

COMMUNITY HEALTH NEEDS ASSESSMENT
AND IMPLEMENTATION PLAN

2013

STRAITH HOSPITAL
FOR SPECIAL SURGERY

23901 Lahser Road, Southfield, Michigan 48033

www.straithhospital.org

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Straith Hospital for Special Surgery

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Straith Hospital for Special Surgery

Who We Are

Straith Hospital for Special Surgery (Straith Hospital) is an unaffiliated, acute care, not-for-profit Hospital Corporation under IRC 501 (c) (3). Straith Hospital is located at 23901 Lahser Road, Southfield, Michigan 48033, and is accredited by the Joint Commission; current accreditation is effective until June 26, 2016. The history of Straith Hospital began with its incorporation in 1952.

Straith Hospital has five operating rooms and 34 licensed beds. The inpatient activity is almost entirely within the Physical Medicine and Rehabilitation (PM&R) program and the outpatient activity is entirely related to the surgical services departments. The surgery performed is primarily Ophthalmology and virtually all of those services are performed on an outpatient basis. Straith Hospital is unique in that it does not have an Emergency Room or any type of walk in clinical services. There are a total of 51 independent physicians on the Straith Hospital Medical Staff.

Mission Statement

The mission of Straith Hospital for Special Surgery (Straith) is to deliver high quality care to its patients and high quality support and satisfaction to its staff physicians.

Vision Statement

- Straith will remain an independent facility and maintain its focus as a Specialty Hospital.
- Straith's contribution to the community and its part of the continuum of care is to fulfill the unmet medical and surgical needs of physicians and their patients desirous of quality patient care delivered in a comfortable hospital setting.
- Specialty physicians bring their patients to Straith so they and their patients can escape the bureaucracy and lack of individualism encountered at large hospitals.
- Patients come to Straith on the recommendation of their doctor. Quality patient care combined with physician satisfaction is the key to continued referrals.

Statements of Purpose

The purposes for which Straith Hospital for Special Surgery is formed are as follows:

- a. To establish and maintain a hospital for the care and treatment of persons suffering from illnesses or disabilities which require that the patients receive hospital care, to charge, collect and receive reasonable amounts for services rendered to those hospital patients within their ability to pay either directly or through third party reimbursement; to provide charitable services to patients with insufficient financial resources to pay for their care, to the extent that the facilities and financial condition of the Corporation permit; and to pay all necessary and ordinary expenses in connection with the operation of said hospital.
- b. To carry on any education activities related to rendering care to the sick and injured or the promotion of health, which in the opinion of the Board of Trustees may be justified by the facilities, personnel, funds or other requirement that are, or can be made, available.
- c. To promote and carry on scientific research related to the care of the sick and injured insofar as, in the opinion of the Board of Trustees, such research can be carried on in, or in connection with the hospital.
- d. To not restrict the use of its facilities to a particular group of physicians and surgeons to the exclusion of all other qualified doctors.
- e. To participate, so far as circumstances may warrant, in any activity designed and carried on to promote the general health of the community.
- f. To receive, administer and dispose of funds for any one or all of the above purposes, and for no other purposes and/to that end, to take and hold, by bequest, devise, gift, purchase or lease any funds or property, and to administer, assign, give and dispose of same for such purposes and none other, without limitation, except such limitations as may be imposed by law or as may be contained in any instrument under which such funds or property are received.
- g. To exercise, in general, any, all and every power necessary or appropriate to carry out said purposes, but not for any other purpose. The Corporation will not practice medicine.

This Corporation is organized exclusively for charitable, scientific and educational purposes as a nonprofit corporation and its activities shall be conducted for the aforesaid purposes in such a manner that no part of its net earnings or assets will inure to the benefit of any member, Trustee, officer or individual, either during the term of its existence or after its dissolution. In order to accomplish fully the foregoing purposes, any and all assets of the Corporation remaining after dissolution shall be paid over and delivered to one or more charitable organizations as selected by the Board of Trustees. No part of the activities of this Corporation shall be the carrying on of propaganda or otherwise attempting to influence legislation. No contribution or gift shall be made to any person who is related, by blood or marriage, to any member of, or donor to, the Corporation, or to any person for whose support any member of donor is legally liable.

Community Health Needs Assessment

What is a Community Health Needs Assessment (CHNA)?

Tax-exempt hospitals like Straith must perform a CHNA every three years and adopt an Implementation Plan to help meet the community health needs identified. Although hospitals have traditionally performed an assessment of their community's health needs the Patient Protection and Affordable Care Act of 2010 has provided additional guidance and requirements.

The CHNA should identify the significant health needs of the hospital's community and take into account input from that community. There should be an implementation strategy describing the actions intended to address the health needs which includes the anticipated impact and a plan to evaluate the impact. The CHNA must be made widely available to the public and this may be accomplished by posting the document on the hospital's website, attaching it to the annual informational return (IRS Form 990) and making a paper copy available for public inspection at no charge.

What is Straith Hospital's Community?

(Statistics are from the US Census bureau, US Department of Commerce, and other governmental sources)

Straith Hospital has a single location which is in the City of Southfield, Oakland County, Michigan. Southfield borders the City of Detroit which is in the adjacent Wayne County. Based on 2012 estimates, Michigan has a population of 9,883,360; Oakland County has 1,220,657; and the City of Southfield has 72,507. The Southfield residents reporting in 2010 to be of one race only included 70.3% Black or African American, 24.9% White, and 1.7% Asian. During the period of 2007 – 2011 the median household income was \$50,747 and 12.8% of the population was below the poverty level. Occupying a geographical area of approximately 26 square miles, and providing nearly 27 million square feet of office space, Southfield has a daytime population which nears 175,000. The Oakland County residents estimated in 2012 to be of one race only included 77.3% White, 14.3% Black or African American, and 6.1% Asian. During the period of 2007 – 2011 the median household income in the county was \$66,456 and 9.5 % of the population was below the poverty level.

There are two other hospitals in the City of Southfield, both within four miles of Straith Hospital. Providence Hospital (16001 West Nine Mile Road) is a 365 bed facility providing a broad range of primary care and clinical specialties including Emergency Medicine. This hospital is a church-operated not-for profit General Medical and Surgical facility. Oakland Regional Hospital (22401 Foster Winter Drive) has 71 beds and is an investor owned for-profit General Medical and Surgical hospital. Additionally, Beaumont Hospital is in nearby Royal Oak, also in Oakland County and only 7 miles away. Beaumont Hospital (3601 W. Thirteen Mile Road) is a 1,070 bed facility providing a broad range of primary care and clinical specialties including Emergency Medicine. This hospital is a not-for profit General Medical and Surgical facility.

42.3 % of the patients treated at Straith Hospital are residents of Oakland County, and 38.1 % of our patients are residents of Wayne County. The population for Wayne County, in the 2010 U.S. Census

was 1,820,584. Based on 2009 Census estimates the average household income was \$66,362. The poverty rate increased from 8.2% to 13.0 % between 2000 and 2009. Henry Ford Hospital is in nearby Detroit, in Wayne County, and only 13.2 miles away. Henry Ford Hospital (2799 West Grand Boulevard) is a 751 bed facility providing a broad range of primary care and clinical specialties including Emergency Medicine and Level 1 Trauma Center. This hospital is a not-for profit General Medical and Surgical facility.

When Straith Hospital moved to its current location in 1972, the City of Southfield would not approve the hospital to build and service an Emergency Room. Because of this, the hospital never attempted to develop primary care services, or any “walk-in” business. The facility and support staff has evolved to focus on the needs of the medical staff specialists choosing to bring their patients to our facility. When the specialist is using our hospital, their patient becomes our focus, but until then our focus is on our medical staff. In this way, the medical staff is our community as we have no capabilities to reach patients directly, but only through our specialists.

CHNA Process

Straith Hospital formed a committee to review the requirements of, strategize on, and formulate the CHNA. The members of the committee were comprised of the upper levels of administration including the CEO, COO, CFO, and Chief of Staff. Research tools utilized in the process included data gathered from various governmental agencies including The Department of Public Health, and Centers for Disease Control and Prevention (CDC), ongoing discussions with the medical staff, and review of the CHNA data posted by local area tertiary care hospitals.

Primary Health Needs of the Community

Asthma - Asthma has become more prevalent in the U.S. and Michigan over the last three years. This is predominantly a condition of children and youth.

Diabetes – The number of cases of type II diabetes in the U.S. and Michigan has been steadily increasing in recent years. In 2010, about 9 % of adults in Oakland and Wayne counties had diabetes.

Obesity – There is a significant upward trend in the number of adults classified as obese. In 2010 the percentage of obese adults in Wayne County was 29 % and in Oakland County it was 26 %. Overweight and obese children are becoming more prevalent as well.

Aging Population Demographics – As the baby boomer generation ages the already existing trend of an aging population in the U.S. will continue, but at a higher rate. According to the Michigan Department of Technology, Management, and Budget, in 2009 13.4 % of Michigan’s population is age 65 or older. Though the proportion of elderly is greater in Northern Michigan, Southeastern Michigan has the highest volume of elderly. Wayne County has 235,000 individuals age 65 or older, while Oakland County has 156,000.

Access to Care – Southeastern Michigan continues to experience significant numbers of individuals uninsured or underinsured. U.S. Census information indicates that nearly 600,000 residents of Southeast Michigan are uninsured.

Selection of Community Health Needs Focus

The CHNA committee analyzed the Primary Health Needs identified in order to determine those that Straith Hospital should focus on addressing. Elements of the analysis included:

- Straith Hospital capabilities and resources regarding its medical staff, support staff, and facility.
- Straith Hospital capabilities and resources it may reasonably obtain in the future.
- Resources already available to the community

Aging Population Demographics

There are many unique healthcare needs of the aged. Most hospitals will provide services addressing some portion of these needs. Straith Hospital intends to focus on the following:

Physical Medicine and Rehabilitation

Physical Medicine and Rehabilitation (PMR) services are needed for the elderly in an acute care setting. PMR inpatients treated at Straith Hospital are currently averaging 81 years of age. It is important for the elderly patient needing more therapy than provided in skilled nursing facilities to have access to this level of care.

Ophthalmologic Services

Ophthalmologic services are required for many of the elderly. Straith Hospital has and continues to provide facility services to some of South Eastern Michigan's premier Ophthalmologists.

Orthopedic Services

An aging population and increasing rate of obesity are two factors in the increasing demand for orthopedic services. Straith Hospital has provided Orthopedic services in the recent past and would like again to offer these services.

Access to Care

Every tax-exempt Hospital, including Straith Hospital, has accepted the financial burden of providing healthcare service to patients regardless of their ability to pay. Unfortunately, this burden is not limited to uninsured patients but includes those that are underinsured. Continuing to support those

lacking the ability to pay can improve the quality of life for the patient as well as potentially reduce the cost of health care services ultimately rendered.

Other Primary Health Needs of the Community

Asthma, Diabetes, and Obesity needs are currently addressed by the local tertiary-care hospital systems in our service area. Some of these needs have even been identified as those hospitals' focus in their CHNAs. Straith Hospital will not attempt to acquire the medical and support staff, or facilities, to treat these disorders as a principal diagnosis.

STRAITH HOSPITAL
FOR SPECIAL SURGERY
CHNA
IMPLEMENTATION STRATEGY
2014 - 2016

STRAITH HOSPITAL
FOR SPECIAL SURGERY

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Straith Hospital for Special Surgery CHNA Implementation Strategy for the Fiscal Years ending in 2014 – 2016

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Straith Hospital formed a committee to review the requirements of, strategize on, and formulate the CHNA. The members of the committee were comprised of the upper levels of administration and the Medical Staff. The CHNA committee analyzed the Primary Health Needs identified in order to determine those that Straith Hospital should focus on addressing. Elements of the analysis included:

- Straith Hospital capabilities and resources regarding its medical staff, support staff, and facility.
- Straith Hospital capabilities and resources it may reasonably obtain in the future.
- Resources already available to the community

Aging Population Demographics

There are many unique healthcare needs of the aged, and our population is aging. According to The State of Aging & Health in America 2013, a report from the Centers for Disease Control and Prevention, page ii, "The growth in the number and proportion of older adults is unprecedented in the history of the United States. Two factors-longer life spans and aging baby boomers-will combine to double the population of Americans aged 65 years or older during the next 25 years to about 72 million. By 2030, older adults will account for roughly 20% of the U.S. population."

Most hospitals will provide services addressing some portion of these needs. As a result of the analysis of our CHNA Committee, Straith Hospital intends to focus on the following:

Physical Medicine and Rehabilitation

Physical Medicine and Rehabilitation (PMR) services are needed for the elderly in an acute care setting. Many elderly patients become quite debilitated after being admitted at a tertiary care facility for

a significant illness or event. These patients often require substantial rehabilitation services after becoming medically stable in order for them to eventually return to their prior living environment, preferably their homes. The following are examples of diagnoses admitted to the Straith Hospital's Inpatient Rehabilitation Program:

Neurological – Cerebral Vascular Accident (Stroke), Hemiplegia, Parkinsonism, Syncope.

Cardiac – Coronary bypass, femoral grafts, after heart attack, stabilized angina.

Orthopedic – Total knees, hips, pelvic fractures, upper extremity fractures, spinal stenosis, vertebral fractures, compression fractures, debilitated arthritis.

Debility – After radiation therapy, after chemotherapy, after mechanical ventilation, chronic pulmonary lung disease, medically complex.

Unlike Straith Hospital, most acute care level inpatient rehabilitation providers are hospitals (or units within a hospital) that are not reimbursed under the Acute Care Hospital Inpatient PPS specified in 42 CFR 412.1(a)(1) (MS-DRG) but instead are paid under the higher reimbursing IRF PPS. There are more restrictions on admission screenings to these IRF PPS units than one like Straith Hospital's, and the reimbursement is at a higher level per patient episode than Straith, even though the level of rehabilitative care provided is the same.

As of the second quarter of 2013, the average age of our in-patients was 81 years, and 54% of them were able to be discharged back to a Community Living status (i.e, home, home with family, senior apartments, assisted living, or a group home). We strive to provide a cost-effective quality alternative for patients requiring comprehensive rehabilitation and therefore fill an otherwise un-met need in the community.

The CHNA committee feels that we should continue to grow the program and continue to smooth the continuum of care including the services we provide through our social workers and discharge planning functions. We provide assistance to the patient in connecting with other important services in the community such as:

Meals on Wheels

Lifeline notification services

Home Care Services

Resources regarding Veterans Benefits

Education regarding navigation of the health care system

Help with follow-up appointments

Help with procuring Durable Medical Equipment

Adult Day Care

Other Community Service available

It is important for the elderly patient needing more therapy than provided in skilled nursing facilities to have access to this level of care provided by Straith Hospital. Patients needing an acute level of inpatient rehabilitation that are admitted to a skilled nursing facility with the typical one to two hours of therapy per day often stay in that setting long enough to cost the insurer more than if they had gone to a setting such as Straith where they receive substantially more daily therapy.

Ophthalmology

Ophthalmologic services are required for many of the elderly and near-elderly. Straith Hospital has and continues to provide facility services to some of Southeastern Michigan's premier Ophthalmologists. Many of these services are available at most hospitals and many Ambulatory Surgery Centers within Straith's community. However, Straith Hospital has a concentration of posterior segment (i.e., Retinal) and Corneal Transplant specialists on staff. According to the Michigan Health and Hospital Association analysis of the Outpatient PPS Claims file received from CMS, a significant fraction of Retinal and Corneal procedures done in the State of Michigan are performed at Straith Hospital. For example, based on 2009 PPS claims filed in the entire State of Michigan:

APC 0672 – Level III Posterior Segment Eye Procedures – Straith Hospital performed 10.9% of the state-wide total.

APC 0244 – Corneal & Amniotic Membrane Transplant – Straith Hospital performed 39.7% of the state-wide total.

These Ophthalmology sub-specialties tend to be financially challenging for a facility to support because of the very high costs of equipment and supplies needed for them, in contrast with other sub-specialties of Ophthalmology such as cataract and implant surgery. It is largely due to our low overhead cost structure and concentration of services which allow Straith Hospital to provide the highest quality equipment and support staff to these Ophthalmology sub-specialists. Our ability to provide a high quality, low cost approach to everything we do allows us to continue providing services which the for-profit Ambulatory Surgical Centers typically avoid. The CHNA committee believes it is critically important to the mission of Straith Hospital that we continue to provide these services to the aging population of Southeastern Michigan, and also that we function as a relatively low cost center where subspecialty ophthalmologists can perform complex procedures in a very cost efficient manner.

Orthopedic Services

An aging population and increasing rate of obesity are two factors in the increasing demand for orthopedic services. According to the Michigan Department of Technology, Management, and Budget, Wayne County has 235,000 individuals age 65 and older, while Oakland County has 156,000. Meanwhile the Michigan Department of Community Health reported that the state of Michigan had the 8th highest U.S. state prevalence of obesity in 2008 at 30% of the adult population. This rate has risen 22% since 2001. The obesity prevalence is higher among African Americans, and highest amongst African American women as compared to all other age or sex groups.

Total joint replacements have been increasing dramatically and allow the patients to improve their mobility and work toward a healthier lifestyle. Data taken from the CDC's National Hospital Discharge Survey show that between 2007 and 2010 the number of total hip procedures increased 13% per year on average, while total knee replacements averaged a 10% increase. Excess weight leads to osteoarthritis in joints of the hips and knees, and thus to higher rates of orthopedic procedures. Another factor related to the increase in orthopedic procedures is the continued technological improvements and techniques used in implanting artificial joint implants.

Straith Hospital has the necessary specialized operating rooms, perioperative areas, and postoperative care facilities to support an orthopedic program, and has done so in the past. Our Medical Staff leadership believes that providing an aggressive post surgical rehabilitation program in conjunction with orthopedic surgery could produce the kind of patient outcomes needed in an ever increasing way. The CHNA committee has concluded that we should continue to pursue the development of an orthopedic program to help serve the needs of the community.

Access to Care

Blue Cross Blue Shield of Michigan has recently reported that an estimated 600,000 uninsured individuals reside in Southeast Michigan. According to the State of Michigan County Health Rankings & Roadmap, in 2010 Wayne County had 275,614 uninsured individuals under the age 65, and Oakland County had 125,062. The financial burden of the uninsured is well documented, and every tax-exempt Hospital, including Straith Hospital, provides healthcare service to patients regardless of their ability to pay. The implementation of the Patient Protection and Affordable Care Act of 2010 will ultimately increase the number of newly insured individuals. Also, many states including Michigan will be expanding the number of individuals eligible for Medicaid.

There will always remain a significant number of uninsured individuals for a variety of reasons such as; eligible but not enrolled, enrolled but coverage not yet in effect, or other. It is important for hospitals to continue providing care regardless of the patient's ability to pay. A large portion of Straith Hospital patients are Medicare eligible. Some of them have no Medigap insurance coverage and may be unable to pay their out of pocket burden. Many of our Medicare patients are indigent, are enrolled in Medicaid (dual-eligible), and will not have to pay their deductible, co-pay or co-insurance amounts. We have a financial waiver program for patients that are not enrolled in Medicaid, but whose gross household incomes are under 185% of the federal poverty guideline. This program also applies to individuals that are uninsured. Those with a higher gross household income will be eligible for discounts.

Unfortunately, the financial burden on the not-for-profit hospital is not limited to finding a way to treat uninsured patients, but includes helping those patients that are underinsured. More commercial insurance policies are being offered with very high deductible and other out of pocket costs. Governmental programs reimburse hospitals less than the cost of providing care. The American Hospital Association reports that data presented to the Medicare Payment Advisory Commission in December of 2012 shows that overall Medicare operating margins fell from negative 4.7% in 2010 to negative 5.8% in 2011. Margins for Medicaid patients are worse. Obviously, a hospital needs to make up for these operating deficits from other payers, or other income.

The American Hospital Association reported in the Trendwatch Chartbook 2012 that Medicare and Medicaid comprised 55.2% of the total hospital cost in 2010. That year Straith Hospital's Medicare and Medicaid business was 76.8% of our total. Our success in providing a high quality, low cost approach allows us to continue providing services even with such a high level of governmental programs.

The CHNA committee feels it imperative that the hospital continue to manage resources efficiently enough to be able to survive on a high level of Medicare and Medicaid covered patients. Furthermore, we should continue to analyze and modify our financial assistance policies so that we support those lacking the ability to pay.