

Colusa Regional Medical Center

Business Plan Summary

by

American Specialty Healthcare

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The closure of Colusa Regional Medical Center was a tragedy for every citizen of Colusa County. While the county has suffered a significant loss in its available healthcare services, an opportunity exists for the county to not only recover the services it once enjoyed, but benefit from many new options that would have a substantial impact on the quality of life enjoyed by its residents. American Specialty Healthcare is the parent company of a new post-acute health system based in Modesto, California. Our county is an underserved area, yet we have, in the space of just a few years, brought many new services to the community, created almost 1100 jobs, and have introduced a previously unavailable type of care to the area. We envision something similar for Colusa.

We believe that Colusa County has all the elements necessary to build a strong healthcare system centered on the, now closed, acute hospital. To restore and upgrade the hospital, resume home health services, and introduce a native ambulance service to the county it will require hard work, innovative thinking, and a strong foundation in the community. These things, along with the restoration of the jobs lost with the closure of the hospital, are the goals we have set for ourselves.

Once a hospital's license goes into suspension the effort to restore it can be substantial. If Colusa County invites us to take on this challenge there will be specific steps to bring about the result the county needs. This is our plan;

1. **First, a complete assessment of the hospital's physical plant and equipment** will help us determine where resources need to be focused in the effort to re-open the facility and

upgrade it's services to match those offered in similar hospitals throughout the country.

This means determining what, if anything, requires repair or replacement to bring the facility into compliance with State and Federal regulations, determining the cost involved, and then rapidly engaging the people and companies that can assist with providing those things.

2. **Put the word out to the former staff and physicians of the hospital to inform them of the plans for the facility and our timeline.** Because the hospital will have to be in a fully operational state for the license to be re-established we will need the people most familiar with CRMC to help us bring it to that state as quickly as possible.
3. **Communicate our plans and intentions to the California Department of Public Health** and work with them to establish an estimate of when we could expect them to conduct the inspections necessary to bring the hospital's license out of suspension; so that it can resume normal operations. The State of California, and specifically CDPH, were deeply concerned about the loss of CRMC and what it would mean for the community. We believe that their desire to see Colusa's healthcare services restored will contribute to our ability to move quickly in bringing the hospital back.
4. **Confer with Sierra-Sacramento Valley EMS, the regional EMS agency for Colusa, to gain their assistance with the application process for Colusa's native ambulance & 911 services.** This process will require a determination for the infrastructure that is present currently, and what must be added, to establish the service as the county's 911 provider. The assistance of Colusa's local fire departments will be crucial in helping us gain an

accurate assessment of emergency services in the county right now. Obtaining suitable ambulances, equipment, and the paramedics and EMT's to staff them will also be required prior to submission of an application to the California Emergency Medical Services Authority.

5. **Secure staff and resources for a new home health agency operating under the license of the hospital, as it once did.** Recognition of a home health agency by CMS, the federal agency responsible for Medi-Cal and Medicare is its own distinct process, however, in order to establish the ability to offer these services at the same time the hospital is re-opened, we will need to create a business that is completely ready to begin providing care all at the same time the hospital and ambulance projects are completed. We believe strongly that follow-up care is crucial to a successful recovery, and that home health is an essential part of the offerings from CRMC.
6. **Prepare the facility and staff for inspection by CDPH.** To bring CRMC's license out of suspension will require us to have a fully-operational hospital when they arrive to inspect it. We intend to restore services previously available at CRMC, including: the Hospital, Emergency Room, outpatient laboratory, radiology and surgery, and home health services. During our first visits to the hospital we felt that CRMC could find prosperity by adding some services not available in other area hospitals. These would be additions to the hospital's primary functions once the facility's license is restored. Here are a few of the services we think could put CRMC on the map as a major provider of care in Northern California:

- a. **Dialysis**
- b. **Advanced Imaging** – with the addition of a 64-slice CT Scanner
- c. **Outpatient therapy services** – Physical, Occupational and Speech therapies.
- d. **Outpatient/Same Day Surgery** – Offered utilizing upgraded surgical suites within the hospital.
- e. **Infusion Services** – for chemotherapy, IV antibiotics and other medications.

Who We Are

Central Valley Specialty Hospital is the primary facility in a new acute health system established in Modesto, California. We are a company with a strong emphasis on quality, cost-effective care for the communities we live and work in.

The opening of a new hospital is an increasingly rare event in healthcare today. Opening one without the support of a large parent company or health system is even rarer. In 2013, however, a transition team of nearly 50 people accomplished just that with the guidance of their CEO, Gia Smith, an appointee of the Board of Governors of the American Hospital Association. The hospital has rapidly progressed to profitability, 100% occupancy, and exponential growth in our community, creating over 1100 new jobs. The building CVSH occupies has a 100-year history. It had sat closed, license suspended, for 3 years following the dissolution of the facility that had occupied it previously, when it was acquired by Central Valley's owners. Despite being operated by national entities the building had never seen the degree of success it has now achieved.

Within the last year, we have opened a Subacute facility as the counterpoint to CVSH to provide both short and long-term ventilator support for patients following catastrophic illness. We recently assumed management of a rehabilitation facility in nearby Riverbank California - a facility that, despite boasting an updated physical plant, has struggled to achieve success for more than a decade. To further spread our innovative approach to health facilities management, we will break ground later this year on two brand new short-term rehabilitation facilities: one 199-bed in North Modesto, and a 162-bed facility in Morada, North Stockton. The facility in Modesto will boast 59,000 square feet and feature state-of-the-art design with an eye on our ever-growing senior population, who are determined to stay active well into their 70's

Our company operates a chain of urgent care centers, California Urgent Care, with offices in Modesto, Stockton and Lodi. Facilities management is just one facet of what our company specializes in. In late 2015, we opened the doors of Progressive Home-health & Hospice alongside Progressive Specialty Therapy Services which operates both an outpatient therapy clinic in addition to providing therapy services to all of our facilities and has begun engaging other companies to contractually provide therapy services in their facilities as well.

With an increased need for Critical Care Transport in the wake of Central Valley Specialty Hospital's success, we opened American Specialty Ambulance Services to exclusively provide CCT to and from our facilities - all in cooperation with the Mountain Valley Regional EMS Agency.

American Pharmacy, another subsidiary, offers both institutional pharmacy services as well as a brick and mortar pharmacy with the rare distinction of being the only commercial pharmacy in our region to offer local delivery as part of it's service to it's customers.

One of our most exciting projects, American College, an institution of higher-learning specializing in undergraduate degrees in many understaffed health occupations in Northern and Central California.

Our transition team prides itself on how quickly it can move in and establish services rapidly. The wealth of combined experience the team possesses is the primary factor in its success with navigating regulatory barriers to obtain the needed licensing and permits, and open for business in the shortest time possible.

It is our mission at American Specialty Healthcare, to provide all of our patients with the highest quality health care in the state of California, utilizing advances in technology, medicine and innovative clinical practices that have proven to be successful. Our company seeks to enhance the health services of the communities it operates within, bringing choices to the healthcare consumer. Our staff includes teams of board-certified physicians, multi-specialty Nurses, Respiratory Therapists and highly competent Certified Nursing Assistants, along with a diverse interdisciplinary team that utilizes evidence based practice to restore both acute and chronically ill patients to their optimal level of health. We are committed to upholding a culture

of shared values that provide dignity, growth, and value to our patients, employees, and physicians.

Our leadership team, collectively, have many decades' worth of experience in healthcare and hospital operations; experience tested by the challenge of creating a new health system where nothing had previously existed. We believe only this type of creative ingenuity will ensure success in Colusa. Our group includes nurses and physicians with experience in critical care and emergency services, social workers, case managers, financial specialists, human resource specialists, and executive level hospital leaders. Our CEO is a nationally recognized leader in healthcare. It is this team that can bring Hospital services, Emergency services, Ambulance services, Home health and ultimately: Dialysis services, Secondary Healthcare education, Infusion Services, Outpatient Therapy and more, all without needing financial support from the county.

To bring CRMC back will require a lot of hard work and patience, however, it is a project with a certain chance at success with the right team coordinating the effort. American Specialty Healthcare is that team, and we're excited by the possibilities for Colusa County's future.