

Central California Foundation for Health  
Notice to Attorney General Pursuant to CA Corp. Code Section 5920

Sect. 999.5(d)(5)(C)

*A description of all services provided by each health facility or facility that provides similar health care services that is the subject of the agreement or transaction in the past five years to Medi-Cal patients, county indigent patients, and any other class of patients. This description shall include but not be limited to the type and volume of services provided, the payors for the services provided, the demographic characteristics of and zip code data for the patients served by the health facility of facility that provides similar health care services, and the costs and revenues for the services provided.*

Please see the attached.

## **DELANO REGIONAL MEDICAL CENTER**

### **Description of Services to Medi-Cal, County Indigent and Other Classes of Patients**

The information provided by Delano Regional Medical Center in response to this section represents its best estimate of the costs for the medical services provided to its Medicare, Medicare Managed Care, Medi-Cal, Medi-Cal Managed care, county indigents and other financial classes of patients.

### **Profile and Key Services: Delano Regional Medical Center**

Delano Regional Medical Center (DRMC) is a full-service community and regional hospital governed by the Central California Foundation for Health. Founded in 1974, DRMC serves 10 rural Central California towns in Kern County. DRMC is a not-for-profit hospital with 156 licensed beds. Services include an Intensive Care Unit, Emergency Services, Outpatient Services, Sub-Acute Care Unit, Medical-Surgical Unit, Obstetrics/Gynecology Unit and Surgical Pavilion. DRMC provides services through three rural health clinics: Delano Women's Medical Clinic, Delano Urgent Care and Wasco Medical and Urgent Care Clinic.

Our team of more than 600 dedicated employees, 12 volunteers and 118 physicians work together to offer personalized patient care in a warm and caring environment.

Delano Regional Medical Center is accredited by the Healthcare Facilities Accreditation Program (HFAP).

As part of its not-for profit mission DRMC treats all patients who enter our doors, regardless of ability to pay. In addition, we care for numerous patients each year on government health programs such as Medicare and Medi-Cal. All three programs ... charity care, Medicare and Medi-Cal ... pay hospitals for that care at rates that are below the actual cost of delivery of the services. DRMC absorbs those losses as well as uncollectable patient care costs as part of our community benefits. In addition, DRMC has invested back onto the greater Delano area through a variety of community partnerships.

Summarized below are some of these endeavors covering the 2014 to 2018 periods.

### **Cost and Revenue by Payor**

Delano Regional Medical Center relies on government programs for its services. Medicare and Medi-Cal accounted for approximately 17% and 70% of its net patient revenue respectively in CY 2016. The Medicare program accounted for 12% (Medicare) of the Foundation's net patient services revenue while Medi-Cal accounted for 80% (Medi-Cal) of the Foundation's net patient services revenues for CY2017.

DRMC qualified for and received Medi-Cal funding as a disproportionate share hospital from the state. The amount recognized in 2016 and 2017 were approximately \$1.769M and \$2.167 respectively and such amounts have been included in the net patient service revenues.

In addition, DRMC qualified for and received additional supplemental funding as a Medi-Cal disproportionate share hospital from the State's Private Hospital Supplemental Fund. In 2016 and 2017, the Hospital recognized approximately, \$560,000 and \$394,000 respectively under this program and such amounts are included in net patient service revenues.

The Hospital is also a recipient of the Quality Assurance Fund approved by CMS. The Hospital recorded fee for service and supplemental Medi-Cal funds of \$24,923,000 (included in net patient revenue) and estimated fees of for the same period of \$7,862,000 (included in Direct Expense related to Hospital Fee Program).

For 2017, the fee for service portion of the Hospital Fee Program recorded was an estimate of \$14,759,000 which is included in the net patient service revenue. Estimated fees for the same period were \$3,479,000 which is included in the other direct expenses related to the Hospital Fee Program.

In 2016, DRMC received \$387,509.94 in government Meaningful Use Funds.

**Delano Regional Medical Center  
Cost of Services by Payer Category  
CY 2013-2017**

	2013	2014	2015	2016	2017
Operating Expense	68,984,471	70,576,835	77,258,226	79,942,862	75,256,260
Adjusted Operating Expense	56,003,576	59,081,120	60,838,934	66,907,374	66,473,460

Cost of Services by Payor	2013	2014	2015	2016	2017
Medicare	14,163,304	14,663,934	12,761,575	12,986,721	12,523,599.86
Medi-Cal	29,917,110	33,877,114	39,949,886	44,199,011	44,105,140.71
Commercial/Contracted	8,786,961	8,714,465	6,709,318	8,242,988	8,123,056.81
Self-Pay	3,141,801	1,825,607	1,418,156	1,478,653	1,721,662.61
<b>Total</b>	<b>56,009,176</b>	<b>59,081,120</b>	<b>60,838,934</b>	<b>66,907,374</b>	<b>66,473,460</b>

**DELANO REGIONAL MEDICAL CENTER**

<b>PATIENT REVENUE</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
<b>Inpatient Gross Revenue</b>					
Inpatient Medicare	37,750,446	35,491,249	25,917,060	22,165,130	20,787,815
Inpatient Medi-Cal	67,094,170	71,066,422	78,145,807	75,472,023	76,067,267
Inpatient Commercial/Contracted	15,820,492	14,497,604	6,715,022	9,789,128	10,271,950
Inpatient Self-Pay	4,327,904	1,130,674	785,581	525,933	908,952
Inpatient Other					
<b>Total</b>	<b>124,993,012</b>	<b>122,185,949</b>	<b>111,563,470</b>	<b>107,952,213</b>	<b>108,035,985</b>
<b>Outpatient Gross Revenue</b>					
Outpatient Medicare	17,146,675	16,912,041	17,523,093	17,312,213	17,307,428
Outpatient Medi-Cal	42,815,649	49,997,815	57,843,893	58,914,165	58,120,864
Outpatient Commercial/Contracted	17,019,054	16,624,265	16,122,695	15,278,626	14,444,128
Outpatient Self-Pay	7,431,137	5,423,565	4,044,531	3,960,307	4,332,705
Outpatient Other					
<b>Total</b>	<b>84,412,515</b>	<b>88,957,685</b>	<b>95,534,212</b>	<b>95,465,311</b>	<b>94,205,126</b>
<b>Days</b>					
Medicare Days	13,390	8,738	3,827	11,767	12,353
Medi-Cal Days	11,813	18,026	19,928	11,701	10,845
Commercial/Contracted Days	2,895	2,602	2,288	2,427	2,805
Self-Pay Days	253	913	258	171	5
Other Days	366	114	128	125	378
	<b>28,717</b>	<b>30,393</b>	<b>26,429</b>	<b>26,191</b>	<b>26,386</b>
<b>Discharges</b>					
Medicare Discharges	1,011	1,014	988	983	928
Medi-Cal Discharges	1,301	2,029	1,242	1,247	1,578
Commercial/Contracted Discharges	274	336	227	218	178
Self-Pay Discharges	56	243	76	47	1
Other Discharges	32	37	38	35	110
	<b>2,674</b>	<b>3,659</b>	<b>2,571</b>	<b>2,530</b>	<b>2,795</b>

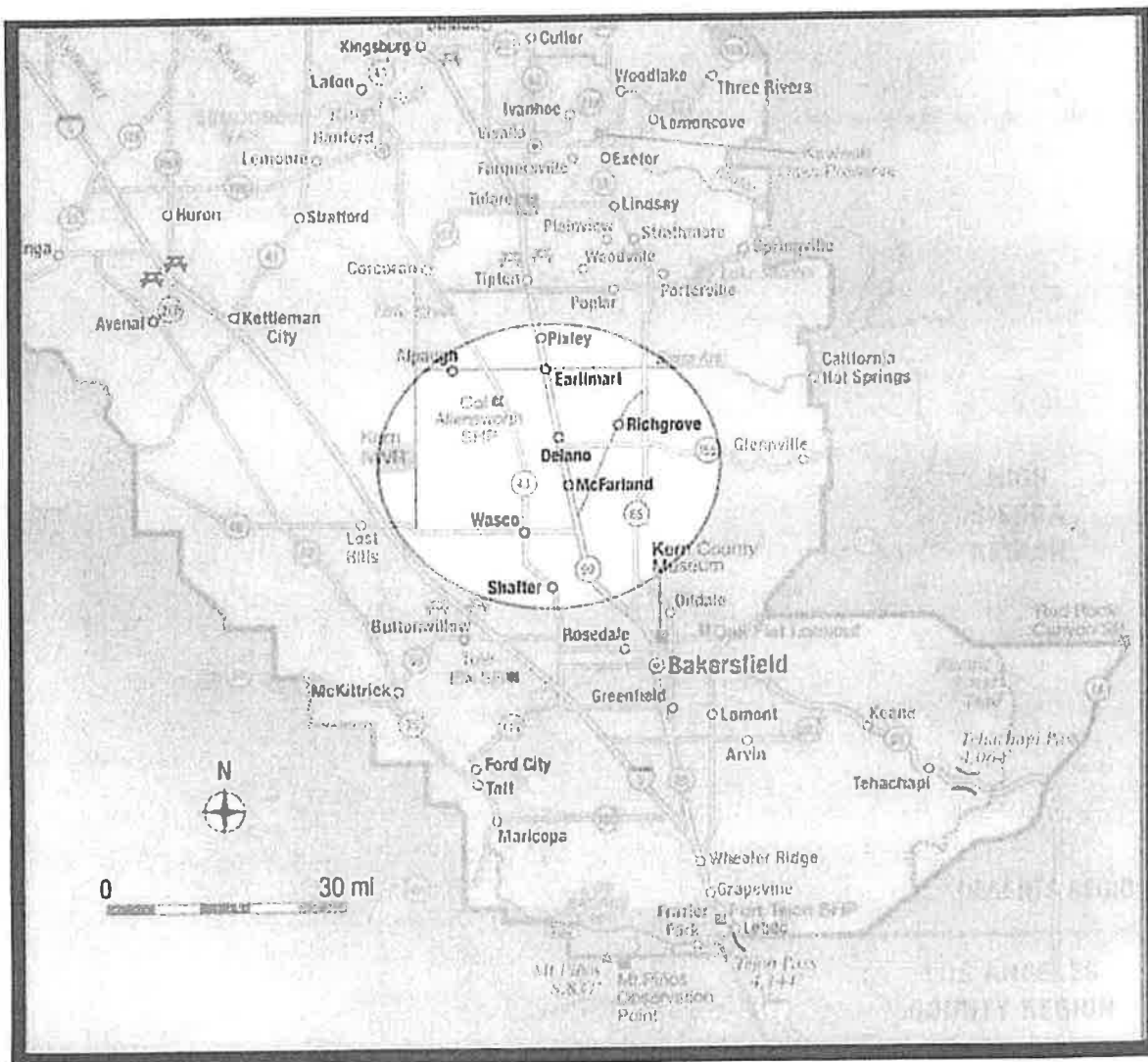
Patient Origin

The table below shows the zip codes from which DRMC inpatient discharges originated in CY 2017.

Zip Code	City	County	Discharges	% of Total	Cumulative %	Svc Area Discharges	DRMC Market Share
93215	Delano	KERN	1841	55.8%	55.8%	24711	7.5%
93250	McFarland	KERN	491	14.9%	70.7%	7175	6.8%
93280	Wasco	KERN	229	6.9%	77.7%	10769	2.1%
93219	Earlimart	TULARE	279	8.5%	86.1%	5287	5.3%
93261	Richgrove	TULARE	96	2.9%	89.0%	1512	6.3%
93216	Delano	KERN	71	2.2%	91.2%	1318	5.4%
93263	Shafter	KERN	54	1.6%	92.8%	8838	0.6%
93256	Pixley	TULARE	35	1.1%	93.9%	2791	1.3%
93249	Lost Hills	KERN	30	0.9%	94.8%	1054	2.8%
93201	Alpaugh	TULARE	35	1.1%	95.8%	694	5.0%
Subtotal			3161	95.8%			
All Other			137	4.2%	100.0%		
Total			3298	100.0%			

**Delano Regional Medical Center Service Area Map**

Delano Regional Medical Center is located at 1401 Garces Highway, Delano, California, 93215. The service area includes four zip codes in Kern County—93215 (Delano), 93250 (McFarland), 93263 (Shafter), and 93280 (Wasco); and three zip codes in southern Tulare County—93219 (Earlimart), 93256 (Pixley) and 93261 (Richgrove) served by Delano Regional Medical Center (Delano Service Area). DRMC determines the service area by assigning zip codes based on patient discharges. Over 70% of inpatient discharges constitute the Primary Service Area. The Delano Regional Medical Center service area is presented below by zip code, community and county.



Service Area Population and Demographic Profile

Delano Regional Medical Center Trends in Age and Population					
Service Area	<u>2010</u>		<u>2015</u>	<u>2020</u>	
	Historical	Estimated Census	% of Change since 2010	Estimated Census	Change Since 2015
<b>Delano, CA</b>					
<b>McFarland, CA</b>					
Age 65 and Over	3,912	4839	21%	5181	6.82%
Age 45-64	12,982	13426	3.36%	14918	10.52%
Age 18-44	30,365	31972	5.16%	33464	4.56%
Age 0-17	17,423	18490	5.94%	21456	14.85%
<b>Total Primary</b>	<b>64,682</b>	<b>68,231</b>	<b>5%</b>	<b>75,019</b>	<b>9%</b>
<b>Secondary Service Area</b>					
Age 65 and Over	1,293	1810	33.32%	1923	6.05%
Age 45-64	5000	5,160	3.14%	6201	18.32%
Age 18-44	11,901	12,928	8.27%	14873	13%
Age 0-17	7,351	8,116	9.89%	9241	12.96%
<b>Total Secondary</b>	<b>25,545</b>	<b>28,014</b>	<b>9.21%</b>	<b>31,095</b>	<b>10%</b>
<b>California</b>					
Age 65 and Over	4,246,514	4,999,145	17.72%	5,932,710	18.67%
Age 45-64	9,288,864	9,831,320	5.84%	10,248,663	4.25%
Age 18-44	14,423,538	14,705,466	3.89%	14,941,905	3.20%
Age 0-17	9,295,040	9,286,605	-0.09%	9,382,452	1.03%
<b>Total California Population</b>	<b>37,253,956</b>	<b>38,822,536</b>	<b>4.21%</b>	<b>40,505,730</b>	<b>4.34%</b>
<b>USA</b>					
Age 65 and Over	40,267,984	46,876,971	16.41%	55,154,921	17.66%
Age 45-64	81,489,445	84,035,345	3.12%	84,781,967	0.89%
Age 18-44	112,729,723	114,588,432	3.15%	116,335,665	3.00%
Age 0-17	74,181,467	73,959,243	-0.30%	74,416,812	0.68%
<b>Total USA Population</b>	<b>308,745,538</b>	<b>319,459,991</b>	<b>3.47%</b>	<b>330,689,365</b>	<b>330,689,365</b>

Delano Regional Medical Center's Primary Service area is projected to increase by 9.0% from 2015 to 2020. The Secondary Service Area is projected to increase by 10% from 2015 to 2020. The projected increase in population in both the Primary and Secondary Service areas exceeds the projected total statewide population growth of 4.21. The average total projected population growth for residents above the age of 65 in the state of California is 18.67% state wide.