

YOUR QUESTIONS ANSWERED

Regarding Ashland Community Hospital and Dignity Health

Q: Why is affiliation with another healthcare system necessary?

A: There are many reasons Ashland Community Hospital (ACH) is considering an affiliation. Some of the most compelling are these:

- The percentage of total hospital revenue paid through the Medicare program has substantially increased (from 41 percent in FY2004 to 52 percent in FY2012) and is expected to further increase due to our aging population.
- Total revenue through the Medicaid program also has increased.
- Payments for care delivered to Medicare and Medicaid patients have been cut and are expected to see further reductions.
- ACH does not qualify for enhanced reimbursement as a Critical Access Hospital.
- In FY2012, ACH provided \$13M in uncompensated care. This includes a \$9M Medicare/Medicaid shortfall (difference between the cost of service and the reimbursement received), charity care totaling \$1.4 million and bad debt (payment that is uncollectible) of \$1.9 million.
- ACH faces competition from two much larger, full-service hospitals only 10 miles away.
- Healthcare reform is pushing toward a model of integration and managed care.
- Our hospital is not alone in this dilemma. Across the country, many hospitals are looking at alliances as a means to contend with increases in uncompensated care, expensive mandates such as electronic medical records, increasing supply costs and rapidly evolving medical technology.
- By partnering with another healthcare organization, Ashland Community Hospital will continue to grow and be successful. A partner will offer assistance in implementation of new services and technologies, provide economies of scale, and allow ACH to compete and be viable in a complex healthcare environment. With a strong healthcare network behind us, ACH will have organizational stability for the long run and support for a broad array of locally-based services we can continue to deliver to our community.

Q: Why does Dignity Health want to partner with Ashland Community Hospital?

A: Dignity Health's vision for the next ten years is to become a vibrant national healthcare system known for service, chosen for clinical excellence, standing in partnership with patients, employees and physicians to improve the health of all communities served. As the first affiliation with a hospital in Oregon, ACH is in line with their goal to expand into this state. They already have a growing network of hospitals in Arizona, California and Nevada. Our values and commitment to patient-centered care are a good fit for their organization.

Q: How was Dignity Health chosen?

A: ACH went through an affiliation process. Notices were sent to 23 organizations and proposals were received from five systems. After reviewing the proposals, Dignity Health was chosen for exclusive negotiation.

Q: How was the affiliation process determined?

A: The Ashland City Council provided a number of steps that the hospital Board of Directors was required to follow, including several stages where community input was sought.

Q: What are the next steps in the affiliation process?

A: The ACH Board of Directors and the Dignity Health Board of Directors approved the affiliation agreement between ACH and Dignity Health in late September. Legal documents related to the affiliation will have to be finalized and the Ashland City Council will have to approve both the affiliation and facility lease under which the Hospital operates.

Q: Why was Dignity Health chosen over the other options?

A: At the beginning of the affiliation process, the ACH Board of Directors created a set of goals for the affiliation. Dignity Health met these goals and more.

- At ACH, our model of healthcare focuses on the needs of the patient as a whole person, and Dignity Health is an excellent fit with this philosophy of care.
- Dignity is committed to support and grow local services, technology and employment.
- Dignity Health allows its partner hospitals to maintain their name and identity, which was important to Ashland Community Hospital and its 105-year history.
- Dignity Health's restructuring allows for alignment within a secular (non-religious) context.
- Local governance will be maintained. ACH will have a local community board with a fiduciary and advisory role, with oversight and input into quality, service development, strategic initiatives, policies and procedures.
- Like ACH, Dignity Health is also a not-for-profit organization.
- Dignity Health makes a genuine commitment to the community, funding community grants and community investment loans, promoting environmental responsibility and expanding access to health care.

Q: Why not partner with one of the other hospitals in Medford?

A: An affiliation with one of the other Rogue Valley hospitals would undermine our existing cooperation with BOTH of the local healthcare systems—relationships that offer the best options for our patients in need of some types of specialized care. In addition, the Dignity Health network offers benefits that a local hospital may not have the resources to provide. And, in the current healthcare environment, it is not unlikely that Asante may look for its own affiliation eventually—one that we would have no input in choosing.

Q: Is Dignity Health part of the Catholic Church?

A: No. Dignity Health is a healthcare system made up of a number of hospitals and care centers. It has both secular and faith-based affiliates. ACH will not be controlled by the Catholic Church or subject to its Ethical and Religious Directives.

Q: Will Ashland Community Hospital become a Catholic hospital?

A: No. ACH will maintain its current identity and remain secular. The Hospital will be asked to follow Dignity Health's Statement of Common Values.

Q: What are Dignity Health's Values?

A: Dignity Health's Core Values include the following:

Dignity - Respecting the inherent value and worth of each person and the patient's right to make medical decisions, while working towards the common good in the communities we serve.

Collaboration – Working in partnership with all who are called to serve the community, we have a commitment to advocate for reasonable and accessible care for all who need it.

Justice - Advocating for social change and acting in ways that promote respect for all persons and demonstrate compassion for our sisters and brothers who are powerless.

Stewardship - Cultivating the resources entrusted to us to promote healing and wholeness.

Excellence - Exceeding expectations through teamwork and innovation.

Q: Will abortions be allowed under this affiliation?

A: Currently, ACH does not provide abortions and hasn't performed one in four years. In fact, most abortions are not performed in a hospital setting. This will continue to be the case for ACH. If the life of the mother is threatened, an abortion may be performed.

Q: In Oregon, there is the "Death with Dignity" Act. Will the new affiliation allow for aid-in-dying?

A: Dignity Health respects and supports the right of each patient to make his or her own medical decisions. It does not interfere with the physician/patient relationship. In Dignity Health hospitals, there is no obligation to begin or to continue any treatment, even life-sustaining treatment. The patient's right to full information and the organization's obligation to provide that information is recognized by Dignity Health.

It does not prohibit hospital staff from discussing end-of-life issues and options with patients, including aid-in-dying. Physicians who are employees of Dignity Health may not prescribe medications to end life. However, they may discuss these issues and refer patients to a physician who does support this option. They may provide the documentation of diagnosis and prognosis required by the law. Independent physicians in the community may prescribe end-of-life medications based on their personal moral position, even if they have privileges at the hospital. Dignity Health-affiliated hospice programs may provide services to patients who opt for aid-in-dying.

Q: Why is it important to keep ACH in our community?

A: ACH provides an important service to Ashland, Talent and the Rogue Valley. In FY2012, ACH impacted the health of our community through the following services:

- Admitted 1,514 patients
- Provided 5,078 days of inpatient care
- Delivered 362 babies
- Completed 3,168 surgeries and special studies
- Treated 8,171 patients through the Emergency Department
- Provided school nurse services to approximately 750 children in elementary and middle schools in Ashland and Talent
- Registered 58,281 outpatients (diagnostic tests, physical therapy, wound treatment, physician visits and more)
- Made 7,603 home health visits
- Provided 7,343 days of hospice care
- Opened the Center for Family Medicine in Ashland and Talent
- Completed a successful accreditation survey through DNV
- Achieved accreditation for our CT service from the American College of Radiology
- Completed a successful State Board survey of our Pharmacy with no adverse findings
- Scored a 98 out of 100 in the Dietary Department on a survey by the Jackson County Health Department
- Recognized for excellent patient care in our Wound Center again this year
- Created or renovated the ED, Diagnostic Imaging, Minor Procedure Room, Staff Lounge, Wound Center, OB Comfort Zones and the Gift Shop
- Invested \$1.5 million in capital including a new x-ray machine, cardiac monitors, nurse call system, automated medication dispensing system, surgery instruments, lab analyzers, and patient beds

ACH is critical to the economic health of our community and region. With 400 employees, ACH is the third largest employer in the City of Ashland and has the largest average wage. Ashland Community Hospital has total wages of approximately \$25 million annually, which in turn supports the businesses of our community and the Rogue Valley.



Ashland Community Hospital
Affiliation with Dignity Health Q&A



For every walk of life.

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PLANETREE – patient centered
care in a healing environment

MYTH versus TRUTH

Regarding Ashland Community Hospital and Dignity Health

MYTH

Dignity Health is a Catholic System.

Ashland Community Hospital will become a Catholic hospital in Dignity Health.

Dignity Health prohibits the prescribing of contraceptives.

Dignity Health prohibits surgical sterilization, e.g., tubal ligation or vasectomy.

Dignity Health prohibits all abortion.

Dignity Health's position relative to abortion affects all providers in the community.

Dignity Health prohibits any discussion and consideration of aid-in-dying.

Dignity Health's position relative to aid-in-dying affects all providers in the community.

TRUTH

Dignity Health is a secular organization governed by a lay Board. It is not a ministry of the Catholic Church and is not subject to influence or control of the Church or its clergy.

Ashland Community Hospital will remain a secular hospital. This is assured by legal documents among ACH, Dignity Health and the City.

Dignity Health has no restrictions related to contraceptives in its secular hospitals.

Dignity Health has no restrictions on surgical sterilization in its secular hospitals

Dignity Health does not prohibit all abortions. Abortions are rarely performed in hospitals and Ashland Community Hospital is no exception. In the case of threat to the life of the mother, a pregnancy can be terminated in a Dignity Hospital.

Dignity Health's position relative to abortion affects only the hospital and its employed physicians. Dignity has no influence over independent physicians in the community even if they have privileges at the hospital. Dignity also has no influence over independent service providers such as Planned Parenthood.

Dignity Health encourages physicians to communicate openly, honestly, and fully with all patients and recognizes and respects the patient's right to make healthcare decisions. Since Dignity-employed physicians may not write prescriptions for life-ending medications or otherwise participate in physician aid-in-dying in the course of their employment, they must direct patients to other resources.

Dignity Health's position relative to aid-in-dying affects only employed physicians. Dignity has no influence over independent physicians in the community, even if they have privileges at the hospital.

MYTH versus TRUTH

Regarding Ashland Community Hospital and Dignity Health

MYTH

Dignity Health will not allow in-vitro fertilization to be done at Ashland Community Hospital.

The decision to partner with Dignity Health was made without careful consideration.

The affiliation decision was made without input from the community.

City Council was not included in the affiliation process

Dignity Health can close the hospital at any time and use its assets elsewhere in the system.

TRUTH

This is correct. In vitro fertilization is a highly complex and technical process never done in a small community hospital setting and never done at Ashland Community Hospital. The hospital will, of course, be able to deliver a child conceived through in-vitro fertilization.

The Hospital's Board of Directors went through a careful, detailed, and structured process over a period of 14 months involving 100s of hours of meetings and discussions. Twenty-three hospitals and healthcare systems were approached about a potential relationship with ACH. Five proposals were received. Dignity Health was selected as best meeting the Board's goals for affiliation.

The Board of Directors governs the hospital on behalf of the community. The Board obtained input from many constituencies throughout the affiliation process, including a public forum in October 2011. Discussions were held regularly with the hospital's Medical Staff, employees, Foundation Board, Auxiliary, and Patient Advisory Council.

Representatives of the Hospital met with the Mayor, Council, and the City Administrator beginning in August 2011. Council appointed Russ Silbiger as a liaison to the Hospital's affiliation process. Mr. Silbiger attended meetings of the Board of Directors and its Executive Committee beginning in September 2011 and participated in the presentations made to the Board by potential partners. A formal report was made to Council on April 9, 2012, on the decision to enter into a 90-day period of exclusive negotiations with Dignity Health, as was the agreement with Council.

Dignity Health has made guarantees related to the maintenance of services, support for capital, employment, service development, etc. The City retains ownership of the hospital property, in the same manner as the hospital's relationship with the City since 1996.