

Hospital Revenue Dips 1%, Net Income Drops 17%

In-Person vs. Telehealth; Expansion Plans Continue

By JESSIE YOUNT

Orange County hospitals saw mixed financial outcomes in 2020.

While net patient revenue was relatively stable, down 1% to \$8.7 billion among 24 hospitals on the Business Journal's annual list, net income tells a different story.

The 24 hospitals combined saw a 17% drop in net income, likely due to a mix of unexpected costs associated with COVID-19 care and supplies and canceled elective procedures.

The **American Hospital Association** estimates, between March and June, a four-month financial impact of \$202.6 billion in losses for hospitals and health systems in the U.S.

"These losses put hospitals' survival at serious risk," the hospital association stated in the report.

Below, a look at how OC's largest hospitals weathered the storm and plan to grow in the future.

Outpatient Focus

In-person visits fell across multiple categories; patient days slid 4.7% while outpatient visits fell 5.3% in 2020.

Hospital execs attributed these declines to pauses in elective procedures and patient hesitancy to visit hospitals, and organizations continue to encourage patients to seek care as needed.

Holds on elective surgeries "brought down access for many patients in the community," said **Erik Wexler**, chief executive of **Providence Southern California**.



Kaiser Permanente: virtual appointments up, while outpatient visits fell

"We continue to encourage strenuously the community does not delay care. Hospitals are safe. Seeking care should be a top priority."

Providence's **St. Joseph Hospital** in Orange moved up three spots to No. 4, with almost \$730 million in net patient revenue.

Providence's **St. Jude Medical Center** in Fullerton and **Mission Hospital** in Mission Viejo were No. 6 and No. 7, respectively.

Hoag Orthopedic Institute, a specialty hospital with four ambulatory care surgery centers and a network of orthopedic surgeons and providers, outpaced most area hospitals with a nearly 121% jump to 2,230 outpatient visits in 2020.

"Our years of advancing the care model to increasingly outpatient proved relevant and transformational in the face of COVID-19," **Jennifer Mitzner**, chief executive of **Hoag Orthopedic Institute**, said in the 2020 HOI Annual Outcomes Report.

"We shifted our focus to meet the immediate needs of the community and further optimize safety measures to protect patients, staff and physicians, allowing many patients to recover

at home instead of the hospital," she said.

"Our ambulatory surgery centers also proved well-prepared and we anticipate this growth trajectory to continue."

Digital Boost

There's one thing the numbers don't show: rampant demand for telemedicine in 2020.

Kaiser Permanente, which ranked No. 3 with an estimated \$1.1 billion between its two hospitals in Anaheim and Irvine, attributed outpatient declines to both "a steep increase in virtual appointments" and "COVID-related operational changes" such as repurposing medical office buildings, officials told the Business Journal.

MemorialCare Health System, which saw a 3% decline in outpatient visits between its two hospitals in Fountain Valley and Laguna Hills, supplemented patient care with virtual primary care and specialty services such as remote monitoring for expectant moms.

"Technology is increasingly allowing us to reach patients anywhere and anytime," **MemorialCare Chief Executive Barry Arbuckle** told the Business Journal in October.

"There are options for text messaging, artificial intelligence-enabled chats and other ways to provide consumers access to health information and treatment virtually without having to go to a doctor's office or health facility."

Children's Hospital of Orange County also

increased its telemedicine offerings, most recently by partnering with Laguna Hills-based nonprofit **Western Youth Services** to develop an online mental health toolbox.

Irvine Spotlight

Owners of the largest hospitals in Orange County have plans to keep growing—with a particular eye on Irvine.

UCI Medical Center in Orange—No. 1 with \$1.3 billion in net patient revenue—plans to build a \$1 billion medical center with an acute care hospital and an ambulatory care center at the corner of Jamboree Road and Birch Street, not far from the **University of California, Irvine**.

"World-class care is going to happen now at one proximate site," **Steve Goldstein**, vice chancellor of health affairs at UCI, told the Business Journal last month.

The project will open in three phases in 2022, 2023 and 2025.

The Irvine complex is expected to account for \$309 million in increased revenues in 2026 and \$552 million in 2030, according to **UC Office of the President** planning documents.

Hoag Memorial Hospital Presbyterian, which maintained the No. 2 spot for the second consecutive year with \$1.1 billion in net patient revenue, has filed early-stage plans for a major expansion of its 154-bed hospital in Irvine. A timeline for the project hasn't been disclosed.

Also in Irvine: **City of Hope**, based in Duarte, continues to push forward on its \$1 billion cancer complex in the city's **Great Park Neighborhoods**. A comprehensive cancer center is expected to open in 2022, followed by a specialty hospital in 2025. ■

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MARK COSTA
Senior VP and Area Manager
Kaiser Permanente



KIMBERLY C. CRIFE
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CEO, UCI Health
UCI Medical Center



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Foothill Regional Medical Center



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Hoag Orthopedic Institute



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CEO
Providence St. Joseph Hospital-Orange

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RANKED BY NET PATIENT REVENUE

Rank	Hospital Prev. Rank	Address	Company logo	Net patient revenue for 12 months ended Sept. 30, 2020 *yearly % change	Pre-tax net income (loss) for 12 months ended -Sept. 30, 2020 -Sept. 30, 2019	Patient days *yearly % change	Outpatient visits *yearly % change	-Licensed beds -Avg. length of stay (days)	OC employees (full- and part-time) *yearly % change	Parent company	Top local official(s) *Title *Phone/fax	
1	(1)	UCI Medical Center 101 The City Drive S. Orange 92868-3201 Website: ucihealth.org		\$1.3 billion 7%	(\$24.7 million) \$103 million	124,317 -2%	661,316 4%	418 6	4,995 0%	UCI Health	Chad T. Leteris CEO, UCI Health (714) 456-7890	
2	(2)	Hoag Memorial Hospital Presbyterian⁽¹⁾ 1 Hoag Drive Newport Beach 92663-4162 Website: hoag.org Email: feedback@hoag.org		\$1.1 billion -1%	\$219.2 million \$101.9 million	124,666 -5%	459,535 -5%	518 4.1	6,788 1%	Hoag Memorial Hospital Presbyterian	Robert T. Braithwaite CEO/president (949) 764-4624	
3	(3)	Kaiser Permanente Anaheim Medical Center⁽²⁾ 3440 E. La Palma Ave. Anaheim 92806-2020 Website: kp.org/orangecounty		\$1.1 billion ⁽³⁾ NA	wnd	116,913 -4%	375,707 -14%	526 4.2	4,218 8%	Kaiser Permanente	Mark Costa senior VP/area manager (714) 644-2000/(714) 644-2499	
4	(7)	Providence St. Joseph Hospital-Orange 1100 W. Stewart Drive Orange 92868-3849 Website: sjo.org Email: sjo@stjoe.org		\$729.7 million 11%	\$95.2 million \$18.3 million	77,955 -7%	301,903 -11%	463 4.3	3,500 26%	Providence	Jeremy S. Zoch CEO (714) 771-8000	
5	(5)	CHOC Children's (Children's Hospital of Orange County) 1201 W. La Veta Ave. Orange 92868-3874 Website: choc.org		\$695.3 million -4%	\$60.5 million \$83.7 million	67,562 -6%	155,498 -14%	334 5.5	4,553 11%	Children's Healthcare of California	Kimberly C. Cripe CEO/president (714) 997-3000/(714) 509-8477	

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6	(6)	Providence St. Jude Medical Center 101 E. Valencia Mesa Drive Fullerton 92835-3875 Website: stjudemedicalcenter.org		\$663.4 million -1%	\$118.3 million \$92.4 million	65,240 -4%	439,916 -15%	320 4.7	2,238 -12%	Providence	Brian Helleland CEO (714) 871-3280	
7	(4)	Providence Mission Hospital⁽⁴⁾ 27700 Medical Center Road Mission Viejo 92691-6426 Website: providence.org/mission Email: missioncares@stjoe.org		\$636.8 million -12%	\$52.9 million \$143.8 million	75,475 -2%	347,520 44%	523 4.5	2,755 2%	Providence	Seth Teigen CEO (949) 364-1400	
8	(8)	Fountain Valley Regional Hospital & Medical Center 17100 Euclid St. Fountain Valley 92708-4043 Website: fountainvalleyhospital.com Email: fvr-mktg@tenethealth.com		\$377 million -12%	(\$2.6 million) \$38.7 million	75,523 -11%	55,075 -18%	400 4.6	2,063 -8%	Tenet Healthcare Corp.	Kenneth D. McFarland CEO (714) 966-7200/(714) 966-8039	
9	(9)	MemorialCare Saddleback Medical Center 24451 Health Center Drive Laguna Hills 92653-3689 Website: memorialcare.org/saddleback		\$360 million -4%	\$15.9 million \$35.1 million	41,043 -6%	225,961 -1%	248 3.7	1,414 -1%	MemorialCare	Marcia Manker CEO (949) 837-4500	
10	(10)	MemorialCare Orange Coast Medical Center 18111 Brookhurst St. Fountain Valley 92708-6728 Website: memorialcare.org		\$326.1 million -12%	(\$5.6 million) \$46.5 million	43,505 -3%	95,164 -6%	222 3.9	1,275 1%	MemorialCare	Marcia Manker CEO (714) 378-7000/(714) 378-5513	

Sources: Office of Statewide Health Planning and Development and the hospitals

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⁽¹⁾ Includes Hoag Hospital Irvine

⁽²⁾ Includes Kaiser Permanente Irvine Medical Center

⁽³⁾ Business Journal estimate

⁽⁴⁾ Includes Providence Mission Hospital-Laguna Beach

Researched by Meghan Kiewer

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USING AI TO STOP CANCER
BEFORE IT STARTS.

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EARLY DETECTION.

Using the power of artificial intelligence, **UCI Health Digestive Health Institute** (DHI) specialists are detecting and removing precancerous polyps with more than 96% accuracy. This revolutionary approach to screening, developed by DHI gastroenterologists and information technology experts working with UCI's applied innovation center, brings us closer to a colon cancer-free Orange County.

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UCI Health

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Cancer-free
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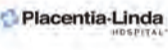





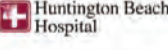








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11	(11)	Los Alamitos Medical Center 3751 Katella Ave. Los Alamitos 90720-3164 Website: losalamitosmedctr.com Email: losalamitosmedctr@tenethealth.com		\$210.3 million -6%	(\$4.5 million) \$9.5 million	38,022 -5%	74,606 -13%	162 4.9	835 0%	Tenet Healthcare Corp.	Kent Clayton CEO (562) 598-1311/(562) 493-2812	
12	(12)	AHMC Anaheim Regional Medical Center 1111 W. La Palma Ave. Anaheim 92801-2804 Website: anaheimregionalmc.com		\$184.1 million -13%	(\$2.7 million) (\$7.5 million)	35,859 -14%	42,326 -24%	223 4.5	1,000 ⁽³⁾ NA	AHMC Healthcare Inc.	Bob Trautman interim CEO (714) 774-1450	
13	(13)	Orange County Global Medical Center 1001 N. Tustin Ave. Santa Ana 92705-3502 Website: orangecountyglobalmedicalcenter.com Email: ocgmc@kpchealth.com		\$174.1 million -5%	\$5.8 million (\$13.3 million)	46,195 -3%	31,606 -16%	228 5.7	1,153 0%	KPC Healthcare Inc.	Derek Drake CEO (714) 953-3500/(714) 953-3613	
14	(14)	Foothill Regional Medical Center 14662 Newport Ave. Tustin 92780-6064 Website: foothillregionalmedicalcenter.com Email: foothillregionalcares@altahospitals.com		\$165.7 million 15%	\$17 million \$6.3 million	22,400 11%	6,182 1%	127 7.4	420 29%	Alta Hospitals System LLC	Araceli Lonergan CEO (714) 619-7700/(714) 619-7725	
15	(15)	Hoag Orthopedic Institute 16250 Sand Canyon Ave. Irvine 92618-3714 Website: hoagorthopedicinstitute.com Email: hoiinfo@hoag.org		\$129.5 million -3%	\$37.8 million \$38 million	6,015 -25%	2,230 121%	70 1.8	376 21%	Hoag Memorial Hospital Presbyterian	Jennifer Mitzner CEO (855) 999-4641	
16	(16)	West Anaheim Medical Center 3033 W. Orange Ave. Anaheim 92804-3156 Website: westanaheimmedctr.com Email: wamcinfo@primehealthcare.com		\$127.2 million 5%	\$22.1 million \$13.8 million	37,937 -3%	29,979 -15%	219 6.4	870 1%	Prime Healthcare Services	Allen Stefanek CEO (714) 827-3000/(714) 229-6813	
17	(18)	Placentia-Linda Hospital 1301 N. Rose Drive Placentia 92870-3899 Website: placentialinda.com		\$97.9 million -7%	\$1.6 million \$12.4 million	11,102 8%	42,134 -17%	114 3.9	473 -1%	Tenet Healthcare Corp.	Bryan Rogers Southern California market CEO (714) 993-2000	
18	(19)	Anaheim Global Medical Center 1025 S. Anaheim Blvd. Anaheim 92805-5806 Website: anaheimglobalmedicalcenter.com		\$81.4 million -3%	(\$12.4 million) (\$7 million)	44,004 2%	21,779 -18%	188 8.6	600 0%	KPC Healthcare Inc.	Jamie Yoo CEO (714) 533-6220/(714) 563-2859	
19	(21)	Garden Grove Hospital Medical Center 12601 Garden Grove Blvd. Garden Grove 92843-1959 Website: gardengrovehospital.com		\$75.4 million -1%	\$2.5 million \$1.3 million	17,342 -4%	25,064 -17%	167 4.4	462 -16%	Prime Healthcare Services	Richard M. Rowe CEO (714) 537-5160/(714) 741-3370	
20	(20)	CHOC Children's at Providence Mission Hospital 27700 Medical Center Road, fifth floor Mission Viejo 92691-6426 Website: choc.org/cmh		\$73.5 million -12%	\$15.7 million \$24.5 million	8,001 -4%	16,019 -28%	54 5	163 -1%	Children's Healthcare of California	Kimberly C. Cripe CEO/president (949) 347-8400	
21	(24)	Huntington Beach Hospital 17772 Beach Blvd. Huntington Beach 92647-6819 Website: hbhospital.org		\$55.3 million 0%	(\$371,434) (\$2.1 million)	22,601 -5%	19,074 -25%	131 7.2	506 -1%	Prime Healthcare Services	Richard M. Rowe CEO (714) 843-5000/(714) 843-5038	
22	(23)	South Coast Global Medical Center 2701 S. Bristol St. Santa Ana 92704-6201 Website: southcoastglobalmedicalcenter.com Email: scgmc@kpchealth.com		\$54.7 million -3%	(\$5.9 million) (\$9.3 million)	31,583 -8%	18,448 -17%	178 8.8	443 0%	KPC Healthcare Inc.	Matt Whaley CEO (714) 754-5454/(714) 754-5538	
23	(26)	Chapman Global Medical Center 2601 E. Chapman Ave. Orange 92869-3296 Website: chapmanglobalmedicalcenter.com Email: cgmc@kpchealth.com		\$46.6 million 6%	(\$1.8 million) (\$5.4 million)	20,645 -1%	10,520 -14%	114 9	305 0%	KPC Healthcare Inc.	Matt Whaley CEO (714) 633-0011/(714) 532-4345	
24	(25)	La Palma Intercommunity Hospital 7901 Walker St. La Palma 90623-1764 Website: lapalmaintercommunityhospital.com Email: lpihinfo@primehealthcare.com		\$45.9 million -3%	(\$1.1 million) (\$255,689)	12,140 -11%	14,182 -21%	140 4.8	362 -11%	Prime Healthcare Services	Allen Stefanek CEO (714) 670-7400/(714) 229-6813	

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⁽³⁾ Business Journal estimate

Researched by Meghan Kiewer



To Our Healthcare Heroes

A Heartfelt Thank You from All of Us

We've witnessed your courage. We've witnessed your unwavering strength. For nearly a year, you have put the needs of the community above your own. Thank you for showing up day in and day out to make a difference in the lives of others that need you now more than ever. Thanks to you and your families for your bravery and your sacrifice. Thank you for choosing to be our heroes.

We encourage the community to continue doing your part by practicing physical distancing, wearing a mask, washing your hands frequently and getting vaccinated once the vaccine becomes available to you.

As our frontline staff has worked tirelessly to battle this disease, they have been awarded with Special Recognition for Heroism for their continued commitment to patient safety during the COVID-19 pandemic by the Leapfrog Group.*

*Independent organization focused on healthcare safety and quality.

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