	62.7%
African American	0%	4.5%	7%
Hispanic	50%	18.2%	17.6%
Native American			
Asian	0%	40.9%	3.9%

Number of Cases Reported in Corona/Norco (1998)

	HEPATITIS A	HEPATITIS B	HEPATITIS C
<u>Corona</u>	2	20	12
<u>Norco</u>	0	3	39
<u>Total</u>	2	23	51
<u>Riverside Co.</u>	168	415	1,187
<u>California</u>	6,653	1,710	479

Goal and Objectives

- Provide hepatitis C immunizations through the Children Center.
- Make arrangements with local coordinator for the Healthy Families Program to come to all our immunization clinics to enroll our clients with no insurance or Medi-Cal.
- Establish a monthly schedule of Hepatitis C immunizations.
- Witness an improvement in the hepatitis statistics.

Progress and Ongoing Commitments:

Hepatitis C has seen an increase over the past year. Riverside County Public Health Department Cases of Communicable Disease Report reflects 51 cases of Hepatitis C in 1998 and the 1999 report reflects 317 cases in the Corona / Norco area, with 224 occurring in Norco. The crude rate of incidence per 100,000 population for Norco is 829.9.

Hepatitis B immunizations have been offered through the Children's Center at no cost. Monthly schedules have been developed and implemented providing Hepatitis B vaccines five times per month at identified locations throughout the Corona / Norco area. The Children's Center has immunized over 1100 students the past year.

Healthy Families state certified representative attend one immunization clinic per month to offer assistance and evaluate possibilities for healthcare coverage to those without medical insurance. They have been effective in obtaining medical insurance for over 100 children.

Revised Objectives:

- *Develop an opportunity for adults who are at risk to receive Hepatitis B vaccines at low or no cost.*
- *Develop a Hepatitis C Screening schedule and offer screenings quarterly. Research the feasibility of offering screenings at the "Health in Motion" mobile clinic sites.*
- *Develop and implement a plan that will focus on education and prevention in the Norco area.*

Community Partners

- Riverside County Health Department offers regular immunization at various sites in Corona/Norco and it is publicized through the School District.
- Corona/Norco Unified School District facilitates in providing the immunization schedules to the students. This helps to increase the awareness and the availability of the service.
- Local churches participate in publicizing the immunization services offered to the community.

- Kiwanis Clubs an annual immunization health fair which features free immunization, CRMC participates in the health fair.

Pneumonia/Influenza

Rationale

Pneumonia/Influenza is the 4th leading cause of death in Corona/Norco, 35 deaths in 1997. The rate of 22.7 is significantly higher than the Riverside County rate of 13.4 and California rate of 15.8 (Rate per 100,000 population). Pneumonia/Influenza is of concern for the general population and particularly of seniors aged 55 and older. They are at higher risk for contracting and especially vulnerable to the complications associated with pneumonia.

Goals and Objectives

- Offer free influenza vaccination to the at-risk population in the community. The immunizations are administered prior to the onset of the "flu season", generally during the month of October.
- Coordinate a Mini Health Fair for Corona Seniors. Examine a possibility for a flu vaccination at the Senior Center in addition to health education on COPD.

Progress and Ongoing Commitments:

In 1998 Pneumonia / Influenza caused 42 deaths in the Corona / Norco area showing a slight decrease in the rate from 22.7 to 21.4 (Rate per 100,000 population).

Flu vaccination has been offered annually to at-risk population as outlined by the Riverside County Public Health Department, giving over 800 vaccines in 1999.

Flu Vaccination Clinic scheduled for October 2000 providing the vaccine is available from the Public Health Department.

CRMC participated in two Senior Health Fairs providing screenings and education reaching over 1500 seniors.

CRMC developed a Senior Program for community outreach and education with over 200 members. The program offers one to two lectures per month and one health related screening per month with an average attendance of 40.

Revised Objectives

- *Develop community Pneumonia / Influenza information system to distribute to high-risk population in the Emergency Room, UrgentAccess, and upon discharge.*

Community Partners

Riverside County Health Department

The County offers free flu vaccinations to the general public during the "flu season".

Riverside Community College

The college provides free flu vaccinations at the student health clinic on the campus for the students of the Riverside Community College.

Community Health Education (Particularly on Heart Disease, COPD, Arthritis and Diabetes)

Rationale

Community education has been an area of focus at CRMC for many years. We are determined to reach out to the community at large in promoting a health behavior for a healthier community. In the following areas of focus (heart disease, COPD, arthritis and diabetes), it is crucial to conduct an outreach emphasizing the importance of prevention and early detection. It is also necessary to provide support and information to those who have been diagnosed of having such illnesses.

In 1997 **heart disease** was the leading cause of death for Corona/Norco it killed 238 residents. The rate is exceedingly higher than the County rate of 154.3, California rate of 124.3 and the National goal for Healthy People 2000 of 100.0.

In 1997, **COPD (Chronic Obstructive Pulmonary Disease)** claimed 38 lives of Corona/Norco residents. This is the 3rd leading cause of death in our area and the rate of 24.7 is higher than the California rate of 20.8. The Corona/Norco rate is slightly lower than the Riverside County of 25.1 (Rate per 100,000 population).

The Individual Health Assessment survey prompted a need for an **arthritis** education. The respondents identified the arthritis and diabetes as two major health conditions most commonly mentioned. The majority of these respondents were in the ages ranging from 50 to 79 years.

Corona/Norco had 24 deaths related to **diabetes** in 1997. The rate of 15.6 which is much higher than the Riverside county rate of 9.7 and California rate of 11.4 (Rate per 100,000 population).

Goals and Objectives

- Conduct at least 10 Health Fairs annually with collaborating agencies. The Fair will focus on the issues related to the heart disease, COPD, Pneumonia/Influenza, and diabetes.
- Conduct HeartScore in collaboration with American Heart Association and CBS This Morning. It is an event to educate the public about heart disease. The event will focus attention on the fact that heart disease is the No. 1 killer in America and in Corona/Norco. It will emphasize on the importance of early detection and prevention of heart disease. An opportunity for assessing the risk of heart disease will be provided along with other health related activities.

- Collaborate with the Arthritis Foundation in providing a self-help course quarterly on Fibromyalgia, an arthritis-related condition.
- Collaborate with the Arthritis Foundation in offering a monthly support group.
- Collaborate with the American Diabetes Association (ADA) on providing free diabetes screening once a year.
- Offer free diabetes seminars 1-2 times a year.
- Work directly with the representatives of the American Cancer Society and the American Lung Association to educate the community about COPD and the health risks involved in smoking.
- Offer free cholesterol screenings three times a year.

Progress and Ongoing Commitments:

Heart Disease, COPD, and Diabetes continue to be leading causes of death and illness in the Corona / Norco area and the goals and objectives of Healthy People 2000 have not been met. CRMC is committed to community education and health screenings. CRMC will continue to implement the objectives as outlined in the 1999 Community Benefits Plan to promote a healthy community.

CRMC participated in twelve health fairs with a focus on education and / or screening for heart disease, COPD, Pneumonia / Influenza and diabetes. (Combined attendance was 15,000 at the health fairs).

CRMC did not participate in HeartScore, we held a Healthy Heart Seminar in February that met the objectives of participation in HeartScore.

Monthly, we offer a Fibromyalgia support / education group (arthritis related condition).

CRMC has developed a diabetic outpatient education program, which holds bimonthly community seminars, offers quarterly a 6-week education program for diabetics and their families, and a monthly support group.

Glucose screenings are offered twice a year on campus and monthly at the local senior centers performing over 1000 screening test per year.

Smoking Cessation seminars are held each year in the month of January. In collaboration with ACS we distribute the "No Butts" 800 number for support when quitting. ASC does not recommend the smoking cessation classes at this time because of the advancements of medications (i.e. patches).

CRMC offers cholesterol screenings twice a year with successful participation of 100 plus.

Revised Objectives and Goals:

- *Develop a focus on improved quality of life for those diagnosed with COPD through education. Hold a minimum of two educational programs annually related to improved living with COPD.*

Community Partners

Riverside County Health Department

The County provides extensive programs involving smoking cessation, which influences both heart disease and COPD. Many of these programs are aimed at youth and are funded by the State of California. The programs include:

- Second-hand smoke education.
- Smoking cessation courses for County employees and large employers.
- Smoking cessation resource guide available to local residents.
- Counter advertising on smoking.
- Training of school districts to administer anti-smoking programs.

American Heart Association

The Corona/Norco affiliate of the American Heart Association sponsors a variety of community education programs.

- Smoking cessation classes through the Corona/Norco Unified School District for student smokers.
- Anti-smoking education to all grade levels.
- "Heart at Work" program for major businesses, which focuses on lifestyles decisions impacting heart health.
- Participation in local health fairs.
- Regional Heart Walk
- HeartScore

Arthritis Foundation

The foundation is an active organization that offers information and facts on arthritis and sponsors community outreach programs.

- Self-Help Courses offered throughout the Inland Empire in 8 different locations.
- Monthly Support Group meetings are held at 7 various locations in the Inland Empire.
- Offer seminars on arthritis.
- Conduct Arthritis Expo including a presentation on new arthritis medications.
- Offer P.A.C.E. (People with Arthritis Can Exercise)

- Offer "Twinges in the Hinges" an aquatic program.

Corona Community Medical Group

With 40,000 enrollees in the Corona/Norco area, employs a full-time RN as its community education coordinator. A number of seminars are offered each month to the group's members and community at large. These topics are selected based on member surveys and insurance company requirements.

- COPD classes
- Diabetes education
- Cholesterol education

American Diabetes Association

Provides diabetes related benefit services including education and screening. The organization is also active in supporting the needs of the community financially.

- Provide educational information on diabetes.
- Diabetes screenings are offered.

Maternal Health
(Particularly on Low Birth Weight, Late Prenatal Care, and Births to 35+ Mothers)

Rationale

The health, social, and other problems are associated with issues related the maternal health. The issues are multi-dimensional, and have their roots in the early life experiences of children and adolescents. The Needs Assessment demonstrated a need for an improvement in the areas of low birth weight, infant mortality, and birth to 35+ mothers. The target population is the women of childbearing age. It is also important to note the race/ethnicity when determining the catchment area.

Total Births by Age of Mother (1997)

	<u><15</u>	<u>15-17</u>	<u>18-19</u>	<u>35+</u>
<u>Corona</u>	5	79	131	334
<u>Norco</u>	0	6	14	36
<u>Total</u>	5	85	145	370
<u>Riverside Co.</u>	83	1,204	2,018	2,733
<u>California</u>	1,256	23,064	36,787	76,946

Percent per Age Category within each Race/Ethnicity 1997 (Corona/Norco)

*Percent is the number of live births per race/ethnicity and age category divided by the total number of births in that race/ethnicity.

	<u>White</u>	<u>African-American</u>	<u>Hispanic</u>	<u>Native American</u>	<u>Asian</u>
<u><15</u>	2.9%	0.0%	1.9%	0.0%	0.0%
<u>15-17</u>	23.2%	25.0%	42.9%	0.0%	16.7%
<u>18-19</u>	73.9%	75.0%	55.1%	0.0%	83.3%

Live Births by Race/Ethnicity

	<u>White</u>	<u>African-American</u>	<u>Hispanic</u>	<u>Native American</u>	<u>Asian</u>	<u>Other</u>
<u>Corona</u>	1,101	136	1232	5	193	7
<u>Norco</u>	154	4	56	1	2	0
<u>Total</u>	1,255	140	1,288	6	195	7
<u>Riverside Co.</u>	8,637	1,512	12,060	141	942	27

Percent Low Birth Weight within each Race/Ethnicity (1997)

	<u>White</u>	<u>African-American</u>	<u>Hispanic</u>	<u>Native American</u>	<u>Asian</u>
<u>Corona</u>	5.6%	13.3%	5.5%	0.0%	5.2%
<u>Norco</u>	7.8%	0.0%	8.9%	0.0%	0.0%
<u>Total</u>	13.4%	13.3%	14.4%	0.0%	5.2%

Percent Late Prenatal Care within each Race/Ethnicity

	<u>White</u>	<u>African-American</u>	<u>Hispanic</u>	<u>Native American</u>	<u>Asian</u>
<u>Corona</u>	14.5%	17.7%	34.0%	0.0%	20.5%
<u>Norco</u>	17.5%	0.0%	26.8%	0.0%	0.0%
<u>Total</u>	32.0%	17.7%	60.8%	0.0%	20.5%

Goals and Objectives

- Conduct monthly Community Collaborative Committee Meetings with community members.
- Receive "Very Good" or "Excellent" evaluations on the maternal related classes.
- Conduct 21 New Mom's Connection, a support group for new moms. Provides free information and education to new mothers.
- Conduct 6 Early Childhood S.T.E.P. Class (Systemic Training for Effective Parenting). The class teaches effective parenting techniques, including communication and discipline skills.
- Offer 10, two-hour Breastfeeding classes. The class teaches breastfeeding techniques and breast pump selection and use.
- Offer Infant Safety and CPR Class, a two-hour course once a month. The class teaches safety measures and infant CPR.
- Offer 6 or more two-hour course on Infant Care and Feeding Class. Instructions on properly bottle feeding an infant and formula preparation.
- On every Tuesday or Thursday, offer a two hour Prepared Childbirth Class.

Progress and Ongoing Commitments:

Riverside County Department of Public Health Live Birth Data shows an improvement in teen pregnancy in the Corona / Norco area. In 1997 it was reported that there were 90 births to girls under the age of 18 and in 1998 the number of births decreased to 73. However, the births to mothers over the age of 35 have increased from 370 to 405. Late prenatal care (after the first trimester) has a slight improvement from 24.3% in 1997 to 23.9% in 1998. Low Birth rate for the Corona / Norco area is 5.4% in 1998. Healthy People 2010 goals and objectives have been established and goals in these areas are to remain steady at only 5% babies born of low birth weight and 10% of mothers receiving care after the first trimester of pregnancy.

CRMC leads bimonthly Community Collaborative Committee meetings that consist of 16 local community organizations. CRMC has representation on two other local collaborative committees (Unity Committee and Headstart).

We receive very good or excellent on 90% of our evaluations from the maternal child health educational classes and seminars.

CRMC has conducted over 48 new mom's support groups. Our New Mom's Support Group grew so large over the past year we now provide three support groups, New Moms, Toddler Support Group, and one for children between the ages of one year and two. These are held weekly with attendance ranging from 30 to 40 moms. Over the next

year we will hold over 140 support / educational groups reaching a minimum of 4200 families.

CRMC has conducted 6 S.T.E.P. Classes with 100% of reservations filled (Systematic Training for Effective Parenting).

Breast Feeding classes, Infant Safety and CPR, Infant Care and Feeding are offered monthly, with attendance 100% to capacity.

Childbirth Classes are offered every six weeks with maximum attendance for each class.

CRMC participated in "Dreams and Decisions," an all day seminar held for seventh and eighth grade girls to learn about how choices today will effect tomorrow. Speakers are invited to give Influential talks about choices they made and the consequences they face today.

Revised Objectives

CRMC has developed and implemented "Boot Camp for Dad's" a new fathers support group. CRMC will promote this group to increase participation by new fathers. Our goal is to have ten Dad's participate in each monthly class.

CRMC has developed and implemented a "Safe Sitters" Course that is offered once a quarter with maximum attendance of 12. We will be extending this program to BI-monthly to meet this community need.

The above classes are offered in English. CRMC is currently recruiting staff to offer all maternal child health classes in Spanish. These will be implemented by first quarter 2001.

Community Partners

March of Dime in collaboration with the Los Angeles Chapter conducts variety of programs that address prenatal issues. The following programs are offered throughout the Inland Empire and as follows:

- Conduct workshops for teenagers. Keynote speakers are invited to address the prenatal issues.
- Receive donated clothing from major chain stores. The donated items are again donated to the indigent families, particularly the pregnant moms.
- Parenting classes offered in various local schools.
- Literature distribution.

- Baby & you, a prenatal educational program.

Corona/Norco Unified School District conducts a teen parent program, which encourages teen mothers to stay in school. The program is very successful with many of its graduates continuing to college. The rate of second pregnancy among this group is also much lower than the rate of second pregnancy among the non-participation teens. Panels of teens from this program are invited to speak in appropriate forum in an effort to de-glamorize the teen pregnancy.

Corona Community Medical Group offers maternal related classes.

Soroptomist is involved with various agencies in providing seminars.

Sharing Assessment Findings with the Community

The assessment findings will be reported to the community in several ways:

City of Corona; A representative from CRMC will meet with the City of Corona department heads to summarize the report.

Press Enterprise; Representatives from the newspaper and CRMC will meet regarding the assessment findings to be a featured article.

Local Libraries- Both the Corona Norco libraries will receive copies of the Community Health Assessment and the Community Benefits Plan.

Physicians; Findings will be presented at the General Medical Staff Meeting.

Governing Board; Findings will be presented at Governing Board meeting.

Community Benefits and Economic Value

Corona Regional Medical Center has monitored its community benefit activities since 1994. During 1999, these activities had an estimated value of \$6,797,903 as follows:

Medical Care Services

<u>Un-sponsored Care:</u> (The difference between the cost of care Provided and the reimbursement received for the medical care services).	\$4,968,754
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Other Benefits to Vulnerable Population

<u>Charity Care:</u> (This includes free health care services provided to persons who cannot pay or who can only pay a portion of their expenses. Also includes Medi-Cal days in excess of coverage limits and catastrophic expenses in this financial class).	\$1,435,611
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<u>Courtesy Van Program:</u> (Two courtesy vans are operated to provide transportation to elderly and disabled patients. This service is available to both the Medical Center and the local physician offices).	\$103,425
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Other Benefits for the Broader Community and Health Research, Education and Training

Community Services: (This is the cost of non-billed services Provided to the community such as free Clinics, health screenings and health education, less and direct funding).	\$290,113
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Total	\$6,797,903
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SCHEDULE J

**COMBINED COMMUNITY NEEDS ASSESSMENT
ARROYO GRANDE COMMUNITY HOSPITAL
FRENCH HOSPITAL MEDICAL CENTER**

Community Benefit Plan 2001

Arroyo Grande Community Hospital

&

French Hospital Medical Center

Community Benefit Plan 2001
Arroyo Grande Community Hospital
&
French Hospital Medical Center

Introduction

Arroyo Grande Community Hospital and French Hospital Medical Center remain under the umbrella of Vista Hospital Systems, and remain sister hospitals. The two hospitals were marketed under a separate identity in most cases.

Operationally, the two hospitals remain to share management, coordinate service delivery, and experience similar medical staff.

Mission Statement

The mission statements have not changed since the last Community Benefit Plan was submitted.

Community Needs Assessment Process

In 2001 Arroyo Grande Community Hospital and French Hospital Medical Center participated in a community-wide Health Assessment through the *Action For Healthy Communities*.

The hospital contributed financially to be a major participant in this community-wide effort. Therefore, it was not necessary for the hospital to create their own community needs assessment survey when such a collaboration from many of San Luis Obispo County entities joined together.

The result is the 2001 Comprehensive Survey Report for *Action for Healthy Communities*. In February 2001, 809 randomly selected San Luis Obispo adults were surveyed by telephone. The questions are arranged into seven ACTION Goal areas that include Meeting Basic Needs, Social Environment, Education, Public Safety, Health Care, Natural Environment and Economic Issues. In 1999, ACTION completed its first benchmark study of community issues by conducting a similar telephone survey. The 2001 report represents the first time comparative results are available for a number of criteria that measure local community health and well-being.

The next county-wide Community Needs Assessment will begin in the Spring of 2003. The participants of the *Action For Healthy Communities* are beginning to meet and discuss how the next survey will be conducted.

(See Appendix A for data detail)

Community Benefit Plan Update

In 1999, The Central Coast Health Partners Strategic Plan was completed and approved by the local governing board at each hospital. That same plan was followed for the year 2000. In 2001, the hospitals have been managed by Cambio Health Solutions who did a Market Analysis and Assessment of the needs of the hospital. No "formal" strategic plan has been incorporated, but the hospital has used the report's to develop new business and community outreach programs.

- Continue to outreach to the community with community healthcare outreach programs.
- Continue outreach to the Latino Community.
- Community Business Blood Drive

Community Outreach Programs

The hospital remains to be a focal point in the community as far as how to access care, health education and support groups. Because of the financial challenges that a hospital faces, the hospitals has had to pick and choose what type of community outreach and education programs they offered the community. The main areas that have had the largest request are: Internet access, Diabetes Support and free health care education seminars and to allow specific groups to hold meetings at the hospital facility for no charge.

Need: Continue Community Healthcare Education and Services for Public Access: 2001

Hospital Website

As part of Arroyo Grande Community Hospital and French Hospital Medical Center's community outreach, the hospital's Marketing Department and Information System Department, came together to create a hospital-wide website.

The intent of the website was to communicate to its community members, physicians, visitors and potential new employees the services and employment opportunities the hospital has to offer. The website also maintains an up-to-date physician roster for reference. The hospital also maintains an up-to-date job opportunity list. The website has Played a crucial role especially when potential new employees want information about the hospital and surrounding communities.

The website also has various health websites linked to it, in the event that browsers are seeking additional health information.

Diabetes Support Group

Need: Develop a Diabetes Support Group in South San Luis Obispo County

Arroyo Grande Community Hospital recognized a community health education need in area of Diabetes. South San Luis Obispo County did not offer any type of Diabetes Support Group. French Hospital patients, staff and physicians were given the information on this group in order to communicate to their patients of this outreach program.

The hospital's Registered Dietician counseled many patients who were diagnosed with Diabetes. It was also noted that many of these patients once seen by their physician and a Dietician, needed continued health education in this area.

With these findings, AG hospital created a monthly Diabetes Support Group. The group meets once a month (except during the months of July & August). Every other month a guest speaker is brought in to talk about various subjects such as circulation, medication alternatives, meal planning, etc...

This group has continued to develop and expand. It often can have 50 people attend one session. The support group is free to anyone in the community. The hospital encourages their staff and volunteers attend. The Marketing Department assists with the public relations efforts, and obtaining guest speakers.

Continuation of Latino Outreach

Because San Luis Obispo County has a large Latino population, the hospital's goal was to be more "user-friendly" around the hospital campus.

Therefore, the hospitals made special efforts redoing signage from all English to English & Spanish. Many of its hospital forms were also changed from English only to English & Spanish.

Community Business Blood Drive

Need: Continue to promoted Blood Donations in and around the Business Community.

In 2000 Arroyo Grande Community Hospital and French Hospital Medical Center collaborated with Tri-Counties Blood Bank to promote blood donation. For the second year they promoted the, *Business Blood Drive*. Many times, the Tri-Counties Blood Bank has a high demand for blood usage and there is a constant need to recruit individuals to donate blood. In 2001 approximately over 200 pints of blood was donated through this community effort. Tri-Counties Blood Bank coordinated the various Blood Drives that occurred throughout the county.

Community Benefit Activities and Economic Value

Arroyo Grande Community Hospital has enclosed a 2001 "Report for Charitable Care and Community Benefit" that reflects the economic value of benefit provided by the hospital (a copy is included in Appendix C). In 2001 the hospital provided \$_____. In community benefit in the areas of unsponsored care, charity and community services.

Non-Quantifiable Benefit

Arroyo Grande Community Hospital continues to be committed to providing leadership and advocacy through a variety of roles and contributions to the community.

Arroyo Grande Community Hospital employees are encouraged to get involved in the community and volunteer time and resources. The hospitals provide many in-kind services to local organizations that often are not easily recognized or tracked.

Enclosed in Appendix B is a list of the community service participation by Senior Management and employees.

ACTION for Healthy Communities would like to thank and acknowledge our
many sponsors

Major Financial Sponsors

Arroyo Grande Community Hospital/French Hospital Medical Center
Children & Families Commission of SLO County
Community Health Centers of the Central Coast
County of San Luis Obispo:
Public Health Agency
Department of Social Services
Planning Department
Probation Department
Economic Opportunity Commission of SLO County
San Luis Obispo Community Health Foundation
San Luis Obispo County Community Foundation
Sierra Vista Regional Medical Center
The California Endowment
United Way of San Luis Obispo County

Supporting Financial Sponsors

Area Agency on Aging
Foundation for Community Design
Mission Community Bank
San Luis Obispo County Office of Education
San Luis Obispo County YMCA

ACTION Steering Committee

Karen Aydelott
San Luis Obispo County YMCA
Carolyn Christianson
Community Representative/Volunteer
Rick Cohen
SLO Community Health Foundation
Patricia Gomez
SLO County Community Foundation
Susan Hughes
San Luis Obispo County Health Agency
Public Health Department

Lillian Judd
Economic Opportunity Commission of SLO Co.
Nita Kenyon
San Luis Obispo County
Department of Social Services
Janna Nichols
United Way of San Luis Obispo County
John Taylor
Taylor Consulting Group

For immediate release:

October 15, 2001

Contact: Janice Fong Wolf
Phone: 543-2323

ACTION for Healthy Communities Announces Results from Second Community Survey

San Luis Obispo – Do you feel safe in your neighborhood? Does San Luis Obispo County have a teenage drinking problem? Have persons in our community been unable to access health care? These are just some of the questions explored in the most recent ACTION for Healthy Communities 2001 Community Survey.

In February 2001, 809 randomly selected San Luis Obispo County adults were surveyed by telephone. The results of the survey have a margin of error of 3.5 percentage points or a confidence level of 95%. The questions are arranged into seven ACTION Goal Areas that include Meeting Basic Needs, Social Environment, Education, Public Safety, Health Care, Natural Environment, and Economic Issues.

In 1999, ACTION completed its first benchmark study of community issues by conducting a similar telephone survey. The 2001 report represents the first time comparative results are available for a number of criteria that measure local community health and well-being.

Campbell Research, a leading marketing and opinion research firm headquartered in Santa Maria, conducted the survey. A comprehensive report with the complete data and results is available to the public. In addition, this year ACTION has produced a Report Card that summarizes key indicators and results from the comprehensive report.

“We are very pleased with the outcome of this second community survey”, states Janna Nichols, Executive Director of United Way of San Luis Obispo and co-chair of ACTION for Healthy Communities. “The report is a valuable tool for many local organizations to conduct strategic planning and resource allocation activities.”

Highlights of the survey include:

- The percentage of county residents who report that their basic needs are not met on a monthly basis has increased when comparing the 1999 and 2001 ACTION surveys.

Page Two

- Ten percent of respondents in 2001 indicated they had experienced some type of discrimination in the past year, mostly because of age.
- 33% of county eleventh graders surveyed in the California Healthy Kids Survey reported episodes of "binge" drinking within the past 30 days.
- Two-thirds of respondents to the 2001 telephone survey consider their physical health to be "very good" or "excellent".
- In 2001, 12% responded that in the past year they have been unable to receive needed health care compared to 10% in the previous survey.
- Housing affordability has taken a dramatic turn for the worse since 1998, making San Luis Obispo the sixth least affordable in the nation.
- In 2001, more than five out of six survey respondents say they feel "very safe" in their neighborhood. This is a significant improvement from the 1999 results.

"Many volunteer hours were necessary to make this project happen. We greatly appreciate the efforts of our Steering Committee, Collaborative Partners and Financial Sponsors that made this survey possible", said Susan Hughes, Director of the Tobacco Control Program of San Luis Obispo County and co-chair of ACTION for Healthy Communities.

ACTION for Healthy Communities is a cooperative, collaborative effort of organizations that are committed to improving the overall quality of life of San Luis Obispo County. Founded in 1998, ACTION for Healthy Communities is comprised of 28 local organizations representing government, education, healthcare, business, social and environmental entities.

For more information or to receive a copy of the report, please contact the San Luis Obispo Community Foundation at 543-2323 or log on to www.unitedwayslo.org.

TYPED

Community Service Participation

Allan Hancock Community College
American Cancer Society
American Heart Association
Area Agency of Aging
Arroyo Grande Chamber of Commerce
Cuesta College
Economic Opportunity Commission Health Services
Grover Beach Chamber of Commerce
Hotline of the Central Coast
Latino Outreach Council
Lucia Mar School District
March Of Dimes
Nipomo Chamber of Commerce
San Luis Obispo Chamber of Commerce
San Luis Obispo Community Health Foundation
SLO County Health Commission
SLO County YMCA
San Luis Obispo County Medical Society
Tri-Counties Blood Bank
University of CA Santa Barbara Economic Forecast Project

FRENCH HOSPITAL MEDICAL CENTER POLICIES AND PROCEDURES	Title: CHARITABLE ASSISTANCE	
	Dept of Origin: ADMINISTRATION	Dept of Dist: ADMINISTRATION
	Reviewed/Revised: 8/98, 1/99	Approved:

CHARITABLE ASSISTANCE

POLICY: It is the policy of French Hospital Medical Center to not deny emergency medical services to patients who are unable to pay for such services. Charitable assistance funds are budgeted annually to assist needy patients who satisfy the criteria for medically necessary services, and who are eligible for charitable care.

Anyone within the hospital network (Administration, Physicians, Financial Counselors, Social Workers or Patient Representatives) can refer patients for charitable assistance. Patients can also request assistance directly by contacting the Financial Counselor.

Patients requiring charitable assistance for medically necessary services should be identified, depending on the facts and circumstances, (i) prior to admission/registration; (ii) as soon as reasonably possible after admission/registration; and (iii) as soon as possible after admission/registration and a change in the patient's financial circumstance which warrants charitable care review. It is recognized that unexpected circumstances after a hospital stay can affect a patient's ability to pay, including disability, loss of income or job, insurance denials or reduction of benefits. If there is a self-pay balance for which the patient has no reasonable means of payment, a recommendation for charitable care should be initiated in accordance with this policy and procedure.

PURPOSE: To establish the process to identify, evaluate, approve and distribute charitable assistance funds in compliance with policy.

WHO MAY PERFORM/RESPONSIBLE: Financial Counselor will prepare recommendation.

PROCEDURE:

- I. Prospective/Concurrent Determination:
 - a. Once a patient has been identified as being unable to pay for necessary medical services, Financial Counselors should review the patient's eligibility for coverage under established County, State and/or Federal Programs. These include CMSP, MediCal, Medicare, and Victims of Crime. Determine if any third party liability is applicable due to auto accident, etc.
 - b. If patient does not qualify for any such programs, or if patient is pending coverage for any of the above programs, obtain a completed Patient Financial Statement (Exhibit A) from the patient or guarantor.
 - i. Income should be within 200% of the established range for Federal Poverty Guidelines for family size.
 - ii. Assets: Net worth should be considered along with liquid and non-liquid assets (net of liabilities) and claims against those assets.
 - iii. Employment situation and capacity for future earnings as compared to ability to meet future obligations should be considered.
 - c. Obtain income verification from pay stub or most recent W-2 and/or Federal Income Tax Return. Confirm bank balance directly with the bank patient is using, form letter is provided (Exhibit B). Attach the Authorization (Page 3) of the Financial Statement (Exhibit A) to the Bank Request.

FRENCH HOSPITAL MEDICAL CENTER POLICIES AND PROCEDURES	Title: CHARITABLE ASSISTANCE	
	Dept of Origin: ADMINISTRATION	Dept of Dist: ADMINISTRATION
	Reviewed/Revised: 8/98, 1/99	Approved:

- d. Run TRW (or other credit reporting service) only if completed (signed) patient application is received. Review credit report for available credit cards, undisclosed.
- e. Determine if patient qualifies for Charitable Assistance Funds.
 - i. Use information from Financial Statement (Exhibit A) and income verification completed during, above Steps B, C, & D, to determine the payments the patient or guarantor can afford. Explore credit cares, bank loans and sale of assets as potential sources of payment.
 - ii. If patient qualified for CMSP or MediCal in months subsequent to date of service, patient automatically qualifies for Charitable Assistance. Denied days for MediCal/CMSP (due to lack of TAR or lack of funding) also qualify as charitable care. Attach EOB as support for charitable adjustment. Remember the signed Patient Financial Statement is also required.
 - iii. If patient/guarantor filed bankruptcy, request bankruptcy documents from net and charitable assistance is recommended. A signed Patient Financial Statement is also required.
 - iv. If patient/guarantor has money in savings or checking, such liquid assets are added to the patient's income for comparison to Federal Poverty Guidelines.
 - v. If above analysis indicates patient/guarantor is unable to pay account balance, even if payments were extended over (not to exceed) a 24-month period, prepare Charitable Assistance Request Form for recommendation to Management for partial assistance.
 - vi. If the patient's income (including liquid and disposable assets) is within 200% of Federal Poverty guidelines, the patient qualifies for Charitable Assistance.
 - vii. Income exceeding 200% of Federal Poverty guidelines is eligible for partial assistance based on percentage exceeding Federal Poverty Limit.

EXAMPLE:

a. Gross Income for Family of two (2)	\$ 22,000.
b. Disposable assets (cash, etc.)	3,000.
Total Available:	\$ 25,000.

Federal Guideline: \$10,620. x 2 = \$21,240.; Excess = \$25,000.; \$21,240 = 118%; 200% - 118% = 82%
Eligible Charitable Assistance Adjustment: % = 82%

- f. If Charitable Assistance is recommended:
 - i. Document on Meditech System.
 - ii. Complete Charitable Assistance Request Form (Exhibit C).
 - iii. Forward Form with signed Financial Statement for approval to Director of Patient Accounts.
- g. If a Charitable Assistance adjustment is approved (Approve Levels under Section 3 below), notify patient/guarantor in writing an document on system, file documents alphabetically in Admitting Supervisor's office.
- h. When an indigent (homeless) person is treated in the Emergency Department:

FRENCH HOSPITAL MEDICAL CENTER	Title: CHARITABLE ASSISTANCE	
	Dept of Origin: ADMINISTRATION	Dept of Dist: ADMINISTRATION
	Reviewed/Revised: 8/98, 1/99	Approved:
	POLICIES AND PROCEDURES	

- i. Explain FHMC's Charitable Assistance funding.
- ii. Obtain the patient's signature on Page 3 of the Patient Financial Statement (Exhibit A).
- iii. Attached a facesheet to the Patient Financial Statement and forward to the Admitting Supervisor.

When a patient without insurance coverage or the finances necessary to make payment is treated in the Emergency Department:

- i. Explain FHMC's Charitable Assistance funding.
- ii. Request patient or family member to complete, in full, the Patient Financial Statement (Exhibit A).
- iii. Attach a facesheet to the completed Financial Statement and forward to the Admitting Supervisor.

2. **Retrospective Determination:**

- a. Retrospective determination will be performed for emergency admission or in the event of subsequent material changes in the patient's ability to pay (examples include disability, loss of income or job, insurance denials, including CMSP, Victims of Crime, etc.) or reduction of insurance benefits.
- b. Retrospective determination may also be appropriate in the event of an emergency admission or services rendered in the ER to patients with no identification, no insurance (indigent, etc.), or deceased patient with no estate, no probate, etc. In the above cases, Charitable Assistance may be appropriate even though a signed Financial Statement is not obtained.
- c. Perform above Steps 1(A-F), attaching an itemized statement with the Financial Statement, and other supporting documentation as available.

3. **Approval Levels:**

- a. Financial Counselors will prepare recommendation, sign and date Charitable Assistance Request Form, document on system, and forward form to the Director of Patient Accounts.
- b. The Director of Patient Accounts must approve all requests for Charitable Assistance.
- c. Second approval (Controller or CFO), is also required for prospective determination.
- d. If Charitable Assistance is not approved, forms will be returned to Director of Patient Accounts or Financial Counselor with instructions for followup.
- e. Approved Charitable Assistance adjustments are keyed and documented on Meditech, and filed chronologically by date of the Charitable Assistance adjustments in the Business Office (Director of Patient Accounts Office). The guarantor/patient should also be notified of the approval.

4. **Collection Agency Determination:**

- a. Occasionally a collection agency may obtain additional information from an uncooperative patient, which supports a Charitable Care determination. The collection agency will return the account to the hospital and a Charitable Assistance Request Form may be completed with the new information supporting eligibility for Charitable Assistance. Forward for approval as indicated above (under Section 3).

FRENCH HOSPITAL MEDICAL CENTER POLICIES AND PROCEDURES	Title: CHARITABLE ASSISTANCE	
	Dept of Origin: ADMINISTRATION	Dept of Dist: ADMINISTRATION
	Reviewed/Revised: 8/98, 1/99	Approved:

5. Federal Poverty Guidelines:

Family Size	Poverty Guidelines	200% of Guideline
1	\$ 7,896.	\$ 15,792.
2	10,620.	21,240.
3	13,332.	26,664.
4	16,056.	32,112.
5	18,780.	37,560.
6	21,492.	42,984.
7	24,216.	48,432.
8	26,940.	53,880.

APPROVAL:

Name:

Title:

Dept: Administration

Date:

**Arroyo Grande Community Hospital
French Hospital Medical Center**

Manual: Business Office Subject: Writing Off/Discounting Patient Accounts	Page 1 of 4
	Revised Date: 8/17/00
	Revised Date:
	Policy Number: 11-0801

PURPOSE: To establish guidelines for adjusting, writing off or otherwise discounting patient accounts.

POLICY:

A standard charge will be posted for every service delivered. The standard charge for certain services included within a global fee, may be zero for subsequent visits. No service should be rendered without posting a charge and no adjustments should be made except as described below:

Permissible adjustments to charges are:

- **Charity – Pre-Billing.** A pre-billing, charity write-off should be permitted only when a determination has been made prior to billing that the patient has no health insurance or other third-party coverage and is in financial need. (See “Financial Need” below)
- **Charity, Post-Billing.** A post-billing charity write off should be permitted only when a determination has been made after a charge has been billed that the patient has no health insurance or other third party coverage and is in financial need. . (See “Financial Need” below)
- **Charity, Insurance-Only.** When a reasonable determination has been made that a particular patient is in financial need, and the patient does have insurance or other third-party coverage, insurance only billing may be appropriate. Insurance only billing must not be used routinely. (See “Financial Need” below)
- **Administrative – Pre-Billing.** A pre-billing administrative write-off should be permitted only when deemed appropriate for risk management purposes.
- **Administration – Post-Billing.** A post-billing administrative write-off should be permitted only when either (1) the account balance after two billings and partial payment is less than \$20, (2) reasonable collection efforts have failed to produce a reasonable prospect of payment, or (3) when deemed appropriate for risk management purposes. What constitutes “reasonable collection efforts”

**Arroyo Grande Community Hospital
French Hospital Medical Center**

Manual: Business Office	Page 2 of 4
Subject: Writing Off/Discounting Patient Accounts	Revised Date: 8/17/00
	Revised Date:
	Policy Number: 11-0801

will vary depending upon the amount due and other factors, but for amount in excess of \$100 includes the passage of at least 120 days since the date of the original statement and account must have been sent to an outside collection agent for collections for at least another 240 days.

- Administrative – Self-Insurance Employee Benefit. Employees and their dependents may be entitled to a discount on serviced provided only if employee is covered and described under an employee health benefit plan offered by the hospital.
- Administrative – Contractual Adjustment. Medical, other public health benefit programs, and much private health benefit plans pay for services on a pre-determined and often negotiated basis. Adjustments to charges to such public and private payers may be made pre or post billing.

Other adjustments should not be permitted. The following practices should not be permitted:

- Professional Courtesy. – The practice of granting professional courtesy (waiver of all charges) to physicians, their families, employees, other professionals or friends should not be permitted. “Adjustments to charges” as described above, may be used to accommodate cases of true financial need.
- All Patients Covered by a Third Party Insurance Plan (Commercial or Governmental). Waiver of collection of deductibles, coinsurance, or co-payments will not be permitted, except as permitted under one of the categories described above.
- Employee Discounts – No discount to employees other than the employee discount described above should be permitted. Health benefit plans covering employees of the organization and their dependents normally require that such persons be charged the applicable deductibles and co-payments. No adjustment should be made on charges for services to employees, except as permitted under the category “adjustments to charges” described above.

**Arroyo Grande Community Hospital
French Hospital Medical Center**

Manual: Business Office	Page 3 of 4
Subject: Writing Off/Discounting Patient Accounts	Revised Date: 8/17/00
	Revised Date:
	Policy Number: 11-0801

Financial Need

If the Hospital determines that a patient is financially unable to pay any out-of-pocket amounts, the Hospital will cease any billing or collection efforts with respect to these out-of-pocket obligations of the patient. Waivers of coinsurance amounts may only be granted in whole or in part depending upon the financial status of the patient. Patients who have no health benefits policy and cannot financially pay any amounts owed will be evaluated for financial hardship is fully determined. /

Decisions to commit the Hospital to waive any coinsurance and/or deductible amounts owed by a patient shall be made on a case-by-case basis by the Director of Patient Accounting or a designated representative who is responsible for ensuring that any request for such a waiver, which is approved, has been approved in accordance with this and related policies. In order to ensure that decisions to write off accounts or waive coinsurance and/or deductible amounts are based upon uniform, objective criteria, and to verify that such waivers are granted in accordance with the Hospital's charitable intent, each patient who desires a waiver of any coinsurance and/or deductible amounts must complete a confidential, financial screening worksheet. Completed financial worksheets shall be submitted to the Hospital's billing office.

Decisions to waive coinsurance and deductible amounts are based upon the financial information supplied by the patient in the financial worksheet. If a request for a waiver of coinsurance and/or deductible amounts is approved, the Director of Patient Accounting or a designated representative shall notify the recipient and inform him or her as to the nature and scope of the waiver. Notifying any third party insurer is also required.

Write offs or waivers of co-payments/deductibles for administrative, risk management considerations do not require the financial screening. However, each case must be fully documented as to reason for write off.

Arroyo Grande Community Hospital
French Hospital Medical Center

Manual: Business Office	Page 4 of 4
Subject: Writing Off/Discounting Patient Accounts	Revised Date: 8/17/00
	Revised Date:
	Policy Number: 11-0801

The Hospital staff members shall not advertise the availability of waivers of coinsurance and deductible amounts in any way, except to advise individual patients or physicians of the availability of such waivers upon inquiry or upon the impression or knowledge of the staff member that a particular patient may qualify for such a waiver. Such advice by a staff member shall be limited to a statement that charity, medically indigent or uncompensated care is available at the Hospital, but only under the strict criteria set forth in this policy, and that for further information, the patient or physician should contact the Hospital's Billing Office. The Hospital may, however, at its discretion, post the Federal Poverty levels.

Any waivers of coinsurance pursuant to this policy shall not be claimed as bad debt.

PROCEDURE:

Signatures of Approval

Signature: Hanshang Abd Title: C.F.O. Department: Finance



CENTRAL COAST
HEALTH PARTNERS
Your Partner in Health and Healing

File

ARROYO GRANDE
COMMUNITY HOSPITAL

ARROYO GRANDE COMMUNITY HOSPITAL

COMMUNITY BENEFIT PLAN

1998 UPDATE

345 South Haleyon Road
Arroyo Grande, CA 93420
805/489-4261 • Fax: 805/473-7603

ARROYO GRANDE COMMUNITY HOSPITAL
COMMUNITY BENEFIT PLAN
1998 UPDATE

INTRODUCTION

On July 30, 1997, Vista Hospital Systems acquired French Hospital Medical Center. Vista already owned Arroyo Grande Community Hospital. Soon after the acquisition, Central Coast Health Partners was formed. Central Coast Health Partners consists of Arroyo Grande Community Hospital and French Hospital Medical Center as well as our affiliated urgent care centers, home health agencies, transitional care facilities and outpatient surgery centers. Arroyo Grande Community Hospital completed a Community Benefit Plan in 1996. French Hospital Medical Center is required to complete a Community Benefit Plan by May, 1999. It is our intent to complete a combined community needs assessment that reflects the service area needs for both hospitals and create one comprehensive Community Benefit Plan for 1999.

I. MISSION STATEMENT

Arroyo Grande Community Hospital has not revised its Mission Statement since initially reported to OSHPD. A copy of the new Mission Statement for French Hospital Medical Center is included in Appendix A.

II. NEEDS ASSESSMENT PROCESS

Central Coast Health Partners, through the San Luis Obispo Community Health Foundation, has taken a leadership role in creating a Community Needs Assessment Task Force which represents approximately fifteen local organizations/agencies that monitor the needs of the community and/or provide services to vulnerable populations.

The San Luis Obispo Community Health Foundation was incorporated in 1996 and is committed to improving the overall health status of San Luis Obispo County by supporting quality health care, health education and healthy communities through direct assistance to community non-profit organizations and scholarships for students pursuing health careers. Central Coast Health Partners is an active member of the Board of Directors and the Chief Business Development Officer of Central Coast Health Partners is the current President of the Board. The Health Foundation Board of Directors represents a cross section of the major healthcare providers in the County. The Foundation is interested in taking an active role in the community needs assessment project and possibly acting as a catalyst to manage funds related to conducting the assessment.

The Community Needs Assessment Task Force has been meeting regularly since February, 1998. It has drafted a Vision Statement and Guiding Principles which are included in Appendix B. It has also conducted an inventory of existing assessments

which is also included in Appendix B. The Task Force is truly a collaborative process and represents a broad number of health and human service agencies which are listed in Appendix B. The outcome of the Task Force is to conduct a comprehensive needs assessment that will be used by Arroyo Grande Community Hospital and French Hospital Medical Center to develop a Community Benefit Plan.

The timeline of the project is driven by the need to complete the assessment to meet the May 31, 1999, deadline for French Hospital Medical Center. The Chief Business Development Officer of Central Coast Health Partners is the chairperson of the Task Force.

Furthermore, a strategic planning process is currently underway for Central Coast Health Partners. A joint Strategic Planning Task Force has been formed which represents governing boards' members, medical staff leaders and employees of both Arroyo Grande Community Hospital and French Hospital Medical Center. The Strategic Planning Task Force has reviewed data related to demographics and health statistics in order to identify community needs. The Strategic Plan will include an initiative regarding community outreach goals for the organization based upon community needs. The strategic planning effort will be completed September, 1998, and will certainly parallel the community needs assessment process being conducted by the Community Needs Assessment Task Force.

III. PLAN UPDATE INCLUDING MEASURABLE OBJECTIVES AND TIME FRAME

The 1996 Community Benefit Plan outlined five predominate categories of "unmet needs" that were identified through the needs assessment process:

1. Access Deficiencies
2. Insurance Deficiencies
3. Physician/Provider Issues
4. Knowledge and Awareness of Services
5. Lack of Services

From the assessment process, six major community benefit initiatives were identified in the Arroyo Grande Community Hospital Community Benefit Plan as key strategies to focus on over the next three years (1996-1998):

1. Community Resource and Networking Services
2. Wellness Program
3. Detox Services
4. Mental Health Services
5. Home Health Services
6. Skilled Nursing Unit

An update on the progress of these initiatives is described on the following pages.

A. COMMUNITY RESOURCE AND NETWORKING SERVICES

To meet unmet needs in the area of "Access Deficiencies" and "Knowledge Deficiencies" and reach the targeted population defined as the broader community, Arroyo Grande Community Hospital opened the South County Community Medical Library in late 1996. A dedicated area in the Hospital was upgraded to create a comfortable learning environment. The Library provides a wide range of health information services for the general and medical community. The library contains a variety of health education pamphlets, reference books, journals and videotapes. As a lending library, videotapes can be checked out for review at home or office. Most all services provided by the Library are free. There is a nominal photocopy fee per page if information needs to be photocopied. Many other community outreach efforts sponsored by the Hospital and local community refer to the Library as a resource. The Library also provides two major software programs to access health information via two computers. The Health Reference Center provides easy research on any medical subject for the general community. Physicians' Online is designed for physicians to perform easy Medline searches. Internet access is also available. Staff is available to assist with searches. A research/information request form is available to facilitate the process for staff assistance.

The Library has proven to be a valuable resource to the community, medical staff and hospital employees. It benefit the community through its ability to provide local access to health information that is user friendly. From October, 1996, through April, 1998, the Library experienced 946 visits. (See Appendix C for more detail and supporting information). It is approximated that the Hospital's unreimbursed cost for providing this community benefit activity exceeds \$10,000 per year for staff time, subscription fees and maintenance of the space.

B. WELLNESS PROGRAM

To meet unmet needs in the area of "Lack of Services" and reach the targeted population defined as the broader community, the Hospital has participated and/or provided several health education/wellness opportunities for the community. Specific areas to be focused on as identified in the 1996 Community Benefit Plan included nutrition, youth and their high risk behavior, teen pregnancy, cancer, stress and exercise.

An ongoing area of emphasis for Arroyo Grande Community Hospital has been cancer prevention and education. Further research has revealed that breast cancer and prostate cancer are leading cancers experienced in

San Luis Obispo County. To address this need and targeted population, Arroyo Grande Community Hospital has implemented the following:

- Prostate screening which includes blood test and exam by a Urologist (held October, 1997) in collaboration with the American Cancer Society (low cost).
- Several oncology lectures on such topics as breast cancer, prostate cancer and lung cancer (the latest in treatments and research) were held at Arroyo Grande Community Hospital throughout 1997 and presented by a local Oncologist (free).
- In conjunction with the American Cancer Society, Arroyo Grande Community Hospital provided the "I Can Cope" lecture series with speakers from the Hospital and medical community (free).
- Cancer support groups held at the Hospital and facilitated by a local Oncologist (free).
- Mammography screening held in October for Breast Cancer Awareness Month in a collaborative effort with the Breast Cancer Early Detection Program and the American Cancer Society (low cost).

All these efforts are either provided free or at a lower cost to participants. The Hospital has worked collaboratively in this area with the American Cancer Society, Economic Opportunity Commission and Community Health Centers of the Central Coast.

Cancer prevention and education will continue to be a major focus for Arroyo Grande Community Hospital. Further needs analysis is being conducted and cancer prevention and education efforts are being integrated with French Hospital Medical Center. Anticipated completion of the needs analysis and program direction is expected by late 1998.

Another area of wellness and prevention services identified in the plan was nutritional services for the broader community. Arroyo Grande Community Hospital developed an **outpatient nutritional counseling program** in early 1997. The program involves one-on-one counseling, nutritional classes, consults and community presentations. During the year of 1997, Arroyo Grande Community Hospital provided approximately 150 units of service in nutrition outpatient counseling and seven community outreach activities. The next step is to develop a similar program at French Hospital Medical Center. Consideration is underway to specifically provide nutritional services for patients with gestational diabetes through the Family Birthing Center at French Hospital Medical Center. Anticipated implementation of these activities is targeted for late 1998.

Another area of wellness and prevention services identified in the 1996 Community Benefit Plan was focusing on youth and their high risk behavior. Arroyo Grande Community Hospital has been very active with local schools, especially Arroyo Grande High School and Lopez Continuation High School, and the Private Industry Council to provide opportunities for young people through youth employment programs to explore careers in the medical field and for high risk teens to gain work skills.

The following highlight the Hospital's outreach efforts to collaborate with the community:

1. The Human Resource Director is a member of the San Luis Obispo County Labor Market Training Director Advisory Committee which sets standards for training programs offered through the Private Industry Council.
2. The Human Resource Director is also a member of the County-wide Welfare Reform Task Force Employment Committee established in March, 1997, to address issues of welfare.
3. Adopt-a-School Program
Since 1994, Arroyo Grande Community Hospital has administered the Adopt-a-School program between the Hospital and Arroyo Grande High School. Projects through this program include:
 - a. Participation in the Junior/Senior Student Internship Program. This is an on-site internship for 16 students yearly to spend one class period per day, three days per week, at the Hospital for an entire semester. Students must be enrolled in the health career option of the Principles of Science and Technology III class in order to be granted an internship. At the Hospital students have the opportunity to gain first hand knowledge of medical career options which they are currently studying through the module program. This program has been highly successful with 82 students participating during the last three years, many of whom have gone on to college with the intention of entering a medical career.
 - b. Availability of CPR Classes. A CPR class is offered twice yearly to students in Principles of Science and Technology classes. Eighteen students received a CPR certificate through this program this year.
 - c. Participation in High School Career Day. Arroyo Grande Community Hospital provides and staffs a booth at this annual event.

- d. Development and maintenance of the medical field career option Module to be used by students enrolled in the Principles of Science and Technology classes.
 - e. Provision of lecturers on various healthcare related subjects to the High School upon request, usually 3-5 times yearly.
 - f. Donation of equipment, including microscopes and other lab equipment, to the High School for use in the Technology class.
 - g. Participation in a job shadowing program for students identified as disadvantaged through the A.V.I.D. class at the high school. This is a one-day program with three to four students per year.
 - h. Provision of volunteer opportunities for students. Two years ago the high school added a graduation requirement of 20 hours of community service for all students. The Hospital has worked closely with the high school in order to provide service opportunities at the Hospital. Approximately 10-15 students participate by volunteering in various hospital departments each year.
4. Youth Apprentice Training Program
This program is a joint venture of the Private Industry Council and Lopez Continuation High School. It targets disadvantaged youth, ages 17-18, who can benefit from this government funded job training program. It began in mid-1997 and two students have been assigned to the Hospital.
5. Summer Youth Training Employment Program
This program is an offshoot of the apprenticeship program but targets younger students. In 1997, Arroyo Grande Community Hospital took nine students ages 15-17 who served apprenticeships in Engineering, Food Services, Diagnostic Imaging, Medical Library, Admitting, Medical Records, Human Resources, Home Health and the Education Department. Arroyo Grande Community Hospital is participating again this summer.
6. Sponsor-a-Youth Program
This program is similar to the Summer Youth Training Employment Program except the Hospital "sponsors" the youth and pays their salary for the summer. The program is a collaboration between the Private Industry Council and local businesses. To qualify for the program, students have to be from low-income families. It is a way to help youth find work in the private sector and develop a work ethic.

Arroyo Grande Community Hospital takes great pride in supporting the efforts of local schools to provide youth with quality educational programs. Arroyo Grande

Community Hospital has worked closely with Arroyo Grande High School and Lopez High School and has supported community youth through the Private Industry Council. This commitment continues in 1998 and is expected to continue in 1999.

It is approximated that the Hospital's unreimbursed costs for providing wellness and prevention activities (in the areas of cancer prevention and education, outpatient nutritional counseling and youth employment programs) exceeds \$25,000 per year for staff time, supplies and promotion expenses. Sample newspaper articles and ads regarding these activities are provided in Appendix D.

C. DETOX SERVICES

The 1996 Community Benefit Plan indicated a perceived lack of services for detoxification, primarily for the underserved and youth. Arroyo Grande Community Hospital is in the process of re-evaluating plans to provide leadership in coordinating various programs to improve the continuum of detox services. Due to the merger with French Hospital Medical Center and its mental health program, this will be incorporated into the community needs assessment process to determine the best direction to meet these needs. The revised time frame is early 1999.

D. MENTAL HEALTH SERVICES

Another area identified in the 1996 Community Benefit Plan was the lack of mental health services primarily for youth, underserved and bilingual families. Arroyo Grande Community Hospital is currently undergoing a re-evaluation of how to address these needs. French Hospital Medical Center has a comprehensive mental health program including inpatient services, partial hospitalization program and community outreach activities. Therefore, efforts are underway to determine how these services can address those needs identified in the Plan and how Arroyo Grande Community Hospital and French Hospital Medical Center can work together to meet these needs. For example, an analysis is underway to determine the need for an outpatient psychiatric program at Arroyo Grande Community Hospital. The program could provide greater access to mental health services in South County and coordinate clinical and program components with the Behavioral Health Center at French Hospital Medical Center. Evaluation of this program is expected to be completed by late, 1998.

E. HOME HEALTH SERVICES

To meet unmet needs in the area of "Lack of Services" and "Access to Services" and to reach the targeted senior population, the 1996 Community Benefit Plan identified home health as a needed service for the Arroyo Grande Community Hospital service area. In October, 1996, the Hospital opened the Arroyo Grande Home Health Agency. It has provided 8789 visits through April, 1998. The next

step is to integrate with the French Home Health Agency to provide greater geographic access to the community. A new consolidated brochure has been developed and coordinated outreach efforts are underway. A copy of the brochure can be found in Appendix E.

F. SKILLED NURSING UNIT

To meet unmet needs identified in the area of "Access Deficiencies" and "Lack of Services" and to reach the targeted senior population, the 1996 Community Benefit Plan identified skilled nursing services as a needed service for the Arroyo Grande Community Hospital service area.

In May, 1998, Arroyo Grande Community Hospital opened its new, twelve bed Transitional Care Unit. A portion of the Hospital was remodeled to accommodate the new unit. The subacute unit provides services to inpatients who require continued care but not at an acute care level. A multi-disciplinary team provides a full range of services including skilled nursing, social services, rehabilitation services, nutritional counseling and pharmacy services. A new brochure describing transitional care services can be found in Appendix F.

IV. COMMUNITY BENEFIT ACTIVITIES AND ECONOMIC VALUE

The Hospital has submitted a 1997 "Report for Charitable Care and Community Benefit" to the Arroyo Grande Community Hospital Governing Board that reflects the economic value of benefit provided by the Hospital (a copy is included in Appendix G). In 1997, the Hospital provided \$2,097,109 in community benefit in the areas of unsponsored care, charity and community services. In addition, donations to local community organizations made by the Hospital have equaled \$7055 from January 1997 to June, 1998. The Hospital is in the process of developing a more sophisticated tracking system to help identify "community services" to better measure their "economic value" impact. A list of all community benefit activities which range from health education lectures, classes, screenings, first aid services and health fairs for both Arroyo Grande Community Hospital and French Hospital Medical Center from 1997 to mid-1998 are also provided in Appendix G.

V. NON-QUANTIFIABLE BENEFIT

Arroyo Grande Community Hospital continues to be committed to providing leadership and advocacy through a variety of roles and contributions to the community.

All Arroyo Grande Community Hospital employees are encouraged to get involved in the community and volunteer time and resources. The Hospital provides many in-kind services to local organizations that often are not easily recognized or tracked.

The CEO of Arroyo Grande Community Hospital (and COO of Central Coast Health Partners) continues to be active in community organizations such as Rotary and he sits on

the Boards of the Economic Vitality Corporation of San Luis Obispo County, Arroyo Grande Police Advisory Committee, Private Industry Council of San Luis Obispo County and the Emergency Medical Services Agency. The Associate Administrator/CNO is active in the Cuesta College Advisory Committee for Nursing and the Girl Scouts of America. The Chief Business Development Officer is a Board member of the American Heart Association, President of the San Luis Obispo Community Health Foundation, and Vice President of Community Affairs of the San Luis Obispo Chamber of Commerce Board of Directors. She is also involved with Women's Network, Quota Club and Executives Association of San Luis Obispo. The Human Resource Director, as stated earlier, is involved with the San Luis Obispo County Labor Market Training Director Advisory Committee and the County-wide Welfare Reform Task Force. The Chief Financial Officer is a member of the San Luis Obispo County Health Commission and is chairperson of the Budget Committee. Many managers provide their expertise and leadership skills to such other organizations as the American Cancer Society, March of Dimes and Hospice.

Finally, as mentioned earlier, Arroyo Grande Community Hospital and French Hospital Medical Center are taking a very significant leadership role in driving a collaborative community needs assessment process with approximately fifteen local agencies. The chair of the Task Force is the Chief Business Development Officer of Central Coast Health Partners in tandem with her role as President of the San Luis Obispo Community Health Foundation. This leadership role will enable community stakeholders to gain knowledge and insight of community needs to help build a healthier future for the community and create a long-term health planning effort.

cchp benefit rpt 1998

ARROYO GRANDE COMMUNITY HOSPITAL
1996 COMMUNITY BENEFIT PLAN
1998 UPDATE SUMMARY

<u>INITIATIVE</u>	<u>ORIGINAL GOAL</u>	<u>STATUS TO DATE</u>	<u>REVISED GOAL</u>
Community Library	1997	Implemented late 1996	Ongoing Project in 1998
Wellness Program	Late 1997	Implemented: Cancer Prevention and Education Nutritional Counseling Program Youth Employment Programs	Program Analysis by late 1998. Expansion of Program late 1998 Ongoing Program
Mental Health Services	Early 1998	Integration efforts with French Hospital underway	Fall 1998
Detox Services	Early 1998	Under Evaluation	Early 1999
Home Health Services	July 1996	Opened October 1996	Ongoing Service
Skilled Nursing Unit	1997	Opened May, 1998	Ongoing Service

Cchp benefits chart

COMMUNITY NEEDS ASSESSMENT PROJECT

MISSION STATEMENT

Develop a comprehensive planning approach to identify and address community needs through collaborative efforts with community partners to implement effective programs that improve community health and well-being.

GUIDING PRINCIPLES

Long-term approach to planning and program development
Standardize assessment to measure trends over the years
Community-driven process: consumer empowerment
Collaborative planning mechanism
Clearinghouse for planning and funding opportunities
Broad definition of community health
Resource sharing among participating organizations
Assessment results in action

SAN LUIS OBISPO COUNTY HEALTH DATA SOURCES

Reports Possessed by John Taylor

Revised May 18, 1998

A. REPORT TITLE: San Luis Obispo County Health Status Report

AUTHOR/AGENCY: Susan Hughes, Lisa Lindvall, Damon Munoz, of County Health Agency

REPORT DATE/NUMBER PAGES: May, 1997, 38 pages

TYPES DATA CONTAINED: Objective data on: Mortality/chronic diseases, communicable diseases, maternal/child health, mental health, substance abuse, violent/abusive behavior, injuries, air & water quality

DATA DATES: Various, mostly 1993 - 1996

POPULATION: Total population of San Luis Obispo County: little sub-area data

GEOGRAPHIC AREA: San Luis Obispo County: very few state comparisons

COMMENTS: Uses Healthy People 2000 objectives where appropriate.

B. REPORT TITLE: Human Service Needs Assessment for San Luis Obispo County

AUTHOR/AGENCY: Martha Patricia Escobedo and Richard Shaffer (Cal Poly professor) for United Way

REPORT DATE/NUMBER PAGES: undated but probably late 1995 13 pages plus appendices

TYPES DATA CONTAINED: Opinion data from a survey of those who "counsel, process, or refer clients" to social services. Surveys asked for level of "unmet needs" and barriers for 14 general areas of need.

DATA DATE: 1995

POPULATION: Total population of San Luis Obispo County

GEOGRAPHIC AREA: San Luis Obispo County

C. REPORT TITLE: Latino Community Needs Assessment, Final Report, Part One - Executive Analysis and Part Two - Detailed Findings

AUTHOR/AGENCY: NuStats, Inc. for Latino Outreach Task Force

REPORT DATE/NUMBER PAGES: September, 1993 Executive Summary - 28 pages, Detailed Findings - 95 pages

TYPES DATA CONTAINED: Results of surveys and focus groups with local Latinos: employment, housing, health care (insurance coverage, perceived difficulty obtaining health services, use of local providers, etc.), civic participation, education, social services

DATA DATE: 1993

POPULATION: Latinos

GEOGRAPHIC AREA: San Luis Obispo County and Santa Maria Valley

COMMENTS: No comparisons with other geographic areas

D. REPORT TITLE: Vulnerable Populations At Risk: A Survey of Health and Access to Care in San Luis Obispo County

AUTHOR/AGENCY: Joel Diringer, Peggy Sullivan, Julie Durette, Andrew Bindman Rural Health Advocacy Institute (California Rural Legal Assistance)

FUNDING BY: National Association of County Health Officials, Ernst & Mattison

REPORT DATE/NUMBER PAGES: March, 1995 34 pages

TYPES DATA CONTAINED: Survey based opinion data on: self-reported health status, health service needs, insurance coverage, health services used, type facilities used, difficulty of obtaining care, access barriers

DATA DATE: Spring 1993 - early 1995 (?)

POPULATION: Adults (18+) but less than 65 years of age

GEOGRAPHIC AREA: Paso Robles, San Luis Obispo, and Five Cities MSSAs

COMMENTS: Analysis throughout for vulnerable groups: uninsured, Latinos, low income, people with health problems, women, Medi-Cal recipients. The same survey has been administered in 60 California communities, but no comparative data are reported.

E. REPORT TITLE: Children's Services Summary Report

AUTHOR/AGENCY: Children's' Services Network

REPORT DATE/NUMBER PAGES: Undated, approximately 1996 21 pages

TYPES DATA CONTAINED: Objective data on: Child care, education, physical health (prenatal care, low birth weight, infant mortality, teen births), mental health (AB 3632 and 3015 placements), substance abuse, child welfare, juvenile justice

DATA DATE: 1994-95 school year

POPULATION: Children

GEOGRAPHIC AREA: San Luis Obispo County

COMMENTS: Analysis by ZIP codes in many sections.

F. REPORT TITLE: County Health Status Profiles, 1995

AUTHOR/AGENCY: Planning and Analysis Section, California Department of Health Services

REPORT DATE/NUMBER PAGES: 1995 46 pages

TYPES DATA CONTAINED: Objective data: mortality, infant mortality, prenatal care, birth weights

DATA DATE: 1993 mostly

POPULATION: Total California

GEOGRAPHIC AREA: California and for every county in state

COMMENTS:

G. REPORT TITLE: The Health of California's Public: A Chartbook

AUTHOR/AGENCY: The California Endowment and California HealthCare Foundation

REPORT DATE/NUMBER PAGES: November, 1996 236 pages

TYPES DATA CONTAINED: Objective data: mortality, birth outcomes, communicable diseases, STDs, hospital utilization, preventable hospitalizations

DATA DATE: 1993

POPULATION: Total California

GEOGRAPHIC AREA: Statewide, and eleven regions (San Luis Obispo, Santa Barbara, and Kern counties comprise one region)

COMMENTS:

H. REPORT TITLE: Healthy California 2000

AUTHOR/AGENCY: Planning and Data Analysis Section, California Department of Health Services

REPORT DATE/NUMBER PAGES: July 1995 210 pages

TYPES DATA CONTAINED: Most of the Healthy People 2000 objectives: Fitness, nutrition, tobacco, substance abuse, family planning, abusive behavior, unintentional injuries, work-related injuries, environmental health, oral health, maternal and infant health, heart disease, cancer, diabetes, HIV, STDs, infectious diseases

DATA DATE: Historic data through early 1990's

POPULATION: Total California

GEOGRAPHIC AREA: California, no subarea analysis

COMMENTS:

I. REPORT TITLE: Paso Robles Area Health Status Report

AUTHOR/AGENCY: Lisa Lindvall and Thomas Maier (Health Agency) for Paso Robles Health Collaborative

REPORT DATE/NUMBER PAGES: February 27, 1998 22 pages

TYPES DATA CONTAINED: Morbidity, mortality, maternal and infant care, environmental health, substance abuse, domestic violence, juvenile justice

DATA DATE: Mostly 1992 to 1996

GEOGRAPHIC AREA: Paso Robles area; ZIP Codes 93446, 93451, and 93461 in most cases

COMMENTS: Use Healthy People 2000 Objectives where appropriate. Uses county and state comparative data in some measures.

J. REPORT TITLE: Comprehensive Health Sector Assessment Project: A Market Study of San Luis Obispo County

AUTHOR/AGENCY: Dr. Lynn Metcalf (Cal Poly)/ commissioned by E. Petrich & Associates Inc.

REPORT DATE/NUMBER PAGES: Summer 1994 112 pages plus appendices

TYPES DATA CONTAINED: An inventory of health care services in the county, including private practitioners, hospitals, long term care facilities, EMS, school-based health services, mental health counseling, and government health related services. Based on surveys of providers.

DATA DATE: 1994

POPULATION: Individuals and organizations providing health services

GEOGRAPHIC AREA: San Luis Obispo County

K. REPORT TITLE: 1996 Community Services Plan

AUTHOR/AGENCY: Claryce Knupper for Vista Hospital Systems/Arroyo Grande Community Hospital

REPORT DATE/NUMBER PAGES: 1996 53 pages plus appendices

TYPES DATA CONTAINED: Unmet needs, as reported in surveys of: seniors, community at large, organizations involved in health services, and key government officials

DATA DATE: 1994 - 1996

POPULATION: Total population

GEOGRAPHIC AREA: Five cities area, generally

COMMENTS: This is the Community Benefit Plan, as called for by SB 697, for Arroyo Grande Hospital, including the Needs Assessment.

L. REPORT TITLE: Needs Assessment Report Summary

AUTHOR/AGENCY: Area Agency on Aging

REPORT DATE/NUMBER PAGES: August 1993 6 pages

TYPES DATA CONTAINED: Subjective reporting of needs identified in 35 meetings with seniors groups and "key informants".

DATA DATE: 1992

POPULATION: Seniors

GEOGRAPHIC AREA: San Luis Obispo and Santa Barbara Counties

M. REPORT TITLE: EOC 1994 Local Plan, Section 6, Needs Assessment & Statistical Profile
1995-2000

AUTHOR/AGENCY: Economic Opportunity Commission

REPORT DATE/NUMBER PAGES: September 16, 1994 23 pages

TYPES DATA CONTAINED: Demographics, poverty, homelessness, employment, and list of "needed services" from Community Needs Assessment surveys conducted in 1994-95.

DATA DATE: 1990 - 1995

POPULATION: Total, with some breakdowns for seniors, below poverty households

GEOGRAPHIC AREA: San Luis Obispo County in total and breakdowns by four subareas in county

COMMENTS: Surveys of EOC clients, staff, service agencies, advisory committees, and board of directors.

NEEDS ASSESSMENTS FROM OTHER AREAS

(may be useful as models)

REPORT TITLE: Community Health Needs Assessment for Santa Clara County, Report to the Public and Summary of the Technical Report

AUTHOR/AGENCY: Hospital Conference of Santa Clara County

REPORT DATE/NUMBER PAGES: June, 1996 16 pages

TYPES DATA CONTAINED: Objective and survey data: access, causes of death, health issues among seniors, substance abuse, violence,

DATA DATE: 1995 mostly

POPULATION: Total, with some ethnic breakdowns

GEOGRAPHIC AREA: Santa Clara County

COMMENTS: Good integration of survey and objective data. Get technical report?

REPORT TITLE: Coachella Valley Community Health Needs Modeling and Assessment, Executive Summary

AUTHOR/AGENCY: Gallagher Research Services, for Coachella Valley Community Health Planning Collaborative Group

REPORT DATE/NUMBER PAGES: December 26, 1995 19 pages

TYPES DATA CONTAINED: Objective and survey data on: health status, causes of death, risk factors, care access, hospital utilization; comparisons with Healthy People 2000 objectives where appropriate

DATA DATE: not stated

POPULATION: Total adults, with analysis by area, age, race, and sex

GEOGRAPHIC AREA: Coachella Valley

COMMENTS: Integration of objective and survey data, with Health People 2000 comparisons.

TITLE: Together For Youth: A Comprehensive Plan to Reduce Alcohol and Other Drug Use Among Youth in Santa Cruz County

AUTHOR/AGENCY: Together For Youth task force, with support by United Way of Santa Cruz County and Santa Cruz County Health Services Agency

REPORT DATE/NUMBER PAGES: April 1997 28 pages plus appendices

REPORT CONTENT: Describes a plan developed by this task force to combat youth substance abuse. The plan uses the Communities That Care model. Community and student surveys were conducted as part of the plan development process.

TITLE: Community Quality of Life Assessment: Different Methods for Gathering Community Input and Data, a presentation at the California Wellness Foundation's Health Partnership Program Applicant Conference, January 9, 1995

AUTHOR/AGENCY: Kelly R. Green, RN, PhD: Community Network Coordinator, Desert Hospital, Palm Springs

DATE/NUMBER OF PAGES: January, 1995 17 pages

CONTENTS: Summarizes three tools used in measuring quality of life in a locale: Healthy Community Report, Civic Index, SWOT (Strengths, Weaknesses, Opportunities, Threats).

REPORTS/DATA NOT YET OBTAINED

Healthy Start Grant Research and Grant, 1995, Lucia Mar Unified School District

Accessible Health Care for San Luis Obispo County's Low Income Residents, May 1995,
Future Service Configuration Task Force Report

Abuse, violence, delinquency data from law enforcement agencies: request made to Antonia Hampton

Results of drug and alcohol surveys of public school students: request made to Shannon Whitebond

Cal Poly Health Center data on student health: request to Joan Cirone forwarded to head of Health Services

EOC data, other than their Needs Assessment and Statistical Profile: request made to Janice Wolfe

San Luis Obispo County Child Health & Disability Prevention Program Report, 1996



COMMUNITY NEEDS ASSESSMENT TASK FORCE

<u>MEMBER</u>	<u>ORGANIZATION</u>
Chairperson: Deborah Nicklas	Central Coast Health Partners
Carlyn Christianson	Healthy Communities Project
Julian Crocker	Paso Robles School District
Joel Diringar	The California Endowment
Marisela Garcia	Healthy Start Program
Trish Gomez	Welfare Reform Task Force
Antonia Hampton	Probation Department
Susan Hughes	Tobacco Control Program
Nita Kenyon	Dept. of Social Services
Kris Kington	Tenet Health Systems
Joyce ellen lippman/ Dr. Patricia McCoy	Area Agency on Aging
Dianne Long	Univ. of Calif. at San Luis Obispo
Elissa Maas	County Library
Janna Nichols	United Way
Maria Singleton/ Karen Tackett	Foundation for Community Design
John Taylor	Taylor Consulting Group
Janice Wolfe/Lillian Judd	Economic Opportunity Commission
Dr. Susan Zepeda	County Health Department

SCHEDULE K

**CHARITABLE ASSISTANCE POLICY
CORONA REGIONAL MEDICAL CENTER**

CORONA REGIONAL MEDICAL CENTER

Manual: ADMINISTRATION	Pages: 1 of 5
Subject: CHARITABLE ASSISTANCE	Original Date: 07/05/95
	Reviewed: 04/96,8/97,8/99
	Revised: 06/01/00

PURPOSE:

To establish the process to identify, evaluate, approve, and distribute charitable assistance funds in compliance with policy.

WHO MAY PERFORM / RESPONSIBLE:

Financial counselor will prepare recommendation.

POLICY:

Corona Regional Medical Center will not deny emergency medical services to patients who are unable to pay for such services. Charitable assistance funds are budgeted annually to assist needy patients who satisfy the criteria for medically necessary services, and who are eligible for charitable care. Anyone within the hospital network (Administration, physicians, financial counselors, social workers or patient representatives) can refer patients for charitable assistance. Patients can also request assistance directly by contacting the Financial Counselor.

GUIDELINES:

Patients requiring charitable assistance for medically necessary services should be identified, depending on the facts and circumstances, (1) prior to admission/registration, (2) as soon as reasonable possible after admission/registration and (3) as soon as possible after admission/registration and a change in the patient's financial circumstances which warrants charitable care review. It is recognized that unexpected circumstances after a hospital stay can affect a patient's ability to pay including disability, loss of income or job, insurance denials or reduction in benefits. If there is a self-ay balance for which the patient has no reasonable means of payment, a recommendation for charitable care should be initiated in accordance with this Policy and Procedure.

PROCEDURE:

- I. PROSPECTIVE / CONCURRENT DETERMINATION
 - A. Once a patient has been identified as being unable to pay for necessary medical services, Financial Counselors should review the patients' eligibility for coverage under established county, state or federal programs. These include MISP, MediCal, Medicare, and Victims of Crime. Determine if any third party liability is applicable due to auto accident, etc.
 - B. If patient does not qualify for any such programs, or if patient is pending coverage for any of the above programs, obtain a completed Patient Financial Statement (Exhibit A) from the patient or guarantor.
 1. Income should be within 200% of the established range for Federal Poverty guidelines for family size.
 2. Assets: Net worth should be considered along with liquid and non-liquid assets (net of liabilities) and claims against those assets.

CORONA REGIONAL MEDICAL CENTER

Manual: <p style="text-align: center; margin: 0;">ADMINISTRATION</p>	Pages: 2 of 5
Subject: <p style="text-align: center; margin: 0;">CHARITABLE ASSISTANCE</p>	Original Date: 07/05/95
	Reviewed: 04/96,8/97,8/99
	Revised: 06/01/00

3. Employment situation and capacity for future earnings as compared to ability to meet future obligations should be considered.
- C. Obtain income verification from pay stub or most recent W2 and /or Federal income tax return.
 1. Confirm bank balance directly with the bank using form letter provide (Exhibit B).
 2. Attach the authorization (page 3) of the Financial Statement (Exhibit A) to the Bank Request
 - D. Run TRW (or other credit reporting service) only if completed (signed) patient application is received.
 1. Review credit report for available credit cards, undisclosed assets/loans, etc.
 - E. Determine if patient qualifies for charitable assistance funds.
 1. Use information from Financial Statement (Exhibit A) and income verification completed during above steps B, C, & D, to determine the payments the patient or guarantor can afford.
 - a) Explore credit cards, bank loans and sale of assets as potential sources of payments.
 2. If patient qualified for MISIP or MediCal in months subsequent to date of service, patient automatically qualifies for charitable assistance. Denied days for MediCal/MISIP (due to lack of TAR or lack of funding) also qualify as charitable care.
 - a) Attach EOB as support for charitable adjustment.
 - b) Remember the signed Patient Financial Statement is also required.
 3. If patient/guarantor filed bankruptcy, request bankruptcy documents from the patient. Charitable assistance under the circumstances is recommended.
 - a) A signed Patient Financial Statement is also required.
 4. If patient/guarantor has money in savings or checking, such liquid assets are added to the patient's income for comparison to Federal Poverty guidelines.
 - F. If above analysis indicates patient/guarantor is unable to pay account balance, even if payments were extended over a (not to exceed) 24-month period, prepare Charitable Assistance Request Form for recommendation to management for partial assistance.
 - G. If the patient's income (including liquid and disposable assets) is within 200% of Federal Poverty guidelines, the patient qualifies for charitable assistance.
 1. Income exceeding 200% of Federal Poverty guidelines is eligible for partial assistance based on percentage exceeding Federal Poverty limit:
(see example on following page)

CORONA REGIONAL MEDICAL CENTER

Manual: ADMINISTRATION	Pages: 3 of 5
Subject: CHARITABLE ASSISTANCE	Original Date: 07/05/95
	Reviewed: 04/96,8/97,8/99
	Revised: 06/01/00

EXAMPLE

a) Gross Income for Family of 2	\$22,000
b) Disposable assets (cash, etc.)	<u>3,000</u>
Total available	\$25,000

Federal Guideline = \$10,620 x 2 = \$21,240

Excess = \$25,000 ÷ \$21,240 = 118%

200% - 118% = 82%

Eligible charitable assistance adjustment % = 82%

- H. If charitable assistance is recommended:
 - 1. Document on Meditech system
 - 2. Complete Charitable Assistance Request Form (Exhibit C)
 - 3. Forward form with signed Financial Statement for approval to Director of Patient Accounts

- I. If a charitable assistance adjustment is approved (Approval levels under Section III below), notify patient/guarantor in writing, document in Meditech system and file documents alphabetically in Admitting Supervisors office.

- J. When a homeless person is treated in the Emergency Department:
 - 1. Explain C.R.M.C.'s Charitable Assistance Department:
 - 2. Obtain the patient's signature on page 3 of the Patient Financial Statement (Exhibit A).
 - 3. Attach a face sheet to the Patient Financial Statement and forward to the Admitting Supervisor.

- K. When a patient without insurance coverage or the finances necessary to make payment is treated in the Emergency Department:
 - 1. Explain C.R.M.C.'s Charitable Assistance funding.
 - 2. Request patient or family member complete, in full, the Patient Financial Statement (Exhibit A).
 - 3. Attach a face sheet to the Patient Financial Statement and forward to the Admitting Supervisor.

II. RETROSPECTIVE DETERMINATION:

- A. Retrospective determination will be performed for emergency admission or in the event of subsequent material changes in the patient's ability to pay, (i.e., disability, loss of income or job, insurance denials, including MISP, Victims of Crime, etc.) or reduction of insurance benefits.

CORONA REGIONAL MEDICAL CENTER

Manual: ADMINISTRATION	Pages: 4 of 5
Subject: CHARITABLE ASSISTANCE	Original Date: 07/05/95
	Reviewed: 04/96,8/97,8/99
	Revised: 06/01/00

- B. Retrospective determination may also be appropriate in the event of an emergency admission or services rendered in the Emergency Room to patients with no identification, no insurance (homeless, etc.) or deceased patient with no estate, no probate, etc.
 - 1. In the above cases, charitable assistance may be appropriate even though a signed Financial Statement is not obtained.
- C. Perform steps outlined in section I (A-F) attaching an itemized statement with the Financial Statement, and other supporting documentation as available.

III. APPROVAL LEVELS:

- A. Financial Counselors will:
 - 1. prepare recommendation
 - 2. sign and date Charitable Assistance Request Form
 - 3. document on Meditech
 - 4. forward form to Director of Patient Accounts
- B. Director of Patient Accounts must approve all requests for charitable assistance.
 - 1. Prospective determination
 - a) Second approval (either Controller or Chief Financial Officer) is also required for prospective determination.
 - 2. Retrospective determination
 - a) If balance is over \$1,000, Hospital Controller approval is also required for retrospective determination.
 - b) Balances over \$5,000 must also be approved by Chief Financial Officer for retrospective determination.
- C. Charitable assistance approved
 - 1. Approved charitable assistance adjustments are keyed and documented on Meditech, then filed chronologically by date of the charitable assistance adjustments in the Director of Patient Accounts Office.
 - 2. The guarantor/patient should also be notified in writing, of the approval.
- D. Charitable assistance not approved

If charitable assistance is not approved, forms will be returned to Director of Patient Accounts or Financial Counselor with instructions for follow-up.

IV. COLLECTION AGENCY DETERMINATION:

- A. Occasionally a collection agency may obtain additional information from an uncooperative patient that supports a charitable care determination.

CORONA REGIONAL MEDICAL CENTER

Manual: ADMINISTRATION	Pages: 5 of 5
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	Reviewed: 04/96,8/97,8/99
	Revised: 06/01/00

1. The collection agency will return the account to the Hospital and a Charitable Assistance and Request Form may be completed with the new information supporting eligibility for charitable assistance.
2. Forward for approval as indicated above under Section III.

V. FEDERAL PROVERTY GUIDELINES:

FAMILY SIZE	POVERTY GUIDELINES	200% OF GUIDELINE
1	\$ 8,350	\$ 16,700
2	\$ 11,250	\$ 22,500
3	\$ 14,150	\$ 28,300
4	\$ 17,050	\$ 34,100
5	\$ 19,950	\$ 39,900
6	\$ 22,850	\$ 45,750
7	\$ 25,750	\$ 51,500
8	\$ 28,650	\$ 57,300
9	\$ 31,550	\$ 63,100
10	\$ 34,450	\$ 68,900

Approved Signature: _____

Title: Chief Financial Officer

Department: Administration

Date: June 1, 2000

SCHEDULE L

**CHARITABLE ASSISTANCE POLICY
ARROYO GRANDE COMMUNITY HOSPITAL
FRENCH HOSPITAL MEDICAL CENTER**

5FRENCH HOSPITAL MEDICAL CENTER ARROYO GRANDE COMMUNITY HOSPITAL POLICIES AND PROCEDURES	Title: CHARITABLE ASSISTANCE Page 1 of 4	
	Dept. of Origin: Finance	Dept. of Dist: Adminstration
	Reviewed/Revised: 8/98 & 11/02 & 02/03	Approved: CEO/CFO

PURPOSE

To establish the process to identify, evaluate, approve, and distribute charitable assistance funds in compliance with policy.

WHO MAY PERFORM/RESPONSIBLE

Financial counselor will prepare recommendation.

POLICY

French Hospital Medical Center/Arroyo Grande Community Hospital will not deny emergency medical services to patients who are unable to pay for such services. Charitable assistance funds are budgeted annually to assist needy patients who satisfy the criteria for medically necessary services, and who are eligible for charitable care.

Anyone within the hospital network (i.e., Administration, Physicians, Financial Counselors, Social Workers or Patient Representatives) can refer patients for charitable assistance. Patients can also request assistance directly by contacting the Financial Counselor.

Patients requiring charitable assistance for medically necessary services should be identified, depending on the facts and circumstances, (i) prior to admission/registration, (ii) as soon as reasonably possible after admission/registration and (iii) as soon as possible after admission/registration and a change in the patient's financial circumstance which warrants charitable care review. It is recognized that unexpected circumstances after a hospital stay can affect a patient's ability to pay including disability, loss of income or job, insurance denials or reduction of benefits. If there is a self-pay balance for which the patient has no reasonable means of payment, a recommendation for charitable care should be initiated in accordance with this Policy and Procedure.

PROCEDURE

1. Prospective/Concurrent Determination:
 - a) Once a patient has been identified as being unable to pay for necessary medical services, Financial Counselors should review the patient's eligibility for coverage under established county, state or federal programs. These include CMSP, MediCal, Medicare, and Victims of Crime. Determine if any third party liability is applicable due to auto accident, etc.
 - b) If patient does not qualify for any such programs obtain a completed Financial Hardship Application (Exhibit A) from the patient or guarantor.

5FRENCH HOSPITAL MEDICAL CENTER ARROYO GRANDE COMMUNITY HOSPITAL POLICIES AND PROCEDURES	Title: CHARITABLE ASSISTANCE Page 2 of 4	
	Dept. of Origin: Finance	Dept. of Dist: Adminstration
	Reviewed/Revised: 8/98 & 11/02 & 02/03	Approved: CEO/CFO

- i) Income should be within 200% of the established range for Federal Poverty Guidelines for family size.
 - ii) Assets: Net worth should be considered along with liquid and non-liquid assets (net of liabilities) and claims against those assets.
 - iii) Employment situation and capacity for future earnings as compared to ability to meet future obligations should be considered.
- c) Obtain income verification from pay stub or most recent W2 and/or Federal income tax return. Confirm bank- balance directly with the bank.
- d) Run TRW (or other credit reporting, service). Review credit report for available credit cards.
- e) Determine if patient qualifies for charitable assistance funds.
 - i) Use information from Financial Hardship Application (Exhibit A) and income verification completed during, above steps B, C, & D, to determine the payments the patient or guarantor can afford. Explore credit cards, bank loans and sale of assets as potential sources of payments.
 - ii) If patient qualified for CMSP or MediCal in months subsequent to date of service, patient automatically qualifies for charitable assistance, but will be liable for any share-of-cost assigned by the agency. Denied days for MediCal/CMSP (due to lack of TAR or lack of funding) also qualify as charitable care. Attach EOB as support for charitable adjustment. Remember the signed Financial Hardship Application is also required.
 - iii) If patient/guarantor has money in savings or checking, such liquid assets are added to the patient's income for comparison to Federal Poverty Guidelines.
 - iv) If the patient's income (including liquid and disposable assets) is within 200% of Federal Poverty guidelines, the patient qualifies for charitable assistance.

5FRENCH HOSPITAL MEDICAL CENTER ARROYO GRANDE COMMUNITY HOSPITAL POLICIES AND PROCEDURES	Title: CHARITABLE ASSISTANCE Page 3 of 4	
	Dept. of Origin: Finance	Dept. of Dist: Adminstration
	Reviewed/Revised: 8/98 & 11/02 & 02/03	Approved: CEO/CFO

- f) If charitable assistance is recommended:
 - i) Document on Meditech system.
 - ii) Forward all paperwork to Director of Business Services for approval.
 - g) If a charitable assistance adjustment is approved (Approval Levels under Section 3 below), notify patient/guarantor in writing and document on system, file documents in Business Office correspondence.
 - h) When a homeless person is treated in the Emergency Department:
 - i) Explain Charitable Assistance funding.
 - ii) Obtain the patient's signature on the Financial Hardship Application (Exhibit A).
 - iii) Attach a facesheet to the Financial Hardship Application and forward to the Director of Business Services.
 - i) When a patient without insurance coverage or the finances necessary to make payment is treated in the Emergency Department:
 - i) Explain Charitable Assistance funding.
 - ii) Request patient or family member to complete, in full, the Financial Hardship Application (Exhibit A).
 - iii) Attach a facesheet to the completed financial statement and forward to the Director of Business Services.
2. Retrospective Determination:
- a) Retrospective determination will be performed for emergency admission or in the event of subsequent material changes in the patient's ability to pay (examples include disability, loss of income or job, insurance denials including CMSP, Victims of Crime, etc.) or reduction of insurance benefits.

5FRENCH HOSPITAL MEDICAL CENTER ARROYO GRANDE COMMUNITY HOSPITAL POLICIES AND PROCEDURES	Title: CHARITABLE ASSISTANCE Page 4 of 4	
	Dept. of Origin: Finance	Dept. of Dist: Adminstration
	Reviewed/Revised: 8/98 & 11/02 & 02/03	Approved: CEO/CFO

- b) Retrospective determination may also be appropriate in the event of an emergency admission or services rendered in the ER to patients with no identification, no insurance (homeless etc.), or deceased patient with no estate, no probate, etc. In the above cases, charitable assistance may be appropriate even though a signed Financial Hardship Application is not obtained.
 - c) Perform above steps (A-G of Section 1) attaching an itemized statement with the Financial Hardship Application, and other supporting documentation as available.
3. Approval Levels:
- a) Financial Counselors will prepare recommendation, sign and Financial Hardship Worksheet, document on system and forward form and all attachments to Director of Business Services.
 - b) Director of Business Services must approve all requests for charitable assistance.
 - c) Secondary approval (CFO) is also required for all in-patient accounts and any outpatient accounts with charges totaling \$1,000 or more.
 - d) If charitable assistance is not approved, forms will be returned to the Financial Counselor with instructions for follow-up.
 - e) Approved charitable assistance adjustments are keyed and documented on Meditech, and filed chronologically by date of the charitable assistance adjustments in the Business Office.
 - f) The guarantor/patient will be notified of the approval.
4. Collection Agency Determination:
- a) Occasionally a collection agency may obtain additional information from an uncooperative patient, which supports a charitable care determination. The collection agency will return the account to the Hospital and a Financial Hardship Application may be completed with the new information supporting eligibility for charitable assistance. Forward for approval as indicated above under Section 3.

5FRENCH HOSPITAL MEDICAL CENTER ARROYO GRANDE COMMUNITY HOSPITAL POLICIES AND PROCEDURES	Title: CHARITABLE ASSISTANCE Page 5 of 4	
	Dept. of Origin: Finance	Dept. of Dist: Adminstration
	Reviewed/Revised: 8/98 & 11/02 & 02/03	Approved: CEO/CFO

5. Federal Poverty Guidelines for 2003 (FPIG updated annually each February):

Family Size	200% of Guideline
1	\$17,960
2	\$24,240
3	\$30,520
4	\$36,800
5	\$43,080
6	\$49,360
7	\$55,640
8	\$61,920

APPROVAL:

Name: _____ Title: _____

Department: _____ Date: _____

SCHEDULE M

**LIST OF SERVICES OFFERED
CORONA REGIONAL MEDICAL CENTER**

CORONA REGIONAL MEDICAL CENTER
Services Offered

Medical Services

Medical/Surgical Acute Care Services
Medical/Surgical Intensive Care Unit

Ancillary Services

Electrocardiography
Pharmacy Services
Respiratory Therapy
Clinical Laboratory
Clinical Pathology
Blood Bank

Radiation Therapy

Therapeutic Radioisotopy

Emergency Services

Standby Emergency Medicine
Basic Emergency Medicine
Urgent Access Center/Outpatient (Not an E.R.)

Rehab/Long Term Care

Physical Medicine
Cognitive Rehabilitation
Occupational Therapy
Speech Therapy
Skilled Nursing Unit
SubAcute Unit

Special Services

Chemotherapy
Gastrointestinal Laboratory
Infusion Therapy
Nuclear Medicine
Oncology Services
Pulmonary Vascular Lab

Surgical Services

Therapeutic Abortion
Arthroscopic Surgery
Dental Surgery
Gynecologic Surgery
Laser Surgery

Surgical Services cont.

Orthopedic Surgery
Plastic Surgery
Podiatric Surgery
Thoracic Surgery
Urologic Surgery
Vascular Surgery

Cardiology Services

Diagnostic Radioisotope

Pediatric Services

Pediatric Acute Care
Pediatric Surgery (Minor)

Perinatal/Delivery Services

Labor/Delivery Room Services
Newborn Nursery Care

Behavioral Health Services

Outpatient - Adult
Inpatient Care - Adult
Psychopharmacologic Therapy

Home Health Services

Home Health Aid Services
Home IV Therapy Services
Home Nursing Care
Home Occupational Therapy
Home Physical Medicine
Home Medical Social Worker
Home Speech Therapy

Other Services

Ambulatory Surgery Services
Hospice
Outpatient Clinical Services

SCHEDULE N

**UNCOMPENSATED CARE COST FOR PAST 5 YEARS
CORONA REGIONAL MEDICAL CENTER**

**Corona Regional Medical Center
Uncompensated Care Cost**

	2002	2001	2000	1999	1998	1997
	Unaudited	Audited	Audited	Audited	Audited	Audited
County Indigent Contractual Adjustment	\$ 1,069,867	\$ 882,206	\$ -	\$ 633,795	\$ 526,058	\$ 191,547
Charity - Other	393,380	935,305	1,161,710	2,382,230	1,348,545	1,132,597
	1,463,247	1,817,511	1,161,710	3,016,025	1,874,603	1,324,144
Uncompensated Care Costs*	444,681	480,051	359,835	942,472	683,041	489,482

*Calculated by taking the gross charges/revenue and applying the cost-to-charge ratio.

Uncompensated Care Costs Methodology

Income Statement						
Gross Patient Revenue	276,455,872	249,550,775	205,636,904	197,842,737	184,840,104	170,890,781
- Deductions from Revenue	187,835,818	182,288,697	144,912,756	129,767,610	127,153,761	106,429,862
+ Capitation Premium Rev.		2,951,730	6,948,486			
Net Patient Revenue	88,620,054	67,262,078	60,724,148	68,075,127	57,686,343	64,460,919
+ Other Operating Revenue	4,258,487	2,343,821	2,167,247	2,128,974	985,286	679,515
Total Operating Revenues	92,878,541	69,605,899	62,891,395	70,204,101	58,671,629	65,140,434
- Operating Expenses	88,273,481	68,256,527	65,862,457	63,952,450	68,334,703	63,850,813
Net from Operations	4,605,060	1,349,372	(2,971,062)	6,251,651	(9,663,074)	1,289,621
+ Non-Operating Revenue	626,378	509,370	925,144	1,867,964	2,174,430	2,938,927
- Non-Operating Expense		1,714,925	1,436,119	6,672,864	9,372,452	3,456,931
- Income Taxes						
- Extraordinary Items						
Net Income	5,231,438	143,817	(3,482,037)	1,446,751	(16,861,096)	771,617

Cost-to-Charge Ratio 30.4% 26.4% 31.0% 31.2% 36.4% 37.0%

Deductions from Revenue

Medicare Cont Adj-Trad	48,329,395		33,313,839	33,936,326	30,324,502	32,028,152
Medicare Cont Adj-Mng Care	22,049,929				22,169,903	18,716,996
Medi-Cal Cont Adj-Trad	23,451,500		27,639,160	19,658,467		
Medi-Cal Cont Adj-Mng Care	8,020,733					
DSH (SB 855) Funds Rec'd						
DSH Funds Transferred						
Co Indigent Cont Adj	1,069,867	882,206		633,795	526,058	191,547
Other 3rd Cont Adj-Trad		4,987	2,569,045			
Other 3rd Cont Adj-Mng Care		69,006,206	78,133,262	73,166,832	62,210,173	49,567,821
Provision for Bad Debts		8,297,978	1,543,614		6,425,966	3,199,532
Charity - Hill-Burton						
Charity - Other	393,380	935,305	1,161,710	2,382,230	1,348,545	1,132,597
Gifts & Subs. Indigent Care				(10,040)		
All Other Deductions		1,310,458	552,126		4,148,614	1,593,217
Total Deductions from Rev.	\$ 182,288,697	\$ 144,912,756	\$ 144,912,756	\$ 129,767,610	\$ 127,153,761	\$ 106,429,862

SCHEDULE O

**COMBINED PATIENT CARE SERVICES INVENTORY
ARROYO GRANDE COMMUNITY HOSPITAL
FRENCH HOSPITAL MEDICAL CENTER**

PATIENT CARE SERVICES INVENTORY

SERVICES	* AGCH	** FHMC	SERVICES	* AGCH	** FHMC	SERVICES	* AGCH	** FHMC
MEDICAL SERVICES			REHABILONG-TERM CARE			CARDIOLOGY SERVICES		
Medical/Surgical Acute Care Svcs	X	X	Speech Therapy	X	X	Coronary Care Unit	X	X
Medical/Surgical Intensive Care Unit	X	X	Physical Medicine	X	X	Cardiac Catheterization Lab	N/A	X
Step Down Unit/Direct Observation Unit/Telemetry	X	X	Occupational Therapy	X	X	Percutaneous Coronary Intervention (PCI)	N/A	X
Other - Pediatrics	X	X	Cognitive Rehabilitation	N/A	X	Cardiovascular Surgery	N/A	X
Transitional Care Unit	X	N/A	Skilled Nursing Unit	X	N/A	Transesophageal Echocardiogram (TEE)	X	X
			Pulmonary Rehab Services	X	N/A	Cardiac Rehabilitation Program	X	X
ANCILLARY SERVICES			Spinal Cord Rehabilitation	N/A	N/A	Diagnostic Radioisotope	N/A	N/A
Electrocardiography	X	X	SPECIAL SERVICES			Electrophysiology (EPS)	N/A	N/A
Electroencephalography	X	X	Burn Care Unit	N/A	N/A			
Electromyography	X	X	Chemotherapy	X	X	PEDIATRIC SERVICES		
Pharmacy Services	X	X	Gastrointestinal Laboratory	X	X	Pediatric Acute Care	X	X
Respiratory Therapy	X	X	Hemodialysis - Inpatient	X	X	Pediatric Intensive Care	N/A	X
Clinical Pathology (Contracted)	X	X	Hemodialysis - Outpatient	X	N/A	Pediatric Oncology	N/A	X
Autopsy Service	N/A	N/A	Hyperbaric Chamber Svcs.	X	N/A	Pediatric Surgery	X	X
Blood Bank (Not a donor center)	X	X	Immunosuppressed (AIDS) Unit	N/A	N/A			
Blood Collection & Processing (Not a donor center)	X	X	Infusion Therapy	X	X	PERINATAL/DELIVERY SVCS		
Histocompatibility Laboratory	N/A	N/A	Nuclear Medicine	X	X	Labor/Delivery Room Services	N/A	X
Microbiologic Services	X	X	Outpatient Services	X	X	Alternative Birthing Center	N/A	X
Organ Bank	N/A	N/A	Outpatient Respiratory Therapy	X	X	Newborn Nursery Care	N/A	X
			Peripheral Vascular Lab	X	X	Neonatal Intensive Care II	N/A	X
WOMENS DIAGNOSTIC CENTER			PICC Line Insertion	N/A	X	Neonatal Intensive Care III	N/A	N/A
Ultrasound	N/A	X	Pulmonary Therapy Services	X	X	Amniocentesis	N/A	N/A
Mammography	X	X	Wound Care	N/A	X	Certified Nurse Midwife Program	N/A	X
Bone Densometry	X	X	SURGICAL SERVICES			Extracorporeal Memb. Oxygenation (ECMO)	N/A	X
Stereotactic Breast Biopsy	N/A	X	Abortion, Therapeutic	N/A	N/A	Fetal Treatment (In-utero Therapy)	N/A	N/A
			Arthroscopic Surgery	X	X	In-Vitro Fertilization Prgm	N/A	N/A
RADIATION THERAPY			Cardiovascular Surgery	N/A	X	Obstetrics, High Risk/Pre-term Labor	N/A	N/A
Cobalt Therapy	N/A	N/A	Cystoscopy Service	X	X			
Gamma Knife	N/A	N/A	Dental Surgery	X	X	BEHAVIORAL HEALTH SVCS		
Megavoltage Radiation Therapy	N/A	N/A	Gynecologic Surgery	X	X	Biofeedback Therapy	N/A	X
Radiation Oncology	N/A	N/A	Laparoscopic Surgery	X	X	Chem Dependency - Adult	N/A	N/A
Radium Therapy	N/A	N/A	Laser Surgery	X	X	Chem Dependency - Adolescent	N/A	N/A
Therapeutic Radioisotopy	N/A	N/A	Lithotripsy	N/A	X	Outpatient - Adult	N/A	N/A
			Neuro Surgery (Limited)	N/A	X	Outpatient - Adolescent	N/A	N/A
EMERGENCY SERVICES			Ophthalmologic Surgery	X	X	Psych Locked Unit - Adult	N/A	N/A
IV - Standby Emerg Med	N/A	N/A	Orthopedic Surgery	X	X	Psych Locked Unit - Adolescent	N/A	N/A
III - Basic Emerg Med	X	X	Otolaryngologic Surgery	X	X	Inpatient Care - Adult	N/A	X
II - Designated Trauma Center	N/A	N/A	Plastic Surgery	X	X	Inpatient Care - Adolescent	N/A	X
Fast Track Program (Opening Scheduled 3/17/03)	N/A	N/A	Podiatric Surgery	X	X	Psychopharmacological Therapy	N/A	X
Paramedic Base Station	N/A	X	Thoracic Surgery	X	X	Recreational Therapy	N/A	X
Helipad (Limited)	N/A	X	Urologic Surgery	X	X	Residential Care - Adult	N/A	N/A
Radioisotope Decontamination Room	N/A	N/A	Vascular Surgery	X	X	Residential Care - Adolescent	N/A	N/A
			DIAGNOSTIC/RADIOLOGY SVCS					
			Computerized Tomography (CT) Scan	X	X	OTHER SERVICES		
			Diagnostic Fluoroscopy + Radiology	X	X	Adult Day Health Care	N/A	N/A
			General Angiography	N/A	X	Ambulatory Surgery Services	X	X
			Interventional Radiology	X	X	Hospice	N/A	N/A
			Magnetic Resonance Imaging (MRI)	X	X	Outpatient Clinic Services	N/A	N/A
			Positive Emission Tomography (PET)	N/A	X			
			Ultrasound	X	X			

* Arroyo Grande Community Hospital
 ** French Hospital Medical Center

SCHEDULE P

**UNCOMPENSATED CARE COST FOR PAST 5 YEARS
ARROYO GRANDE COMMUNITY HOSPITAL**

Arroyo Grande Community Hospital
Uncompensated Care Cost

	2002	2001	2000	1999	1998	1997
	Unaudited		Audited			
County Indigent Contractual Adjustment	\$ 810,874	\$ 463,599	\$ 1,522,505	\$ 662,512	\$ 325,247	\$ 232,729
Charity Other	47,205	79,831	37,847	583,465	364,760	388,278
	858,079	543,430	1,560,352	1,245,977	690,007	621,007
Uncompensated Care Costs*	225,675	128,793	514,916	446,683	300,843	299,698

*Calculated by taking the gross charges/revenue and applying the cost-to-charge ratio.

Uncompensated Care Costs Methodology

Income Statement						
Gross Patient Revenue	120,150,045	104,193,340	69,172,232	55,528,523	44,365,276	37,944,432
- Deductions from Revenue	87,142,751	76,621,775	46,408,756	35,795,475	25,292,880	20,172,684
+ Capitation Premium Rev.	-	-	-	425,040	-	-
Net Patient Revenue	33,007,294	27,571,565	22,763,476	20,158,088	19,072,396	17,771,748
+ Other Operating Revenue	388,563	162,573	158,175	357,347	192,587	147,675
Total Operating Revenue	33,395,857	27,734,138	22,921,651	20,515,435	19,264,983	17,919,423
- Operating Expenses	31,643,371	24,832,088	22,986,789	20,261,700	19,537,978	18,458,947
Net from Operations	1,752,486	2,902,050	(65,138)	253,735	(272,995)	(539,524)
+ Non-Operating Revenue	29,908	107,975	353,782	104,374	459,203	438,317
- Non-Operating Expenses	-	17,883	-	-	201,711	245,262
- Income Taxes	-	-	-	-	-	-
- Extraordinary Items	-	-	-	-	-	-
Net Income	\$ 1,782,394	\$ 2,992,142	\$ 288,644	\$ 358,109	\$ (15,503)	\$ (346,469)

Cost-to-Charge Ratio	26.3%	23.7%	33.0%	35.9%	43.6%	48.3%
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Deductions from Revenue

Medicare Cont Adj-Trad	34,451,160	19,311,710	12,720,713	9,756,391	7,765,943	
Medicare Cont Adj-Mng Care	5,877,496	-	-	-	-	-
Medi-Cal Cont Adj-Trad	8,241,695	5,155,692	5,003,717	3,512,054	3,681,686	
Medi-Cal Cont Adj-Mng Care	-	-	-	-	-	-
DSH (SB 855) Funds Rec'd	-	-	-	-	-	-
DSH Funds Transferred	-	-	-	-	-	-
Co Indigent Cont Adj	810,874	463,599	1,522,505	662,512	325,247	232,729
Other 3rd Cont Adj-Trad.	182,109	260,000	-	-	-	97,184
Other 3rd Cont Adj-Mng Care	23,407,727	18,588,981	15,831,142	10,309,649	7,379,115	
Provisions for Bad Debt	3,605,396	1,310,089	919,122	975,370	601,692	
Charity - Hill-Burton	-	-	-	-	-	-
Charity - Other	47,205	79,831	37,847	583,465	364,760	388,278
Gifts & Subs. Indigent Care	-	-	-	-	-	-
All Other Deductions	-	312,762	221,932	74,804	49,409	26,057
Total Deductions from Rev.	\$ 76,621,775	\$ 46,408,756	\$ 35,795,475	\$ 25,292,880	\$ 20,172,684	

ARROYO GRANDE COMMUNITY HOSPITAL

\$ Cost of Charitable Services*

	1998	1999	2000	2001	2002
Charity Costs*	159,035	209,172	12,490	18,904	28,829

\$ Cost of In-Patient & Outpatient Services*

	1998	1999	2000	2001	2002
Medi-Cal	1,865,089	1,991,817	1,940,113	2,050,574	2,377,614
County Indigent	176,509	305,770	646,565	479,677	319,109
All Others	17,301,662	17,609,388	20,240,159	22,142,732	24,578,745
Total	19,343,260	19,906,975	22,826,837	24,672,983	27,275,468

* Calculated by taking the gross charges/revenue and applying the cost-to-charge ratio.

SCHEDULE Q

**UNCOMPENSATED CARE COST FOR PAST 5 YEARS
FRENCH HOSPITAL MEDICAL CENTER**

**French Hospital Medical Center
Uncompensated Care Cost**

	2002	2001	2000	1999	1998	1997
	Unaudited			Audited		
County Indigent Contractual Adjustment	\$ 1,511,808	\$ 1,805,728	\$ 1,956,993	\$ 1,718,297	\$ 1,450,088	\$ 1,268,036
Charity Other	127,001	147,483	174,407	1,787,432	346,516	219,138
	1,638,809	1,953,211	2,131,400	3,505,729	1,796,604	1,487,174
Uncompensated Care Costs*	424,452	428,534	611,925	1,053,472	663,486	494,783

*Calculated by taking the gross charges/revenue and applying the cost-to-charge ratio.

Uncompensated Care Costs Methodology

Income Statement						
Gross Patient Revenue	220,621,859	187,251,589	141,571,755	141,455,295	125,927,672	116,444,372
- Deductions from Revenue	168,003,880	162,474,752	127,013,961	119,765,626	99,066,325	78,127,410
+ Capitation Premium Rev.	-	12,156,451	21,606,426	15,064,072	6,306,707	-
Net Patient Revenue	52,617,979	36,933,288	36,164,220	36,753,741	33,168,054	38,316,962
+ Other Operating Revenue	1,057,771	404,103	399,806	1,167,703	2,253,751	387,173
Total Operating Revenue	53,675,750	37,337,391	36,564,026	37,921,444	35,421,805	38,704,135
- Operating Expenses	57,207,981	41,478,888	41,045,567	43,671,468	48,761,627	39,123,254
Net from Operations	(3,532,231)	(4,141,497)	(4,481,541)	(5,750,024)	(13,339,822)	(419,119)
+ Non-Operating Revenue	83,571	135,178	207,730	-	2,325,530	168,361
- Non-Operating Expenses	-	-	12,508	-	31,482	-
- Income Taxes	-	-	-	-	-	-
- Extraordinary Items	-	-	-	-	(5,085,627)	-
Net Income	\$ (3,448,660)	\$ (4,006,319)	\$ (4,286,319)	\$ (5,750,024)	\$ (5,960,147)	\$ (250,758)

Cost-to-Charge Ratio 25.9% 21.9% 28.7% 30.1% 36.9% 33.3%

Deductions from Revenue

Medicare Cont Adj-Trad	56,663,815	39,294,843	33,329,906	29,004,313	26,684,458	
Medicare Cont Adj-Mng Care	1,173,050	-	-	-	-	-
Medi-Cal Cont Adj-Trad	5,735,495	4,859,112	4,120,079	4,302,469	2,866,664	
Medi-Cal Cont Adj-Mng Care	-	-	-	-	-	-
DSH (SB 855) Funds Rec'd	-	-	-	-	-	-
DSH Funds Transferred	-	-	-	-	-	-
Co Indigent Cont Adj	1,511,808	1,805,728	1,956,993	1,718,297	1,450,088	1,268,036
Other 3rd Cont Adj-Trad	781,505	447,194	447,194	-	-	-
Other 3rd Cont Adj-Mng Care	92,745,262	79,000,345	77,268,078	62,154,570	22,499,305	22,499,305
Provisions for Bad Debt	2,368,043	923,404	1,008,638	1,028,573	720,389	
Charity - Hill-Burton	-	-	-	-	-	-
Charity - Other	127,001	147,483	174,407	1,787,432	346,516	219,138
Gifts & Subs. Indigent Care	-	-	-	-	-	-
All Other Deductions	1,054,371	357,663	533,196	779,796	779,796	23,869,420
Total Deductions from Rev.	\$ 162,474,752	\$ 127,013,961	\$ 119,765,626	\$ 99,066,325	\$ 78,127,410	

FRENCH HOSPITAL MEDICAL CENTER

\$ Cost of Charitable Services*

	1998	1999	2000	2001	2002
Charity Costs*	127,968	537,123	50,072	32,358	25,273

\$ Cost of In-Patient & Outpatient Services*

	1998	1999	2000	2001	2002
Medi-Cal	1,766,537	1,504,376	1,644,164	1,344,315	1,998,163
County Indigent	591,976	569,109	692,999	524,051	404,005
All Others	44,146,577	40,433,831	38,308,088	39,214,633	41,501,861
Total	46,505,089	42,507,316	40,645,251	41,082,999	43,904,029

* Calculated by taking the gross charges/revenue and applying the cost-to-charge ratio.

SCHEDULE R

**POLICIES AND PROCEDURES ON STAFFING
CORONA REGIONAL MEDICAL CENTER**

Corona Regional Medical Center

Manual: <b style="text-align: center;">Human Resources Policies and Procedures	Page: 1 of 12
Subject: <b style="text-align: center;">Hospital-Wide Staffing	Original Date: 09/01/87
	Revised Date: 11/30/98
	Revised Date: 08/29/00

PURPOSE:

To establish a plan for standards of patient-care related staffing.

WHO MAY PERFORM/RESPONSIBLE: Department Heads

POLICY:

Staffing plans for patient care services and departments are developed based on the level and scope of care that needs to be provided, the frequency of the care to be provided, and a determination of the level and skill mix of staff that can most appropriately and competently provide the type of care needed. Each department/service has a formalized staffing plan, which is reviewed at least annually based on the following:

- Performance improvement activities
- Risk Management activities
- Changes in customer needs/expectations

STAFF	ASSESSMENT	PLANNING	INTERVENTIONS	PATIENT RIGHTS	D/C PLANNING	NUTRITION CARE	PATIENT TEACHING
Pharmacist	X	X		X	X	X	X
Physical Therapist	X	X	X	X	X		X
Physicians	X	X	X	X	X	X	X
Social Workers	X	X	X	X	X		X
Dietician	X	X	X	X	X	X	X
RNs	X	X	X	X	X	X	X
LVNs				X	X		X
Nursing Assistant				X			X
Respiratory Therapist	X	X	X	X	X		X
Radiology Technician	X	X	X	X	X		X
Laboratory Technician			X		X		

PHARMACY

Scope of Service:

The Pharmacy Department provides, prepares, and distributes medication, intravenous solutions, enteral feedings, and parenteral nutrition for all areas of the Medical Center, including the rehabilitation hospital.

A clinical pharmacist reviews all orders for appropriateness of indication and dose. Physicians may request that pharmacists order and monitor drug therapy through a

Corona Regional Medical Center

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protocol approved by the medical staff. Clinical pharmacists provide drug information to medical staff and hospital staff. Patient and family education is provided as requested.

Skill Mix:

Pharmacists, Technicians, and Expeditor.

Minimum Staffing:

Shift/Description	Monday – Friday	Saturday	Sunday	On-Call
Day				
Pharmacists	3.5	2.5	2	
Technicians	7	6	6	
Expeditor				
Evening				
Pharmacists	1.5	1	1	
Technicians	2	2	2	
Clinical Assistant (Runner)	1	1	1	

Augmentation:

Minimum staffing will be augmented when the patient volume and pharmacy workload increase significantly.

REHABILITATION SERVICES

Scope of Service:

Professional rehabilitation services, under the direction of the Department Director, are provided to assist patients to return to their previous functional level with recommendation for continued therapies. Treatment planning involves both interdisciplinary staff and patient/family. Each therapy staff member is assigned to a particular unit. Changes to their assignments may occur due to weekend, holiday, illness coverage or a fluctuation in the census.

The minimum staffing requirement is based on the number of modalities to be done per day and is determined by the senior therapists. The Department director and senior therapists are responsible for determining the number and mix of staff.

Skill Mix:

Registered Physical Therapists (RPT), Licensed Physical Therapy Assistant (LPTA), Therapy Aide, Registered Occupational Therapist (OTR), Certified Occupational Therapy Assistant (COTA), Speech Pathologist (SP), Recreational Therapist (RT), Social Worker (MSW), Schedulers

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Minimum Staffing:

Outpatient Therapy

Shift/Description	Monday – Friday	Saturday	Sunday	On-Call
Day				
RPT	2			
LPTA	2			
Aide	1			
Scheduler	1			
OTR	1			

Inpatient Therapy

Shift/Description	Monday – Friday	Saturday	Sunday	On-Call
Day				
RPT	1			
LPTA or Aide	1			
OTR	1			1
SP				1

Acute Rehab and Subacute

Shift/Description	Monday – Friday	Saturday	Sunday	On-Call
Day				
RPT	2	1	1	
LPTA	2	1		
OTR	1		1	1
SP	1	1		1
COTA	1	1		
RT	.7			
MSW	1			

Augmentation:

Staffing is increased based on projected census. Hospital staff within the Rehab Services Department will provide additional staffing. If all rehab personnel are unavailable to adjust staffing, per diem or registry will be used. In the event regular staff members, per diem or registry staff are unavailable, refer to Rehab Services Priority of Patients Policy and Procedure.

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CASE MANAGEMENT/SOCIAL SERVICES

Scope of Service:

Case Management staff performs admission and concurrent review, discharge planning, social services, concurrent quality review and risk management for all inpatients, regardless of financial class. Outpatients, Ambulatory Surgery and Emergency Room patients are seen by referral. Case managers evaluate the patient's clinical, functional, psychosocial, financial and spiritual status to ensure continuity of care. Utilization review is conducted using InterQual Severity of Illness/Intensity of Service and Discharge Criteria.

Skill Mix:

LCSW Consultant, BSW, Case Managers (RN/LVN), Secretary/Assistant

Minimum Staffing:

Shift/Description	Monday – Friday	Saturday	Sunday	On-Call
Day	8 hours every other week			
LCSW Consultant				1
Case Managers	5	2	1	1
BSW	3 d/wk			
Secretary/Assistant	1			

Augmentation:

Minimum staffing is increased when the patient volume and workload increases significantly by utilizing per diem case managers and, if necessary, the Department Director. The Department Director is available off hours by pager to field case management and social service issues. The LCSW is available by telephone on a daily basis for consultation, and if needed, will come to the Medical Center for direct consultation. The Corona Chapter of the Trauma Intervention Program (TIP) is available 24-hours per day to aid patients and families in emergency crisis situations.

NUTRITION

Scope of Service:

The department provides nutritional screening, patient assessment, nutritional care and patient/family education within the Medical Center. Services are provided in patient rooms, cafeteria, dining room and conference areas. Registered dietitians and dietetic technicians provide these services.

Food and Nutrition Services provides all prescribed diets. Trays are prepared and delivered to the nursing units where they are checked and distributed by Nursing or

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Nutritional Services personnel. Accommodations are made for modified diets, altered meal plans and cultural foods where possible.

Skill Mix:

Registered Dietitian, Dietary Technician, Diet Clerk, Diet Aide, and Cook.

Minimum Staffing:

Shift/Description	Monday – Friday	Saturday	Sunday	On-Call
Registered Dietitian	1.8		1	
Dietary Technician	1	1	1	
Diet Clerk	2.6	1	1	
Diet Aide	14	12	12	
Cook	4	4	4	

Augmentation:

The minimum staffing is augmented based on the number of patients and the number of high-risk patients identified during nutritional screening.

NURSING

Scope of Services:

The Nursing Department is structured to foster comprehensive nursing care to a variety of patients within the scope of services at CRMC. Patients with related problems or treatments under the direction of medical specialties and clinical coordinator teams are located on specialty units.

Units are created to ensure that similar standards of patient care and standards of clinical nursing practice for these subsets of patients are consistently delivered by competent staff (specialty trained). The experience and education of the staff, as well as the supplies and equipment, are tailored to meet the needs of each unique group of patients.

House Supervisors coordinate allocation of staff to the nursing departments. Projected changes in facility census (admissions, transfers and discharges) and staffing needs are considered in daily operations.

The Unit Director of each nursing unit formulates master staffing plans on a 6-week basis. The Unit Directors are responsible for scheduling the number and classification of nurses that will provide the most adequate coverage for their unit on a daily 24-hour basis over the six-week period. Unit schedules are placed in a designated staffing schedule book in the Nursing Staff Office ten days prior to the beginning of the work period.

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Skill Mix:

Registered Nurse (RN), Licensed Vocational Nurse (LVN), Certified Nurse Assistant (CNA), Obstetrics Technician (OB Tech), Operating Room Technician, (OR Tech), Unit Secretary (US), Teletech, Emergency Room Technician (ER Tech), Emergency Department Patient Representative (EDPR).

Minimum Staffing:

Nursing Unit	Guidelines
Pediatrics	1 RN/4 patients; a second required position should be a qualified pediatric person, e.g., 4-8 children; acuity should determine whether license is needed or not; if there are no pediatric patients, the pediatric RN may be placed on-call.
Post Partum	2 persons scheduled at all times; a second person may be an LVN or CNA; AAP and ACOG Guidelines for Perinatal Care recommend the following staffing ratio: 1:3 patients with complications but stable, 1:6 antepartum/postpartum (no complications).
Labor and Delivery	2 RNs and one OB Tech are core staffing; if there are no patients, the OB Tech may be placed on-call or called off; AAP and ACOG Guidelines for Perinatal Care recommend the following staffing ratios: 1:1-2 antepartum testing, 1:2 normal labor, 1:2 oxytocin induction and augmentation, 1:1 initiation of epidural anesthesia, 1:1 second stage labor, 1:1 cesarean section, 1:2 recovery, 1:1 ill patients with complications, 1:3 patients with complications but stable.
Nursery	AAP and ACOG Guidelines for Perinatal Care recommend the following staffing ratios: 1:4 recently born infants and those needing close observation, 1:6-8 newborns needing only routine care, 1:3-4 newborns requiring continuing care
Medical/Surgical	Ideally, 2 RN's on duty always unless census is so low (8 or under) at which time 1 position may be an LVN; at a census of 18 or more, the staffing mix of 45% RN, 10% LVN, 45% CNA/Unit Clerk should be considered depending on patient acuity. If the charge nurse takes a patient assignment, there should be a unit clerk on duty for the 7-7 shifts. Ideally, there should be someone at the nurses station to answer the phone/patient call system from 8:00a-8:00/9:00p.

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Critical Care	Patient care ratio required by the State is a 2:1 (patients to licensed nurse); there can never be more than 50% LVN's; an LVN cannot titrate IV medications or IV piggyback medication; US/Teletech will be utilized with unit censuses >4 or teles>4.
PCU	Using matrix with regard to acuities telemetry technician will be utilized >6 patients or >6 telemetry
Emergency Room	Staffing is somewhat fixed at: 4 staff 7a-7p, 1 EDPR 11a-11p, 1 ER Tech 12p-12a, 4 staff 7p-7a, Unit activity may cause the need to augment staff.
Urgent Access	2 staff 11a-11p, 1 tech 11a-11p
Senior Mental Health	There should never be less than 2 licensed (minimum 1 RN) on duty at all times; even at low census there will be 1 RN and 1 Nursing personnel; at a census of 21 there will be 4 licensed, 2 CNA's and 6 hours CNA and Unit Secretary; this does not include the nurse manager.
Operating Room	1 RN circulator and 1 RN or OR Tech scrub for each room; the circulator will always be an RN; there will always be 2 RNs or 1 RN and 1 OR Tech called in for all emergency cases.
PACU	Patient to staff ratio will vary according to patient classification and is as follows: Class I – 1:3 – any stable and awake uncomplicated adult patient; Class II – 1:2 – any stable, unconscious adult patient, or any patient who has undergone major surgery and whose systems are stabilized, or any uncomplicated, awake pediatric patient with support staff, or any conscious, stable, uncomplicated patient age 11 years through 17 years; Class III – 1:1 – at the time of admission to PACU, or any patient requiring life support, or any unconscious, pediatric patient age 10 years or younger (a second nurse must be available to assist as needed).
Gastrointestinal Lab	1 RN to monitor and 1 RN or LVN to assist the physician.
Ambulatory	Staffing is based on the standard hours per patient day of 3.85; based on patient census, the staffing is as follows: 6:00a-2:30p 3 RN's, 8:00a-4:30p 1 RN, 9:00a-5:30p 1 RN, 11a-7:30p 1 RN, 7a-3:30p 1 LVN.

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Subacute/Long Term Care	Minimal staffing for 1 resident is 1 RN, 1 CNA all three shifts; at 7 residents add 1 LVN; the matrix must be followed closely; staffing cannot include the activities director, helper, social services, unit secretary, staff development, MDS nurse or clinical director.
Acute Rehabilitation	1 resident requires 1 for all shifts with 3 residents add 1 CNA all shifts; with 9 residents add 1 LVN all shifts; the matrix must be followed closely.

Augmentation:

These are guidelines only. Acuity of patients, knowledge base of staff, and competency of staff are essential components/considerations to proper staffing. Safety factors must also be constantly considered, e.g., an employee (even willingly) cannot be assigned for multiple shifts or hours without adequate rest.

CARDIO/PULMONARY DEPARTMENT

Scope of Services:

Cardio-Pulmonary Services provides a 24-hour, 7-day a week service to adult, geriatric, pediatric inpatients and outpatients throughout the Inland Empire. The scope of services provided includes: patient assessment, adult continuous ventilation, adult bipap non-invasive ventilation, therapies, and diagnostic testing and monitoring.

Patient care needs are identified through both a collaborative process between the various services including Medical Staff and Nursing, and the physical examination of the patient, using diagnostic tests as needed. The Respiratory Care Policies and Procedures are developed and based on the American Association for Respiratory Care (AARC) and the California Respiratory Care Practice Act (RCPA).

The department is under medical direction from a Board Certified Pulmonologist as the Medical Director. The department leadership is made up of National Board Respiratory Care (NBRC) Registered Respiratory Therapist as Department Director and NBRC Registry Eligible Respiratory Therapist as Lead Therapist.

The minimum staffing requirement is based upon the number of procedures to be done per shift and is determined by the Lead Therapist. The minimum number of staff required to give adequate care to the critical care areas and the emergency room only, is two therapists. The Director is responsible for determining the number and mix of staff.

Skill Mix:

Respiratory Care Practitioner, Echo Technician, Cardiology Technician, Secretary/Cardio Assistants.

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1-Minimum Staffing:

Shift/Description	Monday – Friday	Saturday	Sunday	On-Call
Days				Cardio Echo Tech every wknd
Echo Tech	2	1	1	
Respiratory Technician	4	3	3	
Cardio Tech	1			
Secretary/Cardio Asst	1			
Evenings				
Cardio Assistants	1			
Respiratory Technician	3	3	3	
Nights				
Respiratory Technician	2	2	2	

Augmentation:

Minimum staffing may be augmented when the patient volume and workload increases significantly. Additional staff as necessary would be provided.

DIAGNOSTIC IMAGING

Scope of Service:

The Diagnostic and Treatment Services provides Diagnostic Radiology CT/MRI/Angiography, Ultrasound and Nuclear Medicine. Services are provided within the department, the operating room, and at the bedside.

The Diagnostic Imaging staff, under the direction of the Department Director, is composed of radiographers that are licensed through the American Registry of Radiologic Technologists. They also are certified radiologic technologists by the State of California, most with special emphasis and national licensure in mammography, computerized tomography, magnetic resonance imaging, invasive procedures/angio special procedures, nuclear medicine, and registered diagnostic medical sonographers. Additional staff is composed of certified medical transcriptionists and secretarial and clerical staff, some of whom act as transporters, couriers, and darkroom technicians. The radiologist staff is board certified and several with specialty board certifications, i.e., MRI, nuclear, ultrasound, and vascular angiogram. These physicians are available 24-hours a day, 7-days a week on site. All staff licensed physicians are welcome to order exams in the department.

Diagnostic Imaging is staffed 24-hours a day, 7-days a week.

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Skill Mix:

Radiology Technologist, Nuclear Medicine Technologist, Mammographer, and Ultrasound Technologist, Clerk.

Minimum Staffing:

Shift/Description	Monday – Friday	Saturday	Sunday	On-Call
7:00a-3:30p				
Radiology Technologist	12	4	4	
Clerk	2	1	1	
Ultrasound Tech	2			1
Nuclear Med Tech	2			
Mammographer	3			
3:30p-11:00p				
Radiology Technologist	5	1	1	
Clerk	1	1	1	
11:00p-7:00a				
Radiology Technologist	1	1	1	

Augmentation:

Staffing is increased based on projected census and actual volume of procedures scheduled; staffing is based on 2.5 procedures per patient.

LABORATORY

Scope of Service:

Provides for the analysis of blood, urine, and other body fluids based upon the physicians' order for outpatients and inpatients. Services are provided within the laboratory, pavilion, emergency department, and patient rooms. Significant services include: phlebotomy, hematology, urinalysis, coagulation, serology, chemistry, therapeutic drug monitoring, microbiology, transfusion service, and anatomic pathology.

Skill Mix:

Clinical Laboratory Scientist, Phlebotomists/Lab Assistants

Shift/Description	Monday – Friday	Saturday	Sunday	On-Call
Day				
Clinical Laboratory Scientist	4	3	3	
Phlebotomists/Lab Assistants	4	3	2	
Evening				
Clinical Laboratory Scientist	2	2	2	

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Phlebotomists/Lab Assistants	3	1	1	
Night				
Clinical Laboratory Scientist	1	1	1	
Phlebotomists/Lab Assistants	1	1	1	

Augmentation:

Minimum staffing is augmented when the patient volume and workload increases significantly by utilizing part-time and per diem employees.

ADMITTING

Scope of Service:

The Admitting Department is located in the Outpatient Pavilion, the Emergency Department (including Urgent Access), and the Rehabilitation Hospital. Most of the patients served are from within the Inland Empire. The primary function is to ensure the most expeditious patient processing while providing the ancillary departments, physicians, etc., the most complete, accurate patient data. A secondary function is to ensure the financial integrity of each account.

Skill Mix:

Admitting Representative, Insurance Verifier, Financial Counselor, Admitting Assistant

Minimum Staffing:

Outpatient Pavilion:

Shift/Description	Monday – Friday	Saturday	Sunday	On-Call
Day				
Admitting Representative	7	3	1	
Financial Counselor	1			
Admitting Assistant	1			
Insurance Verifier	2			
Eve				
Admitting Representative	1			

Emergency Department:

Shift/Description	Monday – Friday	Saturday	Sunday	On-Call
Day				
Admitting Representative	3	2	2	
Night				
Admitting Representative	2	3	3	

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Rehabilitation Hospital:

Shift/Description	Monday – Friday	Saturday	Sunday	On-Call
Day Admitting Representative	1	1	1	
Eve Admitting Representative	.5			

Augmentation:

The minimum staffing is augmented based upon the number of patients. Additional staffing may be added by temporary, per diem, or reassignment of staff to meet the Medical Center's needs.

Approval Signature:  Title: Chief Human Resources Officer

Department: Human Resources Date: August 29, 2000

Corona Regional Medical Center Employee Handbook

Effective March 1, 1999



CORONA REGIONAL
MEDICAL CENTER

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Welcome!

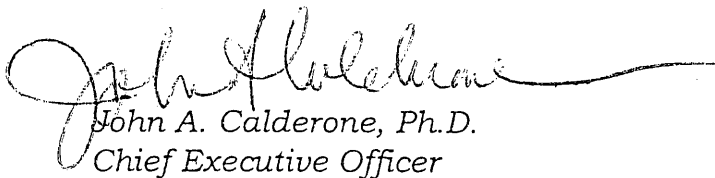
Welcome to Corona Regional Medical Center. We are pleased that you have chosen to join our team of health care professionals. You are now a part of a unique organization that faces new challenges as it serves the rapidly growing Corona-Norco area.

At Corona Regional Medical Center, our most important value is our commitment to customer service. The vital element in providing service excellence is the people who make up the Corona Regional Medical Center team. Service excellence begins with you! You will help serve our patients', volunteers', fellow employees', physicians', and the community's needs through your position.

The operation of our Medical Center is a total team effort, requiring the skills of many specialties, the knowledge and experience of many professions, and the work and cooperation of every employee. We seek to recruit and retain the very best. You will be working with various types of people in an environment that is dynamic and changing rapidly. It is our superior staff and technology that has helped make us the local preferred health care provider. Being part of the Corona Regional Medical Center team includes understanding our history, mission, programs, practices, services, and benefits—this handbook was designed to further assist you in becoming an integral part of the team.

Through our association, we entrust in you our values, our reputation, and our commitment to excellence. Our past contributions to the community signify our approach—we keep moving forward, open to new opportunities and doing new things. We invite you to take pride in our approach and be a vital part of the solution to meet future challenges, opportunities and successes with Corona Regional Medical Center.

Sincerely,


John A. Calderone, Ph.D.
Chief Executive Officer

TO: All Employees
FROM: Dianne Cox, Director Human Resources
DATE: March 17, 2000
SUBJECT: EMPLOYEE HANDBOOK AND POLICY & PROCEDURE UPDATE

The Human Resources Policy & Procedure manual has been recently updated to include legislative and other Corona Regional Medical Center policy changes. This updated binder is available in your department. Several of these changes also impact the content of the Employee Handbook. The following should be considered an addendum (additions and/or changes) to your Employee Handbook dated 3/1/99. Please consult the Human Resources Policy & Procedure manual for full details.

Orientation – Page 11

All employees and regular contract services must attend General Orientation within 90 days of employment and are required to complete the self-study packet given at time of new hire processing before starting their position.

Attendance – Page 15

Excessive unscheduled absences, tardiness, or leaving early will cause progressive corrective action at the verbal warning level, written warning, final written warning and termination of employment.

For full-time employees:

- Two (2) occurrences within a 30 day period;
- Four (4) occurrences within a 120 day period;
- Seven (7) occurrences within a 365 day period.

For part time equivalent employees:

- Two (2) occurrences within a 30 day period;
- Three (3) occurrences within a 120 day period;
- Four (4) occurrences within a 365 day period.

Confidentiality – Page 23

The hospital is committed to protecting the privacy of its patients and shall govern strictly the disclosure of any patient information to anyone other than a hospital employee or medical staff member, and when applicable, an internal or external auditor. Any employee who engages in the unauthorized disclosure of any information may be subject to immediate termination.

Annual Update – Page 33

All employees will within 90 days of employment and annually, attend the Knowledge Fair Update to review and update their knowledge and/or skills regarding pertinent hospital policies, procedures and information.

Tuition Reimbursement – Page 47

All full-time and part-time regular employees may apply for Education Assistance for outside education seminar-type programs or tuition reimbursement for college level programs. Completed Education Assistance Application forms must be submitted for written approval.

Differentials – Page 32

P.M. or Night shift differential will be paid to an employee who regularly works those eligible shifts but who works a day shift at the request of the department Director.

(Over)

Major Medical – Page 40

Major Medical is awarded to all regular full-time and part-time regular Medical Center employees. Major Medical can be used to supplement the employee's wages should the employee have an illness or injury, or to attend to the illness of their child, parent, or spouse.

Paid Time Off – Page 38

Paid Time Off (PTO) is awarded to all regular full-time and part-time regular employees. Accrual rates are awarded based on length of service according to the following schedule:

0 – 4 years of service	Paid hours x .0846 up to 176 hours per year	Cap 160
5 – 10 years of service	Paid hours x .1039 up to 216 hours per year	Cap 200
11 + years of service	Paid hours x .1231 up to 256 hours per year	Cap 240

Termination of Employment – Page 28

Employees terminating employment will receive their final paycheck on their last day worked in the Human Resources department. Included with the final paycheck will be a pamphlet from the State Employment Development Department (EDD) entitled "For Your Benefit: California's Program for the Unemployed," and a copy of the employee's Turnaround Document (TAD). During final processing in Human Resources, the employee will be asked to complete an exit interview form or the employee may request an exit interview with a Human Resources representative.

Prohibited Conduct – Page 20

Additional examples of possible employee infractions and violations of the Hospital Compliance Plan:

- ◆ Negligently providing incorrect information to the Hospital, or to a government agency, patient, insurer, or the like.
- ◆ Willfully providing materially false information to the Hospital, or a government agency, patient, insurer, or the like.
- ◆ Violation of any state or Federal statute.
- ◆ Failure to report to the Hospital or the Compliance Resource Group, conduct by an employee that a reasonable person should know is criminal.
- ◆ Failure to report another employee's violations of any duties under the Hospital Compliance Plan, or reporting false or misleading information.
- ◆ Intentional misuse of the compliance help-line by knowingly and willfully providing false information to members of the Compliance Resource Group.
- ◆ Failure to detect conduct by an employee that a reasonable person should know is criminal, and reasonably could be expected to detect.
- ◆ Failure to take action as prescribed under the Hospital Compliance Plan or comply with any duties, express or implied, set forth in the program.

Code of Conduct – Page 20

Strict adherence to the Integrity Standards and Policies and Procedures by all employees of the Hospital is vital to our compliance commitment. For clarification or guidance on any point in the Integrity Standards or Compliance Plan, please consult the Compliance Resource Group.

Employees are expected to report any suspected violations of the Integrity Standards, Compliance Plan, or other irregularities to their supervisor or the Compliance Resource Group. If the employee wishes to remain completely anonymous, that employee may submit his/her report to the following number 1-888-698-0999. All reports must contain sufficient information for the Compliance Resource Group to investigate the concerns raised. No adverse action or retribution of any kind will be taken by the Hospital against an employee because he or she reports in good faith a suspected violation of the Integrity Standards, Compliance Program, or other irregularity by any person other than the reporting employee.

Mission

We are dedicated to the health, healing, and wellness of those we serve with compassion and integrity.

Values

To Our Employees:

We promote a dynamic environment that fosters empowerment, development, respect, and professionalism which upholds our philosophy of superior service excellence.

Respect

Cost Effectiveness

Service

Responsible

Accountable

Quality Care & Compassion

Trust & Teamwork

To Our Patients:

We provide quality, collaborative healthcare by striving to exceed your expectations, encompassing education and preventive care for your quality of life.

Partners in Health and Healing

To Our Volunteers:

We honor your commitment to service and will provide you with an atmosphere that enriches your experience.

To

Our

Community:

We embrace healthy living and focus on community needs through programs, services, partnerships, and resources.

To Our Medical Staff:

We support you in providing quality patient care with the highest ethical standards and together we shall meet the healthcare challenges for those patients we serve.

Vision

The sole acute and rehabilitation provider delivering comprehensive and cost-effective services emphasizing superior customer service with a mission to reinvest in our community.

INTRODUCTORY STATEMENTS

About Corona Regional Medical Center

The formation of Corona Regional Medical Center extends a community hospital tradition begun in 1940. In October 1992, Vista Hospital Systems, Inc., a not-for-profit hospital system, formed Corona Regional Medical Center, a two-campus organization which includes a continuum of care of acute-care, rehabilitation, and outpatient services.

We have a team of employees, physicians and volunteers--our Partners in Health and Healing--who are dedicated to ensuring that high quality medical care is available to our service area of Corona-Norco and the surrounding communities.

About Your Handbook

This handbook has been prepared to provide all of our employees with an overview of basic Medical Center policies, practices and benefits. We believe that understanding the Medical Center and how it works is an important step in developing and maintaining productive employer/employee relationships. Please take the time to read this handbook. It is your responsibility to familiarize yourself with the policies and procedures contained in the handbook, and you must also abide by all rules, policies, and standards set forth in the handbook. This employee handbook contains the employment policies and practices of the Medical Center in effect at the time of publication. All previously issued handbooks and any inconsistent policy statements or memoranda are superseded.

The policies outlined in this handbook reflect the usual way of handling various situations. Management, however, reserves the right to deviate from existing policies in its discretion because of individual circumstances or special needs. Also there will be situations that require a change from time to time in policies, practices and benefits described in this handbook. Accordingly, the Medical Center reserves the right to modify, add, delete or revise any provisions contained in this handbook at any time as necessary or appropriate in its sole and absolute discretion. Any written changes to this handbook will be distributed to all affected employees so that employees will be aware of the new policies or procedures. No oral statements, or representations can in any way change or alter the provisions of this handbook. Please keep this handbook readily available and insert revised material promptly so that your handbook is kept current at all times.

If at any time you have questions, concerns or suggestions about your work, Medical Center policies or the operation of the Medical Center in general, feel free to discuss them with your department head. While your department head is not authorized to modify or amend a policy, nor is a department head's interpretation of a policy or

procedure final and binding, your department head's insight may be helpful to you. Should you have questions or concerns about a policy after speaking with your department head, you should seek further guidance from your Human Resources Representative. Your Human Resources Representative provides employees with information and necessary assistance to understand the Medical Center's human resources policies and to promote a positive and fair work environment. The Human Resources Representative can provide you with current information on work rules, benefits, policies, payroll data, personnel records, insurance, and job opportunities. Your Human Resources Representative is available to help you with any problems or concerns during your employment.

Employee Relations

We believe that the work conditions, wages and benefits we offer to our employees are fair. If you have questions or concerns about any work-related issue, you are strongly encouraged to talk openly and directly with your department head. Our experience has shown that when employees deal openly and directly with supervisors, the work environment can be exceptional, communications can be clear, and attitudes can be positive.

The Medical Center has demonstrated and will continue to demonstrate a commitment to employees by responding effectively to employee questions and issues. In an effort to protect and maintain direct employer/employee communications, we encourage you to speak up. Our goal is to share with employees the Medical Center's mission of providing high-quality health care services while promoting a sincere pride in the workplace. We can do this only by working closely together.

Patient and Customer Service

Providing the best in patient and customer service will enhance our reputation and make us the hospital of choice...for employees, physicians, volunteers, and the community we serve. Employees are expected to be polite, courteous, prompt and attentive to every patient and customer, and to understand and support the guidelines below. Employees are evaluated, in part, on their demonstrated customer service skills. When a situation arises where you do not feel comfortable or capable of handling a problem, call your supervisor or department head for assistance. Applying the following will meet our Patient and Customer Service expectations:

Break The Ice: Make eye contact, smile, say hello, introduce yourself, call people by name, and extend a few words of concern.

Notice When Someone Looks Confused: Stop and lend a hand.

Take Time For Courtesy And Consideration: Kind words and polite gestures make people feel special.

Keep People Informed: Explain what you are doing and what people can expect. People are always less anxious when they know what is happening. Communicate.

Anticipate Needs: You will often know what people want before they have to ask. Don't wait. Act.

Respect People's Time And Respond Quickly: When patients are worried or sick every minute seems like an hour. When co-workers need information or help they find delays frustrating.

Maintain Privacy And Confidentiality: Knock as you enter a patient's room. Watch what you say and where you say it. Protect personal information.

Handle With Care: Slow down. Imagine that you are on the receiving end.

Maintain Dignity: Give choices in interactions with patients. Close curtains to provide privacy. That patient could be your child, your partner, your parent or your friend.

Take The Initiative: Just because something is "not your job" doesn't mean you can't help or find someone who can.

Treat Patients As Adults: Your words and tone should show respect and consideration.

Listen And Act: When people complain, do not blame others or make excuses. Hear them out and do all you can to respond to the problem and make things right.

Help Each Other: When you help your co-workers, you help patients too.

Keep It Quiet: Noise annoys! It also shows a lack of consideration and concern for patients.

Apply Telephone Skills: When you are on the telephone, your organization's reputation is on the line. Sound pleasant. Be helpful. Listen with understanding.

Look The Part: Professional dress and demeanor build people's confidence in all of us.

YOUR EMPLOYMENT

Employment at Will

Employment at Corona Regional Medical Center is employment at will. Employment at will may be terminated at the will of either the employer or the employee. Employment may be terminated with or without cause at any time by you or by the Medical Center. Terms and conditions of employment with the Medical Center may be modified at the sole discretion of the Medical Center with or without cause and with or without notice. Other than the Chief Executive Officer of the Medical Center, no one has the authority to make any agreement for employment other than for employment at will or to make any agreement limiting the Medical Center's discretion to modify terms and conditions of employment. Only the Chief Executive Officer has the authority to make any such agreement and then only in writing. No implied contract concerning any employment-related decision or term or condition of employment can be established by any other statement, conduct, policy or practice. Examples of the types of terms and conditions of employment which are within the sole discretion of the Medical Center include, but are not limited to, the following: promotion; demotion; transfers; hiring decisions; compensation; benefits; qualifications; discipline; layoff or recall; rules; hours and schedules; work assignments; job duties and responsibilities; production standards; subcontracting; reduction, cessation or expansion of operations; sale, relocation,

merger or consolidation of operations; determinations concerning the use of equipment, methods or facilities; or any other terms and conditions that the Medical Center may determine to be necessary for the safe, efficient and economic operation of its business.

Equal Employment Opportunity

This Medical Center is an equal opportunity employer and makes employment decisions on the basis of merit. We want to have the best available person in every job.

Medical Center policy prohibits unlawful discrimination based on race, color, creed, sex, religion, marital status, veteran status, age, national origin or ancestry, physical or mental disability, medical condition, sexual orientation, or any other consideration made unlawful by federal, state or local laws. All such discrimination is unlawful.

The Medical Center is committed to complying with all applicable laws providing equal employment opportunities. This commitment applies to all persons involved in the operations of the Medical Center and prohibits unlawful discrimination by any employee of the Medical Center, including supervisors and co-workers.

To comply with applicable laws ensuring equal employment opportunities to qualified individuals with a disability, the Medical Center will make reasonable accommodations for the known physical or mental limitations of an otherwise qualified individual with a disability who is an applicant or an employee unless undue hardship would result.

Any applicant or employee who requires an accommodation in order to perform the essential functions of the job should contact a Medical Center representative with day-to-day personnel responsibilities and request such an accommodation. The individual with the disability should specify what accommodation he or she needs to perform the job. The Medical Center then will conduct an investigation to identify the barriers that make it difficult for the applicant or employee to have an equal opportunity to perform his or her job. The Medical Center will identify possible accommodations, if any, that will help eliminate the limitation. If the accommodation is reasonable and will not impose an undue hardship, the Medical Center will make the accommodation.

If you believe you have been subjected to any form of unlawful discrimination, provide a written complaint to your supervisor or the individual with day-to-day personnel responsibilities. Your complaint should be specific and should include the names of the individuals involved and the names of any witnesses. The Medical Center will undertake an effective, thorough and objective investigation and attempt to resolve the situation. If the Medical Center determines that unlawful discrimination has occurred, effective remedial action will be taken commensurate with the severity of the offense and whatever action is taken will be made known to the employees involved. Appropriate action also will be taken to deter any future discrimination. The Medical Center will not retaliate against you for filing a complaint and will not knowingly permit retaliation by management employees or your co-workers.

Introductory Period

The first ninety days of continuous employment at the Medical Center is considered an

introductory period. During this time you will learn your responsibilities, become acquainted with fellow employees and determine whether you are content with your job. Also, during this time, your supervisor will closely monitor your performance.

Upon completion of the introductory period, the Medical Center will review your performance. If the Medical Center finds your performance satisfactory and decides to continue your employment, they will advise you of any improvements expected from you. At this time or at any time, you may express suggestions to improve the Medical Center's efficiency and operations.

Completion of the introductory period does not entitle you to remain employed by the Medical Center for any definite period of time. Both you and the Medical Center are free, at any time, with or without notice and with or without cause, to end the employment relationship. After completion of the introductory period, eligible employees will receive the benefits as described in this handbook.

Job Description

During the introductory period, your supervisor will explain your job responsibilities and the performance standards expected of you including a review of your job description. Be aware that your job responsibilities may change at any time during your employment. From time to time, you may be asked to work on special projects or to assist with other work necessary or important to the operation of your department or the Medical Center. Your cooperation and assistance in performing such additional work is expected.

The Medical Center reserves the right, at any time, with or without notice, to alter or change job responsibilities, reassign or transfer job positions, or assign additional job responsibilities.

Orientations

Soon after being hired, you will be required to attend General Orientation or complete a self-study packet. This Orientation will help acquaint you with the Medical Center policies and procedures that pertain to your employment. Attendance or the completion of a self-study packet within the first 30 days of employment is mandatory. You will also have an orientation to your department to inform you of standards, policies, and procedures specific to your department.

Classification of Employees:

Full-Time Employees

Regular full-time employees are those who are normally scheduled to work and who do work a schedule of 80 hours per pay period or 72 hours if a 12-hour shift employee. Following the completion of the introductory period, regular full-time employees are eligible for most employee benefits described in this handbook.

Part-Time Regular/Part-Time Non-Benefited Employees

Part-time regular employees are those who are normally scheduled to work and who do work less than full-time but a minimum of 48 hours or more per pay period. Part-time regular employees are eligible for some, but not all of the employee benefits described in this handbook.

Part-time non-benefited employees are those who work less than 48 hours per pay period and are not eligible for employee benefits, except where mandated by applicable law.

On-Call Employees

An employee who works on an as-needed basis, with no regular schedule, generally to provide relief for vacations or extended illness, and/or to fill vacancies due to volume fluctuations for a temporary period of time.

Per Diem Employees

An employee functioning in a professional and technical position that is considered to be in a supply/demand labor market. Per Diem employees are required to sign and comply with the department-specific Per Diem Agreement as a condition of employment.

Temporary Employees

Temporary employees are those employed for short-term assignments. Short-term assignments will generally be periods of six months or less, however, such assignments may be extended. Temporary employees are required to complete the entire new hire process and must comply with all Medical Center policies. Temporary employees are not eligible for employee benefits, except where mandated by applicable law.

Contract Services

Outside resources will be utilized when a need is determined for specialized services and/or to fulfill a shortage of qualified staff.

Category I - Regularly Scheduled: Contract services for patient-care related staffing provided on a regular basis by an independent contractor with a minimum regular schedule of two or more days per month or services schedule of two or more days per month or services provided by a contracted company with on-site staff.

Category II - As Needed: Contract services for patient-care related staffing provided on an as-needed or infrequent basis by an independent contractor (typically less than two days per month), registry services, other companies providing clinical or non-clinical staff services or temporary staffing agencies.

Exempt Employees

An employee who, by the nature of his/her work responsibilities, is considered exempt from Federal and State Wage and Hour overtime regulations. Executive, administrative, professional and certain sales employees are generally overtime exempt.

Non-Exempt Employees

An employee who, by the nature of his/her work responsibilities is eligible for overtime compensation as specified by Federal and State Wage and Hour overtime regulations.

Licensure and Certification

If Medical Center policy or the law requires that you be currently licensed, certified or registered to perform your duties, you will be asked to present evidence of your current license, certification or registration at the time of your employment and at the time of renewal during the course of your employment with the Medical Center. Lack of required current licensure, certification or registration will be cause for corrective action, up to and including termination.

Job Transfers and Promotions

Employees of Corona Regional Medical Center who have successfully completed six (6) months of employment may request a transfer to a posted position by completing a Job Bid available in Human Resources. This requirement does not apply to transfers within the same department. The six months employment requirement may be waived with approval of both Department Heads and Human Resources.

The Medical Center believes in transferring and promoting qualified employees to positions of increased responsibility. Transfer and promotion decisions are based, among other things on long term business goals, employee performance, the Medical Center's assessment of the employees potential for success in the new position relative to the requirements of the position. Promotions and transfers will be offered to employees at the sole discretion of the Medical Center.

Employment of Relatives

The Medical Center may not hire relatives where actual or potential problems may arise regarding supervision, security, safety or morale, or where potential conflicts of interest exist. Relatives are defined to include spouses, children, siblings, parents, in-laws and step-relatives.

If two employees marry or become related, causing actual or potential problems such as those described above, only one of the employees will be retained with the Medical Center unless reasonable accommodations can be made to eliminate the actual or potential problems. If reasonable accommodations cannot be made to eliminate actual or potential problems that arise when two employees marry or become related in a reasonable time frame, the Medical Center reserves the right to terminate the affected

employee.

Personnel Records

To keep employment files current, you are required to notify Human Resources of any changes in name, address, telephone number, marital status, dependents, designation of beneficiary and person to notify in case of emergency.

You have a right to inspect certain documents in your personnel file, as provided by law, in the presence of a Human Resources representative at a mutually convenient time. No copies of documents in your file may be made, with the exception of documents that you have previously signed. You may add your version of any disputed item to the file.

The Medical Center will attempt to restrict disclosure of your personnel file only to authorized individuals within the Medical Center. Any request for information from personnel files must be directed to the Human Resources department. The Medical Center will cooperate with requests from authorized law enforcement or local, state or federal agencies conducting official investigations and as otherwise legally required.

YOUR WORKPLACE

Work Schedules

Your supervisor will assign your individual work schedule. All employees are expected to be at their desks or work stations at the start of their scheduled shifts, ready to perform their work. Work schedule exchanges will not be approved for mere convenience or if the exchange will result in disruption of or interference with normal operations or will result in overtime. The Medical Center reserves the right, at any time, to alter or change work schedules. There can be no guarantee of consistent days off; schedules are designed to meet the needs of the department.

Meals Periods And Rest Breaks

Non-exempt employees are provided with a 30 minute meal period, to be taken approximately in the middle of the workday. These employees are allowed fifteen-minute rest periods for every four hours of work or major portion thereof. Your supervisor will schedule your meal breaks and rest periods. Schedules may vary depending upon department needs.

You are expected to observe your assigned working hours and the time allowed for meal breaks and rest periods. Do not leave the premises during your rest period and do not take more than fifteen minutes for each rest period. You may leave the premises on your meal period, however, please inform your supervisor if leaving.

Attendance

As an employee of the Medical Center, you are expected to be punctual and regular in attendance. To promote smooth Medical Center operations, employees are expected to report to work as scheduled, on time and prepared to start work. Employees also are expected to remain at work for their entire work schedule, except for meal periods or when required to leave on authorized Medical Center business.

If you are unable to report for work on any particular day, you must call your supervisor in compliance with department policy. In all cases of absence or tardiness, employees must provide their supervisor with an honest reason or explanation. Employees also must inform their supervisor of the expected duration of any absence. Absent extenuating circumstances, you must call in on any day you are scheduled to work and will not report to work.

Excessive absenteeism or tardiness cannot be tolerated. Employees will be considered tardy when they fail to begin work at the designated start time. Three late arrivals or early departures in a 30-day period or any one tardiness or early leave which is longer than 30 minutes will be considered excessive.

Criteria for unavailability for work is based upon the employee's scheduled hours per pay period within a rolling 12-month period. For full-time equivalent employees, Corrective Action may occur if you have two occurrences within a 30 day period, five within 120 days, or ten within a 12-month period. For part-time equivalent or on-call employees, Corrective Action may occur if you have two occurrences within a 30 day period, three within 120 days, or six within a 12-month period. Per Diem employees must comply with the required Per Diem Agreement.

Failure to give proper notice of absence may result in Corrective Action and if you fail to report for work without any notification to your supervisor and your absence continues for a period of three days, the Medical Center will consider that you have abandoned your employment and have voluntarily terminated.

Employees with disabilities will be granted reasonable accommodation in compliance with these policies if undue hardship does not result to the Medical Center's operations. However, regular attendance and promptness are considered part of an employee's essential job functions.

English-Only Rule

To promote patient care, safety and cooperation and to ease perceived harassment, all employees are required to speak only English within all departments, units and patient care areas except when asked to interpret. Employees are free to speak other languages during meal periods or rest breaks and during an employee's own time so long as they are not within a department, unit or other patient area. The Medical Center urges all employees to use their non-English language in a manner which will not be perceived by other employees as harassing, humiliating, or isolating other employees.

Personal Appearance

Employees are expected to wear clothing appropriate for the nature of our business and the type of work performed. Clothing should be neat, clean and tasteful. Avoid clothing that can create a safety hazard. Department heads may issue more specific guidelines. Employees may be asked to go home and change inappropriate clothing, when indicated by their supervisor or designee. If this occurs, the employee will not be paid during the time they are off duty.

Uniforms

You are responsible for the safekeeping of all uniforms you are furnished by the Medical Center. Employees issued Medical Center uniforms will be asked to sign an agreement that verifies their responsibility for any uniforms they are furnished. This agreement will authorize a wage deduction for the costs of any uniforms that are not returned upon termination or uniforms returned in condition not fit to wear.

When you terminate you must return all uniforms that were furnished by the Medical Center, prior to picking up your final paycheck. Replacement cost of uniforms that are not re-usable and uniforms not turned in at time of termination will be deducted from your final check as per the agreement signed when uniforms were issued.

Identification Badge

All employees receive an identification badge when hired. It identifies you as a member of the staff, and is to be worn during all your on-duty hours. It should be positioned so that your name and picture are clearly visible. Service pins and school pins may be worn if desired. No other badges, buttons or insignias (other than Medical Center issued I.D. badges) may be worn while on duty. If you are called in to work due to a disaster, your identification badge must be worn.

If you lose the original identification badge, it is your responsibility to purchase a replacement badge. Replacement badges are obtained from Human Resources at a cost of \$6.00 each. Badges which have been damaged or those in poor condition will be replaced at no charge.

Smoke-Free Workplace

Specific areas at the Medical Center have been designated as smoking areas. Smoking is not allowed in any enclosed building or in any area where smoke may enter the building, or where visitors enter and exit.

Drug-Free Workplace and Drug Testing

The Medical Center is concerned about the use of alcohol, illegal drugs or controlled substances as it affects the workplace. Use of these substances whether on or off the job can adversely affect an employee's work performance, efficiency, safety and health and therefore seriously impair the employee's value to the Medical Center. In addition, the use or possession of these substances on the job constitutes a potential danger to

the welfare and safety of other employees and exposes the Medical Center to the risks of property loss or damage, or injury to other persons.

Furthermore, the use of prescription drugs and/or over-the-counter drugs also may affect an employee's job performance. The legal use of prescribed drugs is permitted on the job only if it does not impair the employee's ability to perform the essential functions of the job effectively and in a safe manner, and does not endanger other individuals in the workplace. Any employee who is taking any prescription or non-prescription drug which might impair safety, performance, or any motor functions must advise his/her supervisor before reporting to work under such medication. Employees will not be required to identify such medications or the underlying illnesses. If the Medical Center determines that such use does not pose a safety risk, the employee will be permitted to work.

In keeping with the goals established by this policy, employees and job applicants may be asked to provide body substance samples (e.g., blood, urine) to determine the illicit use of drugs under the following. The Medical Center will attempt to protect the confidentiality of all drug test results:

Pre-Employment Testing: As a pre-qualification to assuming any position, prospective employees are required to provide a body substance sample for drug testing. This occurs in connection with the pre-employment medical examination.

Post-Accident Testing: Any current employee who is involved in a serious incident or accident while on duty, whether on or off the employer's premises, may be asked to provide a body substance sample.

Fitness-For-Duty or Reasonable Suspicion Testing: This test may be required if significant and observable changes in employee performance, appearance, behavior, speech, etc. provide reasonable suspicion of his/her being under the influence of drugs and/or alcohol. A fitness-for-duty evaluation may include the testing of a body substance sample.

The Medical Center will encourage and reasonably accommodate employees with chemical dependencies (alcohol or drug) to seek treatment and/or rehabilitation. To this end, employees desiring such assistance should request a treatment or rehabilitation leave. The Medical Center is not obligated, however, to continue to employ any person whose performance of essential job duties is impaired because of drug or alcohol use, nor is the Medical Center obligated to re-employ any person who has participated in treatment and/or rehabilitation if that person's job performance remains impaired as a result of dependency. Additionally, employees who are given the opportunity to seek treatment and/or rehabilitation, but fail to successfully overcome their dependency or problem, will not automatically be given a second opportunity to seek treatment and/or rehabilitation. This policy on treatment and rehabilitation is not intended to affect the Medical Center's treatment of employees who violate the regulations described above. Rather, rehabilitation is an option for an employee who acknowledges a chemical dependency and voluntarily seeks treatment to end that dependency.

The following are strictly prohibited by the Medical Center: Possession or use of alcohol, or being under the influence of alcohol while on the job; possession or use of an illegal or controlled substance, or being under the influence of an illegal or controlled substance while on the job; driving a Medical Center vehicle while under the influence of alcohol, any illegal drugs or controlled substances; distribution, sale or purchase of an illegal or controlled substance while on the job.

Violation of the above rules and standards of conduct will not be tolerated. The Medical Center also may bring the matter to the attention of appropriate law enforcement or licensure authorities.

To enforce this policy, the Medical Center reserves the right to conduct searches of Medical Center property or employees and/or their personal property, and to implement other measures necessary to deter and detect abuse of this policy, including asking an employee to submit to a drug or alcohol test upon reasonable suspicion. Refusal to submit to this test may be considered insubordinate and may result in termination of employment.

An employee's conviction on a charge of illegal sale or possession of any controlled substance while off Medical Center property will not be tolerated because such conduct, even though off duty, reflects adversely on the Medical Center. In addition, the Medical Center must keep people who sell or possess controlled substances off the Medical Center's premises in order to keep the controlled substances themselves off the premises.

Safety and Security

The following security considerations are offered to help maintain a secure workplace. Be aware of persons loitering for no apparent reason (e.g., in parking areas, walkways, entrances/exits and service areas). Report any suspicious persons or activities to Security personnel. Secure your desk at the end of the day or when called away from your work area for an extended length of time and do not leave valuable and/or personal articles in or around your work station that may be accessible.

Every employee is responsible for the safety of himself or herself as well as others in the workplace. To achieve our goal of maintaining a safe workplace, everyone must be safety conscious at all times. In compliance with California law, and to promote the concept of a safe workplace, the Medical Center maintains an Injury and Illness Prevention Program. It is the responsibility of employees to read and understand the injury and illness prevention program and its application to their job.

All employee and volunteer, patient or visitor injuries on Medical Center property must be promptly reported to your supervisor or department head.

Emergency Fire Awareness

Fire, one of the greatest dangers in the Medical Center, is a serious and constant threat and places tremendous responsibility upon every employee. Carelessness and

thoughtlessness are the main causes of fire. Every employee of this Medical Center is responsible to prevent fires. Be alert for any fire hazards and never hesitate to report such hazards to the Supervisor.

Upon discovery of smoke or fire in a patient area, be calm, reassuring and remain in control. It is important that you reassure and calm the patients and visitors and make them your first responsibility. The first few minutes before the arrival of the fire department are the most critical. Control of the fire can easily be affected by knowing what to do. Follow the "RACE" and "PASS" rules described in orientation and in your department.

R--Rescue patients in immediate danger.
A--Announce or activate the fire alarm.
C--Contain the fire by closing all doors.
E--Extinguish the fire with fire extinguishers.

P--Pull out the iron pin.
A--Aim the nozzle at the base of the fire.
S--Squeeze the trigger.
S--Sweep the nozzle back and forth at the base of the fire.

Disaster, Infection Control And Environment of Care Awareness

The Medical Center is dedicated to ensuring every employee a safe healthful working environment and to maintaining the safety standards set forth by the California Occupational EOC and Health Act (OSHA). Copies of Disaster, Infection Control and Safety manuals are available in each department. It is your responsibility to become familiar with rules, regulations and procedures in these manuals. If you notice an unsafe condition or practice, report it to your Supervisor so that it may be investigated and corrected.

The Medical Center conducts an Environment of Care meeting on a monthly basis. You are welcome to participate in this committee to present recommendations; suggestions are always welcome.

Workplace Violence

The Medical Center recognizes that violence in the workplace is a growing nationwide problem necessitating a firm, considered response by employers. The costs of workplace violence are great, both in human and financial terms. Therefore, the Medical Center has adopted this policy regarding workplace violence.

The safety and security of Medical Center employees is of vital importance. Acts or threats of physical violence, including intimidation, harassment and/or coercion, that involve or affect the Medical Center property, will not be tolerated.

This prohibition against threats and acts of violence applies to all persons involved in the operation of the Medical Center, including, but not limited to supervisory personnel, contract and temporary workers and anyone else on Medical Center

property. Violations of this policy, by any individual, will lead to Corrective and/or Legal Action as appropriate.

Off Duty Conduct

While the Medical Center does not seek to interfere with the off-duty and personal conduct of its employees, certain types of off-duty conduct may interfere with the Medical Center's legitimate business interests. For this reason, employees should be aware of the following policies.

Employees are expected to conduct their personal affairs in a manner that does not adversely affect the Medical Center's or their own integrity, reputation or credibility. Illegal or immoral off-duty conduct on the part of an employee that adversely affects the Medical Center's legitimate business interests or the employee's ability to perform his or her job will not be tolerated. The following are strictly prohibited:

- a. Employment which conflicts with an employee's work schedule, duties and responsibilities.
- b. Employment which creates a conflict of interest or is incompatible with an employee's employment with the Medical Center.
- c. Employment which impairs or has a detrimental effect on an employee's work performance with the Medical Center.
- d. Employment which requires an employee to conduct work or related activities on Medical Center property, during Medical Center working hours or using Medical Center facilities and/or equipment.
- e. Employment that directly or indirectly competes with the business or the interests of the Medical Center.

Employees who wish to engage in outside employment that may create a real or apparent conflict of interest must submit a written request to the Medical Center explaining the details of the outside employment. If the outside employment is authorized, the Medical Center assumes no responsibility for the outside employment. The Medical Center shall not provide workers' compensation coverage or any other benefit for injuries occurring from or arising out of outside employment. Authorization to engage in outside employment can be revoked at any time.

Business Conduct and Ethics (Gifts and Gratuities)

No employee may accept a gift or gratuity from any customer, vendor, supplier or other person doing business with the Medical Center as it may give the appearance of influence regarding their business decision, transaction or service on Medical Center property.

Employer Property

Lockers, desks, vehicles and other property are Medical Center property and must be maintained according to Medical Center rules and regulations. They must be kept clean and are to be used only for work-related purposes. The Medical Center reserves the right to inspect all Medical Center property to ensure compliance with its rules and

regulations, without notice to the employee and/or in the employee's absence.

Receiving and opening mail delivered to employees of the Medical Center is performed as a normal and routine course of business. Personal mail should not be received at the workplace. The Medical Center cannot ensure confidentiality of personal mail received.

Voice mail or Electronic mail (E-mail) are to be used for business purposes only. The Medical Center reserves the right to listen to voice mail and to access E-mail messages to ensure compliance with this rule, without notice to the employee and/or in the Employees absence.

It may be necessary to assign and/or change "passwords" and personal codes for the E-mail and computer systems. These items are to be used for Medical Center business and they remain the property of the Medical Center. The Medical Center may keep a record of all passwords/codes used and/or may be able to override any such password system.

Prior authorization from your department head must be obtained before any Medical Center property may be removed from the premises.

Employee Investigations

The Medical Center may occasionally find it necessary to investigate current employees, where behavior or other relevant circumstances raise legitimate questions concerning work performance, reliability, honesty, trustworthiness, or potential threat to the safety of co-employees or others. Employee investigations may, where appropriate, include credit reports and investigation of criminal records, including appropriate inquiries about any arrest for which the employee is out on bail.

Note: All applicants are required to sign a "Notice and Consent Concerning Consumer Reports for Employment Applications and Employment Purposes" indicating authorization for Corona Regional Medical Center to request investigative consumer reports in connection with application for employment or during the course of employment (if any).

Employees subject to such investigations are required to reasonably cooperate with the Medical Center's lawful efforts to obtain relevant information, and may be disciplined up to and including termination for failure to do so.

Off-Duty Use of Facilities

Employees are prohibited from being on Medical Center premises or making use of Medical Center facilities while not on duty. Employees are expressly prohibited from using Medical Center facilities, Medical Center property or Medical Center equipment for personal use without authorization by your Department Head.

Employee Property

An employee's personal property, including but not limited to, lockers, desks, packages, purses and backpacks, may be inspected upon reasonable suspicion and with or without notice, and with or without the Employee's prior consent. Terminated employees should remove any personal items at the time they leave the Medical Center. Personal items left in the workplace by previous employees are subject to disposal if not claimed at the time of the employee's termination.

Lost and Found

The Environmental Services Department coordinates lost and found items. If you find an item and don't know who it belongs to, please contact a member of the Environmental Services Department who will be responsible for safekeeping.

Housekeeping

All employees are expected to keep their work areas clean and organized. Common areas such as lunch rooms, locker rooms and restrooms should be kept clean by those using them. Please clean up after meals. Dispose of trash properly.

Parking

Employee vehicles may be parked in the authorized parking lots. Employees may not use parking areas specifically designated for customers, vendors, or Medical Center vehicles. The Medical Center is not responsible for any loss or damage to employee vehicles or contents while parked on Medical Center property.

Bulletin Boards

The Medical Center personnel bulletin boards are located in Human Resources, in the hallway outside the cafeteria, the Rehab Hospital and in individual departments. You will find pertinent information concerning employee practices and policies, as well as other current information. Please make a habit of checking these boards frequently. These bulletin boards are for Medical Center use only. Do not put information on or remove information from the bulletin boards without approval from Human Resources.

Employee bulletin boards are also available for staff to post personal items for sale. Contact Human Resources for approval to post items on these boards.

Conflict of Interest

Situations of actual or potential conflict of interest are to be avoided by all employees. Personal or romantic involvement with a competitor, supplier or subordinate employee of the Medical Center which impairs an employee's ability to exercise good judgment on behalf of the Medical Center, creates an actual or potential conflict of interest. Employees will not use their positions or knowledge gained from their positions to adversely affect the Medical Center, or for personal, family, or third-party gain.

An employee involved in any of these types of relationships or situations which may be a conflict of interest should immediately and fully disclose the relevant circumstances to his/her immediate supervisor, or any member of the Medical Center's Administration, for a determination as to whether a potential or actual conflict exists. If an actual or potential conflict is determined, the Medical Center may take whatever corrective action appears appropriate according to the circumstances. Failure to disclose facts shall constitute grounds for corrective action.

Solicitation and Distribution of Literature

To ensure the efficient operation of the Medical Center's business and to prevent annoyance to employees, it is necessary to control solicitations and distribution of literature on Medical Center property. The Medical Center has established rules applicable to all employees governing solicitation, distribution of written material and entry onto the premises and work areas. All employees are expected to comply strictly with these rules. Any employee who is in doubt concerning the application of these rules should consult with his or her supervisor immediately.

No employee shall solicit or promote support for any cause or organization during his or her working time or during the working time of the employee or employees at whom such activity is directed. Working time includes all time in which an employee is paid and/or scheduled to be performing services for the Medical Center.

No employee shall distribute or circulate any written or printed material in work areas at any time, or during his or her working time or during the working time of the employee or employees at whom such activity is directed.

Under no circumstances will non-employees be permitted to solicit or to distribute written material for any purpose.

Confidentiality

Each employee is responsible for safeguarding confidential information obtained during employment. In the course of your work, you may have access to confidential information regarding the Medical Center, its suppliers, its customers or perhaps even fellow employees. It is your responsibility to in no way reveal or divulge any such information unless it is necessary for you to do so in the performance of your duties. Access to confidential information should be on a "need-to-know" basis and must be authorized by your supervisor. Any breach of this policy will not be tolerated and legal action may be taken by the Medical Center.

Electronic Communication and Security of Systems

Access to the Medical Center's computer system is for business purposes only and not for personal use. The system is not to be used for personal gain or advancement or individual views. Solicitation of non-Medical Center business is strictly prohibited. All electronic communication systems provided by the Medical Center, including the equipment and the data stored in the system, remains at all times the property of the Medical Center. As a result, all messages created, sent or retrieved over the Medical

Center's electronic mail system or via voice mail are the property of the Medical Center and should be considered public information. The Medical Center has the right to retrieve and read any message composed, sent, or received on the computer equipment electronic mail system or voice mail system. Any form of discrimination or harassment is strictly prohibited.

If you have access, you will be provided a password. This password is to be kept secret and is not to be used by any other person.

Telecommuting

The Medical Center considers telecommuting to be a viable work option for certain employees which, when properly implemented and administered, benefits both the Medical Center and the employee. The Medical Center defines telecommuting as the substitution of telecommunication technologies, including, but not limited to telephones, facsimile machines, computers, electronic mail, and modems for travel to the Medical Center from a home, or other remote office, for some part of the regularly scheduled workweek. Telecommuting does not change the basic terms and conditions of employment with the Medical Center. All Medical Center employees, including telecommuters, are subject to the Medical Center's employment policies and procedures.

Translation Services

If an individual is limited or non-English speaking or a communication barrier exists between individuals and Medical Center staff, arrangements shall be made for interpreters or the use of other mechanisms to ensure adequate communication between those individuals and Medical Center personnel. It will be necessary for you to become familiar with the procedure to follow in the event you need communication assistance while on duty. The Medical Center offers translation incentives of \$35.00 for every 10 translations outside of your area/department or a \$25.50 voucher for CRMC cafeteria, gift shop or Edwards movie tickets. Contact your supervisor for details.

Employees Who Are Required to Drive

Employees who are required to drive a Medical Center vehicle or their own vehicle on Medical Center business will be required to show proof of current, valid licenses and current effective insurance coverage prior to the first day of employment. Employees who regularly drive as part of their job will be required to show proof of renewal when current license or insurance coverage expire. The Medical Center participates in a system that regularly checks the DMV records of all employees who drive as part of their job.

The Medical Center retains the right to transfer to an alternative position, suspend or terminate an employee whose license is revoked, or who fails to maintain personal automobile insurance coverage or who is uninsurable under the Medical Center's policy. Employees who drive their own vehicles on Medical Center business will be reimbursed at the current rate established by the Internal Revenue Service.

Sexual and Other Unlawful Harassment

The Medical Center is committed to providing a work environment free of unlawful harassment. Medical Center policy prohibits sexual harassment, and harassment because of race, color, national origin, ancestry, religion creed, physical or mental disability, medical condition, marital status, sexual orientation, veterans status and age or any other basis protected by federal, state or local law or ordinance or regulation. All such harassment is unlawful. The Medical Center's anti-harassment policy applies to all persons involved in the operation of the Medical Center and prohibits unlawful harassment by any employee of the Medical Center, including supervisors and co-workers.

Prohibited unlawful harassment includes, but is not limited to, the following behavior:

- a. Verbal conduct such as epithets, derogatory jokes or comments, slurs or unwanted sexual advances, invitations or comments;
- b. Visual conduct such as derogatory and/or sexually-oriented posters, photography, cartoons, drawings or gestures;
- c. Physical conduct such as assault, unwanted touching, blocking normal movement or interfering with work because of sex, race or any other protected basis;
- d. Threats and demands to submit to sexual requests as a condition of continued employment, or to avoid some other loss, and offers of employment benefits in return for sexual favors; and
- e. Retaliation for having reported or threatened to report harassment.

If you believe that you have been unlawfully harassed, provide a written complaint to any Medical Center supervisor, the Chief Executive Officer or the Director of Human Resources of the Medical Center as soon as possible after the incident. Your complaint should include details of the incident or incidents, names of the individuals involved and names of any witnesses. Supervisors will refer all harassment complaints to the Director of Human Resources or the Chief Executive Officer of the Medical Center. The Medical Center will immediately undertake an effective, thorough and objective investigation of the harassment allegations.

If the Medical Center determines that unlawful harassment has occurred, effective remedial action will be taken in accordance with the circumstances involved. Any employee determined by the Medical Center to be responsible for unlawful harassment will be subject to appropriate corrective action, up to and including termination. A Medical Center representative will advise all parties concerned of the results of the investigation. The Medical Center will not retaliate against you for filing a complaint and will not tolerate or permit retaliation by management, employees or co-workers.

The Medical Center encourages all employees to report any incidents of harassment forbidden by this policy immediately so that complaints can be quickly and fairly resolved. You also should be aware that the Federal Equal Employment Opportunity Commission and the California Department of Fair Employment and Housing investigate and prosecute complaints of prohibited harassment in employment. If you think you have been harassed or that you have been retaliated against for resisting or

complaining, you may file a complaint with the appropriate agency.

Life Threatening Illness in the Workplace

The Medical Center will support the work endeavors of employees with life-threatening illnesses as long as these employees are able to meet acceptable performance standards. As in the case of other disabilities, the Medical Center will make reasonable accommodations in accordance with all legal requirements to allow qualified employees with life-threatening illnesses to perform the essential functions of their jobs.

The Medical Center will not discriminate against any employee or applicant for employment because the individual may have, or has any life-threatening illness, is perceived to have any life-threatening illness, belongs to a group known to be at high risk for acquiring or developing any such illness, is perceived to be particularly susceptible to a life-threatening illness because he/she is related to, or resides with someone who has that same illness, or has tested positive for that same illness, including cancer, heart disease or HIV.

Medical information on individual employees is treated confidentially. The Medical Center will take reasonable precautions to protect such information from inappropriate disclosure. Department Heads and other employees have a responsibility to respect and maintain the confidentiality of employee medical information. Anyone inappropriately disclosing such information is subject to Corrective Action, up to and including termination of employment.

Exclusion From Patient Care

The Medical Center is committed to the delivery of quality health care to all patients. This commitment extends to situations when an employee's personal cultural values, ethics, and religious beliefs may conflict with patient care procedures or treatments. When the commitment to patient care delivery conflicts, the conflict must be resolved in such a way that patient care is not negatively affected. In the event of a conflict of this nature, upon request, an attempt will be made to provide reasonable accommodation without negatively impacting patient care. In no event will the quality or availability of patient care services be compromised.

Corrective Action

Corrective Action is to inform employees that their conduct or performance is below standard, to give employees fair warning and counseling so that they understand what is expected of them and to provide appropriate documentation in the employee's personnel file. Corrective Action may include several steps. Each case will be reviewed on an individual basis and actions taken may vary to deal more effectively with the violation. Depending upon the severity of the situation, the process may be accelerated to include termination of employment. Other than discharge, employees who believe they have been subject to discipline that misapplied any of the Medical Center's written policies or procedures, are encouraged to utilize the Problem Resolution process.

Violation of Medical Center policies and rules may warrant corrective action. The

Medical Center has established a system of progressive discipline that includes verbal warnings, written warnings and suspension. The system is not formal and the Medical Center may, in its sole discretion, utilize whatever form of discipline is deemed appropriate under the circumstances, up to and including termination of employment. The Medical Center's policy of progressive discipline in no way limits or alters the at-will employment relationship.

Problem Resolution

It is the belief and philosophy of the Medical Center that good employee-employer relationships can exist only if employees believe that they have been treated equitably and fairly. It is also recognized that there are occasions when honest differences of opinion may occur regarding the interpretation and application of policies and/or procedures and management corrective actions, excluding discharge from employment. We ask that you take your concerns first to your supervisor, following these steps:

- Step 1: Verbal Discussion with Supervisor
The employee should discuss the problem with his or her immediate supervisor. It is anticipated that every effort will be made to resolve the problem in a fair and amiable manner at this level. In situations where the problem is with a co-worker, the employee should first make an effort to discuss it with that person. If this does not resolve the issue, the employee should discuss the problem with his/her supervisor.
- Step 2: Department Head
If the employee is not satisfied with the first attempt to resolve the problem, the employee should schedule an appointment with the Department Head or submit in writing to the Department Head a description of the problem. The employee's description of the problem should identify all pertinent facts of which the employee has firsthand knowledge.
- Step 3: Senior Management
If the problem still has not been resolved to the satisfaction of the employee, the employee can request to meet or submit in writing to the Senior Manager the description of the problem. The Senior Manager will involve the Director of Human Resources as appropriate to conduct an impartial investigation of the circumstances surrounding the problem. The Director of Human Resources will consult as necessary, up to and including the Chief Executive Officer. A decision will then be communicated to the employee as appropriate.

This procedure, which we believe is important for both you and the Medical Center, cannot result in every problem being resolved to your satisfaction. However, the Medical Center values your input and you should feel free to raise issues of concern, in good faith, without the fear of retaliation.

Termination of Employment

An employee who voluntarily resigns his/her employment or fails to report to work for three consecutively scheduled workdays without notice to, or approval by his/her supervisor, will voluntarily terminate employment with the Medical Center. All Medical Center owned property (vehicles, keys, uniforms, identification badges, credit cards, etc.) must be returned immediately upon termination of employment.

Should personal circumstances cause an employee to resign employment, he/she must give his/her supervisor or department head a written minimum two week notice of resignation; supervisors and above should provide a written minimum three week notice of resignation. The final pay check will be ready on the day of termination if seventy-two (72) hours advance notice is given to the supervisor and the Human Resources department, and will include pay for the last day of work.

Prohibited Conduct

The following conduct is prohibited and will not be tolerated by the Medical Center. This list of prohibited conduct is illustrative only; other types of conduct injurious to security, personal safety, employee welfare and the Medical Center's operations also may be prohibited.

1. Falsification of employment records, employment information or other Medical Center records.
2. Recording the work time of another employee or allowing any other employee to record your work time, or allowing falsification of any time card, either your own or another employee's.
3. Theft, deliberate or careless damage or destruction of any Medical Center property or the property of any employee or customer.
4. Removing or borrowing Medical Center or customer property without prior authorization.
5. Unauthorized use of Medical Center equipment, time, materials, or facilities.
6. Provoking a fight or fighting during working hours or on Medical Center property.
7. Participating in horseplay or practical jokes on Medical Center time or on Medical Center premises.
8. Carrying firearms or any other dangerous weapons on Medical Center premises at any time.
9. Engaging in criminal conduct whether or not related to job performance.
10. Causing, creating or participating in a disruption of any kind during working hours on Medical Center property.
11. Insubordination, including but not limited to failure or refusal to obey the orders or instructions of a supervisor or member of management, or the use of abusive or threatening language toward a supervisor or member of management.
12. Using abusive language at any time on Medical Center premises.
13. Failure to notify a supervisor when unable to report to work.
14. Unreported absence of three (3) consecutive scheduled workdays.
15. Failure to obtain permission to leave work for any reason during normal working hours.

16. Failure to observe working schedules, including rest and meal periods.
17. Failure to provide a physician's certificate when requested or required to do so.
18. Sleeping or malingering on the job.
19. Making or accepting personal telephone calls during working hours, except in cases of emergency or extreme circumstances.
20. Working overtime without authorization or refusing to work assigned overtime.
21. Wearing extreme, unprofessional or inappropriate styles of dress or hair while working.
22. Violation of any safety, health, security or Medical Center policies, rules or procedures.
23. Committing a fraudulent act or a breach of trust under any circumstances.
24. Unlawful harassment.

This statement of prohibited conduct does not alter the Medical Center's policy of at-will employment. Either you or the Medical Center remain free to terminate the employment relationship at any time, with or without reason or advance notice.

Separations in Force

Under some circumstances, the Medical Center may need to restructure or reduce its workforce. If it becomes necessary to restructure our operations or reduce the number of employees, the Medical Center will attempt to provide advance notice, if possible, so as to minimize the impact on those affected. If possible, employees subject to layoff will be informed of the nature of the layoff and the foreseeable duration of the layoff, whether short-term or indefinite.

In determining which employees will be subject to layoff, the Medical Center will take into account, among other things, operational requirements, status, skill, productivity, ability and past performance of those involved and also, where feasible, the employee's length of service.

Employment References and Verifications

All requests for references must be directed to Human Resources. No manager, supervisor or employee is authorized to release references for current or former employees. The Medical Center's policy as to references for employees who have left the Medical Center is to disclose only the dates of employment and the title of the last position held. If you authorize disclosure in writing, the Medical Center will also provide a prospective employer or lender with the information on the amount of salary or wage you last earned.

Witnessing Legal Documents

Employees may not sign or act as a witness for a patient, or visitor, to a last will and testament, a promissory note or other legal documents (not prepared by the Medical Center). Use of an outside Notary is encouraged and can be secured by contacting Administration for this information.

Receipt of Subpoenas

All servers of subpoena's will be sent to the Risk Manager's office or Administration. Employees who are served with subpoenas in the workplace will be assisted by the Medical Center's Risk Manager, to determine if the request is work related. If so, the Risk Manager will work with the employee, the department head and the Human Resources department, as well as the Medical Center's General Counsel to coordinate a response. The employee will receive adequate compensation for time spent in depositions or witness duty.

Media Contact

Employees may be approached for interviews or comments by the news media. Only contact people designated by the Chief Executive Officer may comment on Medical Center policy or events that have an impact on the Medical Center.

YOUR PAY AND PERFORMANCE

Compensation

Salary ranges for positions are established by the level of responsibility, educational and professional prerequisites and the community practices. Your pay is determined by evaluating your training, experience and your performance in the position. Salary ranges are reviewed periodically with those paid for equivalent positions at other facilities in the area and the community in general.

Payment Of Wages

Paydays are bi-weekly, every other Friday. If a regular payday falls on a holiday, employees will be paid on the preceding workday. If there is an error on your check, please report it immediately to your supervisor.

Direct deposit is available to allow your paycheck to automatically be deposited into the bank or financial institution of your choice. Please see Human Resources if you are interested.

Timekeeping Requirements

All hours of an Employee's regular status must be accounted for on the Employee's time card. Non-exempt employees are required to record time on a time card for payroll purposes and/or employees may be required to log into the computer system. Employees must record their own time at the start and at the end of each work period, including before and after the meal period. Employees also must record their time whenever they leave the building for any reason other than the Employer's business. Any handwritten marks or changes on the timecard must be initialed by the employee and a supervisor. Completing another employee's timecard, allowing another employee to complete your timecard, or altering a timecard will not be tolerated.

Salaried and exempt employees are also required to record productive and non-productive time in increments of full days (8 hours per day), such as days of vacation, sick days or leave, and personal days on a timecard.

Any errors on your timecard should be reported immediately to your supervisor, who will attempt to correct legitimate errors.

Payroll Deductions and Garnishment

As required by law, certain deductions are made from all employees wages, including:

- Federal Income Tax
- F.I.C.A. (Social Security)
- S.D.I. (State Disability Insurance)
- California Income Tax
- Other deductions for benefit plans (Medical, Dental, Tax Deferred Savings Plan, Spending Accounts, Credit Union, etc.) will be taken upon receipt of your written request (usually an enrollment form)
- Garnishments

It is the responsibility of the employee to file a withholding exemption certificate W-4 and to report any changes to Human Resources. An employees W-2 is prepared and given to an employee shortly after the end of the year. If an employee terminates, he/she is requested to give an address to which the W-2 form can be mailed.

Overtime

As necessary, employees may be required to work overtime. For purposes of determining which hours constitute overtime, only actual hours worked in a given workday or workperiod will be counted. All overtime work must be previously authorized by a supervisor. The Medical Center provides compensation for all overtime hours worked by non-exempt employees in accordance with all applicable requirements of state and federal law as follows:

All hours worked in excess of eight hours in one workday or 80 hours in one pay period will be treated as overtime or as applicable under a flexible scheduling arrangement. All hours worked in excess of twelve hours in a workday will be treated as double-time. Time off due to illness, vacation, or holidays will not count as hours worked in the computation for overtime.

A workday begins at 12:01 a.m. and ends 24 hours later. A workperiod of two weeks begins every other Sunday at 12:01 a.m. A workday for a 12-hour shift employee will begin at 7:01 a.m. and ends 24 hours later. A work period of two weeks begins every other Sunday at 7:01 a.m.

Exempt employees may have to work hours beyond their normal schedules as work demands require. No overtime compensation will be paid to exempt employees.

Pay Differentials

Employees working evening or night shifts will receive shift differential and all employees required to work on seven designated holidays (Thanksgiving, Christmas, New Year's Day, President's Day, Memorial Day, 4th of July, and Labor Day) will receive holiday differential. Shift differentials are a flat hourly rate amount added to the employee's base rate; holiday differential is paid at time and one half the employee's hourly rate.

Employees on the p.m. shift from 3-11 and on the night shift from 11-7 p.m. will receive shift differential for the entire shift based on job classification. P.M. differential will also apply for shifts if the majority of the hours worked in the shift fall after 3:00 p.m. up to 11:00 p.m.

Standby and Callback

Employees assigned to take Standby must make themselves available to respond to calls to work as needed. Standby pay is based on factors such as whether the employee is sufficiently restricted, supply and demand of the position, market pay for similar roles, and the frequency with which an employee may be called back to work. Certain departments have varying pay practices, including hourly rates for Standby, flat rates for blocks of hours, or no Standby pay. In addition, certain departments are eligible for Callback pay at time and a half the employee's current wage and/or minimum amount of time which will be paid in Callback. Time and a half does not apply if Callback occurs on a previously scheduled regular shift or on HCD.

Performance Evaluations and Competence Assessment

Employees will receive periodic performance reviews and skills competency checklists. The review will be conducted by your supervisor who will discuss it with you. Your first performance evaluation will be after completion of your 90 day introductory period. After that review, performance evaluations will be conducted annually, on or about the anniversary date of your employment with the Medical Center. The frequency of performance evaluations may vary depending upon length of service, position changes, past performance, changes in job duties or recurring performance problems.

Your performance evaluations may review factors such as the quality and quantity of the work you perform, your knowledge of the job, your initiative, your work attitude and your attitude toward others. The performance evaluations should help you become aware of your progress, areas for improvement and objectives or goals for future work performance. Positive performance evaluations do not guarantee increases in salary or promotions. Salary increases and promotions are solely within the discretion of the Medical Center and depend upon many factors in addition to performance. After the review you will be asked to sign the evaluation report simply to acknowledge that it has been presented to you and discussed with you by your supervisor, and that you are aware of its contents.

Skills competency checklists are provided to you during your 90-day introductory period for a self assessment. Upon completion of your 90-day period and annually, your supervisor or designee will complete the checklist.

Annual Update

On an annual basis, generally at the same time as your annual performance evaluation, you are required to complete a self-study annual update packet and test. The information contained in this packet includes general organizational policies, fire and safety, infection control information and the like. A passing score of 80% must be achieved to maintain employment.

Annual Health Assessment

Employees are required to take a physical examination and necessary lab work or diagnostic exam after receiving an offer of employment and before beginning work at the Medical Center. This examination is provided at the Medical Center at no cost to the employee, providing the examination is performed by COMPACCESS.

Every offer of employment is contingent upon an applicants' successful completion of the post-offer physical as it relates to the ability to perform the duties of the job hired for, as well as any governmental health requirement for Medical Center employees.

Annually, all employees are required to be generally screened for good health and infectious disease and may be tested for Tuberculosis. The Medical Center will provide Tuberculosis testing, however, if a PPD test and/or chest x-ray needs to be repeated due to an employee's lack of compliance, the employee will be required to pay for the repeat test.

The Medical Center complies with the Americans With Disabilities Act. Requests for reasonable accommodation consistent with the Act must be in writing and submitted to the Human Resources Department at least three weeks prior to the needed accommodation. If you need assistance in submitting this request in writing, please contact Human Resources for assistance.

Pay For Mandatory Meetings/Training

The Medical Center will pay non-exempt employees for their attendance at meetings, lectures and training programs under the following conditions:

- Attendance is mandatory.
- The meeting, course or lecture is directly related to the employee's job.
- The employee who is required to attend such meetings, lectures or training programs is notified of the necessity for such attendance by his/her supervisor.
- Any hours in excess of eight in a day or 80 in a pay period will be paid at the appropriate overtime rate, at the hourly rate in effect at the time the overtime work is being performed.

YOUR BENEFITS

Employee Benefits

Full-time and part-time regular benefit eligible employees may enjoy many benefits and services in addition to their paycheck. The value of the "hidden pay-check" amounts to approximately one-third of your gross pay.

Paid Time Off accounts, medical, dental, long term disability, life insurance, and tax deferred savings plan, are some of the benefits offered to full-time and part-time regular benefit eligible employees.

Employees may participate in certain benefit programs on a cost-sharing basis with the Medical Center. Insurance benefits booklets referred to as Summary Plan Descriptions present complete information on insurance plans. Employee benefits may be amended or terminated at any time.

Benefits and Medical Center-Sponsored Offerings

Medical/Vision and Dental Insurance: The Medical Center provides a comprehensive medical insurance plan for eligible employees and their dependents. All full-time, and part-time regular employees are eligible for medical and dental insurance, on the first of the month following three months of continuous employment, provided that appropriate enrollment forms have been completed.

- a. Certain "life change" circumstances may permit an employee to apply for late enrollment.
- b. A newly eligible employee, i.e. one who converts from per diem to full-time or part-time status, will be subject to the normal waiting period. An employee who was eligible for coverage under part-time status, but declined it, who has now converted to full-time status, will be subject to the normal waiting period. Credit for a portion of or all of the waiting period may be given if the employee worked equivalent full-time or part-time hours.
- c. An employee who was previously eligible and enrolled in the insurance plans and subsequently changed to a non-benefited eligible status, who has now converted to a benefits eligible status (i.e. full-time regular or part-time regular) will not be subject to the waiting period.
- d. An eligible employee who declined benefits because of other coverage and then loses the other coverage is eligible to enroll in benefits with no waiting period under the Health Insurance Portability and Accountability Act of 1996 (HIPAA). The employee must enroll within 30 days of the loss of other coverage and provide a certificate of coverage from the other plan.
- e. An employee who loses medical, dental, or vision coverage due to conversion to an ineligible status or termination of employment will be offered continuation coverage under the Consolidated Omnibus Budget Reconciliation Act of 1986 (COBRA), except in the case of discharge for willful misconduct. Eligibility,

payment of premiums, and length of available coverage are determined by COBRA.

There may be pre-existing conditions which apply to these plans. Any insurance premiums will be deducted from your pay on a pre-tax basis. The cost of the medical and dental plan is determined by the status of the employee and the selection of the benefit. Vision coverage has been incorporated into the Medical Center's medical plan.

Dependents can be included in the medical and dental plan with no requirement for physical examination, provided they are enrolled within 31 days of the date the employee first becomes eligible for benefits, at a nominal cost to both full-time and part-time regular employees.

An open enrollment may be offered in December of each year for a January 1st effective date.

Employee Assistance Program: Confidential assistance is available to full-time and part-time employees and household members through Pacificare Behavioral Health. This includes up to 5 free visits for assistance with marital, divorce, and family issues; drug and alcohol dependency; stress management; bereavement assistance; financial and legal needs. Please call 1-800-234-5465 or contact Human Resources for more information.

Disability Insurance: Each employee contributes to the State of California to provide disability insurance pursuant to the California Unemployment Insurance Code. Contributions are made through a payroll deduction. Disability Insurance is payable when you cannot work because of illness or injury not caused by employment at the Medical Center or when you are entitled to temporary workers' compensation at a rate less than the daily disability benefit amount. Specific rules and regulations governing disability are available from Human Resources.

Long Term Disability: All full-time employees are provided a certain amount of Medical Center-paid Long Term Disability insurance. Premiums for optional insurance for full-time or part-time regular employees will be deducted from your paycheck on the basis of your signed and approved enrollment form.

Life Insurance: All full-time and part-time regular employees are provided with Medical Center-paid term life insurance. This is in the amount equal to one year annual salary (2080 hours X base hourly rate of pay for full-time employees and 1248 hours X base hourly rate of pay for part-time regular employees). All full-time and part-time regular employees have the option of purchasing additional term life insurance for themselves and Accidental Death and Dismemberment for themselves, their spouse and children. The cost of optional insurance will be deducted from your paycheck on the basis of your signed and approved enrollment form.

Unemployment Compensation: The Medical Center contributes to the California Unemployment Insurance Fund on behalf of the employees.

Social Security: Social Security is an important part of every employee's retirement benefit. The Medical Center pays a matching contribution to each employee's Social Security taxes.

Workers' Compensation: At no cost to you, you are protected by the Medical Center's Workers' Compensation insurance policy while employed by the Medical Center. The policy covers you in case of occupational injury or illness.

Retirement Plan: The Medical Center provides a 403(b) plan for eligible employees to assist in planning for retirement. For information regarding eligibility, contributions, benefits and tax status, contact Human Resources. After you have one year and completed 1000 hours of employment, a 25% match will be made on every dollar you contribute to the plan, up to the first 8% of gross pay contributed each pay period. This match will be made June 30 and December 31 of the plan year for all employees still on the payroll and still in a benefit eligible status. This match will be added to the tax deferred contribution made by the employee. Contributions must be made in accordance with IRS maximums. Please consult with your tax advisor for compliance.

Spending Accounts: Spending Accounts allow full-time or part-time regular benefit eligible employees to set aside part of their earnings before they are taxed to fund certain health care or dependent care expenses. You may set up a fund for each if you wish. When you direct money to your Spending Account(s), your taxable income is reduced by those amounts; the dollars you direct to your Spending Account(s) are not subject to federal income, state or social security taxes.

Credit Union: You can join Riverside County's Credit Union through the Medical Center. Payroll deductions can be established for Credit Union savings and loans.

Education: The Medical Center encourages and provides technical skills training and continuing education for employees. To enhance the skills needed for current employment as well as future career development, the Medical Center provides in-service training programs, skills training workshops, and job-related seminars and lectures.

U.S. Savings Bonds: Savings Bonds in denominations of \$100, \$200, \$500, or \$1000 each can be purchased by payroll deduction. Human Resources can provide a Savings Bond enrollment form if you are interested.

Medical Center Newsletter: The Medical Center publishes a newsletter called the "In-Touch" to keep you and your family informed of Medical Center-wide events and general news of the Medical Center. This newsletter may also inform you of changes in Medical Center policies.

Medical Center Library: The hospital has a medical library which you can access by contacting Medical Staff during the hours of 9:00 a.m. through 4:00 p.m. Monday through Friday.

Gift Shop: The hospital has a gift shop stocked with small gifts, snacks, sundries, and other items useful to employees. Payroll deduction is available for gift shop purchases

to employees in good standing. Monies derived from sales are forwarded to the Foundation to purchase items and equipment to be donated to the Medical Center, so patronage is appreciated and encouraged.

Recognition Programs: The Medical Center recognizes employees through many programs, formal and informal. We appreciate our employees!

Referral Bonus: The Medical Center may provide employees with an incentive to offer qualified applicants to fill vacancies in hard to recruit positions. These are noted on the job posting.

Retirements, Gifts & Parties: The Medical Center will honor retirees with a gift and a department party providing the retiree has 10 or more years of service and is at least 62 years of age.

Attendance: Upon reaching the Major Medical Accrual cap of 480 hours, 40 hours will be rolled into the PTO bank (eligible every 2 years).

Translation Incentive: \$35.00 for every 10 translations outside of your area/department or a \$25.50 voucher for CRMC cafeteria, gift shop or Edwards movie tickets.

Patient Satisfaction Recognition: Various awards for being named on our Patient Satisfaction surveys.

Recognition for Years of Service: Recognition for years of service in increments of 5 years.

Department of the Month/Department of the Year: Departments of the month as voted by all employees are recognized. One of those departments is then selected as Department of the Year.

Partners in Excellence (P.I.E.) Program: We believe that our employee partners have an unlimited source of innovative and creative ideas to improve quality and/or reduce cost. With a focus on improvement and involvement, this program is intended to encourage employees, individually or in teams, to share ideas and receive awards.

All employees in good standing who have been with us at least three months and are employed when awards are distributed. Managers and supervisors are eligible if the idea is outside of their scope of responsibility. P.I.E. forms are available from your supervisor or Human Resources.

Rideshare Program: The Medical Center is committed to endorse and meet the requirements of the S.C.A.Q.M.D. Regulation XV. The Medical Center encourages all employees to participate in the Medical Center's trip reduction and ridesharing program. Incentives such as free meal passes, movie tickets, and cash prizes are available to all employees ridesharing, walking, using public transit, bicycling, van pooling, or using an alternate mode of transportation. A guaranteed ride home is provided to all rideshare participants who experience an emergency during the day time hours. You can enjoy these benefits, and enroll as a rideshare participant by contacting Human Resources.

Homeowner and Auto Insurance: As a service to our employees, group homeowner and auto insurance is available on a payroll deduction basis. A representative can be reached by phone or by completing an interest card. Check with Human Resources for additional details.

Cellular Phones: Cellular phones are prohibited at the Medical Center due to potential interference with Medical Center equipment.

Change in Benefit Status

If an employee changes from benefit to non-benefit status, employee benefits including Paid Time Off accrual will cease. The PTO account balance will be paid out on the next regularly scheduled paycheck. The first pay period the employee returns to a benefit-eligible status, the accruals for PTO will begin again. PTO is paid at your base hourly rate of pay, excluding overtime, standby, differentials, etc.

All PTO hours will automatically be paid at 100% of your base hourly rate of pay in the following instances:

- change to a non benefit-eligible status
- resignation or termination

All other employee benefits cease on the day the change to an ineligible benefit status is effective. The Medical Center will notify all eligible participants of their rights under COBRA for continuation of medical and dental insurance.

Bridging of Time

The Medical Center will give credit to employees previously employed by the Medical Center, with regard to seniority date and Paid-Time-Off accrual and Major Medical accrual. Credit given is equivalent to the number of months or years the employee was previously employed. Employees with breaks in service must complete the applicable waiting period for employee benefits.

Paid Time Off

Eligible employee's accrue Paid Time Off (PTO) based upon their years of active service. Accrual commences the first of the pay period following 60 days of employment and continues thereafter unless there is an absence without pay, change to an ineligible status, an extended leave of absence or termination of employment.

PTO can accrue to a maximum cap of 160, 200, or 240 hours depending upon years of service and the level of accruals provided. Once this maximum is reached, no further PTO will be earned until some PTO is used. There is no retroactive grant of PTO compensation for the period of time the accrued PTO was at the cap. The next sections describe PTO donations and the cash-in program.

At the employees discretion PTO time may be used for any time off to make up your regular work schedule, including if the time off is designated as Hospital Convenience Days. Employees will need to schedule time off with their supervisors in advance for vacation leave or planned sick leave. Employees on unpaid leave do not accrue PTO. PTO will be accrued up to 80 paid hours per pay period on the following basis:

0 - 5 years of service: Paid hours X .0846 up to 176 hours per year-cap 160
6 - 10 years of service: Paid hours X .1039 up to 216 hours per year-cap 200
11+ years of service: Paid hours X .1231 up to 256 hours per year-cap 240

If you are granted a leave of absence, you may also use any accrued PTO or Major Medical accrual. For medical-type leaves, the accrual will coordinate with State Disability insurance.

Vacations and Holidays can be taken any time after accruals have been earned, whenever work schedules permit. The Medical Center recognizes seven holidays:

1. New Year's Day
2. President's Day
3. Memorial Day
4. Independence Day
5. Labor Day
6. Thanksgiving Day
7. Christmas Day

When a holiday falls on a Saturday or Sunday, it is usually observed on the preceding Friday or the following Monday. Holiday observance will be announced in advance.

Paid Time Off Donations

Employees may donate a portion of their Paid Time Off bank to a PTO eligible employee who has need because of a life-threatening or serious extended illness or when an employee has immediate short-term needs because of an unexpected emergency or crisis situation. Contact your Department Head or Human Resources if you are interested in donating to another employee.

Paid Time Off Cash-in

Employees who meet eligibility requirements have the option of cashing in a portion of their Paid Time Off in lieu of taking the time off. The maximum cash-in is 40 hours in an employee's anniversary year. The employee must keep available a minimum of 40 hours in his/her accrual bank.

Hospital Convenience Days

If you have been called off or sent home early due to low census, you may utilize Hospital Convenience Day (HCD) time. HCD hours count towards Paid Time Off (PTO) and Major Medical (MM) accruals as regular hours, but will not generate any pay. Your supervisor must approve all HCD hours on your time card. If you wish to be paid for HCD, you must request PTO on your time card on the appropriate line and enter the number of accrued PTO hours you wish to be paid.

School Activities

If you are a parent, guardian or grandparent with custody of a child in kindergarten or

grades 1-12, inclusive, and wish to take time off to visit the school of your child for a school activity, you may take off up to eight hours each calendar month (up to a maximum of 40 hours each school year), per child, provided you give reasonable notice to the Medical Center of your planned absence. Employees wishing to take such leave may utilize their accrued paid time off. The Medical Center requires documentation from the school noting the date and time of your visit. If both parents of a child work for the Medical Center, only one parent-the first to provide notice-may take the time off, unless the Medical Center approves both parents taking time off simultaneously.

Time Off For Voting

In the event that an employee does not have sufficient time outside of working hours to vote in a statewide election, the employee may take off enough working time to enable him or her to vote. Such time off shall be taken at the beginning or the end of the regular working shift, whichever allows for more free time, and the time taken off shall be combined with the voting time available outside of working hours. Under these circumstances an employee will be allowed a maximum of two hours on the election day without loss of pay. Where possible, the employee shall give his or her supervisor at least two days notice that time off to vote is needed.

Major Medical

Major Medical accrual is a form of insurance that is accumulated to provide pay for your extended illness or injury. The Medical Center offers paid Major Medical leave to regular full-time employees and part-time regular employees who have completed their introductory period. You accrue Major Medical from your first day of employment in a benefit-eligible status at the rate of .0191 per paid hour up to 40 hours per year. The Major Medical account can accrue to a maximum of 480 hours. Upon reaching the Major Medical accrual cap of 480 hours, 40 hours will be rolled into the PTO bank (eligible every 2 years). If you are granted a medical leave of absence, you may also use any accrued PTO or MM accrual. For medical-type leaves, the accrual will coordinate with State Disability insurance. If an employee changes to an ineligible status, MM accrual is saved and can be accrued only upon return to a regular and eligible status.

If you are off longer than five calendar days, pay will be generated utilizing accrual from the Major Medical bank. Accrued Major Medical can also be used for Workers' Comp time off. It is the employee's responsibility to notify Payroll of extended time off or the need to utilize Major Medical.

If you are absent due to illness, medical evidence of your illness and/or medical certification of your fitness to return to work to the Medical Center may be required.

Leaves of Absence

The Medical Center may grant leaves of absence to employees in certain circumstances. It is important to request any leave in writing as far in advance as possible, to keep in contact with your supervisor and Human Resources department during your leave, and to give prompt notice if there is any change in your return date. If your leave expires and you have not contacted your supervisor or the Medical

Center, it will be assumed that you do not plan to return and that you have voluntarily terminated your employment. Upon return from a leave of absence, you will be credited with the employment status which existed prior to the start of the leave.

If you are granted a leave of absence, you may also use any accrued PTO or MM (if a personal medical leave). For medical-type leaves, the accrual will coordinate with State Disability insurance.

Personal Leave

A personal leave of absence without pay may be granted at the discretion of the Medical Center. Requests for personal leave should be limited to unusual circumstances requiring an absence of longer than two weeks up to thirty days. Approved personal absences of shorter duration are not normally treated as leaves, but rather as excused absences without pay.

Family Leave

Employees who have more than 12 months of service, who have worked at least 1,250 hours during the previous 12-month period before the date the leave is to begin, and who are employed at a worksite where the Medical Center maintains on the payroll (as of the date of the leave request), at least 50 part-time or full-time employees within 75 miles (measured in road miles) of the worksite where the employee requesting the leave is employed, are eligible under federal Family and Medical Leave Act (FMLA) and state California Family Rights Act (CFRA) family leave laws to take up to a maximum of 12 workweeks of unpaid family/medical leave within a 12-month period.

Family/medical leave time is permitted for the birth of the employees' child, or placement of a child with the employee for adoption or foster care, to care for the employees' spouse, child or parent who has a serious health condition, or for a serious health condition that makes the employee unable to perform his/her job.

Time off from work because of the employees' disability due to pregnancy, childbirth or related medical condition is not counted as time used for CFRA leave, but is counted as time used for FMLA leave. Pregnant employees may have the right to take a pregnancy disability leave in addition to family or medical leave; such employees should contact Human Resources regarding their individual situation. Any leave taken for the birth, adoption or foster care placement of a child does not have to be taken in one continuous period of time. CFRA leave taken for the reason of birth or placement of a child will be granted in minimum amounts of two weeks. However, the Medical Center will grant a request for a CFRA leave (for birth/placement of a child) of less than two weeks duration on any two occasions. Any leave taken must be concluded within one year of the birth or placement of the child with the employee.

The following procedures shall apply when requests for family leave are made. Please contact Human Resources as soon as you become aware of the need for family/medical leave.

1. If the event necessitating the leave is based on the expected birth, placement for

adoption or foster care, or planned medical treatment for a serious health condition of the employee or a family member, the employee must provide notice of at least 30 days advance notice before leave is to begin. The employee must consult with the employer regarding the scheduling of any planned medical treatment or supervision so as to minimize disruption to the operations of the employer. Any such scheduling is subject to the approval of the health care provider of the employee or the health care provider of the employees child, parent or spouse.

If 30 days notice is not practicable, notice must be given as soon as practicable.

The Medical Center will require that the employee provide certification as explained below within 15 days of the employees' request for FMLA/CFRA leave, unless it is not practicable for the employee to do so. The Medical Center may require recertification from the health care provider if additional leave is required.

2. If the leave is needed to care for a sick child, spouse or parent, the employee must provide a certification from the health care provider which states the:
 - a. date of commencement of the serious health condition;
 - b. probable duration of the condition;
 - c. estimated amount of time the health care provider will provide care;
 - d. confirmation that the serious health condition warrants the participation of the employee.
3. In cases where both parents are employed by the Medical Center and the leave requested is for the birth, adoption or foster care of a child, the Medical Center will not grant more than 12 workweeks total of family/medical leave.
4. If the leave is needed for the employees' own serious health condition, the employee must provide a certification from the health care provider which states the:
 - a. date of commencement of the serious health condition;
 - b. probable duration of the condition;
 - c. a statement that the employee is unable to work at all or is unable to perform any one or more of the essential functions of his/her position because of the employees' serious health condition.
5. An employee taking family/medical leave will be allowed to continue participating in any health and welfare benefit plans in which he/she was enrolled before the first day of the leave (for up to a maximum of 12 workweeks) or as long as on paid leave at the level and under the conditions of coverage as if the employee had continued in employment for the duration of such leave. The Medical Center will continue to make the same premium contribution as if the employee had continued working. The continued participation in health benefits begins on the date leave first begins under FMLA (i.e., for pregnancy disability leaves) or under FMLA/CFRA (i.e., for all other family care and medical leaves).

In some instances, the Medical Center may recover premiums paid to maintain health coverage for an employee who fails to return to work following family/medical leave.

Employees on family/medical leave who are not eligible for continued paid leave coverage (i.e., PTO/MM has exhausted) may continue their group health insurance by making payments to the Medical Center for the amount normally deducted from their paycheck. Employees should contact Human Resources for further information.

6. Under most circumstances, upon return from family/medical leave, an employee will be reinstated to his/her original job or to an equivalent job with equivalent pay, benefits, and other employment terms and conditions. However, an employee has no greater right to reinstatement than if the employee had been continuously employed rather than on leave. For example, if an employee on family/medical leave would have been laid off had he/she not gone on leave, or if the employee's job has been eliminated during the leave and there is no equivalent or comparable job available, then the employee would not be entitled to reinstatement. In addition, an employee's use of family/medical leave will not result in the loss of any employment benefit that the employee earned or was entitled to before using family/medical leave.
7. Leave granted under any of the reasons provided by state and federal law will be counted as family/medical leave and will be considered as part of the 12-workweek entitlement in a 12-month period. The 12-month period is measured forward from the date any employees first FMLA leave begins. Successive 12-month periods commence on the date of an employees first use of such leave after the preceding 12-month period has ended. There is no carryover of unused leave from one 12-month period to the next 12-month period.
8. Employees may take FMLA/CFRA leave intermittently (in blocks of time, or by reducing their normal weekly or daily work schedule) if the leave is for the serious health condition of the employee's child, parent or spouse or of the employee and the reduced leave schedule is medically necessary as determined by the health care provider of the person with the serious health condition.
9. Reinstatement after family/medical leave may be denied to certain salaried "key" employees:
 - a. who are among the highest paid 10 percent of salaried employees who are employed within 75 miles of the worksite at which the employee is employed at the time of leave request; and
 - b. when the refusal to reinstate is necessary because the employee's reinstatement will cause substantial and grievous economic injury to the Medical Center's operations; and
 - c. when the employee is notified of the Medical Center's intent to refuse reinstatement at the time the Medical Center determines the refusal is necessary; and
 - d. in any case in which leave has already begun, the Medical Center will give

the employee a reasonable opportunity to return to work following the notice described above.

For additional information about eligibility for family/medical leave, contact Human Resources.

Medical Leave

A medical leave of absence may be granted for non-work-related temporary medical disabilities (other than pregnancy, childbirth and related medical conditions) for up to four months with a doctor's written certificate of disability. Requests for leave should be made in writing as far in advance as possible.

A medical leave begins on the first day your doctor certifies that you are unable to work and ends when your doctor certifies that you are able to return to work or after a total of four months of leave in a twelve month period, whichever occurs first. Human Resources will supply you with a form for your doctor to complete, showing the date you were disabled and the estimated date you will be able to return to work. An employee returning from a medical disability leave must present a doctor's certificate showing fitness to return to work. An employee who does not return to work upon a release or after four months in a twelve month period will be considered to have voluntarily terminated employment.

If returning from a non-work-related medical leave you will be offered the same position held at the time of leaving, if available. If this position is not available, a comparable position will be offered. If neither the same nor a comparable position is available, your return to work will depend on job openings existing at the time of your scheduled return. There are no guarantees of reinstatement and your return will depend on your qualifications for existing openings.

California Workers' Compensation laws govern work-related injuries and illnesses. California pregnancy disability laws govern leaves taken because of pregnancy, childbirth and related medical conditions. The Medical Center intends to fully comply with these laws.

Pregnancy-Related Disability Leave

Pregnancy, childbirth or related medical conditions will be treated like any other disability, and an employee on leave will be eligible for temporary disability benefits in the same amount and degree as any other employee on leave. All female employees should advise Human Resources of their intent to take pregnancy disability leave as soon as possible.

1. Employees who need to take pregnancy disability must provide at least verbal notice sufficient to notify the Medical Center that the employee needs to take a pregnancy disability leave. The verbal notice should include the anticipated timing and duration of the leave. If the need for the leave is foreseeable because of the pregnancy, employees must provide at least 30 days advance notice before the pregnancy disability leave is to begin. Employees must consult with their Supervisor and Human Resources regarding the scheduling of any planned

medical treatment or supervision so as to minimize disruption to the operations of the Medical Center. Any such scheduling is subject to the approval of the health care provider of the employee.

If 30 days advance notice is not possible, notice must be given as soon as practicable.

2. If requested by the employee and recommended by the employee's physician, the employee's work assignment may be changed as required to protect the health and safety of the employee and the pregnancy.
3. Requests for transfers of job duties will be reasonably accommodated if the job and rights of others are not breached.
4. Temporary transfers due to health considerations will be granted where possible. However, the employee will receive the pay that accompanies the job, as is the case with any other temporary transfer due to temporary health reasons.
5. Pregnancy leave usually will begin when ordered by the employee's physician. The employee must provide the Medical Center with a certification from a health care provider. The certification indicating disability should contain:
 - a. The date on which the employee became disabled due to pregnancy;
 - b. The probable duration of the period or periods of disability, and
 - c. A statement that, due to the disability, the employee is unable to perform one or more of the essential functions of her position without undue risk to herself, the successful completion of her pregnancy, or to other persons.
6. Leave returns will be allowed only when the employee's physician sends a release.
7. An employee will be required to use any accrued Major Medical and may use accrued PTO during a pregnancy disability leave.
8. The duration of the leave will be determined by the advice of the employee's physician, but disabled employees may take up to four months. The four months of leave includes any period of time for actual disability caused by the employee's pregnancy, childbirth or related medical condition. This includes leave for severe morning sickness and for prenatal care. Leave does not need to be taken in one continuous period of time and may be taken intermittently, as needed. Leave may be taken in increments of 30 days.

Under most circumstances, upon submission of a medical certification that an employee is able to return to work from a pregnancy disability leave, an employee will be reinstated to her same position held at the time the leave began or to an equivalent position, if available. An employee returning from a pregnancy disability leave has no greater right to reinstatement than if the employee had been continuously employed rather than on leave. For example, if

the employee on pregnancy disability leave would have been laid off had she not gone on leave, or if the employee's position has been eliminated or filled in order to avoid undermining the Medical Center's ability to operate safely and efficiently during the leave, and there are no equivalent or comparable positions available, then the employee would not be entitled to reinstatement.

Military Leave

Employees who wish to serve in the military and take military leave should contact Human Resources for information about their rights before and after such leave. You are entitled to reinstatement upon completion of military service provided you return or apply for reinstatement within the time allowed by law.

Volunteer Firefighters

Employees may take time off to perform emergency duty as a volunteer firefighter. If you are participating as a volunteer firefighter, please alert your supervisor so that he or she may be aware of the fact that you may have to take time off for emergency duty. In the event that you need to take time off for emergency duty, please alert your supervisor before doing so where possible.

Work Related Illness and Injury and Workers' Compensation

The Medical Center, in accordance with state law, provides insurance coverage for employees in case of work-related injury. The Workers' Compensation benefits provided to injured employees may include:

1. Medical care.
2. Cash benefits, tax free, to replace lost wages.
3. Vocational rehabilitation to help qualified injured employees return to suitable employment.

To ensure that you receive any Workers' Compensation benefits to which you may be entitled, you will need to:

1. Immediately report any work-related injury to your supervisor.
2. Seek medical treatment and follow-up care as designated by Human Resources if within thirty days of your injury.
3. Complete a written Employees Claim Form (DWC-1 Form) and return it to your Supervisor.
4. Provide the Medical Center with a certification from your health care provider regarding the need for Workers' Compensation disability leave and your ability to return to work from the leave.

Under most circumstances, upon submission of a medical certification that an employee is able to return to work from a Workers' Compensation leave of four months or less, the employee will be reinstated to his/her same position held at the time the leave began or to an equivalent position, if available. An employee returning from a Workers' Compensation leave has no greater right to reinstatement than if the

employee had been continuously employed rather than on leave. For example, if the employee on Workers' Compensation leave would have been laid off had he/she not gone on leave, or if the employee's position has been eliminated or filled in order to avoid undermining the Medical Center's ability to operate safely and efficiently during the leave, and there are no equivalent or comparable positions available, then the employee would not be entitled to reinstatement.

Under most circumstances, upon submission of a medical certification that an employee is able to return to work from a workers' compensation leave of more than four months, the employee will be offered the same position held at the time the leave began, if available. If the same position is not available, an employees return to work will depend on job openings existing at the time of his/her scheduled return. An employee's return will depend on his/her qualifications for any existing openings. If, after returning from a Workers' Compensation disability leave, an employee is unable to perform the essential functions of his/her job because of a physical or mental disability, the Medical Center's obligations to the employee may include reasonable accommodation, as governed by the Americans with Disabilities Act (ADA).

Workers' Compensation claims denied as non-work related will revert to a medical leave of absence.

Recreational Activities and Programs

The Medical Center or its insurer will not be liable for the payment of workers' compensation benefits for any injury that arises out of an employee's voluntary participation in any off-duty recreational, social, or athletic activity that is not part of the employee's work-related duties.

External Employee Education

It may be necessary for employees to attend training programs, seminars, conferences, lectures, meetings or other outside activities for the benefit of the Medical Center or the individual employees. Attendance at such activities may be required by the Medical Center or requested by individual employees. However, attendance will not be considered an officially authorized activity, subject to the following policies on reimbursement and compensation, unless prior written approval has been issued by your Supervisor. To obtain approval, employees wishing to attend an activity must submit a written request detailing all relevant information, including date, hours, location, cost, expenses, nature, purpose and justification for attendance.

Where attendance is required or authorized by the Medical Center, customary and reasonable expenses will be reimbursed upon submission of proper receipts. Customary and reasonable expenses generally include registration fees, materials, meals, transportation and parking. Reimbursement policies regarding these expenses should be discussed with your Supervisor or Human Resources in advance.

Employee attendance at authorized outside activities will be considered hours worked for non-exempt employees and will be compensated in accordance with normal payroll practices.

This policy does not apply to an employee's voluntary attendance, outside of normal working hours, at formal or informal educational sessions, even if such sessions may generally lead to improved job performance. While the Medical Center generally encourages all employees to improve their job skills and promotional qualifications, such activities will not be subject to this policy regarding reimbursement or compensation unless prior written approval is obtained as discussed above.

Bereavement Leave

In the event of the death of your current spouse, child or step-child, parent or step-parent, legal guardian, brother or step-brother, sister or step-sister, grandparent, grandchild, or mother-, father-, sister-, brother-, son- or daughter-in-law, eligible full-time and part-time employees may take up to 3 consecutive scheduled work days off (24 hours) with pay with the approval of the Medical Center. Your supervisor may approve additional unpaid time off.

Jury Duty

Employees may take time as needed to serve on jury duty and can use Paid Time Off. The Medical Center does not pay for jury duty service. Letters to request to be excused may be obtained from Human Resources.

Witness Duty

You should notify your supervisor of the need for time off for witness duty as soon as a notice or summons from the court is received. You may be requested to provide written verification from the court clerk of having served. Any mileage allowance, fee, etc., paid by the court for witness duty is to be retained by you. You will be paid for hours served on witness duty if such duty relates to your employment with the Medical Center.

Concluding Paragraph

Many policies and employee benefits have been treated only briefly in this handbook, if you have any questions or want more information, your supervisor will be glad to fill in the details for you or you may consult the Human Resources Policy and Procedure Manual. Human Resources will also be happy to help you with any questions or problems.

**CORONA REGIONAL MEDICAL CENTER
ORGANIZATION PLAN FOR THE PROVISION
OF PATIENT CARE
2002**

MISSION

We are dedicated to the health, healing and wellness of those we serve with compassion and integrity.

VISION

The sole acute and rehabilitation provider delivering comprehensive and cost effective services emphasizing superior customer service with a mission to reinvest in our community.

VALUES

Respect
Cost Effectiveness
Service
Responsible
Accountable
Quality Care and Compassion
Trust and Teamwork

To our Patients

We provide quality, collaborative healthcare by striving to exceed your expectations, encompassing education and preventive care for your quality of life.

To our Employees

We promote a dynamic environment that fosters empowerment, development, respect, and professionalism, which upholds our philosophy of superior service excellence.

To our Volunteers

We honor your commitment to service and will provide you with an atmosphere that enriches your experience.

To our Medical Staff

We support you in providing quality patient care with highest ethical standards and together we shall meet the healthcare challenges for those patients we serve.

To our Community

We embrace healthy living and focus on community needs through programs, services, partnerships, and resources.

The mission and vision of Corona Regional Medical Center serves as the foundation for the organization's strategic plan. The initiatives identified within the strategic plan are approved by senior management and the board of directors and set the direction and standards for the delivery of patient care and program development. These initiatives and related progress reports are communicated to the department directors and line staff through presentations at department head meetings and regularly scheduled staff meetings. Progress reports and updates are presented on a quarterly basis at senior management meetings and board of

directors meetings. Staff feedback, suggestions, and ideas related to the strategic initiatives and or department performance are communicated back for review or discussion through departmental performance improvement teams, discussions at operations and senior management meetings, and employee satisfaction surveys.

ORGANIZATIONAL OVERVIEW:

Corona Regional Medical Center is a 228 bed not for profit community hospital located in Corona, California. It is comprised of two campuses, each providing different patient care focus, but both providing high quality patient care in a multidisciplinary and integrated health care environment. The Main Campus is located at 800 Main Street and licensed to provide acute care services. The Magnolia Campus is located at 730 Magnolia Avenue and licensed to provide acute and skilled nursing care.

DEMOGRAPHICS:

See strategic plan document

LEADERSHIP:

The leadership of Corona Regional Medical Center is composed of the leaders of the governing board, the chief executive officer, elected and appointed leaders of the medical staff, the chief nursing officer, chief financial officer, senior managers, and hospital department directors. The goal of the leaders is to facilitate the provision of high quality patient care, services, and facilities in response to identified needs of consumers, payers, physicians, and community.

The leadership of Corona Regional Medical Center recognizes its role in providing the framework for planning, directing, coordinating and providing continuous improvement in health care services throughout the continuum. The leadership further recognizes the complexity of a community hospital as an organization composed of various professional disciplines, each of which brings a unique expertise to the provision of patient care. Our approach to patient care is multidisciplinary and integrated throughout the continuum of care.

Corona Regional Medical Center manages its resources effectively and efficiently in order to maintain financial strength, which will enable the organization to sustain and promote its position of leadership in the delivery of health care in our service area. CRMC provides community leadership in the area of health promotion and education serving the needs of its patients, medical staff, employees, and community.

MEDICAL STAFF ROLE:

All physicians, dentists, and podiatrists are members of the medical staff. Psychologists and other allied health professionals receive privileges from the medical staff. Privileges are granted commensurate with the license, competency, area of expertise and the patient population appropriate to the licensed independent or dependent practitioner. The medical staff is responsible for the quality of medical care in the organization and accepts and discharges this responsibility, subject to the ultimate authority of the Governing Body of the organization. The cooperative efforts of the Medical Staff and the Governing Body are necessary to fulfill the organization's obligations to its patients.

The medical staff assesses and reassesses the patient's physical, psychological, and social status. The medical staff defines the scope and intensity of each service which includes, but may not be limited to: performing histories and physicals and psychological evaluations, evaluating the patient's nutritional and functional status, continuity of care and/or service, ordering of diagnostic testing, timely assessments, timely reports, and discharge planning.

The medical staff, in collaboration with CRMC staff, participates in the following patient related activities:

- Developing, maintaining and using the hospital formulary
- Selecting the appropriate procedures for patients
- Preparing and monitoring of patients from the pre-procedure phase through the actual post-procedure discharge
- Monitoring and evaluating processes which may have an impact on a large percentage of patients, are high-risk situations, or past problems (e.g., operative and other procedures, medication usage, blood and blood component usage, utilization management concerns, clinical areas such as risk management, infection control).

The medical staff is involved in the systematic collection of data to identify opportunities to improve. The medical staff and other disciplines are committed to the identification, improvement and/or resolution of system, process and outcome problems in an effort to continuously improve the patient care delivered by the organization.

In collaboration with other disciplines the medical staff recognizes the need for patient and family involvement in the decision-making process. Efforts are made to impact patient outcomes by improving patient/family education (e.g., instructions on medication and equipment use, explanation of food-drug interactions) and by assisting the patient and family in developing the skills necessary to facilitate daily living compatible with religious, cultural, behavioral and cognitive limitations.

ETHICAL ISSUES:

Patients come to Corona Regional Medical Center because they require health care in the form of education, diagnostic and/or therapeutic treatment for medical and/or surgical conditions. Their conditions affect them physically, emotionally, and spiritually. The physicians, nurses, and support staff recognize that each patient has unique health care needs; the staff strives to meet them. Patients are accorded impartial access to diagnostic centers, treatment modalities and educational offerings that are available and indicated.

All patients are treated with dignity, respect and courtesy. Corona Regional Medical Center promotes patient and family involvement in all aspects of their care through implementation of policies and procedures that are compatible with the hospital's mission and resources, have diverse input, and guarantee communication across the organization. Patients are involved in at least the following:

- Giving informed consent
- Making decisions
- Resolving dilemmas about care decisions
- Formulating advance directives

- Withholding resuscitative services
- Forgoing or withdrawing life-sustaining treatment, and
- Care at the end of life

To this end, structures are developed, approved, and maintained through collaboration among CRMC's leaders and others. In all circumstances, patients are treated in a manner giving consideration to their background, culture, religion, and heritage.

The organization recognizes the need to maintain patient and other information in a confidential manner. Patient information will not be shared in an unauthorized manner. Sensitive information concerning personnel and management issues will be maintained in the strictest confidence and utilized only by those individuals authorized to review and act upon such information.

At the time of admission, patients and/or families are provided with written information regarding the process to follow if they have questions or concerns regarding any care or services provided. On an on-going basis, all employees respond to patients and/or family members when they express concerns. All patient complaints, whether verbal or written, are investigated by appropriate personnel and responded in a timely manner. The organization's policy is to promote fairness and consistency in the resolution of conflicts grievances and disputes for patients, families and/or their significant others.

Corona Regional Medical Center recognizes that an employee has the right to object to an assignment on the grounds of a perceived moral, cultural, ethical or religious conflict. Accommodation of the employee's request for reassignment will not compromise the organization's obligation to provide any prescribed care. The organization's policy is to promote fairness and consistency in the resolution of conflicts, grievances and disputes for employees.

The organization also recognizes that, from time to time, conflicts may arise among those who participate in hospital and patient care decisions. Whether this conflict is between members of administration, medical staff or employees, patient's rights extend to the patient or person who may have a legal responsibility to make decisions regarding medical care on behalf of the patient. Each patient has the right, in collaboration with his/her physician, to make decisions involving his/her healthcare. Each patient or his/her designated representative has the right to participate in the consideration of ethical issues that arise. Questions and disputes involving a patient's care and/or service may be referred to the Ethics Committee by any member of the hospital staff, members of the medical staff; patients' families and other surrogates; consultants; and students. If there is a conflict or dispute (religious, cultural, philosophical) regarding a patient's desires, an Ethics Committee meeting can be requested, convened and the issue(s) reviewed.

RECOGNITION OF POTENTIAL CONFLICTS OF INTEREST

We recognize that the potential for conflict of interest exists for decision-makers at all levels within the organization. This includes members of the governing board, administration, the medical staff, and hospital managers. It is the responsibility of the directors, officers and hospital managers to administer the affairs of the organization honestly and economically, exercising their best care, skills, and judgment for the benefit of Corona Regional Medical Center and its constituents. It is the organization's policy to request the disclosure of potential conflicts of interest so that appropriate action may be taken to ensure that important decisions are not influenced by such conflict.

Board members are required to submit an annual disclosure form and, on a case-by-case basis, to disclose potential conflicts as they relate to decisions that arise during the course of the year. The governing board, as well as senior management and the medical staff, will take appropriate action as necessary.

DEFINITION OF CARE OF THE PATIENT:

Corona Regional Medical Center is dedicated to providing patients and patient's families with the highest quality medical care and outcomes while respecting their rights and empowering them to take control over their own health outcomes.

Patient care services are planned in an interdisciplinary collaborative manner and are provided by qualified healthcare professionals. His/her professional skills, competencies, and credentials determine the role and responsibility accorded each provider.

Patient care activities include planning and providing patient care based on the assessment and reassessment of that patient. Patient outcomes are periodically evaluated in order to revise the plan of care as necessary.

Corona Regional Medical Center provides a comprehensive, humanistic, integrated approach to deliver safe and effective patient care throughout the continuum. Caregivers collaborate in an interdisciplinary format and provide patients with the appropriate medical, physical, emotional, cultural and spiritual care.

ORGANIZATIONAL SCOPE OF SERVICES:

Corona Regional Medical Center ensures that the services provided meet the needs of patients, their families and the community. The scope of services includes those essential clinical services for patients receiving care directly, as well as those services provided through referral, consultation, or through contractual arrangements. Each hospital department's scope of service is of that area's performance improvement plan and reflects the coordination between services. Surveys concerning patient and family satisfaction are conducted to determine if changes in the process or systems are necessary as well as to plan for future services. Contracts for patient care services provided by outside vendors are reviewed and approved by the appropriate Medical Staff Committees/departments; the Medical Executive Committee and the Governing Board.

All departments work together as a team and acknowledge each area's unique knowledge and skills to provide high-quality patient care and services. This integration of efforts offers an interdisciplinary approach to problem-solving and long-range planning as well as a forum for creativity and innovative changes in practice. Open communication is encouraged within the hospital to ensure efficient and effective care. All areas are integrated into the patient's medical plan of care and work collaboratively to achieve a positive patient outcome.

All hospital departments participate in interdisciplinary performance improvement teams. Performance Improvement teams may be focused towards clinical care outcomes or system processes. The departments integrate their performance improvement efforts with the medical staff's monitoring activities and throughout the continuum of care. Performance Improvement Teams include Pain management, Human Resources Team, Ambulatory Services Team, In-patient Team & ER Team.

When problems or issues are identified that involve two or more areas providing patient care or support services, leaders may elect to establish an interdepartmental team composed of personnel from those areas in an effort to effect problem resolution. In some instances, the problem may be referred to the Systems Improvement Committee for development of an interdisciplinary performance improvement team. In each case, any staff member of the organization may be asked to participate as a contributing member. Project team results are communicated to the general staff directly by department directors through internal staff meetings, publications, and/or by policy and procedure changes.

PATIENT CARE SERVICES AND SUPPORT SERVICES

Patient services at Corona Regional Medical Center occur through organized and systematic processes that ensure the delivery of safe, effective and timely care and treatment throughout the continuum from birth to death. Providing patient care requires specialized knowledge, judgment, and skill derived from principles of biological, physical, behavioral, psychosocial, developmental and medical services. As such, patient care services are planned, coordinated, provided, delegated, and supervised by professional care providers who recognize the unique age specific, physical, emotional and spiritual needs of each person. Patient care encompasses the recognition of disease and wellness, patient teaching, patient advocacy, spirituality, and research. Medical staff and care provider professionals from all disciplines, function collaboratively as part of a multi-disciplinary team whose goal is to achieve positive patient outcomes.

In the strictest sense, patient services are limited to those departments and care providers that provide direct care for patients. Patient care is provided by those professionals whose scope includes assessment and planning care based on findings from the assessment. Specific patient care functions may be provided by licensed staff, certified staff or nursing assistants under the supervision of licensed staff.

Patient support is provided by a variety of individuals and departments, which may not have direct contact with the patients, but who support the care provided by the direct care providers.

Patient Care Services and Departments

The following services and departments work closely together to assure safe, effective, and integrated systems for providing quality of care to all of our patients.

Patient Care Units

The plan for each patient's care is developed as a result of coordination with the patient, the patient's family, or other representatives and other disciplines involved in the care of the patient.

- Behavioral Health Services
 - Inpatient Behavioral Care
 - Partial Hospitalization Program
- Critical Care Services
 - Intensive/Cardiac Care Unit
 - Progressive Care Unit
- Emergency Services

- Emergency Department
- Urgent Access
- Home Health/Hospice
- Maternal Child Health Services
 - Labor and Delivery
 - Post Partum
 - Nursery
 - Pediatrics
- Medical Services
 - Medical/Oncology Unit
 - Surgical Unit
- Rehabilitation Services
 - Skilled Nursing/Subacute Unit
 - Acute Rehabilitation
- Surgical Services
 - Operating Room
 - Post Anesthesia Recovery Room
 - Ambulatory Services
 - GI Lab

PATIENT SUPPORT SERVICES DEPARTMENTS

- Admitting
- Bloodless Medicine
- Business Office
- Cardiopulmonary Services
- Case Management
- Central Services
- Communications
- Diagnostic Imaging/Radiology (including nuclear medicine)
- Diagnostic Services (EEG, EKG)
- Engineering/Plant Operations
- Environmental Services
- Food and Nutritional Services
- Health Information Services
- Human Resources
- Infection Control
- Laboratory/Pathology
- Pastoral Services
- Patient Relations
- Pharmacy
- Rehabilitation Services (PT, OT, ST)
- Resource Management
- Respiratory Services
- Security
- Social Services
- Volunteer Services

SERVICES NOT PROVIDED BY CORONA REGIONAL MEDICAL CENTER

- Burn Management
- Cardio thoracic surgery
- Neonatal Intensive Care
- Neurosurgery
- Organ transplants
- Pediatric Intensive Care
- Psychiatric 5150
- Substance abuse rehabilitation

INTEGRATED PATIENT CARE PROVIDERS

Patient care at Corona Regional Medical Center is provided by a multitude of health care team members. Each has a unique and vital role in the care and outcomes of our patients.

PROFESSIONAL PATIENT CARE STAFF ROLES AND FUNCTIONS

Staff	Assessment	Planning	Interventions	Patient Rights	D/C Planning	Nutrition Care	Patient Teaching
Physicians	X	X	X	X	X	X	X
RNS	X	X	X	X	X	X	X
LVNS				X	X		X
Nursing Assistant				X			X
Pharmacist	X	X		X	X	X	X
Respiratory Therapist	X	X	X	X	X		X
Radiology Technician	X	X	X	X	X		X
Laboratory Technician			X		X		
Physical Therapist	X	X	X	X	X		X
Social Workers	X	X	X	X	X		X
Dietician	X	X	X	X	X	X	X

NURSING SERVICES SCOPE OF CARE:

The nursing scope of care and service shall be based on the mission and vision of Corona Regional Medical Center, the needs and expectations of patients, physicians, staff and others, and benchmarking information of performance process and outcomes from other organizations.

As a premier provider of health care, Corona Regional Medical Center believes it can best maintain this level of service through patient centered and customer-based patient care delivery systems and services. The vision is enabled through effective communication systems, staff education, team-building, self-directed work teams, and empowered work force.

Nursing practice is the provision of professional nursing care that requires highly specialized knowledge of the nursing process, and includes knowledge of physical, spiritual, behavioral, psychological, and sociological sciences. The components of the nursing process include assessment and re-assessment, nursing diagnosis, planning, intervention, implementation, and evaluation. The role of the nurse as a member of the multidisciplinary health care team is to provide care and coordinate all activities related to the assessment, planning, implementation, and evaluation of nursing care provided to each patient, in collaboration with the patient, the patient's family, and other disciplines involved in the care of the patient.

Nursing practice activities include but not limited to:

- implementation of medical regimen as prescribed by a licensed practitioner
- promotion and maintenance of health
- management of illness or injury
- restoration of optimum functions
- management of pain
- disease prevention
- patient education
- discharge planning
- providing care at the time of death

STANDARDS OF PATIENT CARE:

Patients with the same health care needs can expect to receive the same level of care throughout Corona Regional Medical Center without regard to sex, race, color, religion, ancestry, national origin, or financial status. Payment source and or ability of a patient to pay do not impact access to, or appropriateness of, patient care and treatment needs. All healthcare providers in all settings practice these standards:

- Each patient's health status is assessed and reassessed based on defined time frame.
- Each patient has a plan of care that utilizes a multi-disciplinary approach in order to promote continuity of care and optimal patient outcomes.
- Physical needs are attended to.
- The patient care environment promotes psychological well being.
- Patient education and discharge planning are provided based on the individual patient's assessed needs.
- Patient's rights are respected and assured.

NURSING STAFFING:

Nursing units are organized, directed, and staffed in a manner commensurate with the scope of services offered. Nursing units function primarily in a decentralized manner. Directors are responsible for the development of monthly staff schedules based on projected census. Completed unit schedules are taken to the nursing staffing office where centralized staffing function occurs utilizing a staffing matrix based on budgeted nursing hours per patient day and patient classification system.

Staff members are assigned clinical responsibilities based on education preparation, applicable licensing rules and regulations, and an assessment of current competence. Each clinical department has a staffing plan and staffing matrix in place to meet patient care needs 24 hours a day, seven days a week. Adjustments are made to the staffing matrix based on patient acuity and census fluctuations. Additional staffing is accomplished by floating staff members between like units, utilizing extra shifts, in-house registry, or contract personnel to ensure the delivery of quality patient care throughout the continuum.

NURSING LEADERSHIP

The Chief Nursing Officer (in conjunction with the senior leaders of CRMC) assures one level of care for the provision of patient care. Nursing Directors are assigned to each service as follows:

- Cardiopulmonary
- Case Management
- Education
- Emergency Department
- Maternal Child Health
- Medical/Surgical
- Surgery
- Skilled Nursing Facility
- Acute Rehabilitation
- Behavioral Health

The Chief Nursing Officer designates a nursing director to provide for patient care in her absence.

Nursing staff report to Clinical Supervisors/Charge Nurses who have responsibility for the routine supervision of that staff. Clinical Supervisors/Charge Nurses report directly to Directors of Nursing who have 24-hour responsibility for the daily operation of one or more units within their departments. These department heads establish an environment that allows flexibility in meeting the dynamic needs of patients, families, physicians, and nursing staff within the health care environment. Nursing Directors prepare, implement, and monitor unit specific budgets. Informal interface occurs on a daily basis. Directors at the Main Campus report to the Chief Nursing Officer. Directors at the Magnolia Campus report to the Rehab Hospital Administrator.

During evening, night and weekend shifts, a Nursing Supervisor is on duty to provide for the coordination of patient care within the hospital. This individual reports to the Chief Nursing Officer and has access to other members of the CRMC leadership group for assistance with problem resolution on those shifts. Unresolved problems are given to the appropriate department manager for follow-up.

INTEGRATION OF PATIENT CARE AND SUPPORT SERVICES:

A collaborative multidisciplinary approach serves as a foundation for integration of patient care and support services. The expert knowledge base, judgment and decision-making skills of a wide variety of disciplines offer support to achieve desired patient outcomes.

COORDINATING SERVICES

Effective leadership is comprehensive and encourages staff participation in shaping the hospital's mission, vision, and values. The leadership team at Corona Regional Medical center ensures appropriate direction, management, and leadership of all services and/or departments by developing leaders at every level who help to achieve the hospital's mission, vision, and values, accurately assess the needs of patients, and develop an organizational culture that focuses on continuously improving performance to meet these needs.

INTEGRATING AND IMPLEMENTING CARE AND SERVICES

Patient care/services are provided through a multi-disciplinary/interdisciplinary approach that fosters communication and collaboration between care providers. For this model to be effective, it requires ongoing commitment by all caregivers to provide education and information that will enhance patients, family members, and significant others to participate in care planning and decision-making.

To facilitate integration and implementation of care and services, organization leaders and department managers collaborate on the following:

- Development and implementation of organization-wide programs
- Development and implementation of policies that guide care activities
- Development and implementation of the plan for provision of care
- Participation of an effective and continuous program to measure, assess, and improve performance
- Activities/programs to attract and retain qualified and competent staff necessary to provide safe and effective patient care

These programs and activities take into consideration:

- Case mix of patients served, including degree and complexity of care required for patients and their family members or significant others
- The technology used in the provision of patient care
- The expectations of the organization, medical staff, patients and families
- The stated or identified learning needs of staff members
- Mechanisms of recognizing the expertise and performance of staff members
- Development of a comprehensive case management program that is designed to coordinate patient care services and community resources in order to address patient and family, current and continuing health needs

The integration, implementation, and coordination of patient care are dependent on the effective and efficient leadership of the department directors. The importance of a collaborative multidisciplinary team approach, which takes into account unique knowledge, judgment, and skills of

the various care disciplines serve as a foundation for integration. Department directors are responsible for:

- Integrating the department into the organization's primary function
- Coordinating and integrating inter and intra department services
- Facilitating interdepartmental relationships and problem-solving
- Continuously assessing and improving the performance of care and services
- Orientation and education for all department staff
- Assuring the appropriateness and function of all equipment required to care for the patient populations served
- Ensuring that age-specific care is appropriate and designed to achieve positive patient outcomes

The organizational and functional relationships of the departments are specified in the Corona Regional Medical Center organization chart. Each departments or services scope of service further delineates the care and services provided by the staff.

SCOPE AND ACCOUNTABILITY

The population utilizing healthcare services at Corona Regional Medical Center spans the continuum of care from the neonate to the geriatric population. Patients who require care or services not provided at CRMC are stabilized and then transferred to the appropriate facility, if deemed necessary.

SCOPE OF SERVICES

The design of patient care services provided throughout the organization is specified in each department's scope of service. Each department's scope of service contains the following information:

- Types and ages of patients served
- Methods used to assess and meet patient's care needs
- Scope and complexity of patient's care needs
- The appropriateness, clinical necessity, and timeliness of support services provided directly by the hospital or through referral contacts
- The extent to which the level of care or service provided meets patient's needs
- Department name, location, and number of beds (as appropriate)
- Hours of service, including how services are provided if department/unit is not open 24 hours per day, identification of the age and types of populations routinely served, the mechanism used to identify patient care needs, and important functions provided by the department
- The required number and mix of staff members necessary to meet patient needs and if applicable, the delivery of care methodology (primary nursing, team care, patient-focused care, etc.) used in the department
- Assessment and reassessment time frames and parameters
- Guidelines for practice of standards used in the provision of care
- Organization of unit (organization chart or narrative pertaining to management structure and if applicable, medical administration
- Admission/transfer/discharge criteria, if applicable

- Identification of high-risk, problem-prone, and quality control activities performed in the department
- Department's role in performance improvement

ACCOUNTABILITY

Responsibility for the provision of patient care is a shared responsibility between the Governing Board, Chief Executive Officer, and the Medical Staff.

Education and development of staff is consistent with standards of practice and competency requirements, and is the joint responsibility of the individual employee and the hospital.

Corona Regional Medical Center leadership ensures uniform delivery of patient care services provided throughout the organizations.

Leadership communicates the hospital's mission, vision, and values throughout the organization in order to guide the day-to-day activities of its personnel, and to create an environment that encourages staff to innovate, implement, and improve programs and plans for patient care. The communication process begins in hospital orientation and continues on an ongoing basis throughout the organization.

Corona Regional Medical Center leadership strives to ensure that systems promote the integration of services that support the patient's continuum of care needs in a manner that supports consumer understanding.

Corona Regional Medical Center leadership appoints and provides necessary resources for appropriate committees, task forces, and other forums to ensure interdepartmental collaboration on issues of mutual concern and requiring multi-disciplinary input.

Corona Regional Medical Center leadership promotes a budgeting process that allows managers to identify the expected resource needs of their departments. Department managers have direct input into both the budgetary process and allocation of resources, and are held accountable for managing and justifying their budgets and resource utilization.

The commitment to medical education includes continuing medical education for community physicians and medical personnel, and is viewed as a special contribution to the supply of medical personnel in our community.

Staff education is planned and provided based on the organization's mission, case mix of patients, technology utilized, the identified learning needs of staff (individual, departmental, and/or organizational determinations) and the competency required to provide patient care within the defined scope of services.

CONTINUUM OF CARE

To ensure that patient care services are available in a timely manner and all services essential for providing quality patient care are directly provided to our patients by Corona Regional Medical Center or through referral consultation and/or contacts with providers that can supply the required quality services. Consultations are completed in accordance with the Rules and Regulations of the Medical Staff By-Laws.

All patients that we cannot provide specialized services for are referred to other facilities that can provide these services.

STAFFING PLANS

Staffing plans for patient care service departments are developed based on patient needs, the level and scope of care to be provided, the frequency of the care to be provided, and a determination of the level of staff who can most appropriately provide the type of care needed. Staffing plans are department specific and based on patient acuity and needs. Each department/service has a formalized staffing plan, which is reviewed at least annually based on the following:

- Patient Population served (age, diagnosis, acuity)
- Performance improvement activities
- Risk Management activities
- Changes in customer needs/expectations
- Regulatory requirements

PLANNING FOR SERVICES

The planning process, which begins with the establishment and communication of the organization's mission, vision, and values, is collaborative and inclusive in order to allow input from all relevant levels of the organization, medical staff, and community. Guided by these principles, the organization leaders assess the needs of the community and patients, and in coordination with the Governing Board and medical staff, define strategic and operational plans, develop budgets, allocate resources, and establish policies. The planning process is monitored concurrently to assure consistency with the organization's values, mission, and vision. The planning and design process is guided by concurrent and retrospective assessment of patient, physician, and staff satisfaction with the care and services provided.

Within the planning process, human resources are allocated on a priority basis to meet identified needs, and consideration is given to ensuring configuration and allocation of all necessary resources, including space, equipment, and other facilities to meet the specific needs of the patient population served by the hospital including age, ethnicity, physical disability, and other characteristics. The goal of the planning process is to maximize effective and efficient patient care.

The planning process addresses both the patient care functions (access, assessment, treatment, patient rights, patient teaching, and discharge planning) and organizational support functions (information systems, management of the environment of care, and performance improvement).

PATIENT CARE PERFORMANCE IMPROVEMENT ACTIVITIES

Evaluating and Improving Care and Services

Evaluation of the effectiveness and appropriateness of the care and services provided is an ongoing process. Identification of key processes and activities are based upon the populations served, assessed needs of community, services provided, and available resources. The goal of

the evaluation process is to identify opportunities for improvement and use the problem-solving method to achieve continuous improvement.

The performance improvement structure as defined supports planning the process of improvement, setting priorities for improvement, assessing performance, implementing improvement based on assessment and maintaining improvements achieved. Additionally, key internal processes and activities that impact the outcome of patient care continuously assessed and improved. The budgetary process allows for the allocation of resources for assessing and improving the key governance, managerial, clinical and support functions.

Monitoring activities pertaining to the major functions of care, includes but is not limited to:

- Patient Rights
- Assessment of Patients
- Care of Patients (includes care planning and treatment, medication administration, operative and invasive procedures, use of conscious sedation, and use of restraints)
- Patient/Family education
- Continuum of Care
- Management of Human Resources (competency of care providers)
- Management of the Environment of Care
- Management of Information
- Infection Control

REVIEW OF PLAN

The organization's plan for providing patient care and the department-specific scopes of service are reviewed annually or whenever changes in patient care needs, prioritization findings from performance improvement activities, risk management findings, utilization review findings, and/or staffing plan variance suggests the need for review and revision. The hospital further monitors changing regulatory requirements, emerging treatment modalities, significant patient and staff needs, changes in the environment, and community needs. Priority for design attention is placed on those processes that affect a large percentage of the patient population, place patients at risk, and/or are problem-prone.