# NOTICE OF PROPOSED SUBMISSION AND REQUEST FOR CONSENT BY

METHODIST HOSPITAL OF SOUTHERN CALIFORNIA

IN CONNECTION WITH ITS AFFILIATION AGREEMENT

WITH

USC HEALTH SYSTEM

PREPARED FOR THE OFFICE OF THE ATTORNEY GENERAL

CALIFORNIA DEPARTMENT OF JUSTICE
CHARITABLE TRUSTS DIVISION

NOVEMBER 18, 2021

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November 18, 2021

***Via Messenger Service***

Office of Attorney General
Healthcare Rights and Access, California Department of Justice
1300 I Street, 12th Floor
Sacramento, California 95814

Attention: Neli N. Palma, Supervising Deputy Attorney General

**Re: Methodist Hospital of Southern California and USC Health System: Written Notice and Request for Attorney General Consent to the Affiliation (Corp. Code § 5920 / 11 C.C.R. 999.5).**

Dear Ms. Palma:

This letter and all attachments hereto shall serve as written notice (this "Notice") to the Office of Attorney General (the "Attorney General") of the proposed affiliation (the "Affiliation") of Methodist Hospital of Southern California, a California nonprofit public benefit corporation ("MHSC") and USC Health System, a California nonprofit public benefit corporation ("USCHS"), and a request for written consent from the Attorney General for approval of the Affiliation.

California Corporations Code Section 5920 requires that any nonprofit corporation that operates or controls a health facility, as defined in Section 1250 of the Health and Safety Code, provides written notice to and obtains the written consent of the Attorney General prior to entering into any agreement that transfers control, responsibility, or governance of a material amount of assets or the operations of the nonprofit corporation to another nonprofit corporation. Pursuant to these requirements, MHSC, as a nonprofit corporation that operates a health facility, provides this notice to obtain the Attorney General's written consent prior to the finalization of the Affiliation.

MHSC and USCHS have entered into an Affiliation Agreement (the "Affiliation Agreement") under which USCHS will become MHSC's sole corporate member and accordingly, MHSC will become a part of USCHS's integrated healthcare delivery system, creating new opportunities for service growth and investments in expanded access across the Greater San Gabriel Valley region. The Affiliation reflects the long-term goals of both organizations to provide innovative and high-quality care, improve patient experience, and deliver greater affordability and accessibility to health services.

As addressed below, this letter summarizes the events leading up to and the significant terms of the Affiliation. Section I provides an introduction to the parties. Section II describes a chronology of the developments during the negotiations of the Affiliation and material terms of the Affiliation. Finally, Section III includes the anticipated timing, culminating in the closing of the Affiliation.

## I. BACKGROUND INFORMATION

*Methodist Hospital of Southern California*. MHSC is a nonprofit public benefit corporation that owns and operates a 348-bed licensed general acute care hospital, located at 300 W. Huntington Drive, Arcadia, California, 91007, which serves the Greater San Gabriel Valley. As a full-service community hospital, MHSC remains dedicated to providing high-quality health services while caring for each patient's emotional and spiritual needs, and enabling patients to achieve health for life through its holistic approach to healthcare and wide range of inpatient health services.

*USC Health System*. USCHS is a nonprofit public benefit corporation and wholly-owned subsidiary of the University of Southern California ("USC"). USCHS was organized to provide medical care to patients in Los Angeles, as well as focus on academic excellence, research, and clinical care through its network of hospitals and multispecialty outpatient clinics. USCHS functions as an integrated parent organization that supports various healthcare organizations, and is the sole corporate member of Keck Medical Center of USC, which includes two general acute care hospitals, Keck Hospital of USC and USC Norris Cancer Hospital, and is the sole corporate member of USC Verdugo Hills Hospital, which operates a general acute care hospital named USC Verdugo Hills Hospital. These organizations collectively cover a broad service area in Southern California and offer a full complement of inpatient and outpatient services within the larger health system.

## II. NEGOTIATIONS AND SUMMARY OF SIGNIFICANT TERMS

*MHSC's Selection of a Strategic Partner*.

MHSC recognized that, in order to operate as a sustainable organization into the future, it would be in MHSC's best interest to increase MHSC's ability to maintain access to health services, develop higher quality services, and expand the reach of its operations. By mid-2018, the MHSC Board of Directors (the "MHSC Board") instructed MHSC's management to engage in a deliberative evaluation of potential partnerships that would provide clinical expertise and resources, ensure financial stability, and enable MHSC to pursue its goal of delivering clinical excellence to its community into the future.

By doing so, MHSC sought to safeguard against a reduction in the availability or accessibility of its health services and simultaneously, remain committed to maintaining its mission of providing high quality health services to the Greater San Gabriel Valley that MHSC has served for 64 years. Specifically, MHSC sought a strategic partner that would work

to secure MHSC's future as a full-service community hospital, to provide MHSC with access to additional clinical resources, and to remain relevant in the shifting marketplace.

MHSC did not undertake a formal process for Requests for Proposals. Instead, the MHSC Board considered different strategic partners that senior management presented as potential opportunities for affiliation. In particular, senior management and the MHSC Board focused on the potential for an affiliation with a nonprofit health system with existing infrastructure that would provide clinical expertise and resources, ensure financial stability, and enable MHSC to pursue its primary goal of delivering clinical excellence to the Greater San Gabriel Valley for decades to come. The MHSC Board sought to ensure that the hospital remains well-positioned to achieve this goal. To aid in its evaluation, the MHSC Board authorized the formation of an affiliation subcommittee (the "Affiliation Committee"), which, along with the MHSC Board, evaluated potential strategic transactions that would preserve and strengthen MHSC's legacy as a community-focused, full service hospital serving the Greater San Gabriel Valley. The MHSC Board reviewed various potential partners, yet such discussions did not move forward as a result of organizational and cultural differences, or because of the other party's disinclination to move forward.

*Discussions with USCHS and Selection of USCHS as MHSC's Strategic Partner*. Ultimately, after engaging in confidential discussions with other potential partners, MHSC began discussions with USCHS, and based upon similar culture, vision, and goals for the future, these discussions did move forward. By October 2020, the MHSC Board and Affiliation Committee identified USCHS as the ideal health system with which MHSC should affiliate. More specifically, the MHSC Board concluded that the proposed Affiliation with USCHS would have significant advantages, including: (1) new opportunities for growth and innovation through participation in a health system focused on common interest and need; (2) the ability for MHSC to gain access to significant clinical and research resources available at USCHS; and (3) expansion and strengthening of local health services through USCHS support of MHSC's existing and future clinical capabilities. Further, during the parties' discussions and negotiations, USCHS reinforced its commitment to the strategic development and growth of MHSC, and its investments in the Greater San Gabriel Valley and across the region, while still preserving MHSC's community-oriented legacy in providing for the health needs of Greater San Gabriel Valley residents. By integrating MHSC's community network within the regional USCHS system, MHSC and USCHS believe they will be well-positioned to create new opportunities for service growth, address the evolving healthcare landscape and more effectively engage with local communities and underserved populations.

*Entrance into Letter of Intent.* On January 22, 2021, MHSC and USCHS executed a Non-Binding Letter of Intent ("Letter of Intent"), which describes the key elements of the proposed transaction. The MHSC Board determined that an affiliation with USCHS, as reflected in the Letter of Intent, would result in an increase in comprehensive, personalized care for patients of the Greater San Gabriel Valley, while improving access, convenience, and the quality of each patient's experience, combating traditional drivers of health disparities, making

health and wellness available across all populations, and advancing the mission of MHSC. In accordance with the Letter of Intent, MHSC's officers, along with MHSC's legal counsel, under the oversight of the MHSC Board, proceeded with the negotiation of a definitive Affiliation Agreement and related documents to effectuate the transaction.

*Entrance into the Affiliation Agreement*. On October 11, 2021, MHSC and USCHS executed the Affiliation Agreement. The Affiliation Agreement provides that USCHS will become the sole corporate member of MHSC, resulting in the development of an integrated academic and community-based network of care for the purpose of advancing accessibility and quality of care, and furthering charitable activities to support improvements in healthcare delivery in the Greater San Gabriel Valley. MHSC will retain all of its assets and liabilities under the Affiliation. MHSC and USCHS will continue to provide the full scope of reproductive health services after the Affiliation as are available currently. Moreover, all endowment and donor funds will remain unchanged as to both control and charitable use. A more detailed summary of the Affiliation Agreement is provided for in Section 999.5(d)(1)(A) of this Notice and the full Affiliation Agreement with all Schedules and Exhibits is included as Exhibit 1 to Section 999.5(d)(1)(A).

In order to facilitate the Affiliation, MHSC's current corporate membership, which consists of members serving on the MHSC Board and thirteen nominees appointed by the Executive Committee of the United Methodist Women, California Pacific Conference (collectively, the "MHSC Members"), will be removed and USCHS will become the sole corporate member of MHSC. This will be effectuated at the closing of the Affiliation Agreement, through the amendment and restatement of MHSC's Articles of Incorporation and Bylaws. A more detailed summary of this is provided for in Section 999.5(d)(1)(A) of this Notice and the full Affiliation Agreement with all Schedules and Exhibits (including the proposed amended and restated MHSC Articles of Incorporation and MHSC Bylaws) is included as Exhibit 1 to Section 999.5(d)(1)(A).

## III. TIMING AND ANTICIPATED CLOSING

*Timing and Anticipated Closing*. The parties executed the Affiliation Agreement on October 11, 2021. This Notice and request for approval by the Attorney General, the filings pursuant to the Hart-Scott-Rodino Antitrust Improvement Act of 1976, and other consents necessary to close the Affiliation, as required under the Affiliation Agreement, are ongoing at this time. Pursuant to the Affiliation Agreement, the closing of the Affiliation shall occur upon satisfaction of each party's respective closing conditions, which we expect to occur during the second calendar quarter of 2022.

*Anticipated Post-Closing Events*. Through the Affiliation, both organizations seek to build a stronger infrastructure for serving patients, pursuing innovations in healthcare, and advancing their charitable missions. The parties have no plans to change, nor do they believe the Affiliation will adversely impact or reduce, current hospital staffing, medical staff composition, clinical departments or services, or community benefit programs. By creating an integrated

delivery system, MHSC and USCHS believe that the Affiliation will allow both parties to work cooperatively to adapt to the changing healthcare environment and best serve their communities. We remain hopeful that the Attorney General will provide written consent to the Affiliation as described above.

We are prepared to provide any additional information or documentation which you may require. Please feel free to contact me at your convenience. We appreciate your consideration of this request and look forward to your response.

Sincerely,

[redacted]

Jill H. Gordon
Partner

JHG:ab

Enclosures

Title 11, California Code of Regulations, § 999.5(d)(1)

# DESCRIPTION OF THE TRANSACTION

## 11 Cal. Code Reg. Section 999.5(d)(1)(A)

## A full description of the proposed agreement and transaction

This summarizes the proposed transaction between the following parties: Methodist Hospital of Southern California, a California nonprofit public benefit corporation ("MHSC") and USC Health System, a California nonprofit public benefit corporation ("USCHS"), under which USCHS will become the sole corporate member of MHSC (the "Affiliation") pursuant to a definitive agreement (the "Affiliation Agreement") (*See* **Exhibit 1**, attached to Section 999.5(d)(1)(B)). MHSC submits this notice to the California Attorney General under Corporations Code Section 5920 in accordance with the requirements of Title 11 of the California Code of Regulations, Section 999.5(a) (this "Notice").

## I. The Parties

### A. Methodist Hospital of Southern California

MHSC is a nonprofit public benefit corporation that owns and operates a 348-bed general acute care hospital, located at 300 W. Huntington Drive, Arcadia, California, 91007, which serves the Greater San Gabriel Valley, including the following cities: Arcadia, Azusa, Baldwin Park, Bradbury, Duarte, El Monte, Monrovia, Pasadena, Rosemead, San Gabriel, Sierra Madre and Temple City. Founded by the Women's Home Missionary Society of the Methodist Church, MHSC began its operations in downtown Los Angeles in 1903. In 1957, MHSC relocated to Arcadia, and since its relocation, has made a number of additions to expand its current services and facilities, which now includes approximately 2,000 employees and a medical staff with over 700 physicians. As a full service community hospital, MHSC remains dedicated to providing high-quality health services while caring for each patient's emotional and spiritual needs, and enabling patients to achieve health for life. MHSC is a full-service hospital with clinical services that include cancer care, diagnostic imaging, emergency services, gynecology, cardiac care, inpatient and outpatient surgery, interventional radiology, maternity services, neurosciences, stroke care, orthopedics, and physical rehabilitation. Several of MHSC's departments have been recognized as Centers of Excellence, and MHSC maintains and manages advanced diagnostic technology for its gastroenterology, electrophysiology, and neuro-interventional radiology services, including state-of-the-art catheterization laboratories.

The MHSC Bylaws, which provide for the governance of MHSC, set forth the requirements for the composition and qualifications of the members that serve on the Board of Directors of MHSC (the "MHSC Board"), which is MHSC's governing body. Specifically, the MHSC Board includes 17 directors, which membership includes: four directors that are residents of Arcadia, at least 12 residents of the Southern California area, at least two directors that are practicing physicians in good standing with the MHSC Medical Staff, and at least 50% that are members of the United Methodist Women of the California-Pacific Conference of the United Methodist Church (the "Methodist Women") (with one of those directors a minister of the United Methodist Church). The MHSC Board includes two ex-officio directors, one of which is the President of the Methodist Women (or an alternate elected by MHSC's members), and the other which is the President/Chief Executive Officer of MHSC (with such directorship currently vacant, as described further in the response to Section 999.5(d)(1)(C) of this Notice). In addition, there are three non-voting directors, which include the Chief of Staff of the MHSC Medical Staff, the Chairman of the

Board of Methodist Hospital Foundation, and the Bishop of the California Pacific Conference of the United Methodist Church.

MHSC's services to the community are supported by the Methodist Hospital Foundation, a California nonprofit public benefit corporation (the "Foundation"), of which MHSC is the sole corporate member. As a separate legal entity, the Foundation is governed by its own, separate Board of Directors, which is not required to have overlapping membership with the MHSC Board. The Foundation engages in fundraising and the administration of such funds and property for the benefit of MHSC and its programs, services, and patients.

**B. USC Health System**

USCHS is nonprofit public benefit corporation and wholly-owned subsidiary of the University of Southern California ("USC"). USCHS was organized to provide medical care to patients in Los Angeles, as well as focus on academic excellence, research, and clinical care through its network of hospitals and multispecialty outpatient clinics. The foundation for USCHS was established with the creation of the academic medical center in 2009, when USC purchased USC University Hospital and USC Norris Cancer Hospital from Tenet Healthcare Corp., and integrated the various clinical departments. Since its formation in 2019, USCHS has continued to expand to meet the needs of the Los Angeles community and surrounding areas, with over 1,200 physicians practicing across 66 specialties. Clinical programs range from primary care for preventing, diagnosing and treating common conditions to specialized treatments for rare, complex, and advanced illnesses.

USCHS functions as an integrated parent organization that supports various healthcare organizations, and is the sole corporate member of Keck Medical Center of USC, which includes two general acute care hospitals, Keck Hospital of USC and USC Norris Cancer Hospital, and is the sole corporate member of USC Verdugo Hills Hospital, which operates a general acute care hospital named USC Verdugo Hills Hospital (collectively, the "USCHS Facilities"). In addition, USCHS is the sole corporate member of USC Care Medical Group, Inc., which facilitates healthcare services, physician faculty contracting, and administrative services. These organizations collectively cover a broad service area in Southern California and offer a full complement of inpatient and outpatient services within the larger health system.

Keck Medical Center of USC consists of the 401-bed Keck Hospital of USC and the 60-bed USC Norris Comprehensive Cancer Center and Hospital. With its focus on tertiary and quaternary services, Keck Medical Center treats highly acute patients, as evidenced by having the highest case mix index (CMI) nationwide. It receives more patients transferred from other hospitals than any of its Los Angeles area academic competitors. The USC Norris Cancer Hospital is a 60-bed hospital and part of USC's Norris Comprehensive Cancer Center, one of the nation's 51 National Cancer Institutes designated as comprehensive cancer centers. It is also one of only 11 freestanding PPS-exempt cancer hospitals, as recognized by the Center for Medicare and Medicaid Services. Keck Medical Center of USC ranked among the top 25 hospitals nationally, and among the top five in California in U.S. News & World Report's Best Hospital 2021-2022 rankings.

USC Verdugo Hills Hospital is a 158-bed community hospital serving the cities of Glendale and La Cañada Flintridge, as well as the surrounding Foothill communities of the San

Gabriel and Crescenta Valleys, providing easy access for patients in its communities to the best medical care available.

The USCHS Board of Directors (the "USCHS Board") is made up of between 11 and 16 directors, and as the governing body of USCHS, provides strategic oversight and governance over all of the clinical care activities provided under the health system.

At the closing of the Affiliation (the "Closing"), USCHS will become the sole corporate member of MHSC.

## II. Overview of the Transaction: Affiliation Agreement

MHSC plans to affiliate with USCHS in order to improve access to the healthcare needs of MHSC's and USCHS's combined communities through the creation of an integrated academic and community-based healthcare network that broadens and enhances the delivery of primary care and specialty services. Increasing access to these services and raising quality will serve to enable the population within the San Gabriel Valley to receive more care locally. MHSC and USCHS intend to accomplish this under the Affiliation through a strategic action plan that addresses the following: providing comprehensive services across the continuum of care, increasing access and convenience by establishing new points of service (including physical and virtual platforms), continuing to deliver personalized and holistic care, improving quality and patient experience through increased care coordination, promoting health and wellness across all patient demographics by addressing health disparities and social determinants, and advancing MHSC's legacy and mission.

In addition to the provision of clinical care, USCHS' ties to the Keck School of Medicine will enable the parties, as a result of the Affiliation, to access cutting edge research, innovation, and advances in clinical trials. Additionally, the Keck School of Medicine trains hundreds of physicians and professional staff, who will have expanded opportunities to stay and serve in local communities as a result of the Affiliation.

In connection with the parties' objectives, the Affiliation will also explore opportunities to develop, implement, and expand clinical program integration, physician alignment, and network development, as well as educational and teaching programs.

### A. Key Provisions of Affiliation

#### 1. Overview of Governance Structure under the Affiliation

The Affiliation will result in USCHS becoming the sole corporate member of MHSC, with all rights of such membership subject to the provisions of the Affiliation Agreement. To effectuate certain terms of the Affiliation, including designating USCHS as the sole corporate member of MHSC, evidencing the membership rights granted to USCHS, and reserving powers to be retained by MHSC, the following will occur with respect to the governance documents of each party: MHSC will amend and restate its Articles of Incorporation; MHSC will amend and restate its Bylaws; USCHS will amend its Articles of Incorporation; and USCHS will amend its Bylaws (all such documents, collectively, the "Affiliation Documents"). As required under the current governance documents of each party, the following approvals were obtained in order to give effect to such amended and/or restated governance documents:

- On September 15, 2021, the USCHS Board approved an amendment to the USCHS Articles of Incorporation and amendment to the USCHS Bylaws to implement the structural changes to USCHS's governance, as required by the commitments made in the Affiliation Agreement (*See* **Exhibit 2** and **Exhibit 3**, attached to Section 999.5(d)(1)(B)), which will be filed with the California Secretary of State and will be adopted at Closing, respectively.

- On August 9, 2021, the MHSC Board and MHSC corporate member approved an amendment and restatement of the MHSC Articles of Incorporation and an amendment and restatement of the MHSC Bylaws to implement the structural changes to MHSC's governance as required by the commitments made in the Affiliation Agreement (*See* **Exhibit 4** and **Exhibit 5**, attached to Section 999.5(d)(1)(B)), which will be filed with the California Secretary of State and will be adopted at Closing, respectively.

2. Post-Closing Rights of the Parties

Upon the Closing and pursuant to the Affiliation Documents, MHSC and USCHS will have the following rights, responsibilities, and obligations:

- *MHSC Board Composition*: The post-Closing MHSC Board will have no more than 15 voting members. During the five-year period after the Closing (the "Transition Period"), USCHS may invite *ex officio* non-voting individuals to meetings of the MHSC Board on an as needed basis. After the Transition Period, USCHS may appoint two *ex officio* non-voting representatives to the MHSC Board, as identified by USCHS on an *ad hoc* basis. Of the voting members of the MHSC Board, at least two members are USCHS representatives appointed by USCHS, and at least one of these USCHS appointees is a non-management member of the USCHS Board or a member of the USC Board of Trustees. Subject to the authority reserved to the USCHS Board and timeline limitations on certain decisions (as further described in this Section), the activities and affairs of MHSC, including as related to quality of care and operating performance, shall be conducted by or under the direction of the MHSC Board.

- *Reserved Powers of the MHSC Board*: The MHSC Board will have the right to approve and/or take the following actions, as applicable:

  - Actions that result in a change of control of the Foundation;
  - Actions and commitments regarding any of the Foundation's assets that are not used for MHSC's benefit or local area purposes;
  - During the three-year period after the Closing, actions taken by the USCHS Board that would prevent MHSC from being identified as the exclusive hospital member of USCHS within MHSC's primary service area (as defined in the Affiliation Agreement as the "Methodist PSA") and in MHSC's secondary service area (as defined in the Affiliation Agreement as the "Methodist SSA");
  - During the three-year period after the Closing, USCHS's addition of a new hospital member or any new hospital-based clinical service program, including through the expansion of Parent's existing clinical service programs and Parent-affiliated

physician practice locations as set forth on Schedule 12.5(a)(iv) to the Affiliation Agreement, within the Methodist SSA;
- During the three-year period after the Closing, remove or reduce the compensation and benefit plans of the incumbent members of the MHSC Executive Team (as defined in the Affiliation Agreement) serving as of the Closing (including the MHSC Chief Executive Officer);
- During the Transition Period, actions and commitments with respect to all cash, cash equivalents, and investments held by MHSC as of Closing, which will continue to be held by MHSC for uses that benefit MHSC and the local area, including servicing its debt and providing for routine capital needs;
- Nominate the first successor MHSC Chief Executive Officer;
- Nominate one voting member and one non-voting, ex-officio member to the USCHS Board, with such individuals being approved by USCHS; and
- During the Transition Period, terminate USCHS's membership of MHSC upon any of the following events:
    - The Affiliation becomes illegal (as further described in, and subject to the meet and confer process as indicated in, the Affiliation Agreement);
    - Without the MHSC Board's approval, USCHS approves the dissolution or closure of MHSC, sale of substantially all of the assets of MHSC, or transfer of all of USCHS's membership interest in MHSC to another entity;
    - USCHS undergoes a change of corporate member resulting in USC no longer holding a majority membership interest in USCHS; and
    - USCHS has materially breached the Affiliation Agreement (as further described and subject to the meet and confer process as set forth in the Affiliation Agreement).

- *Joint Approval Powers of the MHSC Board and the USCHS Board*: For a period of 10 years after the Closing, the USCHS Board and the MHSC Board will jointly approve the following actions for such actions to be taken:

    - Any change in structure of MHSC that affects its tax-exempt status;
    - The discontinuation of any material clinical service line at MHSC;
    - Any material change to the mission, vision and values of MHSC;
    - Any change to the size, qualifications or composition of the MHSC Board, including the number of MHSC Board members who must reside within the City of Arcadia and the number of MHSC Board members who must be members of the MHSC medical staff;
    - Any amendment or restatement of MHSC's governing documents; and
    - Any reduction or elimination of the services or operations listed in Section 12.6 of the Affiliation Agreement.

- *USCHS Board*: The USCHS Board will have the authority to approve or take the following actions:

    - Develop an annual operating and capital budget for MHSC in collaboration with the recommendations of the MHSC Board, provided that USCHS, in its capacity as

sole member of MHSC, will have the final authority to approve each annual operating and capital budget;
- Establish all capital expenditure thresholds for MHSC in collaboration with the recommendations of the MHSC Board, provided that USCHS, in its capacity as sole member of MHSC, will have the final authority to establish all capital expenditure thresholds;
- During the Transition Period, review and approve expenditures of MHSC that individually or in the aggregate exceed $5 million;
- After three years following the Closing, remove any of the MHSC Executive Team members, in consultation with the MHSC Board;
- Hire or remove any successor MHSC Chief Executive Officer (for clarity, excluding the incumbent MHSC Chief Executive Officer serving at the Closing) subject to the right of the MHSC Board to consult with and propose nominations of successor MHSC Chief Executive Officers and the right of the current MHSC Chief Executive Officer to make a recommendation regarding his successor MHSC Chief Executive Officer;
- Hire or remove all successor members of the MHSC executive team;
- Appoint the members serving on the MHSC Board, subject to the right of the MHSC Board to recommend nominees for each such appointment;
- After the Transition Period, remove any member of the MHSC Board, subject to the MHSC Board right to consult on any such removals;
- Develop or modify the strategic or business plan of MHSC, including the right to develop or modify all future strategic and business plans for MHSC, subject to input from the MHSC Board;
- Approve settlement or consent decrees on behalf of MHSC with any government authority; and
- Select MHSC's independent auditor.

As the governing board of MHSC's sole member, the USCHS Board will also make recommendations to USCHS' sole member, USC, in connection with USCHS taking and approving the following actions:

- Incur new debt for MHSC;
- Change the existing debt structure of MHSC;
- Select which legal entities affiliated with USCHS will be included in USC's obligated group for bond financing purposes;
- Amend and restate MHSC's governing documents (if USC approval is necessary);
- Enter into any change of control transaction with respect to MHSC, including any change such that USCHS would no longer be the sole member of MHSC (if USC approval is necessary);
- Enter into a merger, consolidation, conversion or reorganization of MHSC or the sale, transfer or the other disposition of a significant portion of the assets of MHSC;
- Dissolve MHSC (if USC approval is necessary);
- Change the status of MHSC as a tax-exempt organization or as a public charity (if USC approval is necessary); and
- Amend the mission or charitable purposes of MHSC (if USC approval is necessary).

3. Healthcare Service Commitments; Growth and Alignment of MHSC and USCHS

As part of the Affiliation, the parties will develop a multi-year implementation plan for priorities related to the retention and growth of the MHSC Medical Staff, creation of opportunities for alignment within the local physician network, establishment of residency and fellowship programs, development of value-based managed care, and expansion of geographic coverage and access to necessary clinical services, including primary care, specialty physicians, ambulatory, and virtual services. In connection with the development and implementation of the parties' strategic plans, within 18 months after the Closing, MHSC will become the exclusive hospital member of USCHS, as well as the exclusive provider of USCHS hospital-based clinical services, within the Methodist PSA (unless waived by the Methodist Board of Directors). USCHS commits to providing MHSC with support and access to clinical protocols, means for care coordination, analytics, tools, leadership, and other supporting programs and infrastructure.

4. Employees; Medical Staff

Employees of MHSC will remain employed at Closing and MHSC will retain a separate, independent Medical Staff. At Closing, Medical Staff membership status and clinical privileges will remain the same, subject to a joint evaluation of MHSC's clinical programs and MHSC's hospital-based providers and opportunity for MHSC and its providers to meet USCHS' quality, outcome, or other performance standards.

5. Financial Commitments

USCHS will commit and invest $200.7 million to MHSC over a five-year period following the Closing, which will be for strategic investments that are mutually agreed upon by the parties, as described in the Affiliation Agreement, and which shall include certain information technology infrastructure. In addition, USCHS will annually reinvest capital from MHSC's operations into MHSC in an amount projected to be between $8 million and $12 million subject to the provisions of the Affiliation Agreement.

6. Methodist Hospital Foundation

MHSC will retain control of the Foundation, which will make annual distributions for the benefit of MHSC. The Foundation is governed by a Board of Directors with 18 members. The Affiliation will have no effect on the charitable mission, corporate purposes, name and/or operations of the Foundation.

## 11 Cal. Code Reg. Section 999.5(d)(1)(B)

**A complete copy of all proposed written agreements or contracts to be entered into by the applicant and the transferee that relate to or effectuate any part of the proposed transaction**

Attached to this Section are the following documents:

- **Exhibit 1**, a copy of the Affiliation Agreement, including all exhibits, schedules, and attachments thereto.
- **Exhibit 2**, a copy of the Amendment to Articles of Incorporation of USCHS, to be adopted as of the Closing.
- **Exhibit 3**, a copy of the Amendment to Bylaws of USCHS, to be adopted as of the Closing.
- **Exhibit 4**, a copy of the Amended and Restated Articles of Incorporation of MHSC, pursuant to which USCHS will become the sole corporate member of MHSC and to be adopted as of the Closing.
- **Exhibit 5**, a copy of the current Amended and Restated Bylaws of MHSC, pursuant to which USCHS will become the sole corporate member of MHSC and to be adopted as of the Closing.

# EXHIBIT 1

# AFFILIATION AGREEMENT

**USC HEALTH SYSTEM,**
a California nonprofit public benefit corporation

and

**METHODIST HOSPITAL OF SOUTHERN CALIFORNIA,**
a California nonprofit public benefit corporation

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# AFFILIATION AGREEMENT

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# AFFILIATION AGREEMENT

THIS AFFILIATION AGREEMENT (this "***Agreement***") is made and entered into effective as of October 11, 2021 (the "***Execution Date***") by and between **USC Health System,** a California nonprofit public benefit corporation ("***Parent***"), and **Methodist Hospital of Southern California,** a California nonprofit public benefit corporation ("***Methodist***"). Parent and Methodist are referred to herein individually as a "***Party***" and collectively as the "***Parties***."

## R E C I T A L S

**WHEREAS,** Parent is a California nonprofit public benefit corporation that is organized for the benefit of, and to support, nonprofit health care organizations organized for the purpose of establishing, maintaining, sponsoring and promoting activities relating to the improvement of human health and well-being;

**WHEREAS,** Parent is the sole member of (i) Keck Medical Center of USC ("***Keck***"), which owns and operates an acute care hospital known as Keck Hospital of USC located at 1500 San Pablo Street, Los Angeles, California 90033, and an acute care hospital known as USC Kenneth Norris Jr. Cancer Hospital located at 1441 Eastlake Avenue, Los Angeles, California 90033, and (ii) USC Verdugo Hills Hospital ("***Verdugo***"), which owns and operates an acute care hospital known as USC Verdugo Hills Hospital located at 1812 Verdugo Boulevard, Glendale, California 91208, and also provides various outpatient services in Parent's community through hospital-based and community-based clinics, ambulatory surgical centers, and other health care related businesses and facilities;

**WHEREAS,** Methodist is a California nonprofit public benefit corporation, which owns and operates an acute care hospital located at 300 Huntington Drive, Arcadia, California 91007 ("***Methodist Hospital***"), and provides various outpatient services in Methodist's community through other health care related businesses and facilities and wholly-owned and partially-owned subsidiaries;

**WHEREAS,** the Parties desire for Methodist to affiliate with Parent on the terms and conditions set forth in this Agreement (the "***Affiliation***") to develop an integrated healthcare delivery system to increase access and improve the quality of healthcare within Parent's and Methodist's communities, and to further Parent's and Methodist's mission of advancing quality of care and furthering the charitable activities of Parent and Methodist in a manner consistent with the Parties' charitable missions and purposes;

**WHEREAS,** to implement the Affiliation, the Parties contemplate, among other things, that Parent will become the sole corporate and voting member of Methodist and that Parent and Methodist will amend and restate their organizational documents to address certain structural and governance matters, as set forth herein; and

**WHEREAS,** once the Affiliation takes effect, it is the Parties' desire to grow the integrated healthcare delivery system created by the Affiliation where such growth is strategically and economically feasible and appropriate.

**NOW, THEREFORE,** in consideration of the mutual promises and benefits to be derived from this Agreement, the Parties hereto, intending to be legally bound, hereby agree as follows:

## ARTICLE I
## VISION AND DEFINITIONS

1.1 Vision. The Parties intend to fulfill community need for expanded access to high-quality health services for residents in the Methodist PSA and Methodist SSA through the creation of an integrated academic/community-based network of care. The Parties intend to accomplish this by:

(a) Providing comprehensive care across the continuum, from primary care to complex and advanced services by engaging with local physicians, and by connecting the residents directly to Parent's specialists, innovation and research;

(b) Increasing access and convenience by establishing physical points of service across the Methodist PSA and Methodist SSA, as well as offering enhanced virtual/digital access to Methodist and Parent physicians;

(c) Keeping care personal by remaining attentive to the condition of each patient, and with an understanding of underlying social determinants of health, enabling the delivery of truly holistic care;

(d) Enhancing quality and patient experience by coordinating care through collaboration of Methodist and Parent physicians;

(e) Promoting health and wellness by addressing health disparities and social determinants across all demographics; and

(f) Advancing the mission of the Parties.

1.2 Definitions. As used in this Agreement, the following terms have the meanings given:

(a) "***Action***" shall mean any action, complaint, claim, suit, litigation, proceeding, arbitration, mediation, labor dispute, arbitral action, governmental audit, inquiry, criminal prosecution, investigation or unfair labor practice charge or complaint.

(b) "***Business Day***" means a day other than a Saturday, Sunday or other day on which banks located in California are authorized or required by law to close.

(c) "***Code***" means the Internal Revenue Code of 1986, as amended.

(d) "***Contracts***" means all commitments, contracts, leases, licenses, agreements and understandings, written or oral, including agreements with payors, physicians and other providers, agreements with health maintenance organizations, independent practice associations, preferred provider organizations and other managed care plans and alternative delivery systems, joint venture and partnership agreements, management, employment, retention and severance agreements, vendor agreements, real and personal property leases and schedules, maintenance agreements and schedules, agreements with municipalities and labor organizations, and bonds, mortgages and other loan agreements.

(e) "***Control***" (including, with correlative meanings, the terms "controlled by" and "under common control with") means the power or possession of the power, direct or indirect, to direct or cause the direction of the management and policies of an entity, whether through the ownership of securities, election or appointment of directors, by contract or otherwise.

(f) "***Employee Welfare Benefit Plan***" shall have the meaning set forth in Section 3(1) of ERISA.

(g) "***Encumbrances***" means all liabilities, levies, claims, charges, assessments, mortgages, security interests, liens, pledges, conditional sales agreements, title retention contracts, leases, subleases, rights of first refusal, options to purchase, restrictions and other encumbrances, and agreements or commitments to create or suffer any of the foregoing.

(h) "***Environmental Claim***" means any written or threatened, claim, action, cause of action, investigation or notice by any Person alleging potential liability arising out of, based on or resulting from (i) the presence, release, or threatened release, of any Hazardous Materials at or adjacent to any location owned or operated by Methodist or a Parent Entity, as applicable, or (ii) circumstances forming the basis of any violation or alleged violation of any Environmental Law.

(i) "***Environmental Laws***" means any and all Laws relating to pollution, contamination or protection of human health or the environment (including ground water, land surface or subsurface strata), including Laws relating to emissions, discharges, releases or threatened releases of Hazardous Materials, or otherwise relating to the manufacture, processing, distribution, use, treatment, storage, disposal, transport, recycling, reporting or handling of Hazardous Materials.

(j) "***ERISA***" means the Employee Retirement Income Security Act of 1974, as amended.

(k) "***ERISA Affiliate***" means any person or entity that directly controls, is controlled by, or is under common control with a Person if it is considered a single employer with such Person under ERISA Section 4001(b) or Section 414 of the Code, or part of the same "controlled group" as such Person for purposes of ERISA Section 302(d)(3).

(l) "***Executive Team***" means the individuals serving in the following officer roles of Methodist: Chief Executive Officer/President (the "***Methodist CEO***"), Chief Strategy Officer, Chief Operating Officer, Chief Financial Officer, Chief Medical Officer, Chief Human Resources Officer, Chief Nursing Officer, Chief Compliance and Risk Officer, and the President of the Foundation.

(m) "***Financing Documents***" means the Master Trust Indenture and Term Loan Agreement.

(n) "***Governmental Entity***" means any United States federal, state, provincial, county, municipal, regional or local governmental, or any political subdivision thereof, and any entity, department, commission, bureau, agency, authority, board, court or other similar body or quasi-governmental body exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to any government or other political subdivision thereof.

(o) "***Government Payment Programs***" means federal and state Medicare, Medi-Cal and TRICARE (f/k/a CHAMPUS) programs, and similar or successor programs with or for the benefit of Governmental Entities.

(p) "***Hazardous Materials***" means all chemicals, pollutants, contaminants, wastes (including medical waste), toxic substances, petroleum and petroleum products, including hazardous wastes under the Resource, Conservation and Recovery Act, 42 U.S.C. §§ 6903 *et seq*., hazardous substances under the Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 U.S.C. §§ 9601 *et seq*., asbestos, polychlorinated biphenyls and urea formaldehyde, and low-level nuclear materials, special

nuclear materials or nuclear-byproduct materials, all within the meaning of the Atomic Energy Act of 1954, as amended, and any rules, regulations or policies promulgated thereunder.

(q) "***Health Information Laws***" means all federal and state Laws relating to the privacy and security of patient, medical or individual health information, including the Health Insurance Portability and Accountability Act of 1996, as amended and supplemented by the Health Information Technology for Clinical Health Act of the American Recovery and Reinvestment Act of 2009, Pub. Law No. 111-5 and its implementing regulations, when each is effective and as each is amended from time to time (collectively, "***HIPAA***").

(r) "***HSR Act***" means the Hart-Scott-Rodino Antitrust Improvements Act of 1976 and the rules and regulations promulgated thereunder.

(s) "***Law***" or "***Laws***" means all laws, codes, regulations, rules, orders, common law and ordinances including, but not limited to: state corporate practice of medicine Laws and regulations, state professional fee-splitting laws and regulations, the Patient Protection and Affordable Care Act, as amended by the Health Care and Education Affordability Reconciliation Act, the federal Anti-kickback Statute (42 U.S.C. § 1320a-7b(b)), the Stark Law (42 U.S.C. § 1395nn), any applicable state fraud and abuse prohibitions, including those that apply to all payors (governmental, commercial insurance and self-payors), the Anti-Inducement Law (42 U.S.C. § 1320a-7a(a)(5)), the civil False Claims Act (31 U.S.C. §§ 3729 *et seq.*), the administrative False Claims Law (42 U.S.C. § 1320a-7b(a)), the civil monetary penalty laws (42 U.S.C. § 1320a-7a), and any other local, state or federal law, regulation, guidance document, manual provision, program memorandum, opinion letter, or other public issuance.

(t) "***Lookback Period***" means the six (6) year period ending on the Execution Date.

(u) "***Master Trust Indenture***" means that certain Master Trust Indenture dated as of December 1, 2018, by and between Methodist and Master Trustee, including all amendments and supplements thereto, and all associated loan agreements, bond indentures, ancillary agreements, financing statements and other related documents.

(v) "***Master Trustee***" means the Bank of New York Mellon Trust Company, N.A.

(w) "***Material***" means: (i) as it pertains to Methodist, an effect or consequence that individually or in the aggregate results in the loss of a dollar amount, consideration, or other value that is equal to or exceeds Ten Million Dollars ($10,000,000), and (ii) as it pertains to a Parent Entity (as defined below), an effect or consequence that individually or in the aggregate results in the loss of a dollar amount, consideration, or other value that is equal to or exceeds two percent (2%) of the net revenue of Parent, measured based on Parent's fiscal year immediately prior to the Execution Date.

(x) "***Methodist Assets***" means any and all assets used in the ordinary course of the Methodist Operations (as defined below), including: (i) the Methodist Real Property (as defined below), (ii) all tangible personal property owned by Methodist and used in connection with the Methodist Operations, of every kind and nature, including all furniture, fixtures, equipment, machinery, vehicles, and owned or licensed computer systems, (iii) all inventories of useable supplies, drugs, food, janitorial and office supplies, maintenance and shop supplies, and other disposables and consumables owned by Methodist and used in connection with the Methodist Operations, and (iv) all marks, names, trademarks, service marks, patents, patent rights, assumed names, logos, copyrights, trade secrets and similar intangibles (including variants of and applications for any of the foregoing) used in the ordinary course of the Methodist Operations.

(y) "***Methodist Due Diligence Request***" means that certain Due Diligence Request list originally provided by Methodist to Parent on April 29, 2021, and all supplemental diligence requests made by Methodist to Parent between April 29, 2021 and the Closing Date.

(z) "***Methodist Employee Benefit Program***" means any pension, profit-sharing, savings, retirement, employment, collective bargaining, severance pay, termination, executive compensation, incentive compensation, deferred compensation, bonus, phantom stock or other equity-based compensation, change-in-control, retention, salary continuation, vacation, sick leave, disability, death benefit, group insurance, hospitalization, medical, dental, life, Code Section 125 "cafeteria" or "flexible" benefit, or other material employee or fringe benefit plan, program, policy, practice, agreement or arrangement, whether written or oral, formal or informal, legally binding or not (including, but not limited to, every "employee benefit plan," within the meaning of ERISA Section 3(3)) (i) currently maintained, sponsored or contributed to (or with respect to which any obligation to maintain, sponsor or contribute has been undertaken) by Methodist or any ERISA Affiliate, (ii) under which any current or former employee or director of Methodist has any present or future right to benefits, and (iii) with respect to which Methodist has any liability.

(aa) "***Methodist Financial Statements***" means the balance sheet and income statement of Methodist as of and for the year ended December 31, 2020 and the interim balance sheet and income statement of Methodist as of May 31, 2021.

(bb) "***Methodist Foundation***" means Methodist Hospital Foundation, a California nonprofit public benefit corporation, whose sole member is Methodist.

(cc) "***Methodist Healthcare Service***" means any licensed or license-exempt healthcare service provided by Methodist.

(dd) "***Methodist's Knowledge***" means: (i) the actual knowledge of the Chief Executive Officer, Chief Financial Officer, Chief Strategy Officer, Chief Operations Officer or Chief Compliance Officer of Methodist, or a position equivalent to any of the foregoing held by an individual at Methodist, and (ii) the knowledge which could have been acquired by any of the individuals listed immediately above at Methodist after making such due inquiry and exercising such due diligence as a prudent businessperson in their actual capacity would have made or exercised in the management of his, her or its business affairs in light of all of the circumstances applicable thereto.

(ee) "***Methodist Material Adverse Change***" means an event, change or circumstance, which, individually or together with any other event, change or circumstance, does or would be reasonably expected to have a Material adverse effect, either individually or in the aggregate, on the business, assets, liabilities, financial condition or results of Methodist Operations regardless of whether such effect is or would be realized before or after the Closing. A Methodist Material Adverse Change shall not include: (i) changes in the financial or operating performance due to or caused by the announcement of the Affiliation or seasonal changes; (ii) requirements, reimbursement rates, policies or procedures of third-party payors or accreditation commissions or organizations that are generally applicable to hospitals or health care facilities; (iii) general business, industry or economic conditions, including such conditions related to Methodist; (iv) local, regional, national or international political or social conditions, including the engagement by the United States in hostilities, whether or not pursuant to the declaration of a national emergency or war, or the occurrence of any military or terrorist attack; (v) changes in financial, banking or securities markets (including any disruption thereof and any decline in the price of any security or any market index); or (vi) changes in Generally Accepted Accounting Principles.

(ff) "***Methodist Operations***" means any and all operations conducted by Methodist, whether at Methodist Hospital or elsewhere, including, without limitation, all Methodist Healthcare Services.

(gg) "***Methodist PSA***" means Methodist Hospital's primary service area (consisting of the following zip codes: 91006, 91007, 91008, 91010, 91016, 91024, 91066, 91104, 91105, 91107, 91702, 91706, 91731, 91732, 91733, 91741, 91754, 91770, 91775, 91776, 91780 and 91801).

(hh) "***Methodist Real Property***" means all real property interests owned by Methodist, and all of Methodist's interests therein, and all right, title and interest of Methodist in all appurtenances, options, easements, servitudes, rights-of-way and other rights associated therewith.

(ii) "***Methodist SSA***" means Methodist Hospital's secondary service area (consisting of the following zip codes: 90032, 90042, 90640, 91001, 91030, 91101, 91103, 91106, 91108, 91722, 91723, 91724, 91740, 91744, 91745, 91746, 91748, 91750, 91755, 91765, 91773, 91789, 91790, 91791, 91792 and 91803).

(jj) "***Multiemployer Plan***" shall have the meaning set forth in Section 3(37) of ERISA or Section 4001(a)(3) of ERISA.

(kk) "***Parent Assets***" means any and all assets used in the ordinary course of the Parent Operations (as defined below) taken as a whole or in the individual operations of any Parent Entity (as defined below), including: (i) the Parent Real Property (as defined below), (ii) all tangible personal property owned by Parent and used in connection with the Parent Operations, of every kind and nature, including all furniture, fixtures, equipment, machinery, vehicles, and owned or licensed computer systems, (iii) all inventories of useable supplies, drugs, food, janitorial and office supplies, maintenance and shop supplies, and other disposables and consumables owned by any Parent Entity and used in connection with the Parent Operations, and (iv) all marks, names, trademarks, service marks, patents, patent rights, assumed names, logos, copyrights, trade secrets and similar intangibles (including variants of and applications for any of the foregoing) used in the ordinary course of the Parent Operations taken as a whole or in the individual operations of any Parent Entity.

(ll) "***Parent Financial Statements***" means the balance sheet and income statement of Parent as of and for the year ended December 31, 2020, and the interim balance sheet and income statement of Parent as of May 31, 2021.

(mm) "***Parent Employee Benefit Program***" means any pension, profit-sharing, savings, retirement, employment, collective bargaining, severance pay, termination, executive compensation, incentive compensation, deferred compensation, bonus, phantom stock or other equity-based compensation, change-in-control, retention, salary continuation, vacation, sick leave, disability, death benefit, group insurance, hospitalization, medical, dental, life, Code Section 125 "cafeteria" or "flexible" benefit, or other material employee or fringe benefit plan, program, policy, practice, agreement or arrangement, whether written or oral, formal or informal, legally binding or not (including, but not limited to, every "employee benefit plan," within the meaning of ERISA Section 3(3)) (i) currently maintained, sponsored or contributed to (or with respect to which any obligation to maintain, sponsor or contribute has been undertaken) by any Parent Entity or any ERISA Affiliate, (ii) under which any current or former employee or director of any Parent Entity has any present or future right to benefits, and (iii) with respect to which any Parent Entity has any liability.

(nn) "***Parent Entity***" means Parent, Keck and Verdugo.

(oo) "***Parent Healthcare Service***" means any licensed or license-exempt healthcare service provided by any Parent Entity.

(pp) "***Parent's Knowledge***" means: (i) the actual knowledge of the Interim Chief Executive Officer, Chief Financial Officer, Chief Strategy Officer, and Chief Transformation and Risk Officer of a Parent Entity, or a position equivalent to any of the foregoing held by an individual at a Parent Entity, and (ii) the knowledge which could have been acquired by any of the individuals listed immediately above at a Parent Entity after making such due inquiry and exercising such due diligence as a prudent businessperson in their actual capacity would have made or exercised in the management of his, her or its business affairs in light of all of the circumstances applicable thereto.

(qq) "***Parent Material Adverse Change***" means an event, change or circumstance, which, individually or together with any other event, change or circumstance, does or would be reasonably expected to have a Material adverse effect, either individually or in the aggregate, on the business, assets, liabilities, financial condition or results of Parent Operations regardless of whether such effect is or would be realized before or after the Closing. A Parent Material Adverse Change shall not include: (i) changes in the financial or operating performance due to or caused by the announcement of the Affiliation or seasonal changes; (ii) requirements, reimbursement rates, policies or procedures of third-party payors or accreditation commissions or organizations that are generally applicable to hospitals or health care facilities; (iii) general business, industry or economic conditions, including such conditions related to Parent; (iv) local, regional, national or international political or social conditions, including the engagement by the United States in hostilities, whether or not pursuant to the declaration of a national emergency or war, or the occurrence of any military or terrorist attack; (v) changes in financial, banking or securities markets (including any disruption thereof and any decline in the price of any security or any market index); or (vi) changes in Generally Accepted Accounting Principles.

(rr) "***Parent Operations***" means any and all operations conducted by any Parent Entity, including, without limitation, all Parent Healthcare Services.

(ss) "***Parent Real Property***" means all real property interests owned by any Parent Entity, and all of Parent's and a Parent Entity's interests therein, and all right, title and interest of Parent and a Parent Entity in all appurtenances, options, easements, servitudes, rights-of-way and other rights associated therewith.

(tt) "***Person***" means an individual, corporation, partnership, limited liability company, firm, joint venture, association, joint stock company, trust, unincorporated organization or other entity, or any Governmental Entity or quasi-governmental body or regulatory authority.

(uu) "***Plant Closure Laws"*** means any "plant closure" or "mass layoff" Law, which includes the Federal Worker Adjustment and Retraining Notification Act (29 U.S.C. §§ 2101 *et seq.*) and its California counterpart (California Labor Code Sections 1400 *et seq.*).

(vv) "***Tax***" means (a) (i) any federal, state, local or foreign income, gross receipts, franchise, estimated, alternative minimum, add-on minimum, sales, use, transfer, real property gains, registration, value added, excise, natural resources, severance, stamp, occupation, windfall profits, environmental (under Section 59A of the Code), customs, duties, real property, personal property, capital stock, social security (or similar), unemployment, disability, payroll, license, employee, service, ad valorem, profits, capital, premium, production, consumption, commercial rent, capital gains, business privilege, recording, inventory, merchandise, intangibles, transaction, title, business, deduction at source or other withholding (including withholding liability as a representative taxpayer), or other tax, (ii) any impost, fee, levy, charge, or assessment, in each case, in the nature of taxes, (iii) any liability under unclaimed

property, escheat or any similar Law, and (iv) any interest, penalties or additions in respect of the foregoing (whether disputed or not) or in respect to failure to comply with any requirement with respect to Tax Returns, and (b) any liability for the payment of any amounts of the type described in clause (a) as a result of any Contract to pay or assume any such amounts or to indemnify any other Person for such amounts, any transferee or successor liability, the operation of Law (including pursuant to Treasury Regulations Section 1.1502-6 or any similar state, local or foreign Law) or otherwise.

(ww) "***Tax Return***" means any return, declaration, report, claim for refund, information return or statement, including schedules and attachments thereto and amendments, relating to Taxes.

(xx) "***Term Loan Agreement***" means that certain Term Loan Agreement dated as of May 15, 2020, between Methodist and JPMorgan Chase Bank, National Association, including all amendments and supplements thereto, and all associated loan agreements, bond indentures, ancillary agreements, financing statements and other related documents.

(yy) "***Transition Period***" means the five (5) year period immediately following the Closing Date.

(zz) "***USC Board of Trustees***" means the Board of Trustees of University of Southern California.

(aaa) "***USC Due Diligence Request***" means that certain Due Diligence Request list originally provided by Parent to Methodist on February 8, 2021, and all supplemental diligence requests made by Parent between February 8, 2021 and the Closing Date.

## ARTICLE II
## METHODIST MEMBERSHIP AND GOVERNANCE

2.1 Issuance of Membership. The Affiliation shall be effected by Parent becoming the sole corporate member of Methodist on the Closing Date, effective as of the Effective Time (the "***Membership Issuance***"). On the Closing Date and effective as of the Effective Time, Methodist shall have: (a) adopted and filed with the California Secretary of State an amended and restated articles of incorporation of Methodist in the form attached hereto as Attachment 2.1(a), and (b) adopted the amended and restated bylaws of Methodist in the form attached hereto as Attachment 2.1(b) (collectively the "***New Methodist Organizational Documents***"). The New Methodist Organizational Documents make Parent the sole corporate member of Methodist and include certain governance and economic control rights over Methodist with Methodist reserving certain governance and economic control rights.

2.2 Methodist Governance.

(a) The New Methodist Organizational Documents will provide for the addition of not less than two (2) voting members to the Methodist Board of Directors appointed by Parent, and during the Transition Period, Parent may invite *ex officio* non-voting individuals to meetings of the Methodist Board of Directors on an as needed basis. After the Transition Period, Parent may appoint two (2) *ex officio* non-voting representatives to the Methodist Board of Directors, as identified by Parent on an *ad hoc* basic. At least one (1) of the two (2) Parent appointees with voting authority to the Methodist Board of Directors will be a non-management member of the Parent Board of Directors or a member of the USC Board of Trustees,

based on availability and appropriateness. The New Methodist Organizational Documents will require that the Methodist Board of Directors have no more than fifteen (15) voting members.

(b) Subject to the Parent's reserved powers in Article XIV and as otherwise contemplated by this Agreement, the Parties intend that the activities and affairs of Methodist, including as related to quality of care and operating performance, shall be conducted by or under the direction of the Methodist Board of Directors.

## ARTICLE III
## PARENT ORGANIZATIONAL DOCUMENTS

3.1 Parent Organizational Documents.

(a) On the Closing Date, effective as of the Effective Time, Parent shall have: (i) adopted and filed with the California Secretary of State amended and restated articles of incorporation of Parent in the form attached hereto as Attachment 3.1(a)(i), and (ii) adopted the amended and restated bylaws of Parent in the form attached hereto as Attachment 3.1(a)(ii) (collectively the "***New Parent Organizational Documents***").

(b) The Parties acknowledge that Parent, under the New Parent Organizational Documents, shall provide Methodist the ability to nominate one (1) voting member to serve on the Parent Board of Directors, and one (1) *ex officio* representative to be invited to the Parent Board of Directors meetings. Parent shall approve such persons to serve in the aforementioned capacities, which approval shall not be unreasonably withheld, and with such first nomination and appointment to occur on or prior to the Closing Date.

## ARTICLE IV
## REPRESENTATIONS AND WARRANTIES OF METHODIST

Except as otherwise set forth on the schedules prepared by Methodist, dated as of the Execution Date and updated pursuant to Section 6.2(a) (collectively, "***Methodist Schedules***"), Methodist represents and warrants to Parent as of the Execution Date, as follows:

4.1 Organization, Power, Absence of Conflicts.

(a) Organization; Good Standing. Methodist is a corporation duly organized, validly existing and in good standing under the laws of the State of California (the "***State***") and has full power and authority to carry on its respective business in the State and to own or lease and operate the Methodist Assets and other properties at and where now owned or leased and operated by it. Methodist is not licensed, qualified or admitted to do business in any jurisdiction other than the State and there is no other jurisdiction in which the ownership, use or leasing of any Methodist Asset, or the conduct or nature of the Methodist Operations, makes such licensing, qualification or admission necessary.

(b) Authority; No Conflict; Required Filings and Consents.

(i) Methodist has all requisite corporate power and authority to conduct its business, as now being conducted, to execute, deliver and enter into this Agreement, to consummate the Affiliation contemplated hereby and to perform its obligations hereunder. The execution and delivery of this Agreement, and the consummation of the Affiliation contemplated hereby, have been duly authorized by all necessary corporate or other action on the part of Methodist, as may be required under Law. No other corporate or other proceeding on the part of Methodist is necessary to authorize this Agreement and the

Affiliation contemplated hereby. This Agreement has been duly executed and delivered by Methodist and is a legal, valid and binding obligation of Methodist, enforceable against Methodist in accordance with its terms, except to the extent that enforceability may be limited by applicable bankruptcy, reorganization, insolvency, moratorium or other Laws affecting the enforcement of creditors' rights generally and by general principles of equity, regardless of whether such enforceability is considered in a proceeding at law or in equity. As of Closing, no vote or written consent of any holder of any membership or ownership interests of Methodist is necessary to approve this Agreement or the Affiliation contemplated hereby. The corporate membership of Methodist is as set forth on Schedule 4.1(b)(i).

(ii) To Methodist's Knowledge, the execution and delivery by Methodist of this Agreement does not, and the consummation of the Affiliation contemplated hereby will not, (A) result in any breach or contravention of, or permit the acceleration of the maturity of, any Material Encumbrances of Methodist, (B) result in the creation of any Material Encumbrances on the Methodist Assets (other than Encumbrances created pursuant to the terms of this Agreement and the other agreements and documents executed in connection with the consummation of the Affiliation contemplated hereby), (C) conflict with, or result in any violation or breach of any provision of the formation or governing documents of Methodist, as amended to date, or (D) conflict with or result in a breach of, or give rise to a right of termination or amendment of or loss of benefit under, or accelerate the performance required by the terms of any judgment, court order or consent decree, or any material Contract or constitute a default thereunder for Methodist.

4.2 Third-Party Rights. Except for this Agreement, there are no Contracts with, or rights of, any Person to acquire, directly or indirectly, any Material Methodist Assets, or any interest therein.

4.3 Legal Compliance.

(a) To Methodist's Knowledge, Methodist is and, during the Lookback Period, has been in all material respects, in compliance with all Laws and, to Methodist's Knowledge, has timely filed all reports, data and other information required to be filed with Governmental Entities. During the Lookback Period, Methodist has not received notice from any Person of any proceeding or investigation by Governmental Entities alleging or based upon a violation of any Laws that is currently pending. To Methodist's Knowledge, Methodist has not been threatened by any Person with any proceeding or investigation by Governmental Entities alleging a violation of any Laws with respect to the Methodist Operations.

(b) To Methodist's Knowledge, Methodist has (i) developed a compliance plan for being in compliance with the Health Information Laws, and (ii) used its best efforts to implement those provisions of such compliance plan in all respects necessary to ensure that the applicable Methodist Operations are in compliance with the Health Information Laws.

(c) To Methodist's Knowledge, Methodist and each Methodist Healthcare Service meets all requirements of participation, claims submission and payment of the Government Payment Programs and other third-party payment programs and is a party to valid participation agreements for payment by such Government Payment Programs and other third-party payment programs, as applicable. Neither Methodist, nor any of its officers, directors, employees, agents or contractors has been or is currently excluded from participation in any Government Payment Program.

(d) Methodist and each Methodist Healthcare Service, as applicable, is qualified for participation in and has current and valid provider Contracts with, the Government Payment Programs and/or their fiscal intermediaries or paying agents and, to Methodist's Knowledge, complies in all material respects with the conditions of participation therein. To Methodist's Knowledge, there are no Material Government Payment Program recoupments or Material recoupments of any third-party payor being

sought, requested, claimed, or threatened against Methodist. To Methodist's Knowledge, (i) there is no Action pending, received or threatened against Methodist which relates in any way to a violation of any Law pertaining to the Government Payment Programs or which could result in the imposition of Material penalties on or the exclusion of Methodist or any Methodist Healthcare Service from participation in any Government Payment Programs, and (ii) neither Methodist, nor any of its officers, directors, employees or agents have engaged in any activities which are cause for civil penalties or mandatory or permissive exclusion from any Government Payment Program. Methodist is not a party to any corporate integrity agreements, deferred prosecution agreements, monitoring agreements, consent decrees, settlement orders, plans of correction or similar agreements imposed by any Governmental Entity.

(e) Methodist is in material compliance with all Laws regarding the selection, deselection, and credentialing of contracted providers, including, but not limited to, verification of licensing status and eligibility for reimbursement under the Government Payment Programs. Methodist's contracted providers are properly licensed and hold appropriate clinical privileges, as applicable, for the services which they provide, and, with respect to providers that perform services eligible for reimbursement under any Government Payment Program, are not debarred or excluded from any such Government Payment Program.

(f) To Methodist's Knowledge, during the Lookback Period, all reports, data, and information required to be filed by Methodist in connection with any Government Payment Program have been timely filed and were true and complete at the time filed (or were corrected in or supplemented by a subsequent filing). There are no Actions or appeals pending (and to Methodist's Knowledge, Methodist has not made any filing or submission that would result in any Actions or appeals) before any court, regulatory body, administrative agency, governmental body, arbitrator or other authority (including governmental administrative contractors) with respect to any Government Payment Program reports or claims filed by Methodist on or before the date hereof, or with respect to any disallowances by any regulatory body, administrative agency, governmental body or other authority (including governmental administrative contractors) in connection with any audit. No material validation review or program integrity review related to Methodist or any Methodist Healthcare Service has been conducted by any regulatory body, administrative agency, governmental body or other authority (including governmental administrative contractors) in connection with any Government Payment Program during the Lookback Period and, to Methodist's Knowledge, no such reviews are scheduled, pending, or threatened against or affecting Methodist or any Methodist Healthcare Service.

(g) Methodist holds all licenses, permits, authorizations, certifications, accreditations, registrations and franchises (collectively, the "***Licenses***") that are necessary for the Methodist Operations. All such Licenses are in good standing and, to Methodist's Knowledge, are not subject to meritorious challenge. To Methodist's Knowledge, the Methodist Operations and Methodist Healthcare Services are in compliance in all material respects with such licensing requirements.

4.4 Methodist Financial Statements.

(a) Attached as Schedule 4.4(a) are copies of the Methodist Financial Statements. Except as set forth on Schedule 4.4(a), the Methodist Financial Statements fairly and accurately present in all material respects the financial condition and results of operations of the Methodist Operations as of the respective dates thereof and for the period therein referred to, subject to normal recurring year-end adjustments (the effect of which will not, individually or in the aggregate, be Material) and the absence of notes; and the Methodist Financial Statements reflect the consistent application of Generally Accepted Accounting Principles throughout the periods involved.

(b) Attached as Schedule 4.4(b) is a financial forecast (the "***Financial Forecast***") prepared by or on behalf of Methodist that describes how the results from the Methodist Operations will

achieve compliance with the debt service and other covenants set forth in the Financing Documents for the next two (2) fiscal years. To Methodist's Knowledge, the Financial Forecast accurately and fairly portrays Methodist's financial condition over such period.

4.5 Absence of Material Change. Since the date of the last Methodist Financial Statements, no Material change has occurred in the financial condition, assets, liabilities, income or prospects of Methodist. To Methodist's Knowledge, there has not been any event, change, occurrence or circumstance that has had or could reasonably be expected to have a Methodist Material Adverse Change.

4.6 Real Property.

(a) Methodist owns fee simple title to the Methodist Real Property, free and clear of any Encumbrances, other than those Encumbrances listed on Schedule 4.6(a).

(b) The Methodist Real Property comprises all of the real property owned or leased by Methodist.

(c) To Methodist's Knowledge, Methodist has not received notice of condemnation or similar proceeding relating to the Methodist Real Property or any part thereof.

(d) Except for those tenants in possession of the Methodist Real Property under Contracts as set forth on Schedule 4.6(d), to Methodist's Knowledge there are no Persons in possession of, or claiming any possession, adverse or not, to or other interest in, any portion of the Methodist Real Property other than Methodist, whether as lessees, tenants at sufferance, trespassers or otherwise. To Methodist's Knowledge, Methodist has not received any written notice of any material default or breach on the part of the landlord under any lease of Methodist Real Property which has not been cured, nor does there exist any such default or breach on the part of the landlord.

(e) Schedule 4.6(e) identifies all those construction or capital projects currently in progress with respect to the Methodist Real Property for which all final approvals needed from Governmental Entities have not been obtained.

4.7 Environmental Matters.

(a) To Methodist's Knowledge, (i) Methodist is not subject to any Action or any other Material liability arising under any Environmental Laws, and (ii) no circumstances exist that are reasonably expected to constitute a Material violation of Environmental Laws by Methodist. During the three (3) year period prior to the Execution Date, to Methodist's Knowledge, Methodist has not received any written communication (or reduced to writing any oral communication) from any Person alleging that Methodist is not in full compliance with Environmental Laws.

(b) To Methodist's Knowledge, during the Lookback Period, there has been no Material Environmental Claim pending or threatened against any Person whose liability for any Environmental Claim has or may have been retained or assumed either contractually or by operation of law by Methodist.

4.8 Employment Matters.

(a) Employee and Employee Relations.

(i) There is no pending or, to Methodist's Knowledge, threatened employee strike, work stoppage or slowdown, labor dispute or unfair labor practices in connection with the Methodist Operations.

(ii) Except as set forth on Schedule 4.8(a)(ii), (A) there are no employees of Methodist who are represented by, or have made demand for recognition of, a labor union or employee organization with respect to their work at the Methodist Operations, or (B) to Methodist's Knowledge, there is no other union organizing or collective bargaining activities by or with respect to any employees of Methodist with respect to such employment.

(iii) Methodist has complied with all Material obligations and liabilities under any Plant Closure Laws during the Lookback Period and as a result of (A) the Methodist Operations on or prior to the Closing Date, and/or (B) the consummation of the Affiliation.

(b) Pending Proceedings. There are no active, pending or, to Methodist's Knowledge, threatened Material administrative or judicial proceedings under Title VII of the Civil Rights Act of 1964, the Age Discrimination in Employment Act, the Fair Labor Standards Act, the Occupational Safety and Health Act, the National Labor Relations Act, the Fair Employment and Housing Act, the California Labor Code, ERISA or any other foreign, federal, state or local law (including common law), ordinance or regulation relating to current employees or former employees of Methodist. Other than the retention of the current Executive Team by Parent for the three (3) year period following the Closing Date, no employee or independent contractor of Methodist is entitled to receive any compensation, payment, or remuneration from any Person as a result of the execution and delivery of this Agreement or the occurrence of the Closing.

4.9 Employee Benefit Plans.

(a) Schedule 4.9 sets forth a true, correct and complete list of each Methodist Employee Benefit Program.

(b) Each Methodist Employee Benefit Program that is intended to qualify under Section 401(a) of the Code has received a favorable determination or opinion letter from the IRS regarding its qualification thereunder, and during the Lookback Period no event has occurred and no condition exists that would reasonably be expected to result in the loss of such tax-qualified status or the imposition of any liability, penalty or tax under ERISA, the Code or any other Laws. With respect to each Methodist Employee Benefit Program, all reports, returns, notices, and other documentation that are required to have been filed with or furnished to the IRS, the United States Department of Labor (the "***DOL***"), the Pension Benefit Guaranty Corporation (the "***PBGC***"), the Securities and Exchange Commission (the "***SEC***") or any other Governmental Entity, or to the participants or beneficiaries of such Methodist Employee Benefit Program, have been filed or furnished on a timely basis.

(c) With respect to each Methodist Employee Benefit Program, Methodist has provided to Parent, and has caused Methodist to provide to Parent (in each case, if applicable to such Methodist Employee Benefit Program): (i) all documents embodying or governing such Methodist Employee Benefit Program, and any funding medium for the Methodist Employee Benefit Program (including plan documents, trust agreements and amendments thereto); (ii) the most recent IRS determination letter with respect to such Methodist Employee Benefit Program under Code Section 401(a); and (iii) any insurance policy related to such Methodist Employee Benefit Program.

(d) Each Methodist Employee Benefit Program has been established, operated, and administered in all material respects in accordance with the requirements of Law, including ERISA and the Code, and is being administered and operated in all material respects in accordance with its terms, and is being administrated in a manner that avoids the imposition of material penalties imposed by Law, including penalty taxes. No Methodist Employee Benefit Program is subject to Title IV of ERISA or is a Multiemployer Plan, within the meaning of ERISA Section 3(37) and during the Lookback Period neither Methodist nor any ERISA Affiliate has sponsored, maintained, contributed to or had any liability in respect to any employee benefit plan subject to Title IV of ERISA or any Multiemployer Plan.

(e) Neither any Methodist Employee Benefit Program fiduciary nor any Methodist Employee Benefit Program has engaged in any transaction in violation of Section 406 of ERISA or any "prohibited transaction" (as defined in Section 4975(c)(1) of the Code), which transaction is not exempt under Section 4975(d) of the Code or Section 408 of ERISA and which could reasonably be expected to result in material liability under ERISA or the Code. Neither Methodist nor ERISA Affiliate or any Person appointed or otherwise designated to act on behalf of Methodist or such ERISA Affiliate, has engaged in any transactions in connection with any Methodist Employee Benefit Program that is reasonably expected to result in the imposition of a material penalty pursuant to Section 502(i) of ERISA, material damages pursuant to Section 409 of ERISA or a material Tax pursuant to Section 4975(a) of the Code.

(f) No administrative investigation, audit or other administrative proceeding by the DOL, the PBGC, the Internal Revenue Service or any other Governmental Entity is pending, with respect to any Methodist Employee Benefit Program. There is no pending, or to Methodist's Knowledge, threatened, legal action, proceeding, or investigation, other than routine claims for benefits, concerning any of the Methodist Employee Benefit Programs, or, any fiduciary or service provider thereof. Methodist does not have liability by virtue of its being a member of a controlled group with a person who has liability under the Code or ERISA.

(g) Each Employee Welfare Benefit Plan which is a group health plan (within the meaning of Section 5000(b)(1) of the Code) complies in all material respects with and has been maintained and operated in all material respects in accordance with each of the requirements of Section 4980B of the Code and Part 6 of Subtitle B of Title I of ERISA. Except as set forth in Schedule 4.9(g), no Methodist Employee Benefit Program provides for health or welfare benefits (other than as required pursuant to Section 4980B of the Code or pursuant to State health continuation laws) to any current or future retiree or former employee beyond the month of termination.

(h) Except as set forth on Schedule 4.9(h) or as otherwise disclosed, neither the execution and delivery of this Agreement nor the consummation of the Affiliation will result in (i) any increase in severance pay otherwise due upon any termination of employment after the date of this Agreement; (ii) the acceleration of the time of payment or vesting or result in any funding of compensation or benefits; (iii) any payment, compensation or benefit becoming due, or increase in the amount of any payment, compensation or benefit due, to any current or former employee of Methodist; (iv) any new obligation pursuant to any Methodist Employee Benefit Program; (v) payment of compensation that would, in combination with any other payment, result in an "excess parachute payment" within the meaning of Section 280G of the Code; or (vi) any limitation or restriction on the right of Methodist to merge, amend or terminate any Methodist Employee Benefit Program.

(i) Each Methodist Employee Benefit Program that is a "nonqualified deferred compensation plan" (as defined under Section 409A of the Code) has been operated and administered in good faith compliance with Section 409A of the Code, and no compensation shall be includable in the gross income of any current or former employee, officer, director or consultant of Methodist or any ERISA

Affiliate as a result of the operation of Section 409A of the Code with respect to any applicable arrangements or agreements in effect prior to the Closing.

4.10 Litigation. There are no Material Actions pending or, to Methodist's Knowledge, threatened against Methodist or with respect to any Methodist Assets. To Methodist's Knowledge, there exist no facts known to Methodist that might form the basis of any such Action. There is no pending or, to Methodist's Knowledge, threatened, litigation, arbitration, investigation or other proceeding involving Methodist or Methodist Assets of or before any court, arbitrator or governmental, regulatory or administrative official, body or authority that is reasonably likely to prevent or materially delay or affect the consummation of the Affiliation.

4.11 Tax Exempt Status. Methodist and Methodist Foundation are each California nonprofit public benefit corporations and are exempt from federal and state income taxation.

4.12 Certain Affiliations. Except as set forth on Schedule 4.12, no officer or director of Methodist, nor any child, spouse, parent or sibling or any other family member of any such officer or director of Methodist:

(a) directly or indirectly owns, in whole or in part, any property, asset or right of material significance, used in connection with the Methodist Operations; or

(b) directly or indirectly has an interest in or is party to any Material Contract to which Methodist is a party.

4.13 Operation of the Methodist Operations. To Methodist's Knowledge, the Methodist Assets constitute all assets, properties, goodwill and businesses necessary to conduct the Methodist Operations, in the aggregate and with respect to each Methodist Healthcare Service, in all Material respects in the manner in which the Methodist Operations are currently conducted.

4.14 Intellectual Property. To Methodist's Knowledge, Methodist owns or has sufficient right to use all Methodist Intellectual Property Assets (as defined below) that are necessary for the operation of the business of Methodist as it is currently conducted. For purposes of this Agreement, "***Methodist Intellectual Property Assets***" means: (a) the name of Methodist, all fictional business names, trade names, registered and unregistered trademarks, service marks and applications for same; (b) all patents and patent applications; (c) all copyrights in both published works and unpublished works; (d) all rights in mask works; and (e) all know-how, trade secrets, confidential information, customer lists, software, technical information, data, process technology, plans, drawings and blueprints and other intellectual property rights owned, used or licensed by Methodist as licensee or licensor.

4.15 Insurance. Schedule 4.15 includes a list of all insurance policies (including the policy type, carrier, retention, term and claim limits) to which Methodist is a party and that provide coverage to Methodist or the Methodist Operations, or any director, manager or officer of Methodist (the "***Methodist Insurance Policies***"). All Methodist Insurance Policies (a) are valid, outstanding, and enforceable, and (b) are sufficient for compliance in all material respects with all applicable Contracts to which Methodist is a party. The consummation of the Affiliation by Methodist does not result in a default under any of the Methodist Insurance Policies. Methodist has paid all premiums due, and has otherwise performed all of its obligations in all material respects, under each Methodist Insurance Policy to which the Methodist is a party or that provides coverage to the business of Methodist or any officers, directors or managers thereof.

4.16 Methodist Operations. To Methodist's Knowledge, the Methodist Assets constitute all assets, properties, goodwill and businesses necessary to conduct the Methodist Operations, in the aggregate

and with respect to each Methodist Healthcare Service, in all material respects in the manner in which the Methodist Operations are currently conducted.

4.17 Material Misstatements or Omissions. Subject to qualifications expressly set forth in this Article IV regarding Methodist's Knowledge, the representations and warranties of Methodist in this Article IV, together with the disclosures set forth in the Methodist Schedules, do not contain any untrue statement of a material fact or omit to state any material fact necessary in order to make the representations and warranties of Methodist in this Article IV not misleading in any material respect.

4.18 Due Diligence. Methodist has provided the material items responsive to the USC Due Diligence Request and such items, either individually or in the aggregate, do not, to Methodist's Knowledge, contain any untrue statement of material fact or omit to state any material fact that is reasonably expected to be material to Parent's decision regarding the Affiliation. In addition, Methodist has used good faith and commercially reasonable efforts to inform Parent of any fact that is reasonably expected to be material to Parent regarding the Affiliation.

4.19 No Other Representations. Parent acknowledges and agrees that, except as expressly set forth in this Agreement, the New Methodist Organizational Documents, and the New Methodist Bylaws, Methodist and its officers, directors, attorneys, financial advisors, agents or other representatives (collectively "***Representatives***") are not making any representation or warranty, express or implied, with respect to Methodist.

4.20 Survival of Representations and Warranties. The representations and warranties of Methodist set forth in this Article IV shall not survive the Closing Date.

## ARTICLE V
## REPRESENTATIONS AND WARRANTIES OF PARENT

Except as otherwise set forth on the schedules prepared by Parent, dated as of the Execution Date and updated pursuant to Section 6.2(b) (collectively, "***Parent Schedules***"), Parent represents and warrants to Methodist as of the Execution Date as follows:

5.1 Organization, Power, Absence of Conflicts

(a) Organization; Good Standing. Each Parent Entity is a corporation or limited liability company, as the case may be, is duly organized, validly existing and in good standing under the laws of the State and has full power and authority to carry on its respective business in the State and to own or lease and operate the Parent Assets and other properties at and where now owned or leased and operated by it. No Parent Entity is licensed, qualified or admitted to do business in any jurisdiction other than the State and there is no other jurisdiction in which the ownership, use or leasing of any Parent Asset, or the conduct or nature of the Parent Operations, makes such licensing, qualification or admission necessary.

(b) Authority; No Conflict; Required Filings and Consents.

(i) Parent has all requisite corporate power and authority to conduct its businesses, including those of the Parent Entities, as now being conducted, to execute, deliver and enter into this Agreement, to consummate the Affiliation contemplated hereby and to perform its obligations hereunder. The execution and delivery of this Agreement, and the consummation of the Affiliation contemplated hereby, have been duly authorized by all necessary corporate or other action on the part of all Parent Entities, as may be required under Law. No other corporate or other proceeding on the part of any Parent Entity is necessary to authorize this Agreement and the Affiliation contemplated hereby. This

Agreement has been duly executed and delivered by Parent and is a legal, valid and binding obligation of Parent, enforceable against each Parent Entity in accordance with its terms, except to the extent that enforceability may be limited by applicable bankruptcy, reorganization, insolvency, moratorium or other Laws affecting the enforcement of creditors' rights generally and by general principles of equity, regardless of whether such enforceability is considered in a proceeding at law or in equity. As of Closing, no vote or written consent of any holder of any membership or ownership interests of any Parent Entity is necessary to approve this Agreement or the Affiliation contemplated hereby.

(ii) To Parent's Knowledge, the execution and delivery by Parent of this Agreement does not, and the consummation of the Affiliation contemplated hereby will not, (A) result in any breach or contravention of, or permit the acceleration of the maturity of, any Material Encumbrances of any Parent Entity, (B) result in the creation of any Material Encumbrances on the Parent Assets (other than Encumbrances created pursuant to the terms of this Agreement and the other agreements and documents executed in connection with the consummation of the Affiliation contemplated hereby), (C) conflict with, or result in any violation or breach of any provision of the formation or governing documents of any Parent Entity, as amended to date, or (D) conflict with or result in a breach of, or give rise to a right of termination or amendment of or loss of benefit under, or accelerate the performance required by the terms of any judgment, court order or consent decree, or any material Contract or constitute a default thereunder for any Parent Entity.

5.2 Third-Party Rights. There are no Contracts with, or rights of, any Person to acquire, directly or indirectly, any Material Parent Assets, or any interest therein.

5.3 Legal Compliance.

(a) To Parent's Knowledge, each Parent Entity is and, during the Lookback Period has been, in all material respects, in compliance with all Laws and, to Parent's Knowledge, has timely filed all reports, data and other information required to be filed with Governmental Entities. During the Lookback Period, no Parent Entity has received notice from any Person of any proceeding or investigation by Governmental Entities alleging or based upon a violation of any Laws that is currently pending. To Parent's Knowledge, no Parent Entity has been threatened by any Person with any proceeding or investigation by Governmental Entities alleging a violation of any Laws with respect to the Parent Operations.

(b) To Parent's Knowledge: (i) each Parent Entity has (a) developed a compliance plan for being in compliance with the Health Information Laws, and (b) used its best efforts to implement those provisions of such compliance plan in all respects necessary to ensure that the applicable Parent Operations are in compliance with the Health Information Laws.

(c) To Parent's Knowledge, each Parent Entity and each Parent Healthcare Service meets all requirements of participation, claims submission and payment of the Government Payment Programs and other third-party payment programs and is a party to valid participation agreements for payment by such Government Payment Programs and other third-party payment programs, as applicable. To Parent's Knowledge, no Parent Entity nor any of their respective officers, directors, employees, agents or contractors has been or is currently excluded from participation in any Government Payment Program.

(d) Each Parent Entity and Parent Healthcare Service, as applicable, is qualified for participation in and has current and valid provider Contracts with, the Government Payment Programs and/or their fiscal intermediaries or paying agents and, to Parent's Knowledge, complies in all material respects with the conditions of participation therein. To Parent's Knowledge, there are no Material Government Payment Program recoupments or Material recoupments of any third-party payor being sought, requested, claimed, or threatened against any Parent Entity. To Parent's Knowledge, (i) there is no

Action pending, received or threatened against any Parent Entity which relates in any way to a violation of any Law pertaining to the Government Payment Programs or which is reasonably expected to result in the imposition of material penalties on or the exclusion of any Parent Entity or any Parent Healthcare Service from participation in any Government Payment Programs, and (ii) no Parent Entity or any of their respective officers, directors, employees or agents have engaged in any activities which are cause for civil penalties or mandatory or permissive exclusion from any Government Payment Program. No Parent Entity is a party to any corporate integrity agreements, deferred prosecution agreements, monitoring agreements, consent decrees, settlement orders, plans of correction or similar agreements imposed by any Governmental Entity.

(e) To Parent's Knowledge, each Parent Entity, as applicable, is in material compliance with all Laws regarding the selection, deselection, and credentialing of contracted providers, including, but not limited to, verification of licensing status and eligibility for reimbursement under the Government Payment Programs. To Parent's Knowledge, each Parent Entity's contracted providers are properly licensed and hold appropriate clinical privileges, as applicable, for the services which they provide, and, with respect to providers that perform services eligible for reimbursement under any Government Payment Program, are not debarred or excluded from any such Government Payment Program.

(f) To Parent's Knowledge, during the Lookback Period, all reports, data, and information required to be filed by any Parent Entity in connection with any Government Payment Program have been timely filed and were true and complete at the time filed (or were corrected in or supplemented by a subsequent filing). There are no Actions or appeals pending (and to Parent's Knowledge, no Parent Entity has made any filing or submission that would result in any Actions or appeals) before any court, regulatory body, administrative agency, governmental body, arbitrator or other authority (including governmental administrative contractors) with respect to any Government Payment Program reports or claims filed by any Parent Entity on or before the date hereof, or with respect to any disallowances by any regulatory body, administrative agency, governmental body or other authority (including governmental administrative contractors) in connection with any audit. No material validation review or program integrity review related to any Parent Entity or any Parent Healthcare Service has been conducted by any regulatory body, administrative agency, governmental body or other authority (including governmental administrative contractors) in connection with any Government Payment Program during the Lookback Period and, to Parent's Knowledge, no such reviews are scheduled, pending, or threatened against or affecting any Parent Entity or any Parent Healthcare Service.

(g) To Parent's Knowledge, each Parent Entity holds all necessary Licenses for its respective part of the Parent Operations. All such Licenses are in good standing and, to Parent's Knowledge, are not subject to meritorious challenge. To Parent's Knowledge, the Parent Operations and Parent Healthcare Services are in compliance in all material respects with such licensing requirements.

5.4 Parent Financial Statements. Attached as Schedule 5.4 are copies of the Parent Financial Statements. Except as set forth on Schedule 5.4, the Parent Financial Statements fairly and accurately present in all material respects the financial condition and results of operations of the Parent Operations as of the respective dates thereof and for the period therein referred to, subject to normal recurring year-end adjustments (the effect of which will not, individually or in the aggregate, be Material) and the absence of notes; and the Parent Financial Statements reflect the consistent application of Generally Accepted Accounting Principles throughout the periods involved.

5.5 Absence of Material Change. Since the date of the last Parent Financial Statements, no Material change has occurred in the financial condition, assets, liabilities, income or prospects of Parent. To Parent's Knowledge, there has not been any event, change, occurrence or circumstance that has had or is reasonably expected to have a Parent Material Adverse Change.

5.6 Real Property.

(a) A Parent Entity owns fee simple title to the Parent Real Property, free and clear of any Encumbrances, other than those Encumbrances listed on Schedule 5.6(a).

(b) To Parent's Knowledge, no Parent Entity has received notice of condemnation or similar proceeding relating to the Parent Real Property or any part thereof.

(c) Except for those tenants in possession of the Parent Real Property under Contracts, to Parent's Knowledge there are no Persons in possession of, or claiming any possession, adverse or not, to or other interest in, any portion of the Parent Real Property other than a Parent Entity, whether as lessees, tenants at sufferance, trespassers or otherwise. To Parent's Knowledge, during the Lookback Period, no Parent Entity has received any written notice of any material default or breach on the part of the landlord under any lease of Parent Real Property which has not been cured, nor does there exist any such default or breach on the part of the landlord.

5.7 Environmental Matters.

(a) To Parent's Knowledge, (i) no Parent Entity is subject to any Action or any other Material liability arising under any Environmental Laws, and (ii) no circumstances exist that are reasonably expected to constitute a Material violation of Environmental Laws by any Parent Entity. During the three (3) year period prior to the Execution Date, to Parent's Knowledge, no Parent Entity has received any written communication (or reduced to writing any oral communication) from any Person alleging that any Parent Entity is not in full compliance with Environmental Laws.

(b) To Parent's Knowledge, during the Lookback Period, there has been no Material Environmental Claim pending or threatened against any Person whose liability for any Environmental Claim has or may have been retained or assumed either contractually or by operation of law by a Parent Entity.

5.8 Employment Matters.

(a) Employee and Employee Relations.

(i) There is no pending or, to Parent's Knowledge, threatened employee strike, work stoppage or slowdown, labor dispute or unfair labor practices in connection with the Parent Operations.

(ii) Except as set forth on Schedule 5.8(a)(ii), (A) there are no employees of any Parent Entity who are represented by, or have made demand for recognition of, a labor union or employee organization with respect to their work at the Parent Operations, or (B) to Parent's Knowledge, there is no other union organizing or collective bargaining activities by or with respect to any employees of any Parent Entity with respect to such employment.

(iii) To Parent's Knowledge, Parent has complied with all Material obligations and liabilities under any Plant Closure Laws during the Lookback Period and as a result of (i) the Parent Operations on or prior to the Closing Date, and/or (ii) the consummation of the Affiliation.

(b) Pending Proceedings. There are no active, pending or, to Parent's Knowledge, threatened Material administrative or judicial proceedings under Title VII of the Civil Rights Act of 1964, the Age Discrimination in Employment Act, the Fair Labor Standards Act, the Occupational Safety and

Health Act, the National Labor Relations Act, the Fair Employment and Housing Act, the California Labor Code, ERISA or any other foreign, federal, state or local law (including common law), ordinance or regulation relating to current employees or former employees of any Parent Entity. No employee or independent contractor of any Parent Entity is entitled to receive any compensation, payment, or remuneration from any Person as a result of the execution and delivery of this Agreement or the occurrence of the Closing

5.9 Employee Benefit Plans.

(a) Schedule 5.9 sets forth a true, correct and complete list of each Parent Employee Benefit Program.

(b) Each Parent Employee Benefit Program that is intended to qualify under Section 401(a) of the Code has received a favorable determination or opinion letter from the IRS regarding its qualification thereunder, and during the Lookback Period no event has occurred and no condition exists that would reasonably be expected to result in the loss of such tax-qualified status or the imposition of any liability, penalty or tax under ERISA, the Code or any other Laws. With respect to each Parent Employee Benefit Program, all reports, returns, notices, and other documentation that are required to have been filed with or furnished to the IRS, the DOL, the PBGC, the SEC, or any other Governmental Entity, or to the participants or beneficiaries of such Parent Employee Benefit Program, have been filed or furnished on a timely basis.

(c) With respect to each Parent Employee Benefit Program, Parent has provided to Methodist: all documents embodying or governing such Parent Employee Benefit Program, and any funding medium for the Parent Employee Benefit Program (including plan documents, trust agreements and amendments thereto); (ii) the most recent IRS determination letter with respect to such Parent Employee Benefit Program under Code Section 401(a); and (iii) any insurance policy related to such Parent Employee Benefit Program.

(d) Except as set forth in Schedule 5.9(d)(i), each Parent Employee Benefit Program has been established, operated, and administered in all material respects in accordance with the requirements of Law, including ERISA and the Code, and is being administered and operated in all material respects in accordance with its terms, and is being administrated in a manner that avoids the imposition of material penalties imposed by Law, including penalty taxes. Except as set forth in Schedule 5.9(d)(ii), no Parent Employee Benefit Program is subject to Title IV of ERISA or is a Multiemployer Plan, within the meaning of ERISA Section 3(37) and during the Lookback Period no Parent Entity or any ERISA Affiliate has sponsored, maintained, contributed to or had any liability in respect to any employee benefit plan subject to Title IV of ERISA or any Multiemployer Plan.

(e) Neither any Parent Employee Benefit Program fiduciary nor any Parent Employee Benefit Program has engaged in any transaction in violation of Section 406 of ERISA or any "prohibited transaction" (as defined in Section 4975(c)(1) of the Code), which transaction is not exempt under Section 4975(d) of the Code or Section 408 of ERISA and which is reasonably expected to result in material liability under ERISA or the Code. No Parent Entity or ERISA Affiliate or any Person appointed or otherwise designated to act on behalf of such Parent Entity or such ERISA Affiliate, has engaged in any transactions in connection with any Parent Employee Benefit Program that is reasonably expected to result in the imposition of a material penalty pursuant to Section 502(i) of ERISA, material damages pursuant to Section 409 of ERISA or a material Tax pursuant to Section 4975(a) of the Code.

(f) No administrative investigation, audit or other administrative proceeding by the DOL, the PBGC, the Internal Revenue Service or any other Governmental Entity is pending, with respect

to any Parent Employee Benefit Program. Except as set forth on Schedule 5.9(f), there is no material pending, or to Parent's Knowledge, threatened, legal action, proceeding, or investigation, other than routine claims for benefits, concerning any of the Parent Employee Benefit Programs, or, any fiduciary or service provider thereof. Parent does not have liability by virtue of its being a member of a controlled group with a person who has liability under the Code or ERISA.

(g) Each Employee Welfare Benefit Plan which is a group health plan (within the meaning of Section 5000(b)(1) of the Code) complies in all material respects with and has been maintained and operated in all material respects in accordance with each of the requirements of Section 4980B of the Code and Part 6 of Subtitle B of Title I of ERISA. Except as set forth in Schedule 5.9(g), no Parent Employee Benefit Program provides for health or welfare benefits (other than as required pursuant to Section 4980B of the Code or pursuant to State health continuation laws) to any current or future retiree or former employee beyond the month of termination.

(h) Except as set forth in Schedule 5.9(h), neither the execution and delivery of this Agreement nor the consummation of the Affiliation will result in (A) any increase in severance pay otherwise due upon any termination of employment after the date of this Agreement; (B) the acceleration of the time of payment or vesting or result in any funding of compensation or benefits; (C) result in any payment, compensation or benefit becoming due, or increase in the amount of any payment, compensation or benefit due, to any current or former employee of any Parent Entity; (D) any new obligation pursuant to any Parent Employee Benefit Program; (E) payment of compensation that would, in combination with any other payment, result in an "excess parachute payment" within the meaning of Section 280G of the Code; or (F) any limitation or restriction on the right of any Parent Entity to merge, amend or terminate any Parent Employee Benefit Program.

(i) Each Parent Employee Benefit Program that is a "nonqualified deferred compensation plan" (as defined under Section 409A of the Code) has been operated and administered in good faith compliance with Section 409A of the Code, and no compensation shall be includable in the gross income of any current or former employee, officer, director or consultant of any Parent Entity or any ERISA Affiliate as a result of the operation of Section 409A of the Code with respect to any applicable arrangements or agreements in effect prior to the Closing.

5.10 Litigation. There are no Material Actions pending or, to Parent's Knowledge, threatened against any Parent Entity or with respect to any Parent Assets. To Parent's Knowledge, there exist no facts known to Parent that might form the basis of any such Action. There is no pending or, to Parent's Knowledge, threatened, litigation, arbitration, investigation or other proceeding involving any Parent Entity or Parent Assets of or before any court, arbitrator or governmental, regulatory or administrative official, body or authority that is reasonably likely to prevent or materially delay or affect the consummation of the Affiliation.

5.11 Tax Exempt Status. Parent Entities are California nonprofit public benefit corporations exempt from federal and state income taxation.

5.12 Certain Affiliations. Except as set forth on Schedule 5.12, no officer or director of any Parent Entity, nor any child, spouse, parent or sibling or any other family member of any such officer or director of any Parent Entity:

(a) directly or indirectly owns, in whole or in part, any property, asset or right of material significance, used in connection with the Parent Operations; or

(b) directly or indirectly has an interest in or is party to any Material Contract to which a Parent Entity is a party.

5.13 Intellectual Property. To Parent's Knowledge, the Parent Entities own or have sufficient right to use all Parent Entities Intellectual Property Assets (as defined below) that are necessary for the operation of the business of the Parent Entities as they are currently conducted. For purposes of this Agreement, "***Parent Entities Intellectual Property Assets***" means, for each of the Parent Entities: (a) the name of each such Parent Entity, all fictional business names, trade names, registered and unregistered trademarks, service marks and applications for same; (b) all patents and patent applications; (c) all copyrights in both published works and unpublished works; (d) all rights in mask works; and (e) all know-how, trade secrets, confidential information, customer lists, software, technical information, data, process technology, plans, drawings and blueprints and other intellectual property rights owned, used or licensed by the Parent Entities as licensee or licensor.

5.14 Insurance. Parent maintains all appropriate insurance policies that provide coverage to the Parent Entities or the Parent Operations, or any director, manager or officer of the Parent Entities (the "***Parent Entities Insurance Policies***"). All Parent Entities Insurance Policies (a) are valid, outstanding, and enforceable, and (b) are sufficient for compliance in all material respects with all applicable Contracts to which a Parent Entity is a party. The consummation of the Affiliation by Parent does not result in a default under any of the Parent Entities Insurance Policies. Parent has paid all premiums due, and has otherwise performed all of its obligations in all material respects, under each of the Parent Entities Insurance Policy to which a Parent Entity is a party or that provides coverage to the business of the Parent Entities or any officers, directors or managers thereof.

5.15 Parent Operations. To Parent's Knowledge, the Parent Assets constitute all assets, properties, goodwill and businesses necessary to conduct the Parent Operations, in the aggregate and with respect to each Parent Healthcare Service, in all material respects in the manner in which the Parent Operations are currently conducted.

5.16 Material Misstatements or Omissions. Subject to qualifications expressly set forth in this Article V regarding Parent's Knowledge, the representations and warranties of Parent in this Article V, together with the disclosures set forth in the Parent Schedules, do not contain any untrue statement of material fact or omit to state any material fact necessary in order to make the representations and warranties of Parent in this Article V not misleading in any material respect.

5.17 Due Diligence. Parent has provided the material items responsive to the Methodist Due Diligence Request and such items, either individually or in the aggregate, do not, to Parent's Knowledge, contain any untrue statement of material fact or omit to state any material fact that is reasonably expected to be material to Methodist's decision regarding the Affiliation. In addition, Parent has used its good faith and commercially reasonable efforts to inform Methodist of any fact that is reasonably expected to be material to Methodist regarding the Affiliation.

5.18 No Other Representations. Methodist acknowledges and agrees that, except as expressly set forth in this Agreement and the New Parent Organizational Documents, Parent and its Representatives are not making any representation or warranty, express or implied, with respect to Parent.

5.19 Survival of Representations and Warranties. The representations and warranties of Parent set forth in this Article V shall not survive the Closing Date.

## ARTICLE VI
## PRE-CLOSING COVENANTS

6.1 Consents and Approvals.

(a) California Attorney General.

(i) As soon as reasonably practicable following the Execution Date, Methodist shall notify the California Attorney General (the "***Attorney General***") in writing of the proposed Affiliation in accordance with Sections 5914 et seq. of the California Corporations Code ("***Section 5914***"). As of the Execution Date, Parent and Methodist hereby agree that Parent has reviewed and approved Methodist's proposed written notice to the Attorney General, and that Methodist shall submit to the Attorney General the written notice in substantially the same form as reviewed and approved by Parent. Methodist shall use commercially reasonable efforts to provide such other information as the Attorney General shall request, and shall generally use its commercially reasonable efforts to obtain the Attorney General's approval of the Affiliation. Parent shall provide such information and communications to the Attorney General as Methodist may reasonably request and shall otherwise cooperate with Methodist in obtaining the Attorney General's approval of the transaction.

(ii) Participation; No Consent. Each Party shall be entitled to participate, to the extent practicable, in conversations with personnel in the Office of the Attorney General in connection with the Affiliation contemplated hereby. If the Attorney General challenges, objects to, prohibits, enjoins, places conditions upon or fails to provide any consent or approval required to complete the transaction contemplated by this Agreement, the Parties shall mutually agree on: (A) the acceptance of any conditions imposed on the transaction by the Attorney General, (B) the decision to pursue any remedies a Party may have against the Attorney General, or (C) the decision to contest or appeal the Attorney General's challenge, objection to, prohibition, enjoyment of, or failure to approve the transaction. In the event the Parties agree to take any action set forth in the foregoing sentence, each Party shall bear its own costs and expenses pertaining thereto. In furtherance of the foregoing, the Parties shall use good faith efforts to mutually accept the conditions imposed upon the transaction by the Attorney General and enter into an amendment of this Agreement evidencing the same (as the Parties deem necessary or appropriate, or as required by the Attorney General), including with respect to any conditions imposed that affect the material obligations or commitments of either Party hereunder. In the event that the Parties do not mutually agree upon the action to be taken by the Parties contemplated under this Section 6.1(a)(ii), the Parties shall attempt to resolve such disagreement pursuant to the meet and confer process set forth in Section 17.10 (which process shall be expedited in consideration of any requirements or other requests of the Attorney General with respect to timing).

(b) HSR Act.

(i) To the extent required by Law, Parent and Methodist each agree to file the appropriate Notification and Report Form pursuant to the HSR Act with respect to the Affiliation as soon as reasonably practicable after the Execution Date. After filing, Parent and Methodist agree to respond promptly to any requests for additional information by any such Governmental Entity and keep the other promptly apprised of any communications with, and inquiries or requests for information from, such Governmental Entity. Parent and Methodist each agree to request early termination of the waiting period under the HSR Act. In addition, Parent and Methodist each agree to promptly make any other filing that may be required under any antitrust law or by any antitrust authority and effect all other filings with and notifications to the government agencies in any other jurisdiction where such filings and notifications are required.

(ii) Parent and Methodist shall each instruct their respective counsel to cooperate with each other and use commercially reasonable efforts to facilitate and expedite the identification and resolution of any issues under any antitrust law and, consequently, expiration or termination of the applicable HSR Act waiting period at the earliest practicable date. Parent and Methodist shall supply each other with copies of all correspondence, filings or communications with antitrust authorities, with respect to the Affiliation; provided, however, that to the extent any of the documents or information are commercially or competitively sensitive, a Party may satisfy its obligations by providing such documents or information to the other Party's outside antitrust counsel, with the understanding that such antitrust counsel shall not share such documents and information with its client.

(c) Contracts. For those Contracts to which Methodist is a Party, Methodist shall use commercially reasonable efforts to obtain prior to Closing all required consents and approvals necessary from each Contract's parties to ensure that each Contract remains in full force and effect following the Closing Date.

6.2 Notification of Certain Matters.

(a) Methodist Schedule Amendments. From time to time prior to the Closing, Methodist may promptly supplement or amend the Methodist Schedules in Article IV in order to keep such information therein timely, complete and accurate, and each supplement to or amendment of the Methodist Schedules made after the Execution Date pursuant to this Section 6.2(a) shall be deemed to amend the Methodist Schedules as of the date the Methodist Schedule is accepted by Parent; *provided*, *however*, that if any such supplement or amendment is not acceptable to Parent, and Parent notifies Methodist of same within fifteen (15) days of Parent receiving the amended Methodist Schedule(s), the Parties shall work together in good faith to resolve the matter.

(b) Parent Schedule Amendments. From time to time prior to the Closing, Parent may promptly supplement or amend the Parent Schedules in Article V in order to keep such information therein timely, complete and accurate, and each supplement to or amendment of the Schedules made after the Execution Date pursuant to this Section 6.2(b) shall be deemed to amend the Parent Schedules as of the date the Parent Schedule is accepted by Methodist; *provided*, *however*, that if any such supplement or amendment is not acceptable to Methodist, and Methodist notifies Parent of same within fifteen (15) days of Methodist receiving the amended Parent Schedule(s), the Parties shall work together in good faith to resolve the matter.

6.3 Negative Covenants of Parent. From the Execution Date until the earlier of the Closing or the termination of this Agreement, Parent shall not (and shall not agree to) take any action which would cause Methodist to be in breach of any covenant, representation or warranty contained in this Agreement, or which would have a material adverse effect on the ability of any Party hereto to perform their respective covenants and agreements under this Agreement and the documents and agreements contemplated hereby, without the prior written consent of Methodist.

6.4 Negative Covenants of Methodist. From the Execution Date until the earlier of the Closing or the termination of this Agreement, Methodist shall not (and shall not agree to) take any action which would cause Parent to be in breach of any covenant, representation or warranty contained in this Agreement, or which would have a material adverse effect on the ability of any Party hereto to perform their respective covenants and agreements under this Agreement and the documents and agreements contemplated hereby, without the prior written consent of Parent.

6.5 Conduct of the Methodist Operations. After the Execution Date and up to the Closing, except as expressly contemplated by this Agreement or as Parent otherwise consents to in writing, which

consent shall not be unreasonably delayed, conditioned or withheld, Methodist shall conduct the Methodist Operations in the ordinary course of business consistent with past practices. Without limiting the generality of the foregoing, except as expressly contemplated by this Agreement, Methodist shall, in the ordinary course of business and consistent with past practices:

(a) use commercially reasonable efforts to preserve the business organization and ordinary course of operations of Methodist and Methodist Operations intact, preserve the Methodist Assets, keep available the services Methodist's present employees involved in the Methodist Operations (other than terminations consistent with past practice and Methodist policies), and preserve the goodwill of Methodist's suppliers, patients, physicians and others with whom Methodist has business relationships relating to the Methodist Operations;

(b) not enter into or materially change the terms of any employment agreement with any Executive Team member, or increase the compensation, bonus or benefits of any Executive Team member, except in the ordinary course of business consistent with past practice; and

(c) not terminate, amend or otherwise modify any Methodist Employee Benefit Program in any material respect, except for amendments required to comply with Laws.

6.6 Access and Information; Due Diligence. From the Execution Date until the Closing Date, each Party shall give, and shall cause each Party's affiliates to give, to the other Party and its Representatives, reasonable access during normal business hours to such Party's (and such Party's affiliates) corporate, financial, litigation, insurance and personnel files, books, accounts, records and all other relevant documents and information as Representatives of the requesting Party may from time to time request for any purpose related to its due diligence review of the other Party in connection with Affiliation contemplated hereunder, all in such manner as to not unduly disrupt normal business activities and in compliance with Law and any contractual obligations relating to confidentiality. The access to and disclosure of all such books, contracts and records shall be subject to and continued to be governed by the terms and conditions of that certain Mutual Nondisclosure Agreement between Parent and Methodist dated as of March 17, 2020 and that certain Clean Team Confidentiality Agreement between Parent and Methodist dated as of April 9, 2021.

6.7 No Negotiation.

(a) Until the earlier of the Closing or the termination of this Agreement, Methodist shall not, and shall cause its respective Representatives to not, without the prior written consent of Parent:

(i) offer for sale, purchase, lease or any other transaction any of its material assets or any portion of its equity interest in or control of its affiliated businesses in which the party owns less than 100% beneficial interest ("***Affiliated Businesses***"), whether by merger, consolidation, tender offer, substitution of corporate member or otherwise;

(ii) solicit, encourage, negotiate or take any other action to facilitate offers to sell any material portion of its assets, business, equity or any portion of its equity interest in any Affiliated Businesses, whether by merger, consolidation, tender offer, substitution of corporate member or otherwise;

(iii) hold any discussions with any party (other than the other party hereto) involving such offers, solicitations, or transactions as described above; or

(iv) enter into any agreement with any party (other than the other party hereto) with respect to an affiliation relationship that involves any form of transfer of any part of Methodist's assets, equity or business.

(b) Until the earlier of the Closing or the termination of this Agreement, Parent shall not, and shall cause its respective Representatives to not, without the prior written consent of Methodist:

(i) solicit, encourage, negotiate or take any other action to facilitate offers to buy or acquire any hospital assets or equity interest in any party that owns or operates a hospital (other than the other party hereto) located within the Methodist PSA or Methodist SSA, whether by merger, consolidation, tender offer, substitution of corporate member or otherwise;

(ii) hold any discussions with any party (other than the other party hereto) involving such offers, solicitations, or transactions as described above; or

(iii) enter into any agreement with any hospital in the Greater San Gabriel Valley or any party that owns or operates a hospital in the Greater San Gabriel Valley (other than the other party hereto) with respect to an affiliation relationship, acquisition, or joint venture involving any part of any such hospital's assets, equity, or business (including individual service lines).

6.8 Methodist's Efforts to Close. Methodist shall use commercially reasonable efforts to satisfy all of the conditions precedent set forth in Article X to the Parties' obligations under this Agreement to the extent that Methodist's action or inaction can control or influence the satisfaction of such conditions.

6.9 Parent's Efforts to Close. Parent shall use commercially reasonable efforts to satisfy all of the conditions precedent set forth in Article X to the Parties' obligations under this Agreement to the extent that Parent's action or inaction can control or influence the satisfaction of such conditions.

6.10 Growth and Alignment Planning. During the period from the Execution Date through the Closing Date, the Parties will develop service line-specific implementation plans, including specific timelines, to establish the following Parent services at Methodist Hospital following the Closing (and the loss of revenue to Parent, if any, resulting from carrying out such implementation plans will not be attributed to Methodist):

(a) Cardiovascular

(i) Cath Lab (PCI and EP)

(ii) Cardiac Surgery

(iii) Vascular Surgery

(b) Neurosciences

(i) Neurosurgery

(ii) Neuro-IR

(iii) Neuro-hospitalists

(iv) Neuro-intensivist

(c) Hepatobiliary Surgery

(d) Oncology/Cancer Care

(e) Breast Surgery

(f) Thoracic Surgery

(g) Orthopedics

6.11 Financing Documents.

(a) Between the Execution Date and the Closing Date, Methodist will deliver to Parent, not later than concurrent with delivery to the Master Trustee, copies of all quarterly reports and other written materials that Methodist is required to submit, or chooses voluntarily to submit, to the Master Trustee in connection with the Financing Documents.

(b) Between the Execution Date and the Closing Date, Methodist will promptly (*e.g.*, within two (2) Business Days) provide Parent with copies of any correspondence (including but not limited to all breach or default notices) or any other communication received from the Master Trustee in connection with the Financing Documents.

## ARTICLE VII
## ADDITIONAL COVENANTS AND AGREEMENTS

7.1 Government Authorizations. Methodist shall promptly apply for and use good faith efforts to obtain, as promptly as practicable, all material Government Authorizations that are necessary to consummate the proposed transaction as set forth in this Agreement. For purposes of the preceding, "***Government Authorizations***" means all Licenses, consents or approvals of any Governmental Entity which are required for Methodist to continue operating all material aspects of the Methodist Operations after Parent becomes Methodist's sole member.

7.2 Further Assurances. Each Party shall execute and deliver such instruments, in form and substance mutually agreeable to the Parties, as the other Party may reasonably require in order to carry out the terms of this Agreement or the Affiliation.

## ARTICLE VIII
## TERMINATION OF AGREEMENT

8.1 Termination of Agreement.

(a) Mutual Agreement. This Agreement may be terminated at any time prior to the Closing by the mutual written agreement of the Parties.

(b) Breach of Agreement.

(i) Breach By Methodist. This Agreement may be terminated by Parent at any time prior to the Closing if Methodist has materially breached any of its covenants, representations or warranties prior to the Closing, or if any representation or warranty of Methodist set forth in this Agreement is determined to have been materially inaccurate or misleading when made.

(ii) Breach By Parent. This Agreement may be terminated by Methodist at any time prior to the Closing if Parent has materially breached any of its covenants, representations or warranties prior to the Closing, or if any representation or warranty of Parent set forth in this Agreement is determined to have been materially inaccurate or misleading when made.

(c) Failure of Condition. This Agreement may be terminated by Parent or Methodist if the Closing has not occurred on or before the first (1st) anniversary of the Execution Date (the "***Drop Dead Date***"); *provided*, *however*, that (i) Parent shall not be permitted to terminate this Agreement if the Closing is delayed beyond the Drop Dead Date by the breach of a covenant by Parent or the failure of a condition which was Parent's responsibility to fulfill, and (ii) Methodist shall not be permitted to terminate this Agreement if the Closing is delayed beyond the Drop Dead Date by the breach of a covenant by Methodist or the failure of a condition which was Methodist's responsibility to fulfill.

(d) Failure to Finalize Schedules. This Agreement may be terminated by: (i) Parent, in accordance with Section 6.2(a), if Parent and Methodist are unable to resolve Parent's reasonable objection to an amendment to the Methodist Schedules proposed by Methodist after the Execution Date; and (ii) Methodist, in accordance with Section 6.2(b), if Parent and Methodist are unable to resolve Methodist's reasonable objection to an amendment to the Parent Schedules proposed by Parent after the Execution Date.

(e) Failure to Obtain Satisfactory Attorney General Approval. This Agreement may be terminated by any Party if the Attorney General does not approve (with terms mutually satisfactory to the Parties in accordance with Section 6.1(a)(ii)) the Affiliation pursuant to Section 5914 within eight (8) months after the Attorney General has received the completed notice from Methodist.

## ARTICLE IX
## CONDITIONS TO CLOSING

9.1 Conditions Precedent to Obligations of Parent. The obligations of Parent to complete the Affiliation at the Closing shall be subject to fulfillment of all of the following conditions, except those conditions which are waived by Parent:

(a) Accuracy of Representations and Warranties. The representations and warranties of Methodist, as amended pursuant to this Agreement, shall be true and correct in all material respects on the Closing Date.

(b) Attorney General Approval. The consent of the Attorney General with respect to the Membership Issuance shall have been obtained and each condition imposed by the Attorney General with respect to the Membership Issuance has been approved by Parent, in its sole discretion (which shall not be unreasonably withheld). It is expressly understood that this condition may not be waived by Parent, and that if the consent of the Attorney General is not obtained as required herein, this Agreement shall automatically terminate and no Party shall have any liability to any other Party, except as specifically provided in this Agreement.

(c) HSR Act. The waiting period pursuant to the HSR Act and any extensions thereof shall have expired or been terminated.

(d) Performance of Covenants and Agreements. Methodist shall have performed in all material respects all covenants and agreements contained in this Agreement required to be performed by Methodist before the Closing.

(e) Licenses and Other Government Authorizations. Any Government Authorizations listed on Schedule 9.1(e) required for Parent to become the sole corporate member of Methodist and or to consummate any of the terms set forth in this Agreement shall have been obtained.

(f) Third Party Approvals. The consents and approvals of third parties listed on Schedule 9.1(f) shall have been obtained.

(g) Approval of Documentation. The form and substance of all certificates, transfer documents, opinions, consents, instruments and other documents and agreements contemplated hereby delivered to Parent shall be reasonably satisfactory in all respects to Parent's counsel.

(h) No Litigation. No Material Action shall be pending or threatened against Methodist or Parent in relation to or affecting the consummation of the Affiliation contemplated by this Agreement.

(i) Officers Certificates. Methodist shall deliver to Parent, in forms reasonably acceptable to Parent, (i) a closing and incumbency certificate of an officer of Methodist, (ii) resolutions of the Methodist Board of Directors authorizing the execution and delivery of this Agreement and the performance by Methodist of its obligations hereunder, and (iii) a bring-down certificate to the effect of Section 9.1(a) (collectively, the "***Methodist Certificates***").

(j) Supplemental Schedules. Pursuant to Section 6.2(a), any supplements or modifications to the Methodist Schedules delivered by Methodist prior to or at Closing shall be reasonably acceptable to Parent.

(k) Methodist Material Adverse Change. There has been no Methodist Material Adverse Change with respect to Methodist since the Execution Date.

(l) Due Diligence Investigation. Parent shall be fully satisfied, in its sole and absolute discretion (which shall not be unreasonably withheld), with the results of its due diligence investigation of Methodist conducted by Parent prior to the Closing Date.

(m) Internal Approvals. All necessary internal approvals shall have been obtained, including the Parent Board of Directors and USC Board of Trustees.

(n) Financing Document Compliance. Except as otherwise disclosed by Methodist, Methodist shall not be in material breach of any covenant (including the debt service covenant) contained in, or otherwise in default under, the Financing Documents.

(o) Deliveries at Closing. All of the deliverables described in Section 10.2 shall have been provided to Parent or waived by Parent.

9.2 Conditions Precedent to Obligations of Methodist. The obligations of Methodist to complete the Affiliation at the Closing shall be subject to fulfillment of all of the following conditions, except those conditions that are waived by Methodist:

(a) Accuracy of Representations and Warranties. The representations and warranties of Parent, as amended pursuant to this Agreement, shall be true and correct in all material respects on the Closing Date.

(b) Attorney General Approval. The consent of the Attorney General with respect to the Membership Issuance shall have been obtained and each condition imposed by the Attorney General with respect to the Membership Issuance has been approved by Methodist, in its sole discretion (which shall not be unreasonably withheld). It is expressly understood that this condition may not be waived by Methodist, and that if the consent of the Attorney General is not obtained as required herein, this Agreement shall automatically terminate and no Party shall have any liability to any other Party, except as specifically provided in this Agreement.

(c) HSR Act. The waiting period pursuant to the HSR Act and any extensions thereof shall have expired or been terminated.

(d) Performance of Covenants and Agreements. Parent shall have performed in all material respects all covenants and agreements contained in this Agreement required to be performed by Parent before the Closing.

(e) Licenses and Other Government Authorizations. Any Government Authorizations required for Parent to become the sole corporate member of Methodist and or to consummate any of the terms set forth in this Agreement shall have been obtained.

(f) Approval of Documentation. The form and substance of all certificates, opinions, consents, instruments and other documents and agreements contemplated hereby delivered to Methodist under this Agreement shall be reasonably satisfactory in all respects to Methodist and Methodist's counsel.

(g) No Litigation. No Material Action shall be pending or threatened against Methodist or Parent in relation to or affecting the consummation of the Affiliation contemplated by this Agreement.

(h) Officers Certificates. Parent shall each deliver to Methodist, in forms reasonably acceptable to Methodist, (i) a closing and incumbency certificate of an officer of Parent, (ii) resolutions of the Parent Board of Directors authorizing the execution and delivery of this Agreement and the performance by Parent of their obligations hereunder, and (iii) a bring-down certificate to the effect of Section 9.2(a) (collectively, the "***Parent Certificates***").

(i) Supplemental Schedules. Pursuant to Section 6.2(b), any supplements or modifications to the Parent Schedules delivered by Parent prior to or at Closing shall be reasonably acceptable to Methodist.

(j) Parent Material Adverse Change. There has been no Parent Material Adverse Change with respect to a Parent Entity since the Execution Date.

(k) Due Diligence Investigation. Methodist shall be fully satisfied, in its sole and absolute discretion (which shall not be unreasonably withheld), with the results of its due diligence investigation of Parent conducted by Methodist prior to the Closing Date.

(l) Internal Approvals. All necessary internal approvals shall have been obtained, including the Methodist Board of Directors.

(m) Deliveries at Closing. All of the deliverables described in Section 10.3 shall have been provided to Methodist or waived by Methodist.

## ARTICLE X
## CLOSING

10.1 Closing, Closing Date and Effective Time. Subject to the provisions of this Article X, the closing of the Affiliation (the "***Closing***") shall take place remotely via exchange of documents and signature pages on the date (the "***Closing Date***") that is as promptly as practical (but no more than five (5) Business Days) after satisfaction or waiver of the conditions set forth in Sections 9.1 and 9.2, and other than those conditions that by their nature are to be satisfied at Closing but subject to fulfillment or waiver of those conditions. The Membership Issuance and Affiliation contemplated by the Parties pursuant to this Agreement shall occur at 12:01 a.m. (Pacific Time) on the day immediately following the Closing (the "***Effective Time***"). All proceedings to take place at the Closing shall take place simultaneously.

10.2 Deliveries by Methodist. At the Closing, Methodist shall deliver to Parent the following:

(a) Methodist Certificates. Certified copies of the Methodist Certificates.

(b) Good Standing Certificate. An original Certificate of Status for Methodist, or comparable status, issued by the California Secretary of State dated no earlier than a date which is ten (10) calendar days prior to the scheduled Closing Date.

(c) Other Documents. Any other documents contemplated by this Agreement or requested by Parent and reasonably required or necessary for the consummation of the Affiliation.

10.3 Deliveries by Parent. At the Closing, Parent shall deliver to Methodist the following:

(a) Parent Certificates. Certified copies of the Parent Certificates.

(b) Good Standing Certificates. For each Parent Entity, original Certificates of Status, or comparable status, issued by the California Secretary of State dated no earlier than a date which is ten (10) calendar days prior to the scheduled Closing Date.

(c) Other Documents. Any other documents contemplated by this Agreement or requested by Methodist and reasonably required or necessary for the consummation of the Affiliation.

## ARTICLE XI
## CONFIDENTIALITY

11.1 Confidentiality and Announcements. Prior to the date on which notice to the Attorney General is filed by Methodist pursuant to Section 6.1(a), no Party shall, without the written consent of the other Party, make any public announcement or press release with respect to this Agreement except to their consultants, accountants, investors, attorneys, the Attorney General, Governmental Entities, and/or to other Persons when such announcement or press release to other Persons is necessary to comply with any Law, governmental or court order or regulation. Additionally, the Parties shall mutually develop a plan in conjunction with this Agreement providing for the processes and requirements of any internal and external communications with respect to the terms of this Agreement, which the Parties shall comply with prior to the Closing. Parties shall mutually agree on any internal announcements pertaining to the Affiliation made by a Party or its affiliates or Representatives prior to the date on which notice to the Attorney General is filed by Methodist pursuant to Section 6.1(a).

## ARTICLE XII
## POST-CLOSING RIGHTS AND OBLIGATIONS

12.1 Illegality.

(a) If, at any time during the Transition Period, Methodist determines in good faith based on advice of qualified legal counsel specializing in healthcare matters that any federal, state, or local law or regulation renders the affiliation entered into pursuant to this Agreement illegal, then Methodist may give written notice thereof to Parent ("***Notice of Illegality***") if such action is approved by the affirmative vote of a majority of the actual number of individuals then sitting on the Methodist Board of Directors. If Parent disputes the conclusion set forth in the Notice of Illegality, Parent shall notify Methodist of such dispute (the "***Illegality Dispute***") within ten (10) days after Parent's receipt of the Notice of Illegality. The Parties shall attempt to resolve such Illegality Dispute in accordance with the meet and confer process set forth in Section 17.10; *provided, however*, that the Parties agree that such meet and confer process shall be on an expedited basis and all time frames set forth under Section 17.10 shall be deemed modified hereunder, to reflect that any such Illegality Dispute shall be resolved within ninety (90) days after a Party receives the Notice of Illegality or Illegality Dispute (as applicable). In the event that the Parties do not come to resolution on the Illegality Dispute, either Party may submit the Illegality Dispute to binding arbitration pursuant to Section 17.11. In the event a final determination is made that the Affiliation is illegal, Parent and Methodist shall work together in good faith to alter their relationship to the minimum extent necessary to comply with applicable laws or regulations or otherwise resolve the legal problem. If, after diligent good faith efforts, Parent and Methodist are unable to mutually agree upon such alteration after a period of ninety (90) days, or if such alteration is not legally possible, then Parent and Methodist shall work together in good faith to modify their organizational documents and take all other actions necessary and appropriate to terminate Parent's membership in Methodist and unwind the Affiliation between Parent and Methodist contemplated in this Agreement, the New Methodist Organizational Documents and the New Parent Organizational Documents. The Parties acknowledge and agree that in the event Parent's membership in Methodist is terminated pursuant to the terms set forth in this Section 12.1 (an "***Illegality Unwind Event***"), Methodist shall have the right to assume the assets and liabilities of Methodist pursuant to the terms set forth in **Exhibit A** attached hereto and incorporated herein.

12.2 Methodist Unwind. The Parties acknowledge and agree that after the Closing Date and until the expiration of the Transition Period, if Parent initiates, approves and affirmatively causes any of the following events without first obtaining the approval of the Methodist Board of Directors, Methodist shall have the right to terminate Parent's membership in Methodist and assume the assets and liabilities of Methodist pursuant to the terms set forth on **Exhibit A**: (a) cause the closure of Methodist Hospital or the dissolution of Methodist, (b) sell, transfer, or dispose of all or substantially all of the assets of Methodist, (c) cause another entity to become the beneficial owner of one hundred percent (100%) of the voting ownership interests of the entity that owns Methodist Hospital, or (d) undergo a change of corporate member that results in University of Southern California not being the majority member of Parent (each a "***Methodist Unwind Event***"). Subject to the foregoing rights of the Methodist Board of Directors, the Parties agree that after the Closing Date, Parent shall have the unilateral right to initiate, approve, and affirmatively cause a Methodist Unwind Event, which unilateral right also may require the approval of the USC Board of Trustees.

12.3 Material Breach. During the Transition Period, if Methodist determines in good faith that Parent has materially breached this Agreement, such as Parent failing to contribute to Methodist a material portion of the Strategic Capital commitment indicated in Section 12.7(b), or failing to maintain Methodist as a "full service" hospital in accordance with Section 12.6, then the Parties shall attempt to resolve such alleged material breach in accordance with the meet and confer process set forth in Section 17.10, *provided* that such meet and confer process will be resolved by a committee comprised of no less than three (3)

members of the Methodist Board of Directors and three (3) members of the Parent Board of Directors instead of by each Party's designated senior executives as described in Section 17.10. If the Parties are unable to resolve such Dispute in accordance with this modified meet and confer process, then Methodist may submit the Dispute to binding arbitration pursuant to Section 17.11, and the arbitrator may utilize the unwind process outlined in **Exhibit A** as a potential remedy to resolve such alleged material breach.

12.4 Name Change. As of the Effective Time, the Parties shall rename Methodist Hospital to "USC Arcadia Hospital."

12.5 Growth and Alignment.

(a) Physician Alignment and Network Development.

(i) Ambulatory and Digital/Virtual Services. Within eighteen (18) months after the Closing Date, both Parties will develop and begin implementation of a multi-year strategy to expand ambulatory and digital/virtual services throughout the Methodist PSA and Methodist SSA.

(ii) Arcadia "Pod" within USC Care. The Parties will develop an implementation plan set to begin within eighteen (18) months after the Closing Date to extend Parent's physician alignment models and supporting capabilities to Arcadia and throughout the Methodist PSA and Methodist SSA. Priorities will include retention and growth of Parent medical staff and the local physician network, and to expand geographic coverage and access to needed clinical services. This model will include establishing a specific Methodist/Arcadia "pod" or division within Parent's physician vehicles that offer various opportunities for physician alignment, including employment or clinically integrated affiliation that offers contracting and management services.

(iii) Physician Network. Within eighteen (18) months after the Closing Date, the Parties will implement a multi-year, Arcadia-based physician network strategy. The strategy will be pluralistic in approach and which will include:

(A) The acquisition or affiliation of primary care and/or specialist physicians within Arcadia or the surrounding Methodist PSA; and

(B) Affiliation and relationship development to better align with key IPAs operating in the Methodist PSA and Methodist SSA.

(iv) Clinical Programs. Within eighteen (18) months after the Closing Date, Methodist will become the exclusive hospital member of Parent, as well as the exclusive provider of Parent hospital-based clinical services, within the Methodist PSA (unless waived by the Methodist Board of Directors). For a period of three (3) years after the Closing Date, without the approval of the Methodist Board of Directors, Parent will not add any new hospital member or any new hospital-based clinical service program, including through the expansion of Parent's existing clinical service programs and Parent-affiliated physician practice locations as set forth on Schedule 12.5(a)(iv), to a new location within the Methodist SSA.

(v) Value Based Services Organizations. Parent will provide Methodist with support and access to clinical protocols, care coordination, analytics, tools, leadership, and other supporting programs and infrastructure (*e.g.*, Parent Value-Based Services Organization), in order to enhance care delivery, improve quality, reduce variations in care and unnecessary costs of care.

(b) Teaching Programs. Within eighteen (18) months after the Closing Date, the Parties will develop a feasibility plan to establish residency and fellowship programs at Methodist Hospital to increase the physician base and expand access to care throughout the Methodist PSA and Methodist SSA.

(c) Payor Relations. In conjunction with the other activities of the Parties under this Section 12.5 and consistent with the timeframes thereunder, the Parties agree to co-develop and implement a value-based managed care strategy to improve value and access for residents of in the Methodist PSA and Methodist SSA. Implementation will include (i) partnering with key payors to participate in shared-risk relationships that enable expanded access to Parent and Methodist physicians and technology, and (ii) developing a private label insurance product in partnership with an existing health plan, which targets the local communities.

(d) Timeframes for Development and Implementation. The Parties shall use good faith and best efforts to develop and implement the activities identified under this Section 12.5 in accordance with the corresponding timeframes identified hereunder. In order to ensure implementation within the timeframes identified in this Section 12.5, the Parties agree to commence efforts for each activity as soon as possible (and no later than within thirty (30) days following the Closing Date), and at such time, shall agree upon specific timelines, milestones, and priorities for all such activities (individually and as a whole), which in no way shall delay or postpone completed implementation within the timeframes stated in this Section 12.5.

12.6 Operations

(a) Full Service Hospital. Parent will maintain Methodist Hospital as a "full-service" hospital for a period not less than ten (10) years after the Closing Date, with no material reduction in the following clinical services:

(i) 24/7 Emergency Department

(A) STEMI Receiving Center

(B) Comprehensive Stroke Center

(C) EDAP Certified

(ii) Maternal Child Health (deliveries)

(iii) Cath labs/Angiography suites

(iv) Vascular IR

(v) Cardiovascular Services

(A) PCI, EP, TVR

(B) Cardiac Surgery

(C) Vascular Surgery

(vi) Neurosciences

(A) Neuro IR

(B) Neurosurgery

(C) Neuro-hospitalists

(vii) Orthopedics (including TJR and JSP)

(viii) General Surgery (including bariatics)

(ix) Interventional Gastroenterology

(x) Cancer Care (GYN, colorectal, breast, other)

(xi) Inpatient Rehabilitation.

(b) Hospital-Based Agreements. During the Transition Period (and anytime thereafter without the limitations described below), Parent will have the right to replace any existing Methodist hospital-based provider agreements (*e.g.*, emergency department, anesthesia, critical care, hospitalists, etc.) (the "***Hospital-Based Agreements***") with Parent-based provider agreements if (i) such existing Hospital-Based Agreements are terminated for-cause by the Methodist Board of Directors, or (ii) any Methodist-based clinical programs or hospital-based providers do not meet current Parent quality, outcome or other performance standards based on an annual evaluation. Any Methodist hospital-based providers identified after the Closing Date who do not meet current Parent quality, outcome or other performance standards will be given the opportunity to meet such benchmarks to the reasonable satisfaction of Parent.

12.7 Capital Commitment and Strategic Capital.

(a) Routine Capital. On an annual basis during the Transition Period, Parent will reinvest capital from Methodist's Operations into Methodist (including routine capital and any required seismic retrofit of affected areas of Methodist Hospital in connection with the requirements of the Alfred E. Alquist Hospital Seismic Safety Act of 1983) in an annual amount estimated on a historical basis to be between Eight Million Dollars ($8,000,000) and Twelve Million Dollars ($12,000,000) based on industry-accepted benchmarks and using 'A' rated organization medians for capital spending as a percent of depreciation. If Methodist's annual operating margin performance falls below average industry-accepted benchmarks, then the annual amount for routine capital will adjust downward or Methodist will utilize the retained cash from operations prior to Closing for routine annual capital, which is the cash retained in Section 13.1. The Parties agree that this arrangement will ensure that the budgeted amount of annual routine capital for Methodist does not fall below the amount required for Methodist to maintain compliance with all applicable Laws.

(b) Strategic Capital. Parent hereby commits Two Hundred Million Seven Hundred Thousand Dollars ($200,700,000) to Methodist during the Transition Period for strategic capital investments (the "***Strategic Capital***").

(c) Methodist Foundation Capital. Methodist will retain exclusive control over the Methodist Foundation and its operations. The Methodist Foundation hereby commits to make annual distributions (historically between Four Million Dollars ($4,000,000) and Six Million Dollars ($6,000,000)) to Methodist to be used for the benefit of Methodist and its surrounding service area.

12.8 Executive Team Retention. For a period of not less than three (3) years after the Closing Date, Parent will retain (or cause Methodist to retain) the individuals identified herein as the Executive Team as of the Closing Date, subject to each member of the Executive Team meeting Parent's standard

conditions for employment and successfully passing a satisfactory background screening that is acceptable to Parent. For a period of not less than three (3) years after the Closing Date, each member of the Executive Team will receive total compensation and benefits in an aggregate amount not less than their respective compensation arrangements immediately prior to the Closing Date. Notwithstanding the foregoing, during the three (3)-year period following the Closing Date, the Methodist Board of Directors will have the right to remove any Executive Team member from his or her senior management position or reduce this or her respective total compensation and benefits.

## ARTICLE XIII
## POST-CLOSING RIGHTS OF METHODIST

13.1 Methodist Cash. As of the Effective Time, and continuing for a period up to but not exceeding the Transition Period, all cash, cash equivalents and investments held by Methodist immediately prior to the Effective Time will continue to be held by Methodist for uses that benefit Methodist and the local area, which will include servicing its debt and providing for routine capital needs consistent with Section 12.7(a). The Methodist Board of Directors will have discretion over the use of such assets consistent with their fiduciary duties, subject to the Parent Board of Directors right to review and approve expenditures that individually or in the aggregate exceed Five Million Dollars ($5,000,000) (except with respect to the occurrence of a Methodist Unwind Event).

13.2 Methodist Foundation. After the Closing Date, the Methodist Board of Directors will have reserved powers to approve (a) any change of control of Methodist Foundation, and (b) any use of Methodist Foundation assets that are not used for Methodist and local area purposes.

13.3 Exclusive Hospital. In accordance with the time periods identified in Section 12.5(a)(iv), the Methodist Board of Directors shall be required to approve any decision by the Parent Board of Directors for the Parent to take any action that would prevent Methodist Hospital from being identified as the exclusive hospital member of Parent within the Methodist PSA and in the Methodist SSA.

13.4 Executive Team Matters.

(a) During the three (3) year period immediately following the Closing Date, the Methodist Board of Directors will have sole authority to remove, or reduce the compensation and benefit plans of, the Executive Team. After such three (3) year period, the Methodist Board of Directors will have the right to consult on the removal of any remaining incumbent member of the Executive Team.

(b) The Methodist Board of Directors will have the right to: (i) nominate the individual serving as the first successor Methodist CEO, subject to the right of incumbent Methodist CEO to make recommendations of such successor Methodist CEO; and (ii) consult on the selection and removal of all future Methodist CEOs.

13.5 Methodist Board Members. After the Closing Date, the Methodist Board of Directors shall have the right to recommend nominees for the appointment of members to the Methodist Board of Directors.

## ARTICLE XIV
## PARENT RESERVED POWERS

14.1 Budgets. After the Closing Date, Parent will develop an annual operating and capital budget for Methodist in collaboration with the recommendations of the Methodist Board of Directors, *provided* that Parent, in its capacity as sole member of Methodist, will have the final authority to approve each annual operating and capital budget.

14.2 Capital Expenditures. After the Closing Date, Parent will establish all capital expenditure thresholds for Methodist in collaboration with the recommendations of the Methodist Board of Directors, *provided* that Parent, in its capacity as sole member of Methodist, will have the final authority to establish all capital expenditure thresholds.

14.3 Executive Team.

(a) After the three (3) year period immediately following the Closing Date, the Parent Board of Directors will have the right to remove any Executive Team member from their senior management position, each in consultation with the Methodist Board of Directors.

(b) After the Closing Date, subject to the requirement under Section 12.8 to retain the current Methodist CEO for a period of not less than three (3) years after the Closing Date, the Parent Board of Directors will have the right to hire or remove all successor Methodist CEOs; *provided, that*, the Methodist Board of Directors shall have the right to consult with and propose nominations of successor Methodist CEOs, and the current Methodist CEO shall have the right to make a recommendation regarding his successor Methodist CEO.

(c) After the Closing Date, subject to the requirement under Section 12.8 to retain the current Executive Team for a period of not less than three (3) years after the Closing Date, the Parent Board of Directors will have the right to hire or remove all successor members of the Executive Team.

14.4 Methodist Board Members. After the Closing Date, the Parent Board of Directors will have the right to appoint members to the Methodist Board of Directors in accordance with this Agreement and subject to the right of the Methodist Board of Directors to recommend nominees for each such appointment. After the Transition Period, the Parent Board of Directors will have the right to remove members from the Methodist Board of Directors, subject to the Methodist Board of Directors right to consult on any such removals.

14.5 Strategic Plan. After the Closing Date, Parent shall have the right to develop or modify all future strategic and business plans for Methodist, subject to input from the Methodist Board of Directors.

14.6 Settlement or Consent Decree. After the Closing Date, the Methodist Board of Directors shall not enter into any settlement or consent decree on behalf of Methodist with any government authority without the prior approval of the Parent Board of Directors.

14.7 Independent Auditor. After the Closing Date, the Parent Board of Directors shall have the right to select the independent auditor of Methodist.

14.8 Indebtedness; Obligated Group. After the Closing Date, the Parent Board of Directors shall have the right to make recommendations, in collaboration with the recommendations of the Methodist Board of Directors, to the USC Board of Trustees regarding: (a) new indebtedness for Methodist; (b) changes to the existing indebtedness structure of Methodist; and (c) which legal entities affiliated with Parent, should be included in the obligated group for bond financing purposes.

14.9 Methodist Organizational Documents. After the Closing Date, subject to Section 12.2 and Section 15.1(e), the Parent Board of Directors shall have the right to approve any amendment or restatement of the articles of incorporation or the bylaws (or equivalent documents) of Methodist.

14.10 Sale, Transfer or Disposition of Assets to Third Parties. After the Closing Date, the Methodist Board of Directors shall not have any right to: (a) enter into any change of control transaction

with respect to Methodist, including any transaction in which Parent would no longer be the sole member of Methodist; (b) merge, consolidate, convert or otherwise reorganize Methodist; (c) dissolve Methodist; (d) change the tax status of Methodist as a tax-exempt organization or as a public charity; (e) amend the mission or charitable purposes of Methodist; or (f) sell, transfer or otherwise dispose of a significant portion of the assets of Methodist, each without the prior approval of the Parent Board of Directors.

## ARTICLE XV
## JOINT POWERS

15.1 Joint Powers. During the ten (10) year period commencing immediately after the Closing Date, the following actions will require approval from both the Parent Board of Directors and Methodist Board of Directors, which shall be reflected in the New Methodist Organizational Documents and the New Parent Organizational Documents (and equivalent or successor documents thereto). After the expiration of such period and subject to Methodist's reserved powers in Article XIII, Parent in its capacity as sole member of Methodist, will have the right to take such actions.

(a) Any change in structure of Methodist that affects its tax-exempt status;

(b) The discontinuation of any material clinical service line at Methodist Hospital;

(c) Any material change to the mission, vision and values of Methodist;

(d) Any change to the size, qualifications or composition of the Methodist Board, including the number of Methodist Board members who must reside within the City of Arcadia and the number of Methodist Board members who must be members of the Methodist Hospital medical staff;

(e) Any amendment or restatement of the New Methodist Organizational Documents (or equivalent or successor documents); and

(f) Any reduction or elimination of the services or operations listed in Section 12.6, subject at all times to the approval of the Attorney General.

## ARTICLE XVI
## REMEDIES

16.1 Remedies on or Prior to the Closing Date. The Parties acknowledge and agree that the sole and exclusive remedy of the Parties hereto arising out of: (a) any breach of, or any inaccuracy in, any representation or warranty made by a Party in this Agreement that occurs on or prior to the Closing Date; or (b) any breach of any covenant, obligation or agreement of a Party in this Agreement that occurs on or prior to the Closing Date, shall be the right to terminate this Agreement pursuant to Article VIII; *provided, however*, that nothing contained in this Section 16.1 shall in any way limit or restrict the right of any Party to bring a cause of action based on actual fraud or knowing and willful misrepresentation.

16.2 Remedies After the Closing Date. The Parties shall attempt to resolve any dispute, claim or controversy arising out of or relating to any breach of any covenant, obligation or agreement of a Party in this Agreement that occurs after the Closing Date through the meet and confer process set forth in Section 17.10; *provided, however*, that if the Parties are unable to resolve a dispute, claim or controversy through such meet and confer process, each Party shall have the right to seek any legal or equitable recourse or remedy available to such Party.

## ARTICLE XVII
## MISCELLANEOUS

17.1 Notices. All notices, requests, demands and other communications under this Agreement must be in writing and shall be deemed duly given, unless otherwise expressly indicated to the contrary in this Agreement, (a) when personally delivered, or (b) one Business Day after delivery to a nationally recognized overnight courier service for next Business Day delivery, in any case addressed to the Parties or their permitted assigns at the following addresses (or at such other address as is given in writing by a Party to the other Parties):

| | |
|---|---|
| To Parent: | USC Health System<br>Office of the General Counsel<br>2551 Trousdale Parkway, ADM 352<br>Los Angeles, California 90089<br>Attention: General Counsel |
| With a copy to: | McDermott Will & Emery LLP<br>2049 Century Park East, Suite 3200<br>Los Angeles, California 90067<br>Attention: Gary B. Gertler, Esq. |
| To Methodist: | Methodist Hospital of Southern California<br>300 West Huntington Drive<br>Arcadia, California 91007<br>Attn: President and Chief Executive Officer |
| With a copy to: | Nixon Peabody LLP<br>300 South Grand Avenue<br>Suite 4100<br>Los Angeles, California 90071<br>Attention: Jill H. Gordon, Esq. |

17.2 Counterparts. This Agreement may be executed in one or more counterparts and may be exchanged by email transmission, each of which shall be deemed to be an original but all of which together shall constitute one and the same document. The Parties may deliver executed signature pages to this Agreement by facsimile, electronic mail (including pdf or any electronic signature complying with the U.S. federal ESIGN Act of 2000, *e.g.*, www.docusign.com) or other transmission method.

17.3 Captions and Section Headings. Captions and section headings are for convenience only, are not a part of this Agreement and may not be used in construing it.

17.4 Cooperation. Each of the Parties agrees to cooperate in the effectuation of the Affiliation and to execute any and all additional documents and to take such additional action as is reasonably necessary or appropriate for such purposes.

17.5 Time of Essence. The time of making payments and keeping the agreements made herein is specifically made of the essence of this Agreement.

17.6 Entire Agreement. This Agreement, including any certificate, schedule, exhibit or other document delivered pursuant to its terms, constitutes the entire agreement between the Parties, and supersedes all prior agreements and understandings between the Parties relating to the subject matter hereof.

There are no verbal agreements, representations, warranties, or undertakings between the Parties other than as provided herein, and this Agreement may not be amended or modified in any respect, except by a written instrument signed by the Parties to this Agreement. In the event of any inconsistency or conflict between the terms and conditions set forth in this Agreement and the terms of the New Methodist Organizational Documents or the New Parent Organizational Documents, the terms and condition of this Agreement shall govern.

17.7 Governing Laws. This Agreement is to be governed by and construed in accordance with the internal laws of the State.

17.8 Assignment. This Agreement shall not be assigned or otherwise transferred by any Party without the prior written consent of the other Parties, which may be granted or withheld in the other Parties' sole and absolute discretion.

17.9 Expenses. Each Party shall be responsible for the payment of all attorney fees and costs incurred by such Party in connection with the negotiation, due diligence and completion of the final terms of this Agreement and the Affiliation. Notwithstanding the foregoing, the Parties agree that the Parties shall equally share all costs and expenses incurred in connection with Methodist's notice to the Attorney General under Section 6.1(a) (not including each Party's respective attorney fees).

17.10 Meet and Confer. Except as otherwise provided in this Agreement, a Party shall notify the other Party of any dispute, claim or controversy arising out of or relating to this Agreement, or the breach, termination, enforcement, interpretation, or validity thereof (collectively, a "***Dispute***"). If, within ninety (90) days after a Party receives written notice of a Dispute (the "***Dispute Notice***"), the Parties do not resolve such dispute, then the Dispute shall be referred to the designated senior executives with authority to resolve the Dispute from each Party for further negotiation (the "***Meet and Confer***") for not less than ninety (90) days. The obligation to conduct a Meet and Confer pursuant to this Section 17.10 does not obligate any Party to agree to any compromise or resolution of the Dispute that such Party does not determine, in its sole and absolute discretion, to be a satisfactory resolution of the Dispute. The Meet and Confer shall be considered a settlement negotiation for the purpose of all applicable laws protecting statements, disclosures, or conduct in such context, and any offer in compromise or other statements or conduct made at or in connection with any Meet and Confer shall be protected under such laws, including California Evidence Code Section 1152. Additionally, nothing in this Agreement shall prevent a Party from seeking provisional measures from any court of competent jurisdiction, and any such request shall not be deemed incompatible with the agreement to Meet and Confer.

17.11 Arbitration. Any Dispute not resolved by the end of the Meet and Confer process may be submitted, at the option of either Party, to binding arbitration administered by the commercial panel of the American Arbitration Association under its Commercial Arbitration Rules, as modified by any written instruments that the Parties may mutually agree upon. There shall be a single arbitrator who shall be experienced in healthcare and hospital related matters, and such arbitrator shall be chosen in accordance with the Commercial Arbitration Rules. The place of arbitration shall be Los Angeles, California. California law shall apply. Unless the parties agree otherwise, depositions may be taken for the purpose of preserving testimony and discovery may be obtained (subject to a limit of five (5) interrogatories with respect to any person). The award rendered by the arbitrator shall be final and binding upon the Parties hereto, and judgment upon the award may be entered in any court of competent jurisdiction in the United States. The arbitrator may decide the Dispute in accordance with the applicable substantive law of the State of California. The award shall include written findings of fact, a summary of the evidence, and reasons underlying the decision and conclusions of law. As part of the award, the arbitrator may award reasonable costs actually incurred by the prevailing Party, including that Party's share of the arbitrator's fees, costs and expenses, as well as any administration fees. The arbitrator may also include reasonable attorneys'

fees in an award of costs if the arbitrator finds that the Party against whom the fees are assessed acted frivolously or in bad faith in its demand for, or participation in, the arbitration.

17.12 No Third-Party Beneficiaries. Except as expressly provided otherwise in this Agreement, the terms and provisions of this Agreement (including provisions regarding employee and employee benefit matters) are intended solely for the benefit of the Parties and their respective successors and permitted assigns, and are not intended to confer third-party beneficiary rights upon any other person.

17.13 Waiver. No delay or failure to require performance of any provision of this Agreement shall constitute a waiver of the performance of such provision or any other instance. Any waiver granted by a Party must be in writing, and shall apply solely to the specific instance expressly stated.

17.14 Severability. If any provision of this Agreement is held to be unenforceable for any reason, it shall be adjusted rather than voided, if possible, in order to achieve the intent of the Parties to the greatest extent possible. All other provisions of this Agreement shall remain in full force and effect.

17.15 Successors and Assigns. The covenants and conditions contained herein, subject to the provisions as to assignment and subletting, apply to and bind the heirs, successors, executors, administrators and assigns of the Parties.

*[Signature page follows]*

**IN WITNESS WHEREOF**, the Parties have duly executed this Agreement effective as of the date first above written.

**METHODIST:**

**METHODIST HOSPITAL OF SOUTHERN CALIFORNIA,** a California nonprofit public benefit corporation

By: [redacted]
Name: Dan Ausman
Title: President/CEO, Methodist Hospital

**PARENT:**

**USC HEALTH SYSTEM,** a California nonprofit public benefit corporation

By: [redacted]
Name: Rodney Hanners
Title: President/CEO, USC Health System

# Methodist Schedules

Attached.

# METHODIST DISCLOSURE SCHEDULES

# TO THE

# AFFILIATION AGREEMENT

# BETWEEN

# USC HEALTH SYSTEM

# AND

# METHODIST HOSPITAL OF SOUTHERN CALIFORNIA

**Dated as of October 11, 2021**

## METHODIST DISCLOSURE SCHEDULES

The following are the Methodist Schedules ("***Methodist Schedules***") to the Affiliation Agreement (the "***Agreement***") by and between **USC Health System,** a California nonprofit public benefit corporation ("***Parent***"), and **Methodist Hospital of Southern California,** a California nonprofit public benefit corporation ("***Methodist***").

Notwithstanding anything to the contrary set forth in the Agreement, no information contained in any portion of the Methodist Schedules shall be deemed to be an admission by any party to any third Person of any matter whatsoever, including an admission of any violation of any law or breach of any contract. The Methodist Schedules shall constitute formal disclosure to Parent of the facts and circumstances which are, or may be, inconsistent with the representations and warranties referred to in Article 4 of the Agreement. Such facts and circumstances shall be deemed to qualify such representations and warranties. The Methodist Schedules are arranged in sections corresponding to the sections contained in the Agreement merely for convenience, and the disclosure of an item in one section of the Methodist Schedules as an exception to a particular representation or warranty will be deemed adequately disclosed as an exception with respect to all other representations and warranties to the extent that the relevance of such item to such other representations or warranties is reasonably apparent on the face of such disclosure, notwithstanding the presence or absence of a specific cross reference thereto.

Capitalized terms used in these Methodist Schedules have the meanings assigned to them in the Agreement.

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**Schedule 4.1(b)(i)**

**Corporate Membership**

The Methodist membership includes those persons who comprise the Board of Directors of Methodist and thirteen (13) representatives appointed by the Executive Committee of the United Methodist Women of the California Pacific Conference of the United Methodist Church, which, as of the Effective Date of the Agreement, includes the following individuals:

**Methodist Hospital Board of Directors 2020-21**

1. George P. Blanco
2. Diane Gin
3. Richard Hale, Jr.
4. Andrew Lee, M.D.
5. Aja Tulleners Lesh, Ph.D., R.N.
6. Kevin Lussier
7. Kevin McFarlane
8. E. DeWayne McMullin
9. Reverend Sandra K. Olewine
10. William M. Petmecky, III
11. Natalie Poole
12. James Romo, Chair
13. Elias Tarakji, M.D.
14. Michael Tsia
15. Douglas Van Kirk

**California Pacific United Methodist Women Executive Board 2020-21**

1. Diane Gin, President
2. Young Mae Kim
3. Jackie Vazquez
4. Barbara Simon
5. Angel Copeland-Wolf
6. Elizabeth Martinez
7. Lisa Kadowaki
8. Kathleen Smith
9. Brenda Tuita
10. Julieta Salazar
11. Barbara Grode
12. Julie Asuncion
13. Nicole Nonies

**Schedule 4.4(a)**

**Financial Statements**

The following Methodist Financial Statements, as described below, are attached hereto:

1. Balance Sheet and Income Statement of Methodist as of and for the year ended December 31, 2020.
2. Interim Balance Sheet and Income Statement of Methodist as of May 31, 2021.

**METHODIST HOSPITAL OF SOUTHERN CALIFORNIA**

Consolidated Balance Sheets

May 31, 2021 and December 31, 2020

(In thousands of dollars)

| **Assets** | | **2021** | **2020 (Audited)** |
|---|---|---|---|
| Current assets: | | | |
| Cash and cash equivalents | $ | 32,850 | 44,734 |
| Short-term investments | | 7,487 | 8,243 |
| Patient accounts receivable | | 45,326 | 42,593 |
| Current portion of pledges receivable, net | | 98 | 98 |
| Due from third-party payors | | 1,431 | 2,716 |
| Inventories | | 3,939 | 3,876 |
| Medi-Cal provider fee | | 35,393 | 34,443 |
| Prepaid expenses and other | | 6,320 | 5,714 |
| Total current assets | | 132,844 | 142,417 |
| Long-term investments | | 239,729 | 226,134 |
| Pledges receivable, less current portion | | 246 | 260 |
| Gift annuity, trust receivable, and charitable remainder trusts | | 1,765 | 1,734 |
| Operating lease assets | | 1,485 | 1,745 |
| Plant and equipment, net | | 221,211 | 223,476 |
| Self-insurance claims receivable | | 2,989 | 2,989 |
| Other assets | | 14,846 | 11,924 |
| Total assets | $ | 615,115 | 610,679 |

**METHODIST HOSPITAL OF SOUTHERN CALIFORNIA**

Consolidated Balance Sheets

May 31, 2021 and December 31, 2020

(In thousands of dollars)

| **Liabilities and Net Assets** | | **2021** | **2020 (Audited)** |
|---|---|---|---|
| Current liabilities: | | | |
| Accounts payable | $ | 21,418 | 16,862 |
| Accrued expenses and other liabilities | | 16,112 | 18,936 |
| Medi-Cal provider fee | | 34,205 | 31,634 |
| Current operating lease liabilities | | 752 | 736 |
| Current maturities of long-term debt | | 6,175 | 4,520 |
| Current portion of accrued self-insurance claims | | 4,309 | 4,616 |
| Total current liabilities | | 82,971 | 77,304 |
| Noncurrent operating lease liabilities | | 749 | 1,024 |
| Long-term debt, less current maturities | | 259,264 | 263,989 |
| Accrued self-insurance claims, less current portion | | 8,309 | 8,675 |
| Other liabilities | | 1,963 | 1,905 |
| Total liabilities | | 353,256 | 352,897 |
| Net assets: | | | |
| Net assets without donor restrictions | | 247,544 | 243,098 |
| Net assets with donor restrictions | | 14,315 | 14,684 |
| Total net assets | | 261,859 | 257,782 |
| Total liabilities and net assets | $ | 615,115 | 610,679 |

**METHODIST HOSPITAL OF SOUTHERN CALIFORNIA**

Consolidated Statements of Operations

Five Months ended May 31, 2021 and 2020

(In thousands of dollars)

| | | 2021 | 2020 |
|---|---|---|---|
| Net revenue, gains and other support without donor restrictions: | | | |
| Patient service revenue (net of contractual allowances and discounts) | $ | 101,978 | 103,410 |
| Medi-Cal provider fee | | 6,582 | 14,480 |
| Net patient service revenue | | 108,560 | 117,890 |
| Other operating revenue | | 1,470 | 1,571 |
| CARES Act | | — | 6,069 |
| Net assets released from restrictions to support operations | | 960 | 443 |
| Total net revenue, gains, and other support without donor restrictions | | 110,990 | 125,973 |
| Expenses: | | | |
| Salaries and benefits | | 63,667 | 63,051 |
| Supplies | | 20,896 | 19,237 |
| Purchased services | | 13,509 | 11,853 |
| Medi-Cal provider fee | | 6,582 | 14,480 |
| Depreciation and amortization | | 5,593 | 5,832 |
| Interest | | 4,791 | 4,848 |
| Other | | 4,244 | 4,085 |
| Total expenses | | 119,282 | 123,386 |
| Operating income | | (8,292) | 2,587 |
| Investment income, net | | 12,668 | (6,001) |
| Excess (Deficiency) of revenue over expenses | | 4,376 | (3,414) |
| Net assets released from restrictions for the acquisition of plant and Equipment | | 71 | 28 |
| Change in net assets without donor restrictions | $ | 4,447 | (3,386) |

## Schedule 4.4(b)

## Financial Forecast

METHODIST HOSPITAL OF SOUTHERN CALIFORNIA
INCOME AVAILABLE FOR DEBT SERVICE (in 000s)
FOR THE YEAR TO DATE ENDING AUGUST 31, 2021 AND PROJECTED

| | YTD Aug Actual | Sep-Dec Budget | Other | 2021 Forecast | 2022 Plan |
|---|---|---|---|---|---|
| Excess of revenues over expenses | $4,890 | $366 | | $ 5,256 | $ 7,053 |
| Less: Due diligence costs (less budgeted amount) | | | ($500) | (500) | |
| Plus: Beneficial interest change in MHF net assets | 2,972 | 1,200 | | 4,172 | 3,000 |
| Plus: Depreciation and amortization expense | 8,945 | 4,559 | | 13,504 | 15,045 |
| Plus: Interest expense | 7,664 | 3,821 | | 11,485 | 11,895 |
| Plus: Unrealized investment losses | 4,460 | | | 4,460 | - |
| Less: Unrealized investment gains | (6,714) | | | (6,714) | - |
| **Income available for debt service, YTD** | $22,217 | $9,945 | ($500) | $31,662 | $41,107 |
| | | | | | |
| Debt service requirement | | | | $ 16,618 | $ 17,460 |
| DSC Ratio | | | | 1.91 | 2.35 |

Notes: Unrealized gains and losses include both MHSC and MHF

| Historic DSC Ratio | |
|---|---|
| 2013 | 1.78 |
| 2014 | 1.80 |
| 2016 | 1.67 |
| 2017 | 2.52 |
| 2018 | 1.78 |
| 2019 | 2.74 |
| 2020 | 2.45 |

**Schedule 4.6(a)**

**Encumbrances**

1. That certain Master Trust Indenture dated as of December 1, 2018, by and between Methodist Hospital of Southern California and the Bank of New York Mellon Trust Company, N.A., including all amendments and supplements thereto, and all associated loan agreements, bond indentures, ancillary agreements, financing statements and other related documents.

2. That certain Term Loan Agreement dated as of May 15, 2020, by and between Methodist Hospital of Southern California and JPMorgan Chase Bank, National Association, including all amendments and supplements thereto, and all associated loan agreements, bond indentures, ancillary agreements, financing statements and other related documents.

3. *See* leases set forth on Schedule 4.6(d), incorporated herein by reference.

**Schedule 4.6(d)**

**Real Property Under Contracts**

1. Premises Lease Agreement, by and between the City of Arcadia (as Lessor) and Methodist Hospital of Southern California (as Lessee) dated May 28, 1953, for the hospital premises located at 300 West Huntington Drive, Arcadia, California, as amended by that certain First Amendment dated August 9, 1955, that Second Amendment dated July 5, 1956, that Third Amendment to Lease dated September 18, 1961, that Fourth Amendment to Lease dated December 23, 1963, that Fifth Amendment to Agreement and Lease dated August 5, 1980, that Sixth Amendment dated February 1, 2009, that Seventh Amendment dated November 18, 2015, and that Eighth Amendment dated [DATE].

2. Premises Lease Agreement, by and between Windrose Santa Anita Properties, LLC (as Landlord) and Methodist Hospital of Southern California (as Tenant) dated September 3, 2013, as amended by the First Amendment dated December 20, 2013 and Second Amendment dated January 31, 2019, for Tenant Suite 618 in the Santa Anita Medical Plaza located at 301 W. Huntington Drive, Arcadia, California.

3. Premises Lease Agreement, by and between Welltower OM Group LLC (successor in interest to Windrose Santa Anita Properties, LLC) (as Landlord) and Methodist Hospital of Southern California (as Tenant) dated as of October 15, 2007, as amended by the First Amendment dated as of December 31, 2012, Second Amendment dated as of December 31, 2013, Third Amendment dated as of March 9, 2018, and Fourth Amendment dated as of July 30, 2020, for Tenant Suite 207 in the Santa Anita Medical Plaza located at 301 W. Huntington Drive, Arcadia, California.

4. Sublease by and between Methodist Hospital of Southern California (as Sublandlord) and The American National Red Cross (as Subtenant) dated October 15, 1982, as amended by the First Amendment dated October 15, 1982, and related Subordination, Non-Disturbance and Attornment Agreement by and between The American National Red Cross and The Bank of New York Mellon Trust Company, N.A., dated February 4, 2009.

**Schedule 4.6(e)**

**Current Construction or Capital Projects**

The following construction or capital projects are identified as "active/in review" under the purview of California's Office of Statewide Health Planning and Development ("***OSHPD***"):

1. OSHPD Project No. I190013-19-00: Partial Demolition of West Wing – Building 5 (BLD-00362). The West Wing is an SPC-1 building and the intent of the construction is to demolish the superstructure for this building. The basement of the West Wing will be saved and would be reclassified first to SPC-2 and then to SPC-4D.

2. OSHPD Project No. I190014-19-00: Partial Demolition of East Wing – Building 2 (BLD-00359). The East Wing is an SPC-1 Building and the intent of the construction is to demolish the superstructure for this building. The one-story Electrical Room in front of the building will be saved and would be reclassified first to SPC-2 and then to SPC-4D.

The following construction or capital projects are identified as "in progress" or "pending construction start" under the purview of OSHPD:

1. OSHPD Project No. S180896-19-00: Methodist Pharmacy USP 800 Remodel Remodel of Existing Compounding Pharmacy to new USP 800 Standards and Requirement.

2. OSHPD Project No. I190013-19-01: AB2190: Partial Demolition of West Wing - Bldg. 05 (BLD-00362) Demolition of the West Wing. The basement will be saved and reclassified first to SPC-2 and then to SPC-4D.

3. OSHPD Project No. I190013-19-02: AB2190: Partial Demolition of West Wing - Bldg. 05 (BLD-00362). West Wing is an SPC-1 building. The intent of the construction is to demolish the superstructure for this building. The basement of the West Wing will be saved and reclassified first to SPC-2 and then to SPC-4D.

4. OSHPD Project No. I190014-19-01: AB2190: Partial Demolition of East Wing - Bldg. 02 (BLD-00359) Demolition of the East Wing. The one-story Electrical Room in front of the building will be saved and first reclassified to SPC-2 and then to SPC-4D.

5. OSHPD Project No. I190014-19-02: AB2190: Partial Demolition of East Wing - Bldg. 02 (BLD-00359) East Wing is an SPC-1 Building. The intent of the construction is to demolish the superstructure for this building. The one-story Electrical Room in front of the building will be saved and reclassified first to SPC-2 and then to SPC-4D.

6. OSHPD Project No. S202010-19-00: Cath Lab #3 - BiPlane Equipment Replacement Project Replacement of the existing imaging equipment at Cath Lab #3 on the basement floor level with associated structural support. The scope of the construction will include but is not limited to minor demolition of finish floor and ceiling upgrades, lab equipment installation, additional mechanical, power, and data for lab equipment. There will be no plumbing work.

7. OSHPD Project No. H201691-19-00: Material Testing and Condition Assessment Program (MTCAP) East Wing - Bldg 02 (BLD-00359) - Material Testing and Condition Assessment Program for SPC-2 Upgrade. The construction work will include to extract material samples for laboratory testing and repair the area of extraction back to its original state.

8. OSHPD Project No. S210903-19-00: Berger Patient Tower Second Floor Nurse Call System Replacement. The construction will replace the existing nurse call system on the second floor of the Berger Patient Tower.

9. OSHPD Project No. S211192-19-00: Sterilizer replacement. The construction will replace the existing sterilizer equipment with new sterilizer equipment.

**Schedule 4.8(a)(ii)**

**Labor Union or Employee Organization Employees**

1. Collective Bargaining Agreement by and between Methodist Hospital of Southern California and California Nurses Association/National Nurses United, dated January 15, 2020.

2. Caregivers & Healthcare Employees Union.

**Schedule 4.9(a)**

**Employee Benefit Programs**

**2021 Employee Benefits**

*Medical Plans*

- Medical PPO - HealthPlans Inc.
- Doctors On Demand App - telemedicine

*Prescription Drug Coverage*

- Express Scripts

*Dental Plans*

- Cigna PPO Dental Plan
- Cigna HMO Dental Plan

*Vision Plan*

- VSP

*Insurance (different offerings based on employee level)*

- Cigna Long Term Disability (only offered for Executives)
- Cigna Whole Life & ADD Insurance
- Cigna Voluntary Life & ADD Insurance
- Cigna Voluntary Short Term Disability
- Unum Voluntary Critical Illness Insurance
- Unum Voluntary Whole Life Insurance

*Patient Advocacy Center - HST*

*Health Savings Accounts*

- Healthy Rewards – Cigna
- Flexible Spending Account – HealthPlans, Inc.
- Dependent Care Spending Account

*Retirement Accounts*

- 403(b) Retirement Savings Plan (3% match) – Nationwide (offered to full time, part time, per diem, payplus, and temporary employees)
- 457(b) Retirement Savings Plan – Nationwide (only offered to certain executive-level employees)
- Split Dollar Retention and Loan Supplement Executive Retirement Plan funded through Zurich American Life Insurance

*Education*

- Tuition Reimbursement – Full Time
- Tuition Reimbursement – Part Time
- Career Advancement Scholarship – up to $3,000

*Vacation/Sick Time*

- Paid Time Off (PTO) Program
- California Sick Time (only offered for per diem, temporary, and payplus employees)

*Transportation*

- Free Parking

*Child Care*

- Kathy Kredel Nursery School
- Handle With Care - child care for mildly ill children

*Jury Duty*
*Miscellaneous*

- Cell Phone Savings - $25 per month (only offered to Directors/Managers and employees working remotely)
- Cafeteria Discount – 20% off food
- Cigna's Life Assistance Program
- Credit Union – The Foothill Credit Union
- Pay Plus – 15% additional pay option for Non-exempt employees if all benefits are declined.

**Schedule 4.9(g)**

**Employee Health or Welfare Benefits**

None.

**Schedule 4.9(h)**

**Employee Health or Welfare Benefits**

1. Split Dollar Retention and Loan Supplement Executive Retirement Plan funded through Zurich American Life Insurance.

2. Employment Agreement by and between Dan F. Ausman (President and Chief Executive Officer) and Methodist Hospital of Southern California, dated February 23, 2017.

3. Employment Agreement by and between Bala S. Chandrasekhar, M.D., (SVP & Chief Medical Officer) and Methodist Hospital of Southern California, dated June 13, 2017.

4. Employment Agreement by and between Clifford Daniels (Chief Strategy Officer) and Methodist Hospital of Southern California, dated March 8, 2012.

5. Employment Agreement by and between William E. Grigg (SVP & Chief Financial Officer) and Methodist Hospital of Southern California dated June 13, 2017.

6. Employment Agreement by and between Deborah McCoy (Chief Nursing Officer) and Methodist Hospital of Southern California, dated, May 24, 2018.

7. Employment Agreement by and between John F. Peeples (Vice President & Chief Human Resources Officer) and Methodist Hospital of Southern California, dated October 9, 2018.

8. Employment Agreement by and between Steven Sisto (Vice President & Chief Operating Officer) and Methodist Hospital of Southern California, dated June 13, 2017.

9. Employment Agreement by and between Cari Toneck, RN (VP / Chief Compliance and Risk Officer) and Methodist Hospital of Southern California, dated [DATE].

## Schedule 4.12

## Certain Affiliations

None.

**Schedule 4.15**

**Insurance**

1. Healthcare Professional and General Liability Insurance Policy, insured by California Healthcare Insurance Company, effective January 1, 2021 to January 1, 2022, with $5 million/ $15 million aggregate limit and $100,000 deductible, Policy No. HP 00853.

2. Healthcare Umbrella Liability Insurance Policy, insured by Admiral Insurance Company, effective January 1, 2021 to January 1, 2022, with $15 million excess of primary and $5 million limit and the following deductibles: (1) $5 million/$15 million for professional, general liability and employee benefit, (2) $1 million automobile liability, and (3) $1 million employer's liability, Policy No. CEL-CA-10273-0118-04.

3. Directors & Officers (Primary Layer) Insurance Policy, insured by RSUI Indemnity Company, effective February 27, 2021 to February 27, 2022, with $5,000,000 limit for directors and officer's (D&O)/employment practices (EPL) liability insurance and the following deductibles: (1) $100,000 for D&O and (2) $250,000 EPL/Retention, Policy No. NPP692079.

4. Directors & Officers (1st Excess) Insurance Policy, insured by Market American Insurance Co., effective February 27, 2021 to February 27, 2022, with $5,000,000 excess and $5,000,000 limit and deductibles including underlying insurance for RSUI of $5,000,000, Policy No. MKLM3MXM000243.

5. Directors & Officers (2nd Excess) Insurance Policy, insured by Allied World Specialty Insurance Company, effective February 27, 2021 to February 27, 2022, with $5,000,000 excess and $10,000,000 limit and the following deductibles of underlying insurance for (1) RSUI of $5,000,000, and (2) Markel of $5,000,000, Policy No. 0312-7576.

6. Directors & Officers (3rd Excess) Insurance Policy, insured by Ironshore Indemnity, Inc., effective February 27,2021 to February 27, 2022, with $5,000,000 excess and $15,000,000 limit and the following deductibles of underlying insurance of (1) RSUI for $5,000,000, (2) Markel for $5,000,000 and (3) AWAC for $5,000,000, Policy No. DO6NABYJX3002.

7. Side A Difference In Condition Insurance Policy, insured by ACE/Chubb, effective February 27, 2021 to February 27, 2022, with $5,000,000 excess and $20,000,000 limit and the following deductibles of underlying coverages, Policy No. G25563141 007.

8. Fiduciary Responsibility Insurance Policy, insured by Chubb/Federal Insurance Company Insurance, effective February 27, 2021 to February 27, 2022, with $3,000,000 limit and $10,000 deductible for each loss, Policy No. 6801-5553.

9. Crime Insurance Policy, insured by Chubb/Federal Insurance Company Insurance, effective February 27, 2021 to February 27, 2022, with $2,500,000 employee dishonesty limit, $2,500,000 forgery limit, $2,500,000 computer fraud limit, $2,500,000 funds fraud transfer fraud, and $2,500,000 money orders & counterfeit fraud, no deductible, Policy No. 6801-5553.

10. Kidnap and Ransom Insurance Policy, insured by Chubb/Federal Insurance Company Insurance, effective February 27, 2021 to February 27, 2022, with $1,000,000 limit, no deductible, Policy No. 6801-5553.

11. Commercial Property Insurance Policy, insured by Alliant Property Insurance Program, Hospital All Risk Property Program and Lexington Insurance Company, effective July 1, 2021 to July 1, 2022, with $750,000,000 property limit and $100,000,000 boiler and machinery limit and the following deductibles: (1) $100,000 for property and (2) $100,000 for flood, Policy No. 017471589/07-06.

12. Storage Tank System Third Party Liability & Cleanup (Underground Storage Tank) Insurance Policy, insured by Nautilus Insurance Company, effective September 1, 2021 to September 1, 2022, with $1,000,000/$1,000,000 aggregate limit (for 300 W. Huntington Drive), with $25,000 deductible on each claim, Policy No. CST152098618.

13. Auto Insurance Policy, insured by NonProfits United, effective July 1, 2021 to July 1, 2022, with $1,000,000 liability, $5,000 medical payment, and $1,000,000 uninsured motorist's limits, which includes non-owned liability & hired Auto Liability and a $500 deductible on comprehensive & collision, Policy No. 2200.

14. Cyber Liability Insurance Policy, insured by Lloyds of London, effective August 1, 2021 to August 1, 2022, with $10,000,000 limit and a $100,000 deductible for each claim, Policy No. 1130618.

15. Excess Workers' Compensation, insured by Safety National, effective January 1, 2021 to January 1, 2022, with statutory limits on workers' compensation and a $1,000,000 on Employer's Liability, and a deductible of $1,000,000, Policy No. SP 4064313.

# Parent Schedules

Attached.

## Parent Schedules to the Affiliation Agreement

The following are the Parent Schedules ("***Parent Schedules***") to the Affiliation Agreement (the "***Agreement***") by and between **USC Health System,** a California nonprofit public benefit corporation ("***Parent***"), and **Methodist Hospital of Southern California,** a California nonprofit public benefit corporation ("***Methodist***").

Notwithstanding anything to the contrary set forth in the Agreement, no information contained in any portion of the Parent Schedules shall be deemed to be an admission by any party to any third Person of any matter whatsoever, including an admission of any violation of any law or breach of any contract. The Parent Schedules shall constitute formal disclosure to Methodist of the facts and circumstances which are, or may be, inconsistent with the representations and warranties referred to in Article 5 of the Agreement. Such facts and circumstances shall be deemed to qualify such representations and warranties. The Parent Schedules are arranged in sections corresponding to the sections contained in the Agreement merely for convenience, and the disclosure of an item in one section of the Parent Schedules as an exception to a particular representation or warranty will be deemed adequately disclosed as an exception with respect to all other representations and warranties to the extent that the relevance of such item to such other representations or warranties is reasonably apparent on the face of such disclosure, notwithstanding the presence or absence of a specific cross reference thereto.

Capitalized terms used in these Parent Schedules have the meanings assigned to them in the Agreement.

## SCHEDULE 5.4

## PARENT FINANCIAL STATEMENTS

See attached (i) income statement of Parent for the years ended June 30, 2020 and June 30, 2019, (ii) the audited financial statements of University of Southern California for the years ended June 30, 2020 and June 30, 2019, and (iii) the draft, unaudited financial statements of University of Southern California for the years ended June 30, 2021 and June 30, 2020.

**USC Health System**
**Subsidiary of USC***
[$ in 000s]

| **INCOME STATEMENT FY2020** | **FY2020** | **FY2019** |
|---|---|---|
| Revenue: | | |
| Hospital (Technical) | $ 1,483,607 | $ 1,379,932 |
| Physician (Professional) | $ 243,881 | $ 226,838 |
| Pharmacy | $ 284,527 | $ 264,645 |
| Other | $ 20,323 | $ 18,903 |
| **Total Revenue** | **$ 2,032,338** | **$ 1,890,318** |
| | | |
| Salaries and Wages | $ 489,027 | $ 424,476 |
| Premium Pay Contract Labor | $ 24,261 | $ 22,438 |
| Contract Labor | $ 32,387 | $ 29,566 |
| Physician Services from Keck School of Medicine (KSOM) Faculty | $ 235,321 | $ 225,458 |
| Employee Benefits and Tax | $ 267,618 | $ 239,784 |
| Total Salaries Wages and Benefits | $ 1,048,613 | $ 941,722 |
| | | |
| Medical Supplies and Pharmaceuticals | $ 426,601 | $ 435,715 |
| Medical and Clinical Fees | $ 90,289 | $ 84,842 |
| Other Professional Fees | $ 41,552 | $ 55,676 |
| Purchased Services | $ 192,632 | $ 148,768 |
| Rentals and Leases | $ 36,249 | $ 35,142 |
| Insurance | $ 2,433 | $ 2,817 |
| Provider Fee Expense | $ 21,788 | $ 27,130 |
| Other Expense | $ 31,980 | $ 45,436 |
| **Total Operating Expenses** | **$ 1,892,138** | **$ 1,777,250** |
| | | |
| **Earnings Before Interest, Depreciation, Amortization (EBIDA)** | $ 140,200 | $ 113,068 |
| EBIDA Percentage | 6.9% | 6.0% |
| | | |
| Depreciation and Amortization | $ 59,093 | $ 54,028 |
| Interest Expense | $ 16,810 | $ 19,817 |
| **Operating Margin** | **$ 64,297** | **$ 39,222** |
| Operating Margin Percentage | 3.2% | 2.1% |
| | | |
| Transfers to KSOM | $ 90,013 | $ 82,239 |
| **Total Net Income** | **$ (25,717)** | **$ (43,017)** |

* Many figures are estimates, other figures require elimination entries, expenses require elimination entries when consolidated with the University.

USC University of Southern California

# Consolidated Financial Statements

For the Years Ended

June 30, 2020 and 2019

pwc

## Report of Independent Auditors

To the Board of Trustees of the University of Southern California

We have audited the accompanying consolidated financial statements of the University of Southern California and its subsidiaries (collectively the "University"), which comprise the consolidated balance sheets as of June 30, 2020 and 2019, and the related consolidated statements of activities and of cash flows for the years then ended.

### *Management's Responsibility for the Consolidated Financial Statements*

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

### *Auditors' Responsibility*

Our responsibility is to express an opinion on the consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the University's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the University's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### *Opinion*

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the University of Southern California and its subsidiaries as of June 30, 2020 and 2019, and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

PricewaterhouseCoopers LLP

November 23, 2020

PricewaterhouseCoopers LLP, 601 South Figueroa Street, Los Angeles, CA 90017
www.pwc.com/us

# Consolidated Balance Sheets

*in thousands*

| | | June 30, 2020 | June 30, 2019 |
|---|---|---|---|
| | **Assets** | | |
| 1 | Cash and cash equivalents | $1,816,338 | $1,042,239 |
| 2 | Accounts receivable, net | 482,155 | 471,711 |
| 3 | Notes receivable, net | 55,642 | 61,066 |
| 4 | Pledges receivable, net | 439,888 | 462,329 |
| 5 | Investments | 6,816,264 | 6,351,236 |
| 6 | Inventories, prepaid expenses and other assets | 355,247 | 386,941 |
| 7 | Property, plant and equipment, net | 4,529,893 | 4,363,842 |
| 8 | **Total Assets** | **$14,495,427** | **$13,139,364** |
| | **Liabilities** | | |
| 9 | Accounts payable | $245,925 | $285,359 |
| 10 | Accrued liabilities | 1,567,833 | 1,373,097 |
| 11 | Refundable advances | 22,786 | 21,477 |
| 12 | Deposits and deferred revenue | 301,165 | 257,066 |
| 13 | Revolving line of credit | 500,000 | - |
| 14 | Actuarial liability for annuities payable | 92,834 | 104,442 |
| 15 | Federal student loan funds | 53,067 | 67,936 |
| 16 | Asset retirement obligations | 139,227 | 132,918 |
| 17 | Capital lease obligations | 77,545 | 75,869 |
| 18 | Bonds and notes payable | 2,042,413 | 1,626,346 |
| 19 | Other liabilities | 18,330 | 6,692 |
| 20 | **Total Liabilities** | **5,061,125** | **3,951,202** |
| | **Net Assets** | | |
| 21 | Without donor restrictions | 4,360,865 | 4,279,003 |
| 22 | With donor restrictions | 5,073,437 | 4,909,159 |
| 23 | **Total Net Assets** | **9,434,302** | **9,188,162** |
| 24 | **Total Liabilities and Net Assets** | **$14,495,427** | **$13,139,364** |

*The accompanying notes are an integral part of these statements.*

# Consolidated Statements of Activities

*in thousands*

| | | Without Donor Restrictions | With Donor Restrictions | Year Ended June 30, 2020 Total Net Assets | Year Ended June 30, 2019 Total Net Assets |
|---|---|---|---|---|---|
| | **Operating** | | | | |
| | **Revenues:** | | | | |
| 1 | Net student tuition and fees | $1,620,730 | | $1,620,730 | $1,575,446 |
| 2 | Health care services | 2,032,338 | | 2,032,338 | 1,890,318 |
| 3 | Contracts and grants | 699,346 | | 699,346 | 571,059 |
| 4 | Auxiliary enterprises | 249,787 | | 249,787 | 372,584 |
| 5 | Sales and services | 170,922 | | 170,922 | 157,850 |
| 6 | Contributions | 284,573 | | 284,573 | 273,875 |
| 7 | Other | 120,766 | | 120,766 | 139,619 |
| 8 | Allocation of endowment spending | 262,065 | | 262,065 | 245,579 |
| 9 | Total Revenues | 5,440,527 | | 5,440,527 | 5,226,330 |
| 10 | Net assets released from restrictions | 95,207 | ($95,207) | | |
| 11 | **Total Revenues and Reclassifications** | **5,535,734** | **(95,207)** | **5,440,527** | **5,226,330** |
| | **Expenses:** | | | | |
| 12 | Salaries and benefits | 3,312,828 | | 3,312,828 | 3,078,232 |
| 13 | Operating expenses | 1,848,051 | | 1,848,051 | 2,162,650 |
| 14 | Depreciation | 296,943 | | 296,943 | 281,159 |
| 15 | Interest on indebtedness | 64,892 | | 64,892 | 64,324 |
| 16 | **Total Expenses before Insurance recoveries** | **5,522,714** | | **5,522,714** | **5,586,365** |
| 17 | **Increase (decrease) in Net Assets from Operating Activities before Insurance recoveries** | **13,020** | **(95,207)** | **(82,187)** | **(360,035)** |
| 18 | Insurance recoveries (refer to Note 14) | 108,500 | | 108,500 | |
| 19 | **Increase (decrease) in Net Assets from Operating Activities** | **121,520** | **(95,207)** | **26,313** | **(360,035)** |
| | **Non-operating** | | | | |
| 20 | Allocation of endowment spending to operations | (103,414) | (158,651) | (262,065) | (245,579) |
| 21 | Changes in funding status of defined benefit plan | (4,636) | | (4,636) | 13,165 |
| 22 | Other components of net periodic benefit costs | (2,223) | | (2,223) | (35,962) |
| 23 | Investment and endowment income | 56,455 | 457 | 56,912 | 88,892 |
| 24 | Net appreciation in fair value of investments | 25,306 | 252,057 | 277,363 | 215,501 |
| 25 | Contributions | 5,211 | 157,132 | 162,343 | 172,887 |
| 26 | Present value adjustment to annuities payable | | 8,490 | 8,490 | 9,181 |
| 27 | Loss on bond refunding | (16,357) | | (16,357) | |
| 28 | **(Decrease) increase in Net Assets from Non-operating Activities** | **(39,658)** | **259,485** | **219,827** | **218,085** |
| 29 | **Total increase in Net Assets** | **81,862** | **164,278** | **246,140** | **(141,950)** |
| 30 | Beginning Net Assets | 4,279,003 | 4,909,159 | 9,188,162 | 9,269,531 |
| 31 | Cumulative effect of accounting change | | | | 60,581 |
| 32 | Beginning Net Assets as restated | | | | 9,330,112 |
| 33 | **Ending Net Assets** | **$4,360,865** | **$5,073,437** | **$9,434,302** | **$9,188,162** |

# Consolidated Statements of Activities

*in thousands*

| | | Without Donor Restrictions | With Donor Restrictions | Year Ended June 30, 2019 Total Net Assets |
|---|---|---|---|---|
| | **Operating** | | | |
| | **Revenues:** | | | |
| 1 | Net student tuition and fees | $1,575,446 | | $1,575,446 |
| 2 | Health care services | 1,890,318 | | 1,890,318 |
| 3 | Contracts and grants | 571,059 | | 571,059 |
| 4 | Auxiliary enterprises | 372,584 | | 372,584 |
| 5 | Sales and services | 157,850 | | 157,850 |
| 6 | Contributions | 273,875 | | 273,875 |
| 7 | Other | 139,619 | | 139,619 |
| 8 | Allocation of endowment spending | 245,579 | | 245,579 |
| 9 | Total Revenues | 5,226,330 | | 5,226,330 |
| 10 | Net assets released from restrictions | 228,859 | ($228,859) | |
| 11 | **Total Revenues and Reclassifications** | **5,455,189** | **(228,859)** | **5,226,330** |
| | **Expenses:** | | | |
| 12 | Salaries and benefits | 3,078,232 | | 3,078,232 |
| 13 | Operating expenses | 2,162,650 | | 2,162,650 |
| 14 | Depreciation | 281,159 | | 281,159 |
| 15 | Interest on indebtedness | 64,324 | | 64,324 |
| 16 | **Total Expenses** | **5,586,365** | | **5,586,365** |
| 17 | **Decrease in Net Assets from Operating Activities** | **(131,176)** | **(228,859)** | **(360,035)** |
| | **Non-operating** | | | |
| 18 | Allocation of endowment spending to operations | (112,895) | (132,684) | (245,579) |
| 19 | Changes in funding status of defined benefit plan | 13,165 | | 13,165 |
| 20 | Other components of net periodic benefit cost | (35,962) | | (35,962) |
| 21 | Investment and endowment income | 88,343 | 549 | 88,892 |
| 22 | Net appreciation in fair value of investments | 59,833 | 155,668 | 215,501 |
| 23 | Contributions | 5,973 | 166,914 | 172,887 |
| 24 | Present value adjustment to annuities payable | | 9,181 | 9,181 |
| 25 | **Increase in Net Assets from Non-operating Activities** | **18,457** | **199,628** | **218,085** |
| 26 | **Total decrease in Net Assets** | **(112,719)** | **(29,231)** | **(141,950)** |
| 27 | Beginning Net Assets | 4,331,141 | 4,938,390 | 9,269,531 |
| 28 | Cumulative effect of accounting change | 60,581 | | 60,581 |
| 29 | Beginning Net Assets, as restated | 4,391,722 | 4,938,390 | 9,330,112 |
| 30 | **Ending Net Assets** | **$4,279,003** | **$4,909,159** | **$9,188,162** |

# Consolidated Statements of Cash Flows

*in thousands*

| | | | |
|---|---|---|---|
| 1 | **Change in Net Assets** | **$246,140** | **($81,369)** |
| | Adjustments to reconcile change in net assets to net cash provided by operating activities: | | |
| 2 | Depreciation | 296,943 | 281,159 |
| 3 | (Gain) loss on the disposal/sale of plant assets | (230) | 248 |
| 4 | In-kind receipt of property, plant and equipment | (532) | (4,797) |
| 5 | Present value adjustment to annuities payable | (8,270) | (9,003) |
| 6 | Increase in accounts receivable | (10,444) | (10,660) |
| 7 | Increase in pledges receivable | 22,441 | 9,528 |
| 8 | Increase in inventories, prepaid expenses and other assets | (42,186) | (22,472) |
| 9 | Decrease in accounts payable | (67,149) | (410) |
| 10 | Increase in accrued liabilities | 326,629 | 505,825 |
| 11 | Increase in refundable advances | 1,309 | 5,503 |
| 12 | Increase (decrease) in deposits and deferred revenue | 44,099 | (4,827) |
| 13 | Increase in other liabilities | 11,638 | 1,756 |
| 14 | Loss on bond refunding | 16,357 | - |
| 15 | Contributions received for property, plant and equipment and permanent investment | (100,544) | (163,965) |
| 16 | Net realized gain on sale of investments | (506,536) | (185,014) |
| 17 | Net unrealized depreciation (appreciation) in investments | 229,265 | (28,396) |
| 18 | **Net Cash provided by Operating Activities** | **458,930** | **293,106** |
| | **Cash Flows from Investing Activities** | | |
| 19 | Proceeds from note collections | 12,378 | 12,972 |
| 20 | Notes issued | (6,436) | (4,612) |
| 21 | Proceeds from sale and maturity of investments | 6,576,709 | 4,775,556 |
| 22 | Purchase of investments | (6,823,883) | (4,652,547) |
| 23 | Purchase of property, plant and equipment | (428,208) | (448,171) |
| 24 | **Net Cash used in Investing Activities** | **(669,440)** | **(316,802)** |
| | **Cash Flows from Financing Activities** | | |
| | Contributions received for permanent investment: | | |
| 25 | Endowment | 76,234 | 190,368 |
| 26 | Plant | 22,846 | 70,632 |
| 27 | Trusts and other | 1,464 | 1,292 |
| 28 | Repayment of long-term debt | (1,540) | (23,555) |
| 29 | Proceeds from revolving line of credit | 500,000 | - |
| 30 | Proceeds from issuance of long-term debt | 403,812 | - |
| 31 | (Decrease) increase in federal student loan funds | (14,869) | 3,617 |
| 32 | Investment gain on annuities payable | 6,153 | 8,500 |
| 33 | Payment on annuities payable | (11,380) | (11,007) |
| 34 | Increase to annuities payable resulting from new contributions | 1,889 | 7,110 |
| 35 | **Net Cash provided by Financing Activities** | **984,609** | **246,957** |
| 36 | **Net increase in Cash and Cash equivalents** | 774,099 | 223,261 |
| 37 | Cash and Cash equivalents at beginning of year | 1,042,239 | 818,978 |
| 38 | **Cash and Cash equivalents at end of year** | **$1,816,338** | **$1,042,239** |

*The accompanying notes are an integral part of these statements.*



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# Notes to Consolidated Financial Statements

## Note 1.

**Significant Accounting Policies Followed by the University of Southern California are Set Forth Below:**

**General:**

The University of Southern California ("university") is a not-for-profit ("NFP"), major private research university. The university is generally exempt from federal income taxes under the provisions of Internal Revenue Code Section 501(c)(3). The university is also generally exempt from payment of California state income, gift, estate and inheritance taxes.

**Basis of Presentation:**

The consolidated financial statements have been prepared on the accrual basis of accounting, in accordance with accounting principles generally accepted in the United States of America and with the provisions of the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958, *Not-for-Profit Entities*, which requires the university to classify its net assets into two categories according to donor-imposed restrictions: net assets without donor-imposed restrictions and net assets with donor-imposed restrictions. All material transactions between the university and its subsidiaries have been eliminated.

**Net Assets Without and With Donor Restrictions:**

Net assets without donor restrictions are the part of net assets of a not-for-profit entity that are not subject to donor-imposed restrictions. A donor-imposed restriction is a donor stipulation that specifies a use for a contributed asset that is more specific than broad limits resulting from the following: a) the nature of the not-for-profit entity, b) the environment in which it operates and c) the purposes specified in its articles of incorporation or bylaws or comparable documents.

This classification includes all revenues, gains and expenses not restricted by donors. The university reports all expenses, with the exception of investment expenses, which are required to be netted against investment return, in this class of net assets, since the use of restricted contributions in accordance with donors' stipulations results in the release of the restriction.

The part of net assets of a not-for-profit entity that is subject to donor-imposed restrictions includes contributions for which donor-imposed restrictions have not been met (primarily future capital projects), endowment appreciation, charitable remainder unitrusts, pooled income funds, gift annuities and pledges receivable.

**Measure of Operations:**

The university's measure of operations as presented in the consolidated statements of activities includes revenue from tuition (net of certain scholarships and fellowships) and fees, grants and contracts, health care services, contributions for operating programs, the allocation of endowment spending for operations and other revenues. Operating expenses are reported on the consolidated statements of activities by natural classification.

The university's non-operating activity within the consolidated statements of activities includes investment returns and other activities related to endowment, long-term benefit plan obligation funding changes, present value adjustment to annuities payable, gain/losses on extinguishment of debt, student loan net assets and contributions related to land, buildings and equipment that are not part of the university's operating activities.

**Other Accounting Policies:**

Cash and cash equivalents consist of U.S. Treasury bills, certificates of deposit, money market funds and all other short-term investments available for current operations with original maturities of 90 days or less at the time of purchase. Cash equivalents that are part of the University's investment portfolio are reported as investments and included in Note 6.

### Note 1. (continued)

Investments are stated at fair value. Net appreciation (depreciation) in the fair value of investments, which consists of the realized gains or losses and the unrealized appreciation (depreciation) on those investments, is shown in the consolidated statements of activities. Realized gains and losses upon the sale of investments are calculated using the specific identification method and trade date.

Alternative investment holdings and certain other limited partnership interests are invested in both publicly traded and privately owned securities. The fair values of private investments are based on estimates and assumptions of the general partners or partnership valuation committees in the absence of readily determinable market values. Such valuations generally reflect discounts for illiquidity and consider variables such as financial performance of investments, recent sales prices of investments and other pertinent information.

The university applies the provision of FASB ASC 820, *Fair Value Measurements*, which defines fair value as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date.

The following describes the hierarchy of inputs used to measure fair value and the primary valuation methodologies used by the university for financial instruments measured at fair value on a recurring basis. The three levels of inputs are as follows:

- Level I – Unadjusted quoted prices in active markets for identical assets or liabilities.

- Level II - Inputs other than Level I that are observable, either directly or indirectly, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the same term of the assets or liabilities.

- Level III - Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities. Level III investments are valued by the university based upon valuation information received from the relevant entity, which may include last trade information, third-party appraisals of real estate or valuations prepared by custodians for assets held in trusts by other trustees where the university is named as a beneficiary. The university may also utilize industry standard valuation techniques, including discounted cash flow models. Significant increases or decreases in these inputs in isolation may result in a significantly lower or higher fair value measurement, respectively.

A financial instrument's categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement.

The university applies the authoritative guidance contained in FASB ASC 820-10, *Fair Value Measurements and Disclosures*, for estimating the fair value of investments in investment funds that have calculated Net Asset Value (NAV) per share in accordance with FASB ASC 946-10, Financial Services-Investment Companies (formerly the American Institute of Certified Public Accountants Audit and Accounting Guide, Investment Companies). According to this guidance, in circumstances in which NAV per share of an investment is not determinative of fair value, a reporting entity is permitted to estimate the fair value of an investment in an investment fund using the NAV per share of the investment (or its equivalent) without further adjustment, if the NAV per share of the investment is determined in accordance with FASB ASC 946-10 as of the reporting entity's measurement date. Accordingly, the university uses the NAV as reported by the money managers as a practical expedient to determine the fair value of investments in investment funds which (a) do not have a readily determinable fair value and (b) either have the attributes of an investment fund or prepare their financial statements consistent with the measurement principles of an investment fund. At June 30, 2020 and 2019, the fair value of all such investments in investment funds has been determined by using NAV as a practical expedient, adjusted for capital calls, distributions and significant known valuation changes, if any, of its related portfolio.

Inventories are valued at the lower of cost (first-in, first-out) or net realizable value.

**Note 1. (continued)**

Property, plant and equipment, including collections of works of art and historical treasures, are stated at cost or fair value at the date of contribution, plus the estimated value of any associated legal retirement obligations, less accumulated depreciation, computed on a straight-line basis over the estimated useful or component lives of the assets (equipment and library books useful lives ranging from 4 to 10 years and buildings component lives ranging from 5 to 50 years). Equipment is removed from the records at the time of disposal. The university follows the policy of recording contributions of long-lived assets directly in net assets without donor restrictions, when the asset is placed in service.

The university's split interest agreements with donors consist primarily of gift annuities, unitrusts, pooled income funds and life estates. For irrevocable agreements where the university is the trustee, assets contributed are included in the university's investments and stated at fair value. Contribution revenue is recognized at the date each trust is established after recording liabilities for the actuarially determined present value of the estimated future payments to be made to the beneficiaries. The actuarial liability is discounted at an appropriate risk-adjusted rate at the inception of each agreement and the applicable actuarial mortality tables. Discount rates on split interest agreements range from 2.2% to 7.5%. The liabilities are adjusted during the terms of the trusts for changes in the fair value of the assets, accretion of discounts and other changes in the estimates of future benefits. The valuation follows generally accepted actuarial methods and is based on the requirements of FASB ASC 958.

The 2012 Individual Annuity Mortality Basic Table (without margin) for Males and Females with Projection Scale G2 for Males and Females were used in the valuations. For split interest agreements related to the state of Washington, the university holds a Certificate of Exemption issued by the state of Washington's Office of Insurance Commissioner to issue charitable gift annuities. The university has been in compliance with Revised Code of Washington 48.38.010(6) throughout the time period covered by the financial statements.

The university has recorded conditional asset retirement obligations associated with the legally required removal and disposal of certain hazardous materials, primarily asbestos, present in its facilities. When an asset retirement obligation is identified, the university records the fair value of the obligation as a liability. The fair value of the obligation is also capitalized as property, plant and equipment and then amortized over the estimated remaining useful life of the associated asset. The fair value of the conditional asset retirement obligations is estimated using a probability weighted, discounted cash flow model. The present value of future estimated cash flows is calculated using the credit adjusted interest rate applicable to the university in order to determine the fair value of the conditional asset retirement obligations. For the years ended June 30, 2020 and 2019, the university recognized accretion expense related to conditional asset retirement obligations of approximately $6,889,000 and $6,526,000, respectively. For the years ended June 30, 2020 and 2019, the university settled asset retirement obligations of approximately $903,000 and $944,000, respectively. As of June 30, 2020, and 2019, included in the consolidated balance sheets are asset retirement obligations of $139,227,000 and $132,918,000, respectively.

The university recognizes tuition and fees revenue on a straight-line basis over each academic session based on gross price, net of explicit price concessions such as scholarships, discounts and waivers ("Financial aid"), and is displayed in the consolidated statements of activities in "Net student tuition and fees". Given the timing of each year's academic sessions, nearly all performance obligations are satisfied by the university within the fiscal year. Tuition and fees revenue is derived from degree programs and executive and continuing education programs. Financial aid is awarded to students based on need and merit. Financial aid does not include payments made to students for services rendered to the university.

Financial aid for the year ended June 30, 2020, consists of the following (in thousands):

| | Undergraduate | Graduate | Total |
|---|---|---|---|
| Institutional scholarships | $358,183 | $189,885 | $548,068 |
| Endowed scholarships | 35,442 | 18,789 | 54,231 |
| External financial aid | 23,316 | 12,360 | 35,676 |
| **Total** | **$416,941** | **$221,034** | **$637,975** |

**Note 1. (continued)**

Financial aid for the year ended June 30, 2019, consists of the following (in thousands):

| | Undergraduate | Graduate | Total |
|---|---|---|---|
| Institutional scholarships | $330,683 | $170,758 | $501,441 |
| Endowed scholarships | 36,488 | 18,842 | 55,330 |
| External financial aid | 30,182 | 15,585 | 45,767 |
| **Total** | **$397,353** | **$205,185** | **$602,538** |

Room and board revenues are included as part of auxiliary enterprises, however the revenue recognition process mirrors that for tuition and fees. Each of these items is supported by separate contracts entered into between the university and the individual student. Tuition and fees and room and board revenues are recognized as operating revenue in the period in which the university satisfies its performance obligations to its students. A performance obligation is a promise in a contract to transfer a distinct good or service to the customer and is the unit of accounting in ASC 606. The university's performance obligations are to provide education to the student and, in certain instances, other performance obligations such as room and board. The value that is recognized for each performance obligation is set forth in publicly available university price lists, which the university believes approximates the stand alone selling price, and is codified in the individual contracts with each student. Individual contracts for tuition and fees and room and board display the transaction price on a standalone basis for each service to be provided to each specific student. Additionally, the contract will contain the price adjustment in the form of financial aid grants that are being awarded to the student.

The timing(s) of billings, cash collections and revenue recognition results in accounts receivable and deferred revenue and student deposits on the consolidated statements of financial position. Receivables are recognized only to the extent that the university has an unconditional right to consideration to which it is entitled in exchange for goods and services transferred to the student. Receipts received in advance of goods and services performed are recorded as deposits and deferred revenue.

Sponsored research agreements are primarily considered non-exchange transactions which are recognized in contracts and grants revenue on the consolidated statements of activities as the associated barriers are overcome, which generally is as allowable expenditures under such agreements are incurred. Non-exchange agreements are considered conditional if the terms of the agreement include both a right of return/release of assets received/promised and a barrier. Any funding received in advance of expenditure is recorded as a refundable advance. For sponsored research agreements considered to be exchange transactions, revenues are recognized as performance obligations are satisfied which in most cases mirrors the timing of when related costs are incurred. Net assets include contributions to the university and its various schools and departments. The university has determined that any donor-imposed restrictions of contributions for current or developing programs and activities are generally met within the operating cycle of the university and therefore, the university's policy is to record these net assets as without donor restrictions. Internally designated net assets are those which have been appropriated by the Board of Trustees or designated by management, and reflected in net assets without donor restrictions.

The university receives federal reimbursement for a portion of the costs of its facilities and equipment used in organized sponsored research. The federal Office of Management and Budget establishes principles for determining such reimbursable costs and requires conformity of the lives and methods used for federal cost reimbursement accounting and financial reporting purposes. The university's policies and procedures are in conformity with these principles.

Unconditional contributions from donors, including contributions receivable (unconditional promises to give), are recorded as revenues in the year received. Noncash contributions are recorded at fair value using quoted market prices, market prices for similar assets, independent appraisals or appraisals performed by university management. Contributions receivable are reported at their discounted value using credit-adjusted borrowing rates and an allowance for amounts estimated to be uncollectible is provided. Donor-restricted contributions, which are received and either spent or deemed spent within the same year, are reported as revenue without donor restrictions.



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**Note 1. (continued)**

Contributions of long-lived assets with no donor-imposed time restrictions are reported as revenue without donor restrictions in the year received. Contributions restricted to the acquisition or construction of long-lived assets or subject to other time or purpose restrictions are reported as revenue with donor restrictions. The donor-restricted net assets resulting from these contributions are released to net assets without donor-restricted when the donor-imposed restrictions are fulfilled or the assets are placed in service. Contributions received for endowment investment are held in perpetuity and recorded as revenue with donor restrictions. For the years ended June 30, 2020 and 2019, the university recognized approximately $140,000,000 and $145,000,000 of private contracts and grants revenue in contributions on the consolidated statements of activities.

Health care services revenues include the net patient service revenues associated with Keck Hospital of USC, USC Norris Cancer Hospital, USC Verdugo Hills Hospital and USC Care Medical Group, Inc ("Health System"). Healthcare services revenue is reported at the amount that reflects the consideration to which the organization expects to be entitled in exchange for providing patient care. These amounts are due from patients, third-party payors, government programs and others and include variable consideration for retroactive revenue adjustments due to settlement of audits, reviews and investigations. Generally, the university bills patients and third-party payors several days after the services are performed or the patient is discharged. Revenue is recognized as performance obligations are satisfied. Health care services revenues also include the revenues associated with the professional services agreement with the County of Los Angeles.

The majority of the Health System services are rendered to patients with commercial or managed care insurance, or under the federal Medicare and California State Medi-Cal programs. Reimbursement from these various payors is based on a combination of prospectively determined rates per discharge, per diem payments, discounted charges and reimbursed costs. Amounts received under the Medicare program are subject to retroactive settlements based on review and final determination by program intermediaries or their agents. The gross charges may be reduced by explicit price concessions, which include contractual adjustments based on agreements with third party payers or implicit price concessions provided to uninsured patients. Provisions for contractual adjustments and retroactive settlements related to these payors are accrued on an estimated basis in the period the related services are rendered and adjusted in future periods as additional information becomes known or as final settlements are determined.

Net patient service revenue is recorded over time during the period these performance obligations are satisfied and at the determined transaction price, which represents the estimated net realizable amounts due from patients, third-party payers and others for health care services rendered. Estimated net realizable amounts represent amounts due, net of implicit and explicit price concessions. Implicit price concessions are based on management's assessment of expected net collections considering economic conditions, historical experience, trends in health care coverage and other collection indicators. Revenue for performance obligations satisfied over time is recognized based on actual charges incurred in relation to total expected charges. The university believes this method provides a faithful depiction of the transfer of services over the term of the performance obligation based on the inputs needed to satisfy the obligation. Generally, performance obligations satisfied over time relate to patients in our hospitals receiving inpatient acute care or patients receiving care in our outpatient centers. The university measures the performance obligation from admission into the hospital or commencement of an outpatient service, to the point when it is no longer required to provide services to that patient, which is generally at the time of discharge or completion of the outpatient services.

Sales and services revenue includes revenues from university pharmacies and student clinics. The university recognizes revenue as it provides pharmaceutical products and consultative services to the community (students, faculty, staff, retired employees, alumni, broader Los Angeles market). The transaction price is the amount the university expects to be entitled to in exchange for the products provided (either published rates available on the university pharmacy websites or agreed upon rates from third party payers). Retail pharmacy sales revenue is recognized at a point in time when the pharmaceutical is provided to the patient, and consultative services revenue, although the patient benefits over time from the university, is also recognized at a point in time as the services are provided to the patient on the same day. This is due to consultative services being outpatient in nature, and thus, all services are provided on the same day.

### Note 1. (continued)

Auxiliary enterprise revenue includes multiple revenue streams which are included in the consolidated statements of activities, and reported as net assets without donor restrictions. These multiple revenue streams include point of sale transactions from hospitality, food, beverage, bookstore transactions, transportation and revenue generated from athletics. Revenue generated from hospitality, food, beverage, and bookstore goods is recognized at a point in time, and the value that is recognized for each performance obligation is explicitly listed at each location, which the university believes approximates the stand alone transaction price. Transportation revenue is recognized at a point in time and satisfied within the fiscal year. The transaction price for revenue related to athletics is publicly available on the university ticket office website. The performance obligation related to football season tickets is completely satisfied within the fiscal year, and any season ticket sales that occur in advance of the next fiscal year are recognized as deferred revenue.

In January 2020, the World Health Organization declared the novel strain of coronavirus ("COVID-19") a Public Health Emergency of International Concern. The outbreak of COVID-19 has caused domestic and global disruption in operations for institutions of higher education. In addition, COVID-19 has negatively impacted the financial markets and may continue to materially affect the returns on and value of the university's investments and/or endowment. Other adverse consequences of COVID-19 or any other similar outbreaks in the future may have a negative effect on the university's various revenue streams. The full impact of COVID19 and the scope of any adverse impact on the university's finances and operations cannot be fully determined at this time.

The COVID-19 pandemic has caused a disruption to our nation's healthcare system. Such disruption includes reduction in availability of staffing and reductions in the availability of personal protective equipment to prevent spread of the disease during patient treatment. During the initial stages of the COVID-19 outbreak in March 2020, and for several months thereafter, elective procedures were postponed in order to prepare for the increased volume of COVID-19 patients and reduce the risk of exposure to COVID-19. The Health System continues to monitor developments and the directives of federal, state and local officials to determine what ongoing precautions, procedures, and protocols need to be followed by the organization.

On March 27, 2020, the Federal Government passed the CARES Act (Coronavirus Aid, Relief, and Economic Stimulus Act), which allotted $175 billion dollars to healthcare providers and suppliers through Medicare reimbursements, grants and other direct federal payments. As of June 30, 2020, the Health System received and recognized $90.8 million from the Department of Health & Human Services ("HHS") Cares Act: Provider Relief Fund within "contracts and grants revenue" on the consolidated statements of activities. The Health System recognized revenue related to the CARES Act provider relief funding based on information contained in laws and regulations, as well as interpretations issued by HHS, governing the funding that was publicly available at June 30, 2020. In September and October 2020, HHS issued new reporting requirements for the CARES Act provider relief funding. Due to these new reporting requirements there is at least a reasonable possibility that amounts recorded under CARES Act provider relief funding by the Health System may change in future periods. In addition, the Health System received $192.9 million of advanced payments from the Centers for Medicare and Medicaid Services (CMS) under the Accelerated and Advance Payments Program, which is recorded as accrued liabilities on the consolidated balance sheet as of June 30, 2020. In October 2020, Congress gave hospitals and other providers that received Medicare Accelerated and Advance Payments one year from when the first loan payment was made to begin making repayments, thus delaying the start of the repayment period from 120 days to one year from when the funding was provided.

Furthermore, the CARES Act allowed employers to defer the deposits and payments of the employer's share of Social Security taxes. As of June 30, 2020, $30.2 million was deferred and recorded within "accrued liabilities" on the consolidated balance sheet.

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates. Certain reclassifications have been made to prior years' financial statements for comparative purposes.

**Note 1. (continued)**

**Recent Accounting Pronouncements:**

In February 2016, the FASB issued ASU 2016-02, *Leases*. ASU 2016-02 requires recognition of rights and obligations arising from lease contracts, including existing and new arrangements, as assets and liabilities on the consolidated balance sheets. ASU 2016-02 is effective for annual reporting periods beginning after December 15, 2019. The university will adopt this ASU on July 1, 2020 and is implementing a new lease system in connection with this adoption. Management is progressing with implementation and continuing to evaluate the effect to the university's consolidated financial statements and disclosures.

In August 2016, the FASB issued ASU 2016-15, *Classification of Certain Cash Receipts and Cash Payments*. The standard addresses the classification of certain transactions within the statement of cash flows, including cash payments for debt repayment or debt extinguishment costs, contingent considerations payments made after a business combination, and distributions received from equity method investments. The university adopted ASU 2016-15 for the fiscal year ended June 30, 2020. Adoption did not have a material impact on the university's consolidated financial statements

In November 2016, the FASB issued ASU 2016-18, a standard on Restricted Cash. This ASU clarifies how entities should present restricted cash and restricted cash equivalents in the consolidated statements of cash flows and requires entities to present changes in total of cash, cash equivalents, restricted cash and restricted cash equivalents in the statement as well. The university adopted ASU 2016-18 for the fiscal year ended June 30, 2020 and applied it retroactively. Adoption did not have a material impact on the university's consolidated financial statements.

In March 2017, the FASB issued ASU 2017-07, *Improving the Presentation of Net Periodic Pension Cost and Net Periodic Postretirement Benefit Cost.* The amendment requires the bifurcation of net benefit cost where the service cost component continues to be presented with other employee costs in operating income (or capitalized in assets) and the other components (such as interest, expected return on plan assets, and amortization of actuarially determined amounts) are required to be presented as a nonoperating change in net assets without restrictions. The new standard requires retrospective application and allows a practical expedient that permits an employer to use the amounts disclosed in its employee benefits footnote for the prior comparative periods as the estimation basis for applying the retrospective presentation. The university utilized the practical expedient to estimate the impact on the fiscal 2019 information. The adoption of the standard resulted in the reclassification of $36.0 million in net periodic benefit costs, other than service costs, from "salaries and benefits" operating expense to "other components of net periodic benefit cost" nonoperating expense presented in the *consolidated statements of activities.* Therefore, the fiscal 2019 "decrease in net assets from operating activity" was reduced by $36.0 million, from $396.0 million to $360.0 million.

In August 2018, the FASB issued ASU 2018-13, *Fair Value Measurement (Topic 820) Disclosure Framework—Changes to the Disclosure Requirements for Fair Value Measurement.* This standard removes certain disclosures, modifies certain disclosures and adds additional disclosures related to fair value measurement. The ASU is effective for the university beginning in fiscal year 2021. The university is currently evaluating the effect of adoption to the financial statements.

## Notes to Consolidated Financial Statements

### Note 2.

**Liquidity and Availability:**

USC's financial assets available within one year of the consolidated balance sheet date for general expenditure are as follows as of June 30 (in thousands):

| | Year Ended June 30, 2020 | Year Ended June 30, 2019 |
|---|---|---|
| **Total assets at year end** | $14,495,427 | $13,139,364 |
| *Less:* | | |
| Notes receivable due in more than one year | (7,954) | (9,337) |
| Pledges receivable due in more than one year | (357,804) | (381,413) |
| Donor-restricted endowment funds | (4,408,725) | (4,222,348) |
| Board-designated endowment funds | (1,505,633) | (1,517,217) |
| Annuities and living trusts | (165,533) | (169,328) |
| Inventories, prepaid expenses and other assets | (156,127) | (127,154) |
| Property, plant and equipment | (4,529,893) | (4,363,842) |
| **Financial assets available at year end for current use** | **$3,363,758** | **$2,348,725** |

The university's endowment funds consist of donor-restricted and board-designated endowment funds. Income from donor-restricted endowments is restricted for specific purposes and therefore, is not available for general expenditure. As described in Note 7, for fiscal year 2020 and 2019, the Board of Trustees approved current distribution of 103% of the prior year's payout, within a minimum of 4% and a maximum of 6% of the average market value for the previous 12 calendar quarters. Under the provision of the spending rule, for fiscal year 2020 and 2019, the Board of Trustees approved an endowment pool payout of $30.33 a share, for a total spending rule allocation of $261,989,000 and $246,551,000. As described in Note 6, the university also has unfunded commitments on alternative investments totaling $796,831,000 and $749,821,000 for fiscal year 2020 and 2019.

As part of the university's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations come due. In addition, the university invests cash in excess of daily requirements in short-term investments. To help manage unanticipated liquidity needs, the university drew down $500,000,000 from the revolving line of credit. Additionally, the university has a board-designated endowment of $1,505,633,000 as of June 30, 2020. Although the university does not intend to spend from its board-designated endowment funds other than amounts appropriated for general expenditures as part of its annual budget approval and appropriation process, amounts from its board-designated endowment could be made available if necessary. However, both the board-designated endowment fund and donor-restricted endowments contain investments with lock-up provisions that reduce the total investments that could be made available (see Note 6 for disclosures about investments).

### Note 3.

**Accounts Receivable:**

Accounts receivable are summarized as follows at June 30 (in thousands):

| | 2020 | 2019 |
|---|---|---|
| U.S. Government | $39,516 | $40,010 |
| Student and other, net of allowance for doubtful accounts of $20,457 (2020), $12,505 (2019) | 197,709 | 157,919 |
| Patient care | 244,930 | 273,782 |
| **Total** | **$482,155** | **$471,711** |

## Notes to Consolidated Financial Statements

**Note 4.**

**Notes and Loans Receivable:**

The university is required to disclose the nature of credit risk inherent in the portfolio of financing receivables, its analysis and assessment in arriving at the allowance for credit losses (doubtful accounts) and the changes and reasons for those changes in the allowance for credit losses.

Long-term financing receivables as of June 30, 2020, consist of the following (in thousands):

| | June 30, 2020 | | |
|---|---|---|---|
| | Financing Receivables, Gross | Allowance for Doubtful Accounts | Net |
| Perkins loans | $31,170 | | $31,170 |
| University student loans | 6,724 | ($1,937) | 4,787 |
| Other student loans | 19,685 | | 19,685 |
| **Total student loans** | 57,579 | (1,937) | 55,642 |
| Faculty and other loans | 25,095 | | 25,095 |
| **Total** | **$82,674** | **($1,937)** | **$80,737** |

Long-term financing receivables as of June 30, 2019, consist of the following (in thousands):

| | June 30, 2019 | | |
|---|---|---|---|
| | Financing Receivables, Gross | Allowance for Doubtful Accounts | Net |
| Perkins loans | $38,255 | | $38,255 |
| University student loans | 8,552 | ($2,106) | 6,446 |
| Other student loans | 16,365 | | 16,365 |
| **Total student loans** | 63,172 | (2,106) | 61,066 |
| Faculty and other loans | 31,052 | | 31,052 |
| **Total** | **$94,224** | **($2,106)** | **$92,118** |

Management regularly assesses the adequacy of the allowance for credit losses by performing ongoing evaluations of the student loan portfolio, including such factors as the differing economic risks associated with each loan category, the financial condition of specific borrowers, the economic environment in which the borrowers operate, the level of delinquent loans, the value of any collateral and where applicable, the existence of any guarantees or indemnifications. The university's Perkins loans represent the amounts due from current and former students under the Federal Perkins Loan Program. Loans disbursed under the Federal Perkins Loan Program are able to be assigned to the federal government in certain non-repayment situations. In these situations, the federal portion of the loan balance is guaranteed. Included in other student loans are loans related to the Federal Health Professional Student Loan Program and Loans for Disadvantaged Students.



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**Note 4. (continued)**

Factors also considered by management when performing its assessment of the adequacy of the allowance, in addition to general economic conditions and the other factors described above include, but are not limited to a detailed review of the aging of the student loan receivable detail and a review of the default rate by loan category in comparison to prior years. The level of the allowance is adjusted based on the results of management's analysis. It is the university's policy to write off a loan only when it is deemed to be uncollectible.

The following table illustrates the aging analysis of receivables as of June 30, 2020 (in thousands):

| | 1-60 Days Past Due | 61-90 Days Past Due | > 91 Days Past Due | Current | Total Financing Receivables |
|---|---|---|---|---|---|
| Perkins loans | $1,022 | $248 | $5,391 | $24,509 | $31,170 |
| University student loans | 153 | 24 | 3,285 | 3,262 | 6,724 |
| Other student loans | 35 | - | 216 | 19,434 | 19,685 |
| **Total student loans** | 1,210 | 272 | 8,892 | 47,205 | 57,579 |
| Faculty and other loans | | | | 25,095 | 25,095 |
| **Total** | **$1,210** | **$272** | **$8,892** | **$72,300** | **$82,674** |

The following table illustrates the aging analysis of receivables as of June 30, 2019 (in thousands):

| | 1-60 Days Past Due | 61-90 Days Past Due | > 91 Days Past Due | Current | Total Financing Receivables |
|---|---|---|---|---|---|
| Perkins loans | $1,188 | $273 | $6,281 | $30,513 | $38,255 |
| University student loans | 135 | 14 | 4,221 | 4,182 | 8,552 |
| Other student loans | 172 | - | 224 | 15,969 | 16,365 |
| **Total student loans** | 1,495 | 287 | 10,726 | 50,664 | 63,172 |
| Faculty and other loans | | | | 31,052 | 31,052 |
| **Total** | **$1,495** | **$287** | **$10,726** | **$81,716** | **$94,224** |

Considering the other factors already discussed herein, management considers the allowance for credit losses to be prudent and reasonable. Furthermore, the university's allowance is general in nature and is available to absorb losses from any loan category. Management believes that the allowance for credit losses at June 30, 2020 and 2019, is adequate to absorb credit losses inherent in the portfolio as of these dates.

As part of the program to attract and retain exemplary faculty and senior staff, the university provides home mortgage financing assistance. Notes receivable amounting to $25,095,000 and $31,052,000 were outstanding as of June 30, 2020 and 2019, respectively, and are collateralized by deeds of trust. No allowance for doubtful accounts has been recorded against these loans based on their collateralization and prior collection history. At June 30, 2020, there were no amounts past due under the faculty and staff loan program.

Determination of the fair value of notes receivable, which are primarily federally sponsored student loans with U.S. government-mandated interest rates and repayment terms, and subject to significant restrictions as to their transfer or disposition, could not be made without incurring excessive costs.



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## Notes to Consolidated Financial Statements

**Note 5.**

**Pledges Receivable:**

Unconditional promises are included in the consolidated financial statements as pledges receivable and revenue in the appropriate net asset category. Pledges are recorded after discounting using rates ranging from 1% to 6% in order to derive the present value of the future cash flows.

Unconditional promises are expected to be realized in the following periods as of June 30 (in thousands):

| | 2020 | 2019 |
|---|---|---|
| Less than one year | $103,525 | $80,916 |
| One to five years | 302,876 | 313,667 |
| More than five years | 143,381 | 194,727 |
| Less: discount | (58,895) | (75,398) |
| Less: allowance | (50,999) | (51,583) |
| **Total** | **$439,888** | **$462,329** |

Pledges receivable at June 30 have the following restrictions (in thousands):

| | 2020 | 2019 |
|---|---|---|
| Endowment for departmental programs and activities | $191,060 | $203,837 |
| Endowment for scholarship | 26,477 | 28,133 |
| Building construction | 98,917 | 97,515 |
| Departmental programs and activities | 123,434 | 132,844 |
| **Total** | **$439,888** | **$462,329** |

Conditional pledges for the university, which depend on the occurrence of specified future and uncertain events, at June 30, 2020 and 2019, was $272,607,000 and $316,536,000, respectively. The majority of these conditional pledges are related to construction of the Ellison Institute for Transformative Medicine.



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## Notes to Consolidated Financial Statements

### Note 6.

**Investments:**

Investments consist of the following at June 30 (in thousands):

| | 2020 | 2019 |
|---|---|---|
| Equities | $2,153,449 | $2,344,188 |
| Fixed income securities | 1,638,549 | 1,024,505 |
| Alternative investments: | | |
| Hedge funds | 1,202,078 | 1,217,195 |
| Private capital | 1,392,974 | 1,340,500 |
| Real estate and other | 290,763 | 276,671 |
| Assets held by other trustees | 138,451 | 148,177 |
| **Total** | **$6,816,264** | **$6,351,236** |

The following table summarized the levels of financial instruments carried at fair value as defined by ASC 820 valuation hierarchy defined previously, for the year ended June 30, 2020 (in thousands):

| | Level I | Level II | Level III | NAV | Total |
|---|---|---|---|---|---|
| Investments: | | | | | |
| Equities | $2,051,233 | $494 | $15,403 | $86,319 | $2,153,449 |
| Fixed income securities | 424,597 | 1,196,799 | 17,153 | | 1,638,549 |
| Hedge funds | | | | 1,202,078 | 1,202,078 |
| Private capital | | | | 1,392,974 | 1,392,974 |
| Real estate and other | | | 30,567 | 260,196 | 290,763 |
| Assets held by other trustees | | | 138,451 | | 138,451 |
| **Total** | **$2,475,830** | **$1,197,293** | **$201,574** | **$2,941,567** | **$6,816,264** |

The following table summarized the levels of financial instruments carried at fair value as defined by ASC 820 valuation hierarchy defined previously, for the year ended June 30, 2019 (in thousands):

| | Level I | Level II | Level III | NAV | Total |
|---|---|---|---|---|---|
| Investments: | | | | | |
| Equities | $2,133,797 | $984 | $94,425 | $114,982 | $2,344,188 |
| Fixed income securities | 263,994 | 736,046 | 24,464 | | 1,024,504 |
| Hedge funds | | | | 1,217,196 | 1,217,196 |
| Private capital | | | | 1,340,500 | 1,340,500 |
| Real estate and other | | | 30,566 | 246,105 | 276,671 |
| Assets held by other trustees | | | 148,177 | | 148,177 |
| **Total** | **$2,397,791** | **$737,030** | **$297,632** | **$2,918,783** | **$6,351,236** |

# Notes to Consolidated Financial Statements

## Note 6. (continued)

The following table summarized the university's Level III reconciliation of investments for the year ended June 30, 2020 (in thousands):

| | Beginning Balance | Purchases | Sales and Maturities | Realized Gain/(Loss) | Unrealized Gain/(Loss) | Transfers In | Transfers Out | Ending Balance |
|---|---|---|---|---|---|---|---|---|
| Investments: | | | | | | | | |
| Equities | $94,425 | | ($261,452) | $182,439 | | - | ($9) | $15,403 |
| Fixed income securities | 24,464 | $8,188 | (14,262) | (810) | ($427) | | | 17,153 |
| Real estate and other | 30,566 | | (245) | (40) | 286 | | | 30,567 |
| Assets held by other trustees | 148,177 | | (1,638) | (170) | (7,918) | | | 138,451 |
| **Total** | **$297,632** | **$8,188** | **($277,597)** | **$181,419** | **($8,059)** | **$0** | **($9)** | **$201,574** |

The following table summarized the university's Level III reconciliation of investments for the year ended June 30, 2019 (in thousands):

| | Beginning Balance | Purchases | Sales and Maturities | Realized Gain/(Loss) | Unrealized Gain/(Loss) | Transfers In | Transfers Out | Ending Balance |
|---|---|---|---|---|---|---|---|---|
| Investments: | | | | | | | | |
| Equities | $94,416 | | | | | $9 | | $94,425 |
| Fixed income securities | 31,737 | $34,523 | ($41,437) | $160 | ($70) | | ($449) | 24,464 |
| Real estate and other | 36,245 | | (4,480) | (1,350) | 237 | | (86) | 30,566 |
| Assets held by other trustees | 149,728 | 4,979 | (8,298) | 1,787 | (19) | | | 148,177 |
| **Total** | **$312,126** | **$39,502** | **($54,215)** | **$597** | **$148** | **$9** | **($535)** | **$297,632** |

The university uses the NAV to determine the fair value of all the underlying investments which (a) do not have a readily determinable fair value and (b) prepare their financial statements consistent with the measurement principles of an investment company or have the attributes of an investment company.

Investment income and gains presented on the consolidated statements of activities contains endowment appreciation utilized to fund the spending rule, and investment income net of expenses. Current year investment return reported in non-operating activities is net of external and direct internal investment costs, reduced by endowment appreciation utilized to fund the spending rule. The university's total investment return for the years ended June 30, 2020 and 2019, was $334,275,000 and $304,393,000, respectively.



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## Note 6. (continued)

The following table lists investments by major category, measured using the NAV practical expedient, for the year ending June 30, 2020 (in thousands):

**At June 30, 2020**

| Category of Investment | Investment Strategy | Fair Value Determined Using NAV | Unfunded Commitments | Remaining Life | Redemption Terms | Redemption Restrictions and Terms |
|---|---|---|---|---|---|---|
| **Distressed Obligation Partnerships** | U.S. and Non-U.S. Distressed Debt Securities | $6,192 | $12,903 | Approximately 1 Year | Redemptions are not permitted during the life of the fund. | Not Applicable |
| **Hedge Funds** | U.S. and Non-U.S. Investments in Relative Value, Event Driven, Long/Short and Directional Strategies | 1,202,078 | 78,368 | 98.3% of NAV has an open-ended life and 1.7% of NAV will be liquidated on an undetermined basis. | Ranges between bimonthly redemption with 120 days notice, quarterly redemption with up to 185 days notice, semiannual redemption with up to 90 days notice, annual redemption with up to 90 days notice, biannual redemption with 90 days notice and 5-year lockup with 90 days notice. | 0.1% of NAV is locked-up for 1 month, 15.1% of NAV is locked-up for 3 months, 14.0% of NAV is locked-up 6 months, 13.1% on NAV is locked-up for 9 months, 16.9% of NAV is locked-up for 1 year and 40.8% of NAV is locked-up for more than 1 year. |
| **Natural Resources Partnerships** | U.S. and Non-U.S. Investments in Upstream, Midstream and Downstream Natural Resources Investments | 342,149 | 155,189 | Approximately 3 Years | Redemptions are not permitted during the life of the fund. | Not Applicable |
| **Private Capital Partnerships** | U.S. and Non-U.S. Private Equity and Venture Capital Investments | 1,044,633 | 301,203 | Approximately 3 Years | Redemptions are not permitted during the life of the fund. | Not Applicable |
| **Private Real Estate Partnerships** | U.S. and Non-U.S. Real Estate | 260,079 | 249,168 | Approximately 5 Years | Redemptions are not permitted during the life of the fund. | Not Applicable |
| **Equity Funds** | U.S. and Non-U.S. Equity Securities | 86,319 | Not Applicable | Open Ended | Minimum monthly | None |
| **Other Funds** | U.S. and Non-U.S. Investments in Securities Other than Equity and Fixed Income | 117 | Not Applicable | Open Ended | Monthly | None |
| **Total** | | **$2,941,567** | **$796,831** | | | |



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# Notes to Consolidated Financial Statements

## Note 6. (continued)

The following table lists investments by major category, measured using the NAV practical expedient, for the year ending June 30, 2019 (in thousands):

**At June 30, 2019**

| Category of Investment | Investment Strategy | Fair Value Determined Using NAV | Unfunded Commitments | Remaining Life | Redemption Terms | Redemption Restrictions and Terms |
|---|---|---|---|---|---|---|
| **Distressed Obligation Partnerships** | U.S. and Non-U.S. Distressed Debt Securities | $9,867 | $15,255 | Approximately 2 Years | Redemptions are not permitted during the life of the fund. | Not Applicable |
| **Hedge Funds** | U.S. and Non-U.S. Investments in Relative Value, Event Driven, Long/Short and Directional Strategies | 1,217,196 | 98,576 | 99.9% of NAV has an open-ended life and 0.1% of NAV will be liquidated on an undetermined basis. | Ranges between bimonthly redemption with 75 days notice, quarterly redemption with up to 185 days notice, semiannual redemption with up to 120 days notice, annual redemption with up to 120 days notice, biannual redemption with 90 days notice and 5-year lockup with 90 days notice. | 2% of NAV is locked-up for 1 month, 11% of NAV is locked-up for 3 months, 45% of NAV is locked-up for 1 year and 42% of NAV is locked-up for more than 1 year. |
| **Natural Resources Partnerships** | U.S. and Non-U.S. Investments in Upstream, Midstream and Downstream Natural Resources Investments | 417,816 | 151,782 | Approximately 4 Years | Redemptions are not permitted during the life of the fund. | Not Applicable |
| **Private Capital Partnerships** | U.S. and Non-U.S. Private Equity and Venture Capital Investments | 912,817 | 273,424 | Approximately 3 Years | Redemptions are not permitted during the life of the fund. | Not Applicable |
| **Private Real Estate Partnerships** | U.S. and Non-U.S. Real Estate | 239,056 | 210,784 | Approximately 5 Years | Redemptions are not permitted during the life of the fund. | Not Applicable |
| **Equity Funds** | U.S. and Non-U.S. Equity Securities | 114,982 | Not Applicable | Open Ended | Minimum monthly | None |
| **Other Funds** | U.S. and Non-U.S. Investments in Securities Other than Equity and Fixed Income | 7,049 | Not Applicable | Open Ended | Monthly | None |
| **Total** | | **$2,918,783** | **$749,821** | | | |



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## Notes to Consolidated Financial Statements

### Note 7.

**Endowment:**

Endowment net assets are subject to the restrictions of gift instruments requiring that the principal be invested in perpetuity and only the income and realized gains be utilized for current and future needs. Long-term investment net assets (board-designated endowment funds) have been established from restricted contributions whose restrictions have been met and unrestricted contributions which have been designated by the Board of Trustees or management for similar purposes as endowment as determined on an annual basis. The university also has a beneficial interest in the net income earned from assets which are held and managed by other trustees.

Donor-restricted and board-designated endowment funds are summarized as follows for the year ended June 30, 2020 (in thousands):

| | Board-Designated Endowment Funds | Donor-Restricted Endowment | Total |
|---|---|---|---|
| Pooled | $1,413,415 | $4,091,783 | $5,505,198 |
| Non-pooled | 92,218 | 316,942 | 409,160 |
| **Total** | **$1,505,633** | **$4,408,725** | **$5,914,358** |

Donor-restricted and board-designated endowment funds are summarized as follows for the year ended June 30, 2019 (in thousands):

| | Board-Designated Endowment Funds | Donor-Restricted Endowment | Total |
|---|---|---|---|
| Pooled | $1,421,852 | $4,093,419 | $5,515,271 |
| Non-pooled | 95,365 | 128,929 | 224,294 |
| **Total** | **$1,517,217** | **$4,222,348** | **$5,739,565** |

Pooled investments represent donor-restricted and board-designated endowment funds which have been commingled in a unitized pool (unit value basis) for purposes of investment. At June 30, 2020 and 2019, the pool is comprised of cash and cash equivalents (2.33%) and (0.65%), equities (56.42%) and (56.70%), fixed income securities (12.58%) and (11.86%), alternative investments (24.16%) and (26.61%) and real estate and other investments (4.51%) and (4.18%), respectively. Access to or liquidation from the pool is on the basis of the market value per unit on the preceding monthly valuation date. The unit value at June 30, 2020 and 2019, was $662.69 and $676.76, respectively.

The Board of Trustees has interpreted the Uniform Prudent Management of Institutional Funds Act ("UPMIFA") as requiring the preservation of the original contribution as of the contribution date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the university classifies as donor-restricted funds (a) the original value of contributions donated to the endowment, (b) the original value of subsequent contributions to the endowment and (c) accumulations to the endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. In accordance with UPMIFA, the university considers various factors in making a determination to appropriate or accumulate endowment funds including: duration and preservation of the fund, economic conditions, effects of inflation or deflation, expected return on the funds and other economic resources of the university.

## Note 7. (continued)

Endowment net asset composition by type of funds as of June 30, 2020 (in thousands):

| | Without Donor Restrictions | With Donor Restrications | Total |
|---|---|---|---|
| Donor-restricted endowment funds | | $4,408,725 | $4,408,725 |
| Board-designated endowment funds | $1,505,633 | | 1,505,633 |
| **Total** | **$1,505,633** | **$4,408,725** | **$5,914,358** |

Endowment net asset composition by type of funds as of June 30, 2019 (in thousands):

| | Without Donor Restrictions | With Donor Restrictions | Total |
|---|---|---|---|
| Donor-restricted endowment funds | | $4,222,348 | $4,222,348 |
| Board-designated endowment funds | $1,517,217 | | 1,517,217 |
| **Total** | **$1,517,217** | **$4,222,348** | **$5,739,565** |

Changes in endowment net assets for the year ended June 30, 2020 (in thousands):

| | Without Donor Restrictions | With Donor Restrictions | Total |
|---|---|---|---|
| **Endowment net assets at July 1, 2019** | $1,517,217 | $4,222,348 | $5,739,565 |
| Total investment return, net | 69,240 | 260,340 | 329,580 |
| Contributions and transfers | 22,590 | 84,688 | 107,278 |
| Appropriation of endowment assets for expenditure | (103,414) | (158,651) | (262,065) |
| **Endowment net assets at June 30, 2020** | **$1,505,633** | **$4,408,725** | **$5,914,358** |

Changes in endowment net assets for the year ended June 30, 2019 (in thousands):

| | Without Donor Restrictions | With Donor Restrictions | Total |
|---|---|---|---|
| **Endowment net assets at July 1, 2018** | $1,484,150 | $4,060,117 | $5,544,267 |
| Total investment return, net | 114,815 | 138,274 | 253,089 |
| Contributions and transfers | 31,147 | 156,641 | 187,788 |
| Appropriation of endowment assets for expenditure | (112,895) | (132,684) | (245,579) |
| **Endowment net assets at June 30, 2019** | **$1,517,217** | **$4,222,348** | **$5,739,565** |

**Note 7. (continued)**

Endowments classified with donor restrictions are to be utilized for the following purposes:

The portion of perpetual endowment funds that is required to be retained permanently either by explicit donor stipulation or by UPMIFA as of June 30 (in thousands):

| | 2020 | 2019 |
|---|---|---|
| Restricted for scholarship support | $988,152 | $982,166 |
| Restricted for faculty support | 965,655 | 975,872 |
| Restricted for program support | 2,454,918 | 2,264,310 |
| **Total endowment assets with donor restrictions** | **$4,408,725** | **$4,222,348** |

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the value of the initial and subsequent donor contribution amounts (deficit). When donor-restricted endowment fund deficits exist, they are classified as a reduction of net assets with donor restrictions. Deficits of this nature exist in various donor-restricted endowment funds, which together have an original value of $160,837,000 and a current value of $158,254,000 with a deficiency of $2,583,000 and an original value of $36,070,000 and a current fair value of $35,756,000 and a deficiency of $314,000 as of June 30, 2020 and 2019, respectively. These deficits resulted from unfavorable market fluctuations that occurred shortly after the investment of newly established endowments and authorized appropriation that was deemed prudent. The university has interpreted UPMIFA to permit spending from underwater funds in accordance with the prudent measures required under the law.

The university has adopted endowment investment and spending policies that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of endowment assets. Under these policies, the return objective for the endowment assets, measured over a full market cycle, shall be to maximize the return against a blended index, based on the endowment's target allocation applied to the appropriate individual benchmarks. The university expects its endowment funds over time to provide an average rate of return of approximately 6.7% annually. Actual returns in any given year may vary from this amount.

To achieve its long-term rate of return objectives, the university relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized gains) and current yield (interest and dividends). The university targets a diversified asset allocation that places greater emphasis on equity-based investments to achieve its long-term objectives within prudent risk constraints.

The university utilizes a spending rule for its pooled endowment. The spending rule determines the endowment income and realized gains to be distributed currently for spending with the provision that any amounts remaining after the distribution be transferred and reinvested in the endowment pool as board-designated as endowment.

For the 2020 fiscal year, the Board of Trustees approved current distribution of 103% of the prior year's payout, within a minimum of 4% and a maximum of 6% of the average market value for the previous 12 calendar quarters. Under the provisions of the spending rule, $30.33 was distributed to each time-weighted unit for a total spending rule allocation of $261,989,000. Investment income amounting to $4.41 per time-weighted unit was earned, totaling $38,059,000, and $223,930,000 was appropriated for current operations from cumulative gains of pooled investments. Endowment pool earnings allocated for spending in fiscal year 2020 represent 4.76% of the market value of the endowment pool at June 30, 2020.

**Note 7. (continued)**

For the 2019 fiscal year, the Board of Trustees approved current distribution of 102% of the prior year's payout, within a minimum of 4% and a maximum of 6% of the average market value for the previous 12 calendar quarters. Under the provisions of the spending rule, $29.45 was distributed to each time-weighted unit for a total spending rule allocation of $246,551,000. Investment income amounting to $7.14 per time-weighted unit was earned, totaling $59,756,000, and $186,795,000 was appropriated for current operations from cumulative gains of pooled investments. Endowment pool earnings allocated for spending in fiscal year 2019 represent 4.47% of the market value of the endowment pool at June 30, 2019.

**Note 8.**

**Property, Plant and Equipment:**

Property, plant and equipment consisted of the following at June 30 (in thousands):

| | 2020 | 2019 |
|---|---|---|
| Land and improvements | $207,608 | $201,409 |
| Buildings and improvements | 5,822,617 | 5,538,709 |
| Buildings under capital leases | 65,822 | 65,822 |
| Equipment | 775,976 | 740,141 |
| Library books and collections | 444,005 | 421,392 |
| Construction-in-progress | 335,747 | 253,250 |
| | **7,651,775** | **7,220,723** |
| Less: Accumulated depreciation | 3,121,882 | 2,856,881 |
| **Total** | **$4,529,893** | **$4,363,842** |

## Note 9.

### Leases:

The university is the lessee of various equipment and space under non-cancelable operating and capital leases. Operating lease rental expense is recognized as operating expenses in the Statement of Activities for the years ended June 30, 2020 and 2019, was approximately $48,688,000 and $42,122,000, respectively. Space leases contain customary escalation clauses, which are included in annual aggregate minimum rentals.

Future aggregate minimum rental payments as of June 30, under operating and capital leases are as follows (in thousands):

| Future minimum rental payments: | Operating | Capital |
|---|---|---|
| 2021 | $52,358 | $1,685 |
| 2022 | 51,691 | 1,730 |
| 2023 | 43,780 | 1,775 |
| 2024 | 38,507 | 1,823 |
| 2025 | 35,400 | 1,872 |
| Thereafter | 186,606 | 662,599 |
| | **408,342** | **671,484** |
| Less: Interest on capital leases | | (593,939) |
| **Total** | **$408,342** | **$77,545** |

The university entered into a lease agreement with the Los Angeles Memorial Coliseum Commission (LAMCC) to assume the operations of the Los Angeles Memorial Coliseum and Los Angeles Memorial Sports Arena.

The lease agreement with the LAMCC expires in 2033, or in 2054, if all options are exercised, at which time a second lease agreement with the California Science Center (CSC), an institution of the state of California, commences. The lease with the CSC expires in 2111, assuming all options are exercised. Under the terms of both lease agreements, the university is required to make certain capital improvements. The present value of the future minimum lease payments as of June 30, 2020 and 2019, is $77,545,000 and $75,869,000, respectively.

# Notes to Consolidated Financial Statements

## Note 10.

### Bonds Payable and Line of Credit

Bonds payable and Line of Credit outstanding as of June 30 *(in thousands)*:

| | Interest % | Maturity | 2020 | 2019 |
|---|---|---|---|---|
| *California Educational Facilities Authority Revenue Bonds and Notes:* | | | | |
| Series 2009C | 5.25 | 2025 | | $82,305 |
| Premium | | | | 3,051 |
| Series 2012A | 5.00 | 2024 | | 41,595 |
| Premium | | | | 4,389 |
| Series 2015A | 5.00 | 2026 | | 42,960 |
| Premium | | | | 6,248 |
| *University of Southern California Bonds:* | | | | |
| Series 2011 Taxable | 5.25 | 2112 | $300,000 | 300,000 |
| Discount | | | (2,451) | (2,478) |
| Series 2016 Taxable | 3.03 | 2040 | 722,580 | 722,580 |
| Discount | | | (3,078) | (3,236) |
| Series 2017 Taxable | 3.84 | 2048 | 402,320 | 402,320 |
| Discount | | | (1,623) | (1,682) |
| Series 2020A Taxable | 3.23 | 2121 | 320,000 | |
| Discount | | | (2,823) | |
| Series 2020B Taxable | 2.81 | 2051 | 308,835 | |
| Discount | | | (1,347) | |
| *California Infrastructure Revenue Bonds (USC- Soto Street Health Sciences):* | | | | |
| Series 2010 (Soto) | 3.25-5.00 | 2018-2032 | | 26,750 |
| Premium | | | | 1,544 |
| *Line of Credit* | | | | |
| Revolving line of credit | Variable | 2021 | 500,000 | |
| | | | 2,542,413 | 1,626,346 |
| Less: current portion of long-term debt | | | 500,000 | 1,540 |
| **Total** | | | **$2,042,413** | **$1,624,806** |

Principal payment requirements relating to bonds and notes payable, after giving effect to refunding, for the next five fiscal years are approximately: 2021 $500,000,000; 2022 $0; 2023 $0; 2024 $0; 2025 $0, thereafter $2,053,735,000.

Interest payments for fiscal year 2020 and 2019 were $67,520,000 and $63,428,000, respectively.

On February 4, 2020, the university issued $320,000,000 of Series 2020A taxable bonds. On February 12, 2020, the university issued $308,835,000 of Series 2020B taxable bonds. $223,659,000 of the proceeds of the Series 2020B Bonds were irrevocably deposited into separate refunding escrow accounts in amounts that are sufficient to pay interest and principal for the CEFA Series 2009C, Series 2012A, Series 2015A and California Infrastructure Revenue Bonds Series 2010 (Soto) outstanding bonds. The related proceeds and repayment of the defeased bonds are considered non-cash financing activities and are not reflected in the consolidated statements of cashflow. The remaining proceeds of these Bonds will be used by the university for its general corporate purposes, including, but not limited to, the acquisition, construction, renovation, improvement, rehabilitation and/or equipping by the university of higher educational and healthcare facilities, and to pay all or a portion of the costs of issuance.



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**Note 10. (continued)**

The university has a revolving line of credit with a bank with a maturity date of November 30, 2025. The credit agreement was amended during fiscal year 2020 in order to extend the maturity date and improve certain terms and conditions, including the applicable rate. The committed size of the revolving line of credit remains at $500,000,000. The line of credit accrues interest based on LIBOR and contains a fee on the unused portion. The line of credit contains certain restrictive covenants which include a minimum credit rating of "A" and "A2" from Standard and Poor's and Moody's, respectively, as well as a minimum total net assets of $5,500,000,000. USC was in compliance with these covenants during fiscal years ending June 30, 2020 and 2019. On March 20, 2020 the University drew down $500,000,000 on the bank line of credit for general corporate purposes, and the full balance remained outstanding as of June 30, 2020.

**Note 11.**

**Retirement Benefits:**

Retirement benefits for eligible university employees are provided through the Teachers Insurance and Annuity Association, The Vanguard Group, AIG Sun America, Fidelity Investments and Prudential Financial. Under these defined contribution plans, the university and plan participants make contributions to purchase individual, fixed or variable annuities equivalent to retirement benefits earned or to participate in a variety of mutual funds. Under the USC Retirement Savings Program, the university makes a 5% non-elective contribution to all eligible employees and also matches dollar for dollar the first 5% of the employees' contributions. Newly hired employees on or after January 1, 2012, will have the university non-elective contribution subject to a four year vesting schedule. Employees hired on or after January 1, 2019, are subject to a one year waiting period counted under the lapsed time method. Benefits commence upon termination or retirement and pre-retirement survivor death benefits are also provided. Charges to operating expenses for the university's share of costs were approximately $186,888,000 and $181,478,000 during the years ended June 30, 2020 and 2019, respectively.

Retirement benefits for employees of USC Verdugo Hills Hospital, Las Vegas Culinary Health Center and University Physician Associates are provided by a defined contribution 401(k) plan through Fidelity Investments. Until August 2011, the Keck and Norris hospital employees covered under a collective bargaining agreement with California Nurses Association were also covered under this 401(k) plan. Until January 2017, the National Union of Healthcare Workers ("NUHW") employees at Keck and Norris hospitals were also covered under this 401(k) plan. Under the 401(k) defined contribution plan, participants make contributions to purchase a variety of mutual funds.

Effective January 2018, the university contribution to the 401(k) plan is made on a paycheck-by-paycheck basis. Prior to this, the university made its contribution in a lump sum following the end of the calendar year and matched 100% of the participants' contributions up to 4% of eligible earnings, providing the participant was employed on the last day of the calendar year. In addition, the university made a 1% retiree medical benefit contribution to all NUHW participants who were both employed on the last day of the calendar year and worked 1,500 hours in that calendar year. The university contribution is subject to a five year vesting schedule, although previously credited years prior to the Tenet, Las Vegas and Verdugo acquisitions have been carried over. Benefits commence at age 59 1/2, termination of employment or retirement. Pre-retirement survivor death benefits are also provided. Charges to operating activities expenses for the university's share of costs were approximately $0 and $0 during the years ended June 30, 2020 and 2019, respectively.

**Note 11. (continued)**

Retirement benefits for non-exempt university employees are provided through a noncontributory defined benefit pension plan, the USC Support Staff Retirement Plan ("Plan"). The following table sets forth the Plan's funded status at June 30 (in thousands):

| **Changes in Projected Benefit Obligation** | **2020** | **2019** |
|---|---|---|
| Benefit obligation at end of prior year | $148,165 | $229,537 |
| Interest cost | 5,372 | 8,779 |
| Actuarial gain | 20,659 | 30,498 |
| Annuity purchase for plan participants | - | (108,958) |
| Benefits paid | (1,379) | (11,691) |
| | **$172,817** | **$148,165** |

| **Change in Plan Assets** | | |
|---|---|---|
| Fair value of plan assets at the end of prior year | $126,672 | $208,841 |
| Actual return on plan assets | 17,913 | 16,481 |
| Employer contribution | - | 22,000 |
| Annuity purchase for plan participants | 1,260 | (108,958) |
| Benefits paid | (1,379) | (11,691) |
| | **$144,466** | **$126,673** |

| **Reconciliation of Funded Status** | **2020** | **2019** |
|---|---|---|
| Accumulated benefit obligation at end of year | ($172,817) | ($148,165) |
| Projected benefit obligation at end of year | (172,817) | (148,165) |
| Fair value of plan assets at end of year | 144,466 | 126,672 |
| **Funded status** | **($28,351)** | **($21,493)** |

| **Components of Net Periodic Benefit Cost** | **2020** | **2019** |
|---|---|---|
| Interest cost | $5,372 | $8,779 |
| Expected return on plan assets | (6,661) | (10,300) |
| Amortization of net loss | 3,512 | 3,702 |
| Settlement | - | 33,781 |
| **Total benefit cost** | **$2,223** | **$35,962** |

| **Amounts recognized in the Statement of Financial Position** | **2020** | **2019** |
|---|---|---|
| Accrued liabilities | ($28,351) | ($21,493) |

| **Amounts not yet recognized as components of Net Periodic Benefit Cost** | **2020** | **2019** |
|---|---|---|
| Net loss | $52,855 | $48,219 |

**Note 11. (continued)**

| Changes in the net reduction to Without Donor Restrictions | 2020 | 2019 |
|---|---|---|
| Net loss | $8,148 | $24,318 |
| Amortization of net (gain) | (3,512) | (3,702) |
| Recognition of net (gain) due to settlement | - | (33,781) |
| **Total benefit cost** | **$4,636** | **($13,165)** |

The estimated net loss/(gain) and prior service cost for the Plan that will be recognized as components of net periodic benefit cost over the next fiscal year is $3,854,000.

The Plan was amended to freeze benefit accruals for all remaining active union participants effective December 23, 2009, and to provide full vesting for those participants. On April 5, 2019, a payment of $108,957,844 was made to purchase annuities for 1,720 retirees and beneficiaries who were receiving monthly benefit payments from the Plan, and thereby transferring the responsibility for payment of the pension benefits to the insurance company. The effect of the settlement was determined based on a measurement date of March 31, 2019, in accordance with ASC 715-30-35-66A. As a result of the annuity purchase, 44.15% of the benefit obligation for the Plan was settled, and a prorata portion of the net actuarial loss was recognized in expense, resulting in additional pension expense during fiscal 2019 of $33,781,181.

Weighted-average assumptions used to determine net periodic benefit cost for year ended June 30:

| | 2020 | 2019 |
|---|---|---|
| Discount rate | 3.65% | 4.40% |
| Expected return on plan assets | 5.30% | 5.70% |
| Rate of compensation increase | N/A | N/A |

Weighted-average assumptions used to determine net year-end benefit obligations at June 30:

| | 2020 | 2019 |
|---|---|---|
| Discount rate | 2.90% | 3.65% |
| Rate of compensation increase | N/A | N/A |

**Plan Assets**

In managing the Plan assets, the university's objective is to be a responsible fiduciary while minimizing financial risk. Plan assets include a diversified mix of fixed income securities and equity securities across a range of sectors and levels of capitalization to maximize the long–term return for a prudent level of risk. In addition to producing a reasonable return, the investment strategy seeks to minimize the volatility in the university's expense and cash flow. The target allocation for pension benefit plan assets is 40% equity securities and 60% fixed income securities.

As described in Note 1, the university uses a hierarchy to report invested assets, including the invested assets of the Plan. Following is a description of the valuation methodologies used for assets measured at fair value.



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**Note 11. (continued)**

**Fair Value**

The Plan's interest in collective trusts is valued based on the net asset value information reported by the investment advisor. The fund is valued at the normal close of trading on the New York Stock Exchange every day the exchange is open (a "Business Day"). Equity securities are valued at the official closing price of, or the last reported sales price on, the exchange or market on which such securities are traded, as of the close of business on the day the securities are being valued or at the last available bid price. In cases where equity securities are traded on more than one exchange, the securities are valued on the exchange or market determined to be the most representative market, which may be either a securities exchange or the over-the-counter market. Short-term investments are carried at fair value.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Plan believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

At June 30, 2020, a summary of fair value measurements by level for Plan investments measured at fair value on a recurring basis is as follows (in thousands):

| | Level I | Level II | Level III | NAV | Total |
|---|---|---|---|---|---|
| Collective Trust Funds: | | | | | |
| Short-term investment fund | | $1,320 | | | $1,320 |
| Equity securities | | 57,160 | | | 57,160 |
| Fixed income securities | | 85,986 | | | 85,986 |
| **Total** | | **$144,466** | | | **$144,466** |

At June 30, 2019, a summary of fair value measurements by level for investments measured at fair value on a recurring basis is as follows (in thousands):

| | Level I | Level II | Level III | NAV | Total |
|---|---|---|---|---|---|
| Collective Trust Funds: | | | | | |
| Short-term investment fund | | $3,637 | | | $3,637 |
| Equity securities | | 46,715 | | | 46,715 |
| Fixed income securities | | 76,321 | | | 76,321 |
| **Total** | | **$126,673** | | | **$126,673** |

**Allocation of Assets**

The year-end asset allocation, which approximates the weighted-average allocation for the Plan assets as of June 30 and in comparison to target percentages for each asset category, is as follows:

| Asset Category | Actual at June 30, 2020 | Target at June 30, 2020 | Actual at June 30, 2019 | Target at June 30, 2019 |
|---|---|---|---|---|
| Short-term investment fund | 1.0% | 0.0% | 2.9% | 0.0% |
| Equity securities | 40.0% | 40.0% | 36.9% | 40.0% |
| Fixed income securities | 59.0% | 60.0% | 60.2% | 60.0% |
| **Total** | **100.0%** | **100.0%** | **100.0%** | **100.0%** |

**Note 11. (continued)**

The portfolio is evaluated annually or when the actual allocation percentages are plus or minus 2% of the stated target allocation percentages. Changes in policy may be indicated as a result of changing market conditions or anticipated changes in the pension plan's needs. Prohibited transactions include investment transactions prohibited by the Employee Retirement Income Security Act of 1974 and speculative investments including commodities or unregistered stock without specific prior approval by the university's Investment Committee.

**Contributions**

No contribution to the plan is required to be made during the fiscal year ending June 30, 2020. At this time, it is anticipated that the university will make discretionary contributions to the pension plan during the next fiscal year, although the total amount of such contributions has not yet been determined.

**Estimated Future Benefit Payments**

The following benefit payments, which reflect expected future service, as appropriate, are expected to be paid (in thousands):

| Fiscal Year Ending June 30 | |
|---|---|
| 2021 | $3,157 |
| 2022 | 3,966 |
| 2023 | 4,700 |
| 2024 | 5,421 |
| 2025 | 6,070 |
| 2026-2030 | 38,307 |

## Notes to Consolidated Financial Statements

**Note 12.**

**Net Assets:**

The university's net assets as of June 30, 2020, includes the following (in thousands):

| | | | Year Ended June 30, 2020 |
|---|---|---|---|
| **Nature of Specific Net Assets** | **Without Donor Restrictions** | **With Donor Restrictions** | **Total Net Assets** |
| Internally reserved | $1,120,119 | | $1,120,119 |
| Donor-restricted | | $59,291 | 59,291 |
| Pledges | | 439,888 | 439,888 |
| Unexpended endowment income | 327,914 | | 327,914 |
| Annuity and living trusts | | 165,533 | 165,533 |
| Donor-restricted endowment funds | | 4,408,725 | 4,408,725 |
| Board-designated endowment funds | 1,505,633 | | 1,505,633 |
| Debt service funds | 128,646 | | 128,646 |
| Invested in plant | 1,278,553 | | 1,278,553 |
| **Total** | **$4,360,865** | **$5,073,437** | **$9,434,302** |

The university's net assets as of June 30, 2019, includes the following (in thousands):

| | | | Year Ended June 30, 2019 |
|---|---|---|---|
| **Nature of Specific Net Assets** | **Without Donor Restrictions** | **With Donor Restrictions** | **Total Net Assets** |
| Internally reserved | $1,030,039 | | $1,030,039 |
| Donor-restricted | | $55,154 | 55,154 |
| Pledges | | 462,329 | 462,329 |
| Unexpended endowment income | 302,203 | | 302,203 |
| Annuity and living trusts | | 169,328 | 169,328 |
| Donor-restricted endowment funds | | 4,222,348 | 4,222,348 |
| Board-designated endowment funds | 1,517,217 | | 1,517,217 |
| Debt service funds | 120,696 | | 120,696 |
| Invested in plant | 1,308,848 | | 1,308,848 |
| **Total** | **$4,279,003** | **$4,909,159** | **$9,188,162** |



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# Notes to Consolidated Financial Statements

## Note 13.

**Functional Expenses:**

Expenses are presented below by functional classification in accordance with the overall service mission of the university. Each functional classification displays all expenses related to the underlying operations by natural classification. Depreciation expense is allocated based on square footage occupancy. Interest expense on external debt is allocated to the functional categories which have benefited from the proceeds of the external debt. Plant operations and maintenance represents space related costs which are allocated to the functional categories directly and/or based on the square footage occupancy. See Note 1 for the impact to fiscal year 2019 financial information related to the adoption of ASU 2017-07.

For the year ended June 30, 2020, functional expense consists of the following (in thousands):

| | Academic, Health Care and Student Services | Support Services | Fundraising Activities | Year Ended June 30, 2020 |
|---|---|---|---|---|
| Compensation | $2,225,842 | $359,546 | $34,136 | $2,619,524 |
| Fringe benefits | 569,656 | 114,667 | 11,204 | 695,527 |
| Operating expenses | 1,111,219 | 562,802 | 13,493 | 1,687,514 |
| Cost of goods sold | 80,009 | 32,355 | | 112,364 |
| Travel | 38,354 | 9,146 | 673 | 48,173 |
| Allocations: | | | | |
| Depreciation | 200,727 | 94,369 | 1,847 | 296,943 |
| Interest | 21,785 | 43,107 | | 64,892 |
| Plant operations and maintenance | 165,169 | (167,999) | 2,830 | |
| **Total** | **$4,412,761** | **$1,047,993** | **$64,183** | **$5,524,937** |

For the year ended June 30, 2019, functional expense consists of the following (in thousands):

| | Academic, Health Care and Student Services | Support Services | Fundraising Activities | Year Ended June 30, 2019 |
|---|---|---|---|---|
| Compensation | $2,040,161 | $340,824 | $32,563 | $2,413,548 |
| Fringe benefits | 578,002 | 111,633 | 11,011 | 700,646 |
| Operating expenses | 1,100,015 | 858,153 | 14,865 | 1,973,033 |
| Cost of goods sold | 85,483 | 43,982 | | 129,465 |
| Travel | 48,734 | 10,640 | 778 | 60,152 |
| Allocations: | | | | |
| Depreciation | 188,348 | 91,127 | 1,684 | 281,159 |
| Interest | 21,239 | 43,085 | | 64,324 |
| Plant operations and maintenance | 162,475 | (165,365) | 2,890 | |
| **Total** | **$4,224,457** | **$1,334,079** | **$63,791** | **$5,622,327** |

# Notes to Consolidated Financial Statements

## Note 14.

### Commitments and Contingencies

Contractual commitments for educational plant amounted to approximately $75,743,000 and $104,934,000 at June 30, 2020 and 2019, respectively. It is expected that the resources to satisfy these commitments will be provided from certain unexpended plant net assets, anticipated contributions and/or debt proceeds.

During the year ended June 30, 2007, the university entered into an agreement with the County of Los Angeles to provide professional services at Los Angeles County+USC Medical Center. Under the terms of the agreement, the contract automatically renews on an annual basis unless either party gives four years' notice of the termination. To date, no such notice has been provided by either party.

The university is contingently liable as guarantor on certain obligations relating to equipment loans, student and parent loans, and various campus organizations.

The university has a broad portfolio of civil litigation, which reflects the complexity of the higher education environment and the diversity of issues facing universities today. Among other matters, these include lawsuits regarding the retirement plan, research and faculty recruitment, student disciplinary matters, athletic injuries, inappropriate touching, tuition refund, medical malpractice, and employment litigation. In preparing these financial statements, management reviewed the entire litigation portfolio with the assistance of legal counsel and in accordance with ASC 450, Contingencies, and recorded a contingent liability on the consolidated balance sheets to properly account for the entire litigation portfolio.

Of note, during fiscal years ended June 30, 2019 and 2020, the university was named in additional civil lawsuits in connection with alleged misconduct by a physician who was previously employed by the university and practiced at the university student health center; this individual was alleged to have engaged in inappropriate conduct and made inappropriate statements to patients. On February 25, 2020, the court in the federal class action litigation issued final approval of a $215 million settlement, plus attorneys' fees not to exceed $25 million. The balance of the claims are currently being processed in accordance with the terms of the federal settlement and are expected to be resolved in the first quarter of 2021. As of June 30, 2020, approximately 800 individuals have opted out of the federal class action settlement, and of these, approximately 760 are plaintiffs in active state court cases.

Management has assessed the risk of loss related to the alleged misconduct above together with other litigation and for those matters deemed estimable and probable has accrued expenses included in operating expenses in the consolidated statements of activities. As of June 30, 2020, $108.5 million has been recovered in indemnity payments from the university's insurers in connection with this litigation. While the university continues to expect that an additional portion of the settlement accrual and the liability will be covered by insurance, there can be no guarantee of the ultimate amount of coverage. Amounts of future insurance reimbursements are unknown as of June 30, 2020, and as a result no insurance recovery accruals have been recorded in the 2019 and 2020 consolidated financial statements. The university recognizes that the ultimate outcome of these matters may be different than the estimates made in the consolidated financial statements as of and for the years ended June 30, 2019 and 2020, and those differences may be material to the university's financial position.

During the fiscal year ended June 30, 2020, the university was named in civil putative class action lawsuits that assert various legal claims seeking a partial refund of tuition and fees as a result of the university's campus closure and transition to remote instruction in response to COVID-19 starting midway through the Spring 2020 semester and continuing to the present. Although the outcome of this litigation is difficult to predict, the university believes it has strong defenses to these lawsuits and has not recorded any liabilities in relation to these lawsuits at this time.



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# Notes to Consolidated Financial Statements

## Note 15.

**Grants and Contracts:**

Executed contracts, grants, subcontracts and cooperative agreements for future sponsored research activity which are not reflected in the consolidated financial statements at June 30 are summarized as follows (in thousands):

| | 2020 | 2019 |
|---|---|---|
| Current sponsored awards | $1,165,773 | $780,063 |
| Executed grants and contracts for future periods | 1,325,318 | 1,414,199 |
| **Total** | **$2,491,091** | **$2,194,262** |

## Note 16.

**Related Parties**

Members of the Board of Trustees and senior management may, from time to time, be associated, either directly or indirectly, with companies doing business with the university. For senior management, the university requires annual disclosure of significant financial interest in entities doing business with the university. These annual disclosures cover both senior management and their immediate family members. When such relationships exist, measures are taken to appropriately manage the actual or perceived conflict in the best interests of the university. The university has a written conflict of interest policy that requires, among other things, that no member of the Board of Trustees can participate in any decision in which he or she or an immediate family member has a material financial interest. Each trustee is required to certify compliance with the conflict of interest policy on an annual basis and indicate whether the university does business with an entity in which a trustee has a material financial interest. When such relationships exist, measures are taken to mitigate any actual or perceived conflict, including requiring the recusal of the conflicted trustee and that such transactions be conducted at arm's length, for good and sufficient consideration, based on terms that are fair and reasonable to and for the benefit of the university, and in accordance with applicable conflict of interest laws.

## Note 17.

**Subsequent Events**

The university has performed an evaluation of subsequent events through November 23, 2020, which is the date the financial statements were issued.

*Events Subsequent to Original Issuance of Financial Statements (Unaudited)*

In connection with the reissuance of the financial statements, the university has evaluated subsequent events through March 31, 2021, the date the financial statements were reissued.

As described in Note 14. Commitments and Contingencies, as of June 30, 2020, approximately 800 individuals opted out of the federal class action settlement, and approximately 766 of these individuals filed lawsuits in state court. Subsequent to June 30, 2020 approximately 56 of these individuals had their cases resolved through settlement or dismissal. On March 25, 2021, the university and counsel for the remaining 710 state court plaintiffs announced that they had reached a global settlement agreement in the amount of $851,600,000. The settlement will be paid in two equal payments, with the first to be made by August 15, 2021, and the second to be made by August 15, 2022. Pursuant to the settlement agreement, the university will obtain a letter of credit in the amount of $421,200,000 established in plaintiffs' favor by August 15, 2021. This settlement agreement is expected to resolve all outstanding claims asserted against the university by patients related to this matter.



MHSC-0000119

# Consolidated Balance Sheets

*in thousands*

| | | June 30, 2021 | June 30, 2020 |
|---|---|---|---|
| | **Assets** | | |
| 1 | Cash and cash equivalents | $1.075.383 | $1,816,338 |
| 2 | Accounts receivable. net | 576,233 | 482,155 |
| 3 | Notes receivable. net | 46.949 | 55.642 |
| 4 | Pledges receivable, net | 377.926 | 439.888 |
| 5 | Investments | 9.486,609 | 6.816.264 |
| 6 | Inventories. prepaid expenses and other assets | 421,282 | 355.247 |
| 7 | Right-of-use assets - operating leases | 230.117 | - |
| 8 | Property, plant and equipment, net | 4.498,491 | 4,529,893 |
| 9 | **Total Assets** | **$16,712,990** | **$14,495,427** |
| | **Liabilities** | | |
| 10 | Accounts payable | $256,613 | $245.925 |
| 11 | Accrued liabilities | 1.798.636 | 1,567.833 |
| 12 | Refundable advances | 39.135 | 22,786 |
| 13 | Deposits and deferred revenue | 227.519 | 301,165 |
| 14 | Revolving line of credit | - | 500.000 |
| 15 | Actuarial liability for annuities payable | 99,712 | 92.834 |
| 16 | Federal student loan funds | 45.410 | 53,067 |
| 17 | Asset retirement obligations | 145.883 | 139.227 |
| 18 | Operating lease obligations | 239,100 | - |
| 19 | Finance lease obligations | 82.609 | 77.545 |
| 20 | Bonds and notes payable | 2.441.248 | 2.042.413 |
| 21 | Other liabilities | 19.468 | 18.330 |
| 22 | **Total Liabilities** | **5,395,333** | **5,061,125** |
| | **Net Assets** | | |
| 23 | Without donor restrictions | 4,600,715 | 4,360.865 |
| 24 | With donor restrictions | 6,716.942 | 5,073.437 |
| 25 | **Total Net Assets** | **11,317,657** | **9,434,302** |
| 26 | **Total Liabilities and Net Assets** | **$16,712,990** | **$14,495,427** |

*The accompanying notes are an integral part of these statements.*

# Consolidated Statements of Activities

*in thousands*

| | | Without Donor Restrictions | With Donor Restrictions | Year Ended June 30, 2020 Total Net Assets |
|---|---|---|---|---|
| | **Operating** | | | |
| | **Revenues:** | | | |
| 1 | Net student tuition and fees | $1,620,730 | | $1,620,730 |
| 2 | Health care services | 2,032,338 | | 2,032,338 |
| 3 | Contracts and grants | 699,346 | | 699,346 |
| 4 | Auxiliary enterprises | 249,787 | | 249,787 |
| 5 | Sales and services | 170,922 | | 170,922 |
| 6 | Contributions | 284,573 | | 284,573 |
| 7 | Other | 120,766 | | 120,766 |
| 8 | Allocation of endowment spending | 262,065 | | 262,065 |
| 9 | Total Revenues | 5,440,527 | | 5,440,527 |
| 10 | Net assets released from restrictions | 95,207 | ($95,207) | |
| 11 | **Total Revenues and Reclassifications** | **5,535,734** | **(95,207)** | **5,440,527** |
| | **Expenses:** | | | |
| 12 | Salaries and benefits | 3,312,828 | | 3,312,828 |
| 13 | Operating expenses | 1,748,051 | | 1,748,051 |
| 14 | Depreciation | 296,943 | | 296,943 |
| 15 | Interest on indebtedness | 64,892 | | 64,892 |
| 16 | **Total Expenses before Insurance recoveries and Settlement** | **5,422,714** | | **5,422,714** |
| 17 | **Increase (decrease) in Net Assets from Operating Activities before Insurance recoveries and Settlement** | **113,020** | **(95,207)** | **17,813** |
| 18 | Insurance recoveries (refer to Note 14) | 108,500 | | 108,500 |
| 19 | **Increase (decrease) in Net Assets from Operating Activities before Settlement** | **221,520** | **(95,207)** | **126,313** |
| 20 | Settlement (refer to note 14) | (100,000) | | (100,000) |
| 21 | **Increase (decrease) in Net Assets from Operating Activities** | **121,520** | **(95,207)** | **26,313** |
| | **Non-operating** | | | |
| 22 | Allocation of endowment spending to operations | (103,414) | (158,651) | (262,065) |
| 23 | Changes in funding status of defined benefit plan | (4,636) | | (4,636) |
| 24 | Other components of net periodic benefit costs | (2,223) | | (2,223) |
| 25 | Investment and endowment income | 56,455 | 457 | 56,912 |
| 26 | Net appreciation in fair value of investments | 25,306 | 252,057 | 277,363 |
| 27 | Contributions | 5,211 | 157,132 | 162,343 |
| 28 | Present value adjustment to annuities payable | | 8,490 | 8,490 |
| 29 | Loss on bond refunding | (16,357) | | (16,357) |
| 30 | **(Decrease) increase in Net Assets from Non-operating Activities** | **(39,658)** | **259,485** | **219,827** |
| 31 | **Total increase in Net Assets** | **81,862** | **164,278** | **246,140** |
| 32 | Beginning Net Assets | 4,279,003 | 4,909,159 | 9,188,162 |
| 33 | **Ending Net Assets** | **$4,360,865** | **$5,073,437** | **$9,434,302** |

# Consolidated Statements of Activities

*in thousands*

| | | Without Donor Restrictions | With Donor Restrictions | Year Ended June 30, 2021 Total Net Assets | Year Ended June 30, 2020 Total Net Assets |
|---|---|---|---|---|---|
| | **Operating** | | | | |
| | **Revenues:** | | | | |
| 1 | Net student tuition and fees | $1,580,621 | | $1,580,621 | $1,620,730 |
| 2 | Health care services | 2,262,870 | | 2,262,870 | 2,032,338 |
| 3 | Contracts and grants | 675,011 | | 675,011 | 699,346 |
| 4 | Auxiliary enterprises | 50,794 | | 50,794 | 249,787 |
| 5 | Sales and services | 143,206 | | 143,206 | 170,922 |
| 6 | Contributions | 278,554 | | 278,554 | 284,573 |
| 7 | Other | 85,872 | | 85,872 | 120,766 |
| 8 | Allocation of endowment spending | 275,902 | | 275,902 | 262,065 |
| 9 | Total Revenues | 5,352,830 | | 5,352,830 | 5,440,527 |
| 10 | Net assets released from restrictions | 159,435 | ($159,435) | | |
| 11 | **Total Revenues and Reclassifications** | **5,512,265** | **(159,435)** | **5,352,830** | **5,440,527** |
| | **Expenses:** | | | | |
| 12 | Salaries and benefits | 3,240,562 | | 3,240,562 | 3,312,828 |
| 13 | Operating expenses | 1,867,776 | | 1,867,776 | 1,748,051 |
| 14 | Depreciation | 306,782 | | 306,782 | 296,943 |
| 15 | Interest on indebtedness | 84,128 | | 84,128 | 64,892 |
| 16 | **Total Expenses before Insurance recoveries and Settlement** | **5,499,248** | | **5,499,248** | **5,422,714** |
| 17 | **Increase (decrease) in Net Assets from Operating Activities before Insurance recoveries and Settlement** | **13,017** | **(159,435)** | **(146,418)** | **17,813** |
| 18 | Insurance recoveries (refer to Note 14) | 10,000 | | 10,000 | 108,500 |
| 19 | **Increase (decrease) in Net Assets from Operating Activities before Settlement** | **23,017** | **(159,435)** | **(136,418)** | **126,313** |
| 20 | Settlement (refer to Note 14) | (450,000) | | (450,000) | (100,000) |
| 21 | **(Decrease) increase in Net Assets from Operating Activities** | **(426,983)** | **(159,435)** | **(586,418)** | **26,313** |
| | **Non-operating** | | | | |
| 22 | Allocation of endowment spending to operations | (102,246) | (173,656) | (275,902) | (262,065) |
| 23 | Changes in funding status of defined benefit plan | 18,471 | | 18,471 | (4,636) |
| 24 | Other components of net periodic benefit costs | (1,246) | | (1,246) | (2,223) |
| 25 | Investment and endowment income | 40,174 | 2,134 | 42,308 | 56,912 |
| 26 | Net appreciation in fair value of investments | 706,887 | 1,746,207 | 2,453,094 | 277,363 |
| 27 | Contributions | 4,793 | 240,598 | 245,391 | 162,343 |
| 28 | Present value adjustment to annuities payable | | (12,343) | (12,343) | 8,490 |
| 29 | Loss on bond refunding | | | | (16,357) |
| 30 | **Increase in Net Assets from Non-operating Activities** | **666,833** | **1,802,940** | **2,469,773** | **219,827** |
| 31 | **Total increase in Net Assets** | **239,850** | **1,643,505** | **1,883,355** | **246,140** |
| 32 | Beginning Net Assets | 4,360,865 | 5,073,437 | 9,434,302 | 9,188,162 |
| 33 | **Ending Net Assets** | **$4,600,715** | **$6,716,942** | **$11,317,657** | **$9,434,302** |

# Consolidated Statements of Cash Flows

*in thousands*

| | Cash Flows from Operating Activities | Year Ended June 30, 2021 | Year Ended June 30, 2020 |
|---|---|---|---|
| 1 | **Change in Net Assets** | **$1,883,355** | **$246,140** |
| | Adjustments to reconcile change in net assets to net cash provided by operating activities: | | |
| 3 | Depreciation | 306,782 | 296,943 |
| 4 | Loss (gain) on the disposal/sale of plant assets | 4,793 | (230) |
| 4 | In-kind receipt of property, plant and equipment | (213) | (532) |
| 5 | Present value adjustment to annuities payable | 12,294 | (8,270) |
| 6 | Increase in accounts receivable | (94,078) | (10,444) |
| 7 | Decrease in pledges receivable | 61,962 | 22,441 |
| 8 | Increase in inventories, prepaid expenses and other assets | (98,211) | (42,186) |
| 9 | Increase in right-of-use assets - operating leases | (230,117) | - |
| 10 | Increase (decrease) in accounts payable | 16,243 | (67,149) |
| 11 | Increase in accrued liabilities | 271,089 | 326,629 |
| 12 | Increase in refundable advances | 16,349 | 1,309 |
| 13 | (Decrease) increase in deposits and deferred revenue | (73,646) | 44,099 |
| 14 | Increase in other liabilities | 1,138 | 11,638 |
| 16 | Increase in operating lease obligation | 239,100 | - |
| 15 | Increase in finance lease obligation | 5,064 | - |
| 17 | Loss on bond refunding | - | 16,357 |
| 18 | Contributions received for property, plant and equipment and permanent investment | (204,132) | (100,544) |
| 19 | Net realized gain on sale of investments | (566,354) | (506,536) |
| 20 | Net unrealized (appreciation) depreciation in investments | (1,887,118) | 229,265 |
| 21 | **Net Cash (used) provided by Operating Activities** | **(335,700)** | **458,930** |
| | **Cash Flows from Investing Activities** | | |
| 22 | Proceeds from note collections | 11,623 | 12,378 |
| 23 | Notes issued | (2,763) | (6,436) |
| 24 | Proceeds from sale and maturity of investments | 3,864,419 | 6,576,709 |
| 25 | Purchase of investments | (4,090,736) | (6,823,883) |
| 26 | Purchase of property, plant and equipment | (274,948) | (428,208) |
| 27 | **Net Cash used in Investing Activities** | **(492,405)** | **(669,440)** |
| | **Cash Flows from Financing Activities** | | |
| | Contributions received for permanent investment: | | |
| 28 | Endowment | 109,641 | 76,234 |
| 29 | Plant | 94,601 | 22,846 |
| 30 | Trusts and other | (110) | 1,464 |
| 31 | Repayment of finance lease obligation | (3,909) | - |
| 32 | Repayment of long-term debt | - | (1,540) |
| 33 | Revolving line of credit | (500,000) | 500,000 |
| 34 | Proceeds from issuance of long-term debt | 400,000 | 403,812 |
| 35 | Decrease in federal student loan funds | (7,657) | (14,869) |
| 36 | Investment gain on annuities payable | 3,643 | 6,153 |
| 37 | Payment on annuities payable | (10,788) | (11,380) |
| 38 | Increase to annuities payable resulting from new contributions | 1,729 | 1,889 |
| 39 | **Net Cash provided by Financing Activities** | **87,150** | **984,609** |
| 40 | **Net (decrease) increase in Cash and Cash equivalents** | (740,955) | 774,099 |
| 41 | Cash and Cash equivalents at beginning of year | 1,816,338 | 1,042,239 |
| 42 | **Cash and Cash equivalents at end of year** | **$1,075,383** | **$1,816,338** |

*The accompanying notes are an integral part of these statements.*

## SCHEDULE 5.6(a)

## REAL PROPERTY – ENCUMBRANCES

None.

**SCHEDULE 5.8(a)(ii)**

**EMPLOYEES AND EMPLOYEE RELATIONS**

1. **California Nurses Association**: 1,423 members
   CBA May 1, 2017 – April 30, 2021 (Expired)
   Note: Contract renewal negotiations are in progress

2. **Unite Here Local 11**: 11 members
   CBA July 1, 2019 – June 30, 2023

3. **National Union of Healthcare Workers**: 1,499 members
   CBA May 1, 2021 – April 30, 2024
   - Keck Hospital of USC and USC Norris Cancer Hospital
   - USC Care and Ambulatory Services
   - Alhambra Call Center

## SCHEDULE 5.9

## EMPLOYEE BENEFIT PLANS

Eligible employees are provided benefit plan offerings that align with the employee's reporting organization or home department. In some cases, the employee status, Union affiliation, and/or pay class of the employee may further impact the benefits available and associated premium costs. The following review of benefit plans is illustrative of the typical array of programs available to similarly situated employees that meet eligibility criteria. Reporting organizations/home departments are identified in **bold text**.

**Keck Medicine of USC**

Retirement Benefits: USC Retirement Savings 403(b) Retirement Program, 5% non-elective contribution and 100% pre-tax or Roth contributions up to 5%

Health Plans: Anthem MyChoice HMO (certain Union employees only), Anthem HMO, Kaiser Permanente HMO, USC EPO, USC EPO+, USC PPO

Non-Medical Benefits: Dental (United Concordia, Delta Dental), Vision (VSP), Health Care FSA, Dependent Care FSA, Accident (MetLife), Critical Illness (MetLife), Hospital Indemnity (MetLife), Legal (MetLife), Basic and Supplemental Life Insurance (MetLife), Tuition Assistance Program (as applicable)

Severance: Employees of Keck Medicine of USC may be eligible for a severance program in certain circumstances. Generally, the severance program provides:

- Employees with four or fewer completed years of cumulative service receive four weeks of severance pay and health insurance subsidy
- Employees with five or more completed years of cumulative service receive one week of severance pay for each full year of cumulative service and health insurance subsidy

CBA Representation: See SCHEDULE 5.8(a)(ii) EMPLOYEES AND EMPLOYEE RELATIONS.

Time Off: USC-provided Holiday, Sick, Vacation, and Winter Recess for Staff Employees (unless otherwise provided PTO within Union CBAs)

- University-provided Holidays (though recognized, certain departments may be required to work on these dates):
  - New Year's Day
  - Martin Luther King Day
  - Presidents' Day
  - Memorial Day
  - Independence Day
  - Labor Day
  - Thanksgiving (and Day-After Thanksgiving)
  - Christmas

- Sick Time

| | Hours/Workweek | Hours Accrued Per Pay Period | Maximum Hours Accrued |
|---|---|---|---|

| | | | |
|---|---|---|---|
| Biweekly Pay Cycle | 37.5 | 3.47 | 90 |
| | 40 | 3.70 | 96 |
| | 36 (3/12 alternative schedule) | 3.33 | 86.4 |
| Monthly Pay Cycle | 37.5 | 7.5 | 90 |
| | 40 | 8 | 96 |

- Vacation Time
  - Upon Hire – Four-Years of Service: accrue vacation equivalent to 12 working days per year, with a maximum of 24 working days
  - Five-Years – Nine-Years of Service: accrue vacation equivalent to 18 working days per year, to a maximum of 36 working days
  - Following 10-Years of Service: staff accrue vacation equivalent to 24 working days per year, to a maximum of 48 working days

- Winter Recess
  - 24-hours of Winter Recess

**University of Southern California**

Retirement Benefits: USC Retirement Savings Program, 5% non-elective contribution and 100% pre-tax or Roth contributions up to 5%

Health Plans: Anthem HMO, Kaiser Permanente HMO, USC EPO, USC EPO+, USC PPO

Non-Medical Benefits: Dental (United Concordia, Delta Dental), Vision (VSP), Health Care FSA, Dependent Care FSA, Accident (MetLife), Critical Illness (MetLife), Hospital Indemnity (MetLife), Legal (MetLife), Basic and Supplemental Life Insurance (MetLife), Tuition Assistance Program (as applicable)

Severance: Employees of the University of Southern California may be eligible for a severance program in certain circumstances. Generally, the severance program provides:

- Employees with four or fewer completed years of cumulative service receive four weeks of severance pay and health insurance subsidy
- Employees with five or more completed years of cumulative service receive one week of severance pay for each full year of cumulative service and health insurance subsidy

CBA Representation: See SCHEDULE 5.8(a)(ii) EMPLOYEES AND EMPLOYEE RELATIONS.

Time Off: USC-provided Holiday, Sick, Vacation, and Winter Recess for Staff Employees (unless otherwise provided PTO within Union CBAs)

- University-provided Holidays (though recognized, certain departments may be required to work on these dates):
  - New Year's Day
  - Martin Luther King Day
  - Presidents' Day
  - Memorial Day
  - Independence Day
  - Labor Day

- Thanksgiving (and Day-After Thanksgiving)
- Christmas

- Sick Time

| | Hours/Workweek | Hours Accrued Per Pay Period | Maximum Hours Accrued |
|---|---|---|---|
| Biweekly Pay Cycle | 37.5 | 3.47 | 90 |
| | 40 | 3.70 | 96 |
| | 36 (3/12 alternative schedule) | 3.33 | 86.4 |
| Monthly Pay Cycle | 37.5 | 7.5 | 90 |
| | 40 | 8 | 96 |

- Vacation Time
  - Upon Hire – Four-Years of Service: accrue vacation equivalent to 12 working days per year, with a maximum of 24 working days
  - Five-Years – Nine-Years of Service: accrue vacation equivalent to 18 working days per year, to a maximum of 36 working days
  - Following 10-Years of Service: staff accrue vacation equivalent to 24 working days per year, to a maximum of 48 working days

- Winter Recess
  - 37.5-hour workweek = 30 hours of Winter Recess
  - 40-hour workweek = 32 hours of Winter Recess

**Verdugo Hills Hospital of USC**

Retirement Benefits: Keck Medicine of USC 401(k) Retirement Plan, 100% match of pre-tax or Roth contributions up to 4%

Health Plans: Verdugo Hills PPO Plan

Non-Medical Benefits: USC Verdugo Hills Dental Plan, USC Verdugo Hills Vision Plan, Health Care FSA, Dependent Care FSA, Accident (MetLife), Critical Illness (MetLife), Hospital Indemnity (MetLife), Legal (MetLife), Basic and Supplemental Life Insurance (MetLife), Tuition Assistance Program (as applicable)

Severance: Employees of Verdugo Hills Hospital of USC may be eligible for a severance program in certain circumstances. Generally, the severance program provides:

- Employees with four or fewer completed years of cumulative service receive four weeks of severance pay and health insurance subsidy
- Employees with five or more completed years of cumulative service receive one week of severance pay for each full year of cumulative service and health insurance subsidy

CBA Representation: See SCHEDULE 5.8(a)(ii) EMPLOYEES AND EMPLOYEE RELATIONS.

Time Off: USC-provided Holiday, Sick, Vacation, and Winter Recess for Staff Employees (unless otherwise provided PTO within Union CBAs)

**Paid Time Off**

| | |
|---|---|
| Vacation | 15 days |
| Holidays | 9 days |
| Sick | 6 days |
| Winter Recess | 0 days |

**Total: 30 days**

## SCHEDULE 5.9(d)(i)

## BENEFIT PLANS - COMPLIANCE

None.

## SCHEDULE 5.9(d)(ii)

## MULTIEMPLOYER PLANS

None.

## SCHEDULE 5.9(f)

## BENEFIT PLANS – PENDING ACTIONS

Munro, et al. v. USC, et al. - This is an ERISA class-action in which current and former university employees allege that the university's Retirement Plan Oversight Committee mismanaged two retirement plans, breaching fiduciary duties of loyalty and prudence. The parties are currently engaging in discovery. The case is before the Honorable Virginia A. Phillips in the Central District of California Federal Court.

## SCHEDULE 5.9(g)

## BENEFIT PLANS – FORMER EMPLOYEES

None.

**SCHEDULE 5.9(h)**

**ACCELERATED PAYMENTS**

None.

## SCHEDULE 5.12

## CERTAIN AFFILIATIONS

None.

# Schedules to Affiliation Agreement

Attached.

**Schedule 9.1(e)**

**Government Authorizations**

1. Notice to and consent of the Office of the California Attorney General in accordance with Sections 5914 et seq. of the California Corporations Code.

2. Notification and Report Form to be filed with, and consent to be obtained from, the Federal Trade Commission pursuant to Hart-Scott-Rodino Antitrust Improvements Act of 1976.

3. New License Application to be filed with, and consent to be obtained from, the California Board of Pharmacy with respect to hospital pharmacy permit and sterile compounding permit held by Methodist.

4. Change of Ownership Application to be filed with, and consent to be obtained from, the California Department of Public Health – Laboratory Field Services Division with respect to each biologics (blood bank license) and tissue bank license held by Methodist.

5. Change of Ownership Application to be filed with, and consent to be obtained from, the Department of Social Services – Community Licensing Division with respect to the issued child care license held by Methodist.

6. Change of Ownership Notification Letter to be sent to the California Department of Public Health – Radioactive Materials Division with respect to the radioactive materials license held by Methodist.

7. Change of Ownership Application to be filed with, and consent to be obtained from, the Federal Communications Commission with respect to the radio station registration held by Methodist.

8. Change of Ownership Notification and description of the affiliation to be sent to The Joint Commission, with respect to the hospital accreditation held by Methodist.

9. Notification of affiliation to be sent to, and consent to be obtained from, the County of Los Angeles Department of Health and Human Services with respect to the comprehensive stroke system certification held by Methodist.

**Schedule 9.1(f)**

**Third Party Approvals**

1. Consent pursuant to that certain County of Los Angeles for Comprehensive Stroke System by and between Methodist Hospital of Southern California and County of Los Angeles Department of Health and Human Services, dated August 31, 2018, as amended by Amendment No.1 dated August 31, 2018, and Amendment No. 2 dated June 28, 2019.

2. Consent pursuant to that certain County of Los Angeles Hospital Preparedness Program Agreement by and between Methodist Hospital of Southern California and County of Los Angeles Department of Health and Human Services, dated January 1, 2018, as amended by Amendment No. 1 dated January 1, 2018.

3. Consent pursuant to that certain MRI Maintenance Agreement by and between Methodist Hospital of Southern California and GE Healthcare, dated May 1, 2015.

4. Financial Services Agreement by and between Methodist Hospital of Southern California and RelayHealth Financial Services, dated September 19, 2016.

5. Consent pursuant to that certain Master Trust Indenture dated as of December 1, 2018, by and between Methodist Hospital of Southern California and the Bank of New York Mellon Trust Company, N.A.

6. Consent pursuant to that certain Term Loan Agreement dated as of May 15, 2020, by and between Methodist Hospital of Southern California and JPMorgan Chase Bank, National Association.

7. Consent for assignment pursuant to that certain Premises Lease Agreement, by and between the City of Arcadia (as Lessor) and Methodist Hospital of Southern California (as Lessee) dated May 28, 1953, for the hospital premises located at 300 West Huntington Drive, Arcadia, California, as amended by that certain First Amendment dated August 9, 1955, that Second Amendment dated July 5, 1956, that Third Amendment to Lease dated September 18, 1961, that Fourth Amendment to Lease dated December 23, 1963, that Fifth Amendment to Agreement and Lease dated August 5, 1980, that Sixth Amendment dated February 1, 2009, that Seventh Amendment dated November 18, 2015, and that Eighth Amendment dated [DATE].

8. Premises Lease Agreement, by and between Windrose Santa Anita Properties, LLC (as Landlord) and Methodist Hospital of Southern California (as Tenant) dated September 3, 2013, as amended by the First Amendment dated December 20, 2013 and Second Amendment dated January 31, 2019, for Tenant Suite 618 in the Santa Anita Medical Plaza located at 301 W. Huntington Drive, Arcadia, California.

9. Notice pursuant to that certain Facility Participation Agreement, by and among UnitedHealthcare of California, UnitedHealthcare Benefits Plan of California and other United Affiliates, and Methodist Hospital of Southern California, dated February 1, 2017.

10. Notice pursuant to that certain Institution Agreement by and between California Physician's Services, Inc. dba Blue Shield of California and Methodist Hospital of Southern California dated November 1, 2014, as amended by that certain First Amendment dated November 1, 2014.

11. Notice pursuant to that certain PPO Hospital Agreement, by and between Preferred Health Network, Inc. and Methodist Memorial dated July 1, 1999, as amended by that certain First Amendment dated September 1, 2001.

12. Notice pursuant to that certain Managed Care Agreement, by and among Aetna US Healthcare of California Inc. and Aetna Health Management and Methodist Hospital of Southern California, dated April 1, 2002, as amended by that certain Amendment 1 dated June 1, 2004, Amendment 2 dated June 1, 2006, Amendment 3 dated July 13, 2009, and Amendment 4 dated April 1, 2016.

13. Notice pursuant to that certain Facility Agreement, by and between Blue Cross of California dba Anthem Blue Cross and Methodist Hospital of Southern California, dated June 15, 2011, as amended by that certain Amendment dated June 15, 2014, Amendment dated June 15, 2015, and Amendment dated June 15, 2016, Amendment dated November 1, 2017, and Amendment dated January 1, 2018.

14. Consent pursuant to the Fee For Service Hospital Agreement by and between California Physicians' Service, dba Blue Shield of California and Methodist Hospital of Southern California, dated January 1, 2013, as amended by that certain First Amendment dated January 1, 2015, Amendment dated October 1, 2015, Second Amendment dated January 1, 2016, Third Amendment dated January 1, 2018, and Fourth Amendment dated January 1, 2021.

15. Consent pursuant to that certain Hospital Services Agreement, by and between Universal Care, Inc. dba Brand New Day, Universal Care Medical Group, and Methodist Hospital of Southern California, dated December 1, 2013, as amended by that certain First Amendment effective January 1, 2022.

16. Notice pursuant to that certain Participating Hospital Agreement by and between Brandman Health Plan and Methodist Hospital of Southern California dated January 1, 2021.

17. Notice pursuant to that certain Hospital Services Agreement, by and between Central Health Plan of California and Methodist Hospital of Southern California, dated October 1, 2018.

18. Consent pursuant to that certain Easy Choice Health Plan Participating Provider Hospital Agreement, by and between Easy Choice Health Plan and Methodist Hospital of Southern California, dated October 1, 2015.

19. Notice pursuant to that certain Hospital Provider Services Agreement, by and among Health Net, Inc. and Affiliates and Methodist Hospital of Southern California, dated February 1, 2001, as amended by that certain Amendment dated June 1, 2013, Amendment dated January 1, 2014, Amendment dated November 1, 2014, Amendment dated August 1, 2015, and Amendment dated December 1, 2017.

20. Consent pursuant to that certain Hospital Participation Agreement, by and among Humana Health Plan, Inc., Humana Insurance Company, and Methodist Hospital of Southern California, dated July 3, 2013.

21. Consent pursuant to that certain Hospital Services Agreement, by and between DaVita Healthcare Partners Plan, Inc. and Methodist Hospital of Southern California, dated January 1, 2016, as amended by that certain Amendment 1 dated January 1, 2016, Amendment 2 dated December 1, 2016, Amendment 3 dated January 1, 2017, and Amendment 4 dated October 1, 2017.

**Schedule 12.5(a)(iv)**

**Physician Practice Locations**

1206(d) Clinics

| | Practice Name | Specialties | Address 1 | Address 2 | City | State | Zip Code | Practice / Office - Main Phone Number | Fax Number |
|---|---|---|---|---|---|---|---|---|---|
| **1206D Ambulatory Practices** | | | | | | | | | |
| 1 | Evaluation and Treatment Center (ETC) | All specialties - existing patients | 1500 San Pablo St. | 1st Floor | Los Angeles | CA | 90033 | (323) 442-9922 | (323) 442-9959 |
| 2 | Keck Medicine of USC - Center for Advanced Lung Disease (CALD) | Pulmonary<br>Cystic Fibrosis<br>Sleep Medicine | 1510 San Pablo St. | Suite 514 | Los Angeles | CA | 90033 | (323) 442-9590 | (323) 865-9208 |
| 3 | Keck Medicine of USC - Cardiac Vascular Surgery | Cardiac<br>Vascular | 1520 San Pablo St. | Suite 4300 | Los Angeles | CA | 90033 | (323) 442-5908 | Vascular - (323) 442-5721 |
| 4 | Keck Medicine of USC - Cardiology | Cardiology | 1520 San Pablo St. | Suite 4600 | Los Angeles | CA | 90033 | (323) 865-1000 | (323) 865-1010 |
| 5 | Keck Medicine of USC - CVTI Clinic | | 1520 San Pablo St. | Suite 4300 | Los Angeles | CA | 90033 | (323) 442-5849 | CVTI Clinic: (323) 442-5956<br>Vascular Surgery: (323) 865-9556 |
| 6 | Keck Medicine of USC - CVTI Diagnostics | Noninvasive Cardiovascular Testing | 1520 San Pablo St. | Suite 4107 | Los Angeles | CA | 90033 | (323) 442-6011 | (323) 442-6005 |
| 7 | Keck Medicine of USC - Cystic Fibrosis | Cystic Fibrosis | 1510 San Pablo St. | Suite 514 | Los Angeles | CA | 90033 | (323) 442-8522 | (323) 442-8415 |

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|---|---|---|---|---|---|---|---|---|---|
| 8 | Keck Medicine of USC - Internal Medicine | Clinical Nutrition<br>Endocrinology<br>General Internal Medicine<br>GI / Liver<br>Infectious Diseases<br>Nephrology<br>Pulmonary<br>Rheumatology | 1520 San Pablo St. | Suite 1000 | Los Angeles | CA | 90033 | (323) 442-5100 | (323) 442-5625 |
| 9 | Keck Medicine of USC - Neurology | Movement Disorder<br>Multiple Sclerosis<br>Epilepsy<br>Neurophysiology<br>Headache / Pain<br>Memory & Aging<br>Stroke | 1520 San Pablo St. | Suite 3000 | Los Angeles | CA | 90033 | (323) 442-5710 | (323) 442-5736 |
| 10 | Keck Medicine of USC - Neurosurgery | Cerebrovascular<br>Skull base / Pituitary Tumor<br>Epilepsy<br>Peripheral Nerve | 1520 San Pablo St. | Suite 3800 | Los Angeles | CA | 90033 | (323) 442-5720 | (323) 442-7543 |
| 11 | Keck Medicine of USC - Occupational Therapy | Occupational Therapy Specialties: Edema/Lymphedema; Neurology | 1500 San Pablo St. | 3rd Floor | Los Angeles | CA | 90033 | (323) 442-8850 | |

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|---|---|---|---|---|---|---|---|---|---|
| 12 | Keck Medicine of USC - Occupational Therapy | Occupational Therapy Specialties: Hand & Upper Extremity Therapy; Low Vision & Vision Rehab; Neurology; Pulmonary (Cystic Fibrosis/Advanced Lung Disease); Cancer; Heart Failure | 1520 San Pablo St. | Suite 2200 | Los Angeles | CA | 90033 | (323) 442-6050 | |
| 13 | Keck Medicine of USC - Orthopaedic Surgery | Sports Medicine<br>Joint Preservation and Replacement<br>Musculoskeletal Oncology<br>Hand Center<br>Foot and Ankle Center<br>Trauma | 1520 San Pablo St. | Suite 2000 | Los Angeles | CA | 90033 | (323) 442-5860 | (323) 442- 6990 |
| 14 | Keck Medicine of USC - Otolaryngology - Head & Neck Surgery | Head and Neck Cancer<br>Voice and Swallow Disorder<br>Hearing and Balance Loss<br>Nasal and Sinus Disease<br>Thyroid and Parathyroid Disease<br>Sleep Disorder<br>Facial cosmetic and reconstruction<br>Speech therapy<br>Cochlear implants | 1450 San Pablo St. | Suite 5100 | Los Angeles | CA | 90033 | (323) 442-5790 | (323) 442-5820 |
| 15 | Keck Medicine of USC - Radiation Oncology | Radiation Oncology | 1441 Eastlake Ave. | Ground Floor | Los Angeles | CA | 90033 | (323) 865-3050 | (323) 865-0000 |
| 16 | Keck Medicine of USC - Radiology | | 1520 San Pablo St. | Suite LL1600 | Los Angeles | CA | 90033 | (323) 442-7450 | (323) 865-9519 |

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|---|---|---|---|---|---|---|---|---|---|
| 17 | Keck Medicine of USC - Radiology - PET | | 1510 San Pablo St. | Suite 350 | Los Angeles | CA | 90033 | (323) 442-5940 | (323) 442-6875 |
| 18 | Keck Medicine of USC - Speech Therapy | Speech Therapy Specialties: Speech/Language, Passy-Muir Valve, Voice, Swallow, Cognition | 1520 San Pablo St. | Suite 2200 | Los Angeles | CA | 90033 | (323) 442-6050 | |
| 19 | Keck Medicine of USC - Spine Center | Orthopaedic Surgery<br>Neurosurgery<br>Physiatry / Physical Medicine | 1450 San Pablo St. | Suite 5400 | Los Angeles | CA | 90033 | (323) 442-5300 | (323) 442-5301 |
| 20 | Keck Medicine of USC - Sleep Disorder Center | Sleep Medicine | 1500 San Pablo St. | 3rd Floor | Los Angeles | CA | 90033 | Clinic: (323) 865-7947<br>Testing: (323) 442-8459 | (323) 865-5624 |
| 21 | Keck Medicine of USC - Transplant Center | Liver Transplant<br>Kidney Transplant<br>Pancreas Transplant<br>Lung Transplant | 1516 San Pablo St. | Suite 3200 | Los Angeles | CA | 90033 | (323) 442-5908 | (323) 442-5721 |
| 22 | Keck Medicine of USC - Treatment Center (Los Angeles) | Oncology<br>Hematology<br>Blood Disorders<br>Cancer Therapy | 1516 San Pablo St. | Suite 3400 | Los Angeles | CA | 90033 | (323) 276-3706 | (323) 276-4811 |
| 23 | Keck Medicine of USC - USC Institute of Urology | Urology<br>GU Oncology | 1516 San Pablo St. | Suite 3500 | Los Angeles | CA | 90033 | (323) 865-3700 | (323) 276-4815 |

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|---|---|---|---|---|---|---|---|---|---|
| 24 | Keck Medicine of USC - USC Roski Eye Institute | Cornea<br>Glaucoma<br>Retina<br>Neuro<br>Comprehensive<br>Lasik<br>Refractive surgery<br>Oculoplastics<br>Oncology<br>Retinal implant<br>Optometry | 1450 San Pablo St. | Suite 4401 | Los Angeles | CA | 90033 | (323) 442-6335 | (323) 442-6338 |
| 25 | Keck Medicine of USC - Women's Specialty Care | OBGYN<br>Gynecology Oncology<br>Breast Center & Imaging | 1516 San Pablo St. | Suite 3300 | Los Angeles | CA | 90033 | Women's Center: (323) 276-3705<br>Breast Imaging Center: (323) 865-3463 | (323) 442-8974 |
| 26 | Norris Cancer Hospital - Clinic 1,2,3,4,5,6,7 | Clinical Nutrition<br>Dermatology<br>Hematology Oncology<br>Medical Oncology | 1441 Eastlake Ave. | | Los Angeles | CA | 90033 | (323) 865-3000 | (323) 865-9557 |
| 27 | Norris Cancer Hospital - Day Hospital | Central line draw, IV Chemotherapy, Supportive Care Infusions, Blood Transfusions, Therapeutic Phlebotomy, Injections | 1441 Eastlake Ave. | 1st Floor | Los Angeles | CA | 90033 | (323) 865-3400 | (323) 865-3499 |
| 28 | USC Physical Therapy - Health Sciences Campus, HC2 | Physical Therapy | 1520 San Pablo St. | Suite 2200 | Los Angeles | CA | 90033 | (323) 442-6050 | |

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|---|---|---|---|---|---|---|---|---|---|
| 29 | USC Physical Therapy - Health Sciences Campus, Keck Hospital | Physical Therapy | 1500 San Pablo St. | | Los Angeles | CA | 90033 | (323) 442-8850 | |
| **Satellites that are 1206D** | | | | | | | | | |
| 30 | Keck Medicine of USC - Arcadia | Dermatology<br>Hematology/Oncology<br>Hepatobiliary<br>OHNS<br>Pain Management<br>Rheumatology<br>Sarcoma | 125 W. Huntington Dr. | Suite A200 | Arcadia | CA | 91007 | (626) 574-2720 | (626) 574-2775 |
| 31 | Keck Medicine of USC - Arcadia Radiation Oncology | Radiation Oncology | 125 W. Huntington Dr. | Suite B100 | Arcadia | CA | 91007 | (626) 574-2860 | (626) 574-2897 |
| 32 | Keck Medicine of USC - Arcadia Treatment Center | Hematology<br>Oncology | 125 W. Huntington Dr. | Suite A300 | Arcadia | CA | 91007 | (626) 574-2730 | (626) 574-2770 |
| 33 | Keck Medicine of USC - Beverly Hills | Dermatology<br>Neurology<br>Urology | 9033 Wilshire Blvd. | Suite 360 | Beverly Hills | CA | 90211 | (310) 601-3366<br>Urology: (310) 601-2166 | (310) 601-3344<br>Urology: (310) 601-2161 |
| 34 | Keck Medicine of USC - Beverly Hills Ortho Spine | Orthopaedic Surgery<br>Spinal Disorders | 9033 Wilshire Blvd. | Suite 400 | Beverly Hills | CA | 90211 | (310) 601-2177 | (310) 601-2181 |
| 35 | Keck Medicine of USC - Buena Park | Oncology<br>Medical Oncology / Hematology | 5832 Beach Blvd. | Suite 201 | Buena Park | CA | 90621 | (714) 522-0908 | (714) 522-0919 |
| 36 | Keck Medicine of USC - Buena Park - Radiation Oncology | Radiation Oncology<br>Urology | 5832 Beach Blvd. | Suite 101 | Buena Park | CA | 90621 | (714) 288-2650 | (714) 288-2655 |

| | Practice Name | Specialties | Address 1 | Address 2 | City | State | Zip Code | Practice / Office - Main Phone Number | Fax Number |
|---|---|---|---|---|---|---|---|---|---|
| 37 | Keck Medicine of USC - Downtown Los Angeles | Dermatology<br>Clinical Nutrition<br>Executive Health<br>General Internal Medicine<br>Imaging<br>Neurology/Headache<br>Pulmonary<br>Gynecology<br>Urology | 830 S Flower St. | Suite A100 | Los Angeles | CA | 90017 | (213) 437-1000 | (323) 865-9322 |
| 38 | Keck Medicine of USC - Oncology Hematology - Koreatown | Oncology<br>Hematology | 500 S. Virgil Ave. | Suite 502 | Los Angeles | CA | 90020 | (213) 388-0908 | (213) 388-0919 |
| 39 | Keck Medicine of USC - Pasadena | Cardiology<br>Cardiothoracic<br>Clinical Laboratory<br>Clinical Nutrition<br>Colorectal<br>Dermatology<br>Endocrinology<br>Family Medicine<br>Gyn-Onc<br>Hepatobiliary<br>Med-Onc<br>Neurosurgery<br>Nutrition Medicine and Nutrition Counseling<br>Occupational Therapy<br>Ophthalmology<br>Orthopaedic Surgery<br>Plastics & Reconstructive Surgery<br>Rheumatology<br>Social Services<br>Urology<br>Vascular Surgery | 625 S Fair Oaks Ave. | Suite 400 | Pasadena | CA | 91105 | (626) 568-1622 | (323) 865-9560 |

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|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | | |
| 40 | Keck Medicine of USC - Huntington Beach Healthcare Center | Hematology<br>Oncology<br>Neurology | 19582 Beach Blvd. | Suite 206 | Huntington Beach | CA | 92648 | (714) 861-1000 | (714) 861-1008 |
| 41 | Keck Medicine of USC - Huntington Beach Treatment Center | Hematology<br>Oncology<br>Neurology | 19582 Beach Blvd. | Suite 115 | Huntington Beach | CA | 92648 | (714) 861-4334 | (714) 861-4329 |
| 42 | Keck Medicine of USC - USC Norris Oncology/Hematology Newport Beach | Oncology<br>Hematology<br>Blood Disorders<br>Cancer Therapy | 520 Superior Ave. | Suite 300 | Newport Beach | CA | 92663 | (949) 646-6441 | Main Fax: (877) 865-0887<br>Front Desk Fax Line:<br>(949) 646-5719 |

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|---|---|---|---|---|---|---|---|---|---|
| 43 | Keck Medicine of USC Norris Treatment Center Newport Beach | Infusion Chemotherapy | 300 Old Newport Rd. | | Newport Beach | CA | 92663 | (949) 722-0350 | (949) 722-1986 |

Non-1206(d) Clinics

| | Practice Name | Specialties | Address 1 | Address 2 | City | State | Zip | Practice / Clinic / Office - Main Phone Number | Fax Number |
|---|---|---|---|---|---|---|---|---|---|
| **Non-1206D Ambulatory Practices** | | | | | | | | | |
| 1 | Employee Health Services | General Employee Health | 1510 San Pablo St. | HCC-400 | Los Angeles | CA | 90033 | (323) 442-8355 | (323) 442-8355 |
| 2 | Keck Medicine of USC - USC Student Health | Primary Care | 1031 W. 34th St. | Suite 100 | Los Angeles | CA | 90089 | (213) 740-9355 | |
| 3 | Keck Medicine of USC - Student Health Center - Counseling and Mental Health | Counseling and Mental Health | 1031 W. 34th St. | Suite 304 | Los Angeles | CA | 90089 | (213) 740-9355 | (213) 740-6815 |
| 4 | Eric Cohen Student Health Center | Primary Care | 1510 San Pablo St. | Suite 104 | Los Angeles | CA | 90033 | (323) 442-5631 | (323) 442-6029 |
| 5 | Keck Medicine of USC - Arcadia | Family Medicine | 125 W. Huntington Dr. | Suite A100 | Arcadia | CA | 91007 | (626) 574-2710 | (626) 574-2810 |
| 6 | Keck Medicine of USC - Arcadia | Colorectal Surgery<br>Family Medicine<br>Neurology<br>Spine<br>Urology | 125 W. Huntington Dr. | Suite B200 | Arcadia | CA | 91007 | (626) 574-2800 | (626) 458-6400 |
| 7 | Keck Medicine of USC - Beverly Hills | Otolaryngology | 9033 Wilshire Blvd. | Suite 305 | Beverly Hills | CA | 90211 | (310) 601-3367 | (310) 601-3344 |
| 8 | Keck Medicine of USC - Beverly Hills - Center for Primary Care & Westside Diabetes Center | Primary Care<br>Endocrinology | 9033 Wilshire Blvd. | Suite 406 | Beverly Hills | CA | 90211 | (310) 272-8222 | (310) 272-8206 |

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|---|---|---|---|---|---|---|---|---|---|
| 9 | Keck Medicine of USC - Dermatology | Laser therapy<br>Allergy Test<br>Cosmetic procedures<br>Skin diseases<br>Phototherapy<br>MOHS | 1450 San Pablo St. | Suite 2000 | Los Angeles | CA | 90033 | (323) 442-6200 | (323) 442-6299 |
| 10 | Keck Medicine of USC - Downtown Los Angeles | Dermatology / MOHS<br>Gynecology<br>Neurology<br>Occupational Therapy<br>Orthopaedic Surgery<br>Otolaryngology Head & Neck Surgery | 830 S Flower St. | Suite B100 | Los Angeles | CA | 90017 | (213) 437-1000 | (323) 865-9322 |
| 11 | Keck Medicine of USC - Family Medicine | Family Medicine<br>Geriatrics<br>Pediatrics<br>Primary Care | 1520 San Pablo St. | Suite 1300 | Los Angeles | CA | 90033 | (323) 442-5900 | (323) 442-5714 |
| 12 | Keck Medicine of USC - Glendale | Family Medicine | 1808 Verdugo Blvd. | Suite 112 | Glendale | CA | 91208 | (818) 658-5970 | (818) 658-5952 |
| 13 | Keck Medicine of USC - Glendale Obstetrics and Gynecology and Gynecologic Specialties | Gynecology Generalists, Maternal Fetal Medicine (MFM) and Gynecology Oncology | 1808 Verdugo Blvd. | Suite 413 | Glendale | CA | 91208 | (818) 658-5980 | (818) 658-5989 |
| 14 | Keck Medicine of USC - Keck Signature Care | Primary Care/General Internal Medicine | 1450 San Pablo St. | Suite 1900 | Los Angeles | CA | 90033 | (323) 865-8178 | (323) 865-9588 |
| 15 | Keck Medicine of USC - La Cañada | Cardiology Dermatology<br>Internal Medicine<br>Rheumatology Spine | 1751 Foothill Blvd. | Suite 2 & 3 | La Cañada | CA | 91011 | (818) 952-2171 | (818) 583-4947 |

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|---|---|---|---|---|---|---|---|---|---|
| 16 | Keck Medicine of USC - Pain Center | Medicine Management<br>Trigger Point Therapy<br>Nerve Block<br>Psychological Care | 1520 San Pablo St. | Suite 3450 | Los Angeles | CA | 90033 | (323) 442-6202 | (323) 442-6255 |
| 17 | Keck Medicine of USC - Palmdale | Breast Surgery<br>Colorectal Surgery<br>Urology | 38660 Medical Center Dr. | Suite A200 | Palmdale | CA | 93551 | (661) 273-9644 | (661) 273-9663 |
| 18 | Keck Medicine of USC - Pre-Op Clinic | | 1520 San Pablo St. | Suite 1000 | Los Angeles | CA | 90033 | (323) 442-8682 | (323) 442-8684 |
| 19 | Keck Medicine of USC - Psychiatry | Mood disorder<br>Anxiety<br>OCD<br>Depression<br>Schizophrenia | 1520 San Pablo St. | Suite 1652 | Los Angeles | CA | 90033 | (323) 442-6000 | (323) 442-6001 |
| 20 | Keck Medicine of USC - Psychiatry and Behavioral Health Services | Behavioral Health<br>Psychiatry | 1031 W. 34th St. | Suite 500 | Los Angeles | CA | 90089 | 213-764-2800 | (213) 764-2888 |
| 21 | Keck Medicine of USC - Radiation Oncology - Koreatown | Radiation Oncology | 500 S. Virgil Ave. | Suite 101 | Los Angeles | CA | 90020 | (213) 739-5090 | (213) 739-0919 |
| 22 | Keck Medicine of USC - Santa Clarita | Colorectal Surgery | 25751 McBean Pkwy | Suite 220 | Santa Clarita | CA | 91355 | (661) 839-1800 | (323) 865-9548 |
| 23 | Keck Medicine of USC - Street Medicine | Street Medicine | N/A | N/A | Los Angeles | CA | 90033 | (323) 442-5900 | (323) 442-5714 |

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|---|---|---|---|---|---|---|---|---|---|
| 24 | Keck Medicine of USC - Surgery | Laparoscopic / Bariatric Surgery<br>Breast Reconstructive / Soft Tissue<br>Thoracic Foregut<br>Plastic & Reconstructive<br>Hepatobiliary & Pancreatic<br>Colorectal | 1450 San Pablo St. | Suite 6200 | Los Angeles | CA | 90033 | Bariatric - (323) 442-6868<br>Breast/Soft Tissue/Thyroid - (323) 865-3918<br>Hepatobiliary and Pancreas - (323) 442 5837<br>Plastic & Reconstructive - (323) 442-7920<br>Soft Tissue, Tumor and Endocrine - (323) 865-3918<br>Thoracic (Esophageal and Lung) - (323) 442-9066<br>Upper GI and General Surgery - (323) 442-6868<br>Colorectal - (323) 865-3690 | Hepatobiliary and Pancreas - (323) 442-7173<br>Plastic & Reconstructive - (323) 442-7573<br>Soft Tissue, Tumor and Endocrine - (323) 865-0164<br>Thoracic (Esophageal and Lung) - (323) 442-5872<br>Front Desk - (323) 442-5966 |
| 25 | Keck Medicine of USC - University Park Campus | Internal Medicine<br>Dermatology<br>Gynecology<br>Orthopaedic Surgery | 1031 W. 34th St. | Suite 430 | Los Angeles | CA | 90089 | (213) 821-6500 | Faculty on 4th Floor: (213) 821-7501<br>Internal Medicine: (323) 442-5660 |
| 26 | Keck Medicine of USC - USC Cardiology - Monterey Park | Cardiology | 500 N. Garfield Ave. | Suite 304 | Monterey Park | CA | 91754 | (626) 307-6600 | (626) 656-8076 |

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|---|---|---|---|---|---|---|---|---|---|
| 27 | Keck Medicine of USC - USC Norris Irvine | Hematology<br>Oncology | 16105 Sand Canyon Ave. | Suite 220 | Irvine | CA | 92618 | (949) 474-5730 | (949) 679-2264 |
| 28 | Keck Medicine of USC - USC Orthopaedic Surgery - Sports Medicine and Spine Center | General Orthopaedics<br>Spine<br>Sports Medicine | 555 N. Nash Street | Suite B | El Segundo | CA | 90245 | (855) 727-7678<br>855-SCSPORT | (323) 865-5480 |
| 29 | Keck Medicine of USC - USC Orthopaedic Surgery - Verdugo Hills – Suite 402 | General Orthopaedics | 1818 Verdugo Blvd. | Suite 402 | Glendale | CA | 91208 | (818) 952-0670 | (323) 865-9215 |
| 30 | Keck Medicine of USC - USC Roski Eye Institute - Arcadia | Cornea<br>Glaucoma<br>Retina<br>Oculoplastics<br>Neuro Ophthalmology | 65 North First Ave. | Suite 101 | Arcadia | CA | 91006 | (626) 446-2122 | (626) 446-0513 |
| 31 | Keck Medicine of USC - Verdugo Hills Surgery | Colorectal<br>General Surgery<br>Vascular<br>Plastic<br>Breast<br>Non-Invasive Vascular Testing | 1808 Verdugo Blvd. | Suite 208<br>Suite 209 | Glendale | CA | 91208 | Bariatric - (323) 442-6868<br>Breast/Soft Tissue/Thyroid - (323) 865-3918<br>Hepatobiliary and Pancreas - (323) 442 5837<br>Plastic & Reconstructive - (323) 442-7920<br>Soft Tissue, Tumor and Endocrine - (323) 865-3918<br>Thoracic (Esophageal and Lung) - (323) 442-9066<br>Upper GI and | (323) 865-9517 |

| | Practice Name | Specialties | Address 1 | Address 2 | City | State | Zip | Practice / Clinic / Office - Main Phone Number | Fax Number |
|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | General Surgery - (323) 442-6868 Colorectal - (323) 865-3690 | |
| 32 | USC Fertility | Infertility | 1127 Wilshire Blvd. | Suite 1400 | Los Angeles | CA | 90017 | (213) 975-9990 | (213) 975-9997 |
| 33 | USC Fetal Surgery (OBGYN Maternal-Fetal Medicine) - Pasadena | Acardiac Twins, Alloimmune Thrombocytopenia, Alloimmunization and Fetal Anemia, Amniotic Band Syndrome, Bronchopulmonary Sequestration, Cardiac Abnormalities of the Fetus, Chorioangioma, Congenital Diaphragmatic Hernia, Congenital Pulmonary Airway Malformation of the Lung, Iatrogenic Preterm Premature Rupture of Membranes, Lower Urinary Tract Obstruction, Pleural Effusions, Selective Intrauterine Growth Restrictions, Twin-Twin Transfusion Syndrome, Vasa Previa | 39 Congress St. | Suite 302 | Pasadena | CA | 91105 | (626) 356-3360 | (626) 356-3379 |

| | Practice Name | Specialties | Address 1 | Address 2 | City | State | Zip | Practice / Clinic / Office - Main Phone Number | Fax Number |
|---|---|---|---|---|---|---|---|---|---|
| 34 | USC Occupational Therapy Faculty Practice | Occupational Therapy Specialties: Lifestyle Redesign, Pain Management; Chronic Headache/Migraine Management; Weight Management; Diabetes Management; Mental Health; Primary Care; Ergonomics | 1640 Marengo St | Suite 500 | Los Angeles | CA | 90089 | (323) 442-3340 | |
| 35 | USC Occupational Therapy Faculty Practice, UPC | Occupational Therapy Specialties: Lifestyle Redesign, Pain Management; Chronic Headache/Migraine Management; Weight Management; Diabetes Management; Mental Health; Primary Care; Ergonomics; Student health | 1031 W. 34th Street | Suite 452 | Los Angeles | CA | 90089 | (213) 821-6530 | |
| 36 | USC Perinatal Group (OBGYN Maternal-Fetal Medicine) - Burbank | Prenatal Diagnosis, Fetal Ultrasound, Fetal Echocardiography, Genetic Counseling, Pre-conception counseling, Perinatal Consultation for diabetes, hypertension, thyroid, Amniocentesis, Fetal Blood Sampling | 191 S. Buena Vista St. | Suite 435 | Burbank | CA | 91505 | (818) 845-5802 | (818) 845-5856 |

| | Practice Name | Specialties | Address 1 | Address 2 | City | State | Zip | Practice / Clinic / Office - Main Phone Number | Fax Number |
|---|---|---|---|---|---|---|---|---|---|
| 37 | USC Perinatal Group (OBGYN Maternal-Fetal Medicine) - Downtown Los Angeles | Prenatal Diagnosis, Fetal Ultrasound, Fetal Echocardiography, Genetic Counseling, Pre-conception counseling, Perinatal Consultation for diabetes, hypertension, thyroid, Amniocentesis, Fetal Blood Sampling | 1400 S. Grand Ave. | Suite 805 | Los Angeles | CA | 90015 | (213) 763-1500 | (213) 763-1500 |
| 38 | USC Perinatal Group (OBGYN Maternal-Fetal Medicine) - Hollywood | Prenatal Diagnosis, Fetal Ultrasound, Fetal Echocardiography, Genetic Counseling, Pre-conception counseling, Perinatal Consultation for diabetes, hypertension, thyroid, Amniocentesis, Fetal Blood Sampling | 1300 N. Vermont Ave. | Suite 301 | Los Angeles | CA | 90027 | (323) 361-6070 | (323) 361-6069 |
| 39 | USC Perinatal Group (OBGYN Maternal-Fetal Medicine) - Mission Hills | Prenatal Diagnosis, Fetal Ultrasound, Fetal Echocardiography, Genetic Counseling, Pre-conception counseling, Perinatal Consultation for diabetes, hypertension, thyroid, Amniocentesis, Fetal Blood Sampling | 11550 Indian Hills Rd. | Suite 380 | Mission Hills | CA | 91345 | (818) 256-1460 | (818) 256-1461 |

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|---|---|---|---|---|---|---|---|---|---|
| 40 | USC Perinatal Group (OBGYN Maternal-Fetal Medicine) - Pasadena | Prenatal Diagnosis, Fetal Ultrasound, Fetal Echocardiography, Genetic Counseling, Pre-conception counseling, Perinatal Consultation for diabetes, hypertension, thyroid, Amniocentesis, Fetal Blood Sampling, Chorionic Villus Sampling | 39 Congress St. | Suite 301 | Pasadena | CA | 91105 | (626) 796-2700 | (626) 796-2701 |
| 41 | USC Physical Therapy - Health Sciences Campus, Marengo Clinic | Physical Therapy | 1640 Marengo St. | HRA 102 | Los Angeles | CA | 90033 | (323) 865-1200 | |
| 42 | USC Physical Therapy - University Park Campus | Physical Therapy | 1031 W. 34th St. | Suite 450 | Los Angeles | CA | 90089 | (213) 740-0215 | |
| 43 | USC Village Optometry | Optometry | 835 W. Jefferson Blvd. | Unit 1720 | Los Angeles | CA | 90007 | (213) 740-6960 | |
| **University Physician Associates (UPA) Practices** | | | | | | | | | |
| 44 | Keck Medicine of USC - Bakersfield | Urology | 9500 Stockdale Highway | Suite 202 | Bakersfield | CA | 93311 | (661) 323-6660 | (661) 323-3534 |
| 45 | Keck Medicine of USC - USC Orthopaedic Surgery - Verdugo Hills | General Orthopaedics Spine Hand Foot & Ankle Joint Reconstruction Sports Medicine | 1818 Verdugo Blvd. | Suite 300 | Glendale | CA | 91208 | (818) 658-5920 | (323) 865 - 9215 |

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|---|---|---|---|---|---|---|---|---|---|
| 46 | USC Caruso Family Center for Childhood Communication | Pediatric, Audiology, Speech Language Pathology and Educational Counseling | 1640 Marengo St. | Suite 600 - Clinic Suite 106 - (Audiology) | Los Angeles | CA | 90033 | (213) 764-2843 | (213) 764-2899 |
| 47 | USC Institute of Urology - 1808 Verdugo | Urology | 1808 Verdugo Blvd. | Suite 318 | Glendale | CA | 91208 | (818) 790-1278 | (323) 865-8690 |
| 48 | USC Otolaryngology Associates - Glendale | Otolaryngology | 222 W. Eulalia St. | Suite 200 | Glendale | CA | 91204 | (818) 649-3919 | (818) 507-9115 |
| 49 | USC Otolaryngology Associates - La Cañada | Otolaryngology | 1370 Foothill Blvd. | Suite 100 | La Canada | CA | 91011 | (818) 649-3919 | (818) 952-2632 |

# EXHIBIT A

## Unwind

1. Methodist Unwind Event. If Parent causes a Methodist Unwind Event, Parent shall promptly notify Methodist in writing of the same (the "***Methodist Unwind Event Notice***"). Upon Methodist's receipt of the Methodist Unwind Event Notice, or in the event that Parent fails to properly notify Methodist and Methodist becomes aware of any Methodist Unwind Event, Methodist shall have the right, but not the obligation, to terminate Parent's membership in Methodist (the "***Methodist Unwind Right***") pursuant to the terms of this **Exhibit A**. Methodist shall give Parent notice of Methodist's intent to exercise the Methodist Unwind Right within thirty (30) days of Methodist's receipt of the Methodist Unwind Event Notice from Parent ("***Exercise of Unwind Notice***"), which intent to exercise the Methodist Unwind Right shall have been approved by the affirmative vote of a majority of the actual number of individuals then sitting on the Methodist Board of Directors.

2. Process.

(a) As soon as practical after (i) the receipt of the Exercise of Unwind Notice, (ii) an arbitrator determines that Parent materially breached this Agreement and that unwinding the Affiliation shall be the remedy to resolve such material breach pursuant to Section 12.3 of this Agreement (the "***Breach Unwind***"), or (iii) the occurrence of an Illegality Unwind Event as described in Section 12.1 of this Agreement, the Parties shall meet and confer in order to mutually agree to the actions necessary to effectuate the termination of Parent's membership in Methodist and an estimated date of termination for Parent's membership in Methodist (the "***Anticipated Termination Date***"). Thereafter, Parent and Methodist shall work together in good faith to promptly modify their organizational documents, take all actions agreed to by the Parties, and promptly take all other actions necessary and appropriate to terminate Parent's membership in Methodist, which shall result in Methodist assuming all assets and liabilities of Methodist.

(b) In connection with the termination of Parent's membership in Methodist, and in exchange for fair market value compensation, Methodist may require Parent to provide reasonable management or other administrative services to Methodist on mutually agreed upon terms for a reasonable period of time after Parent's membership in Methodist is terminated to minimize any economic or operational injury to Methodist. Parent and Methodist agree to work together in good faith to agree upon such services if requested by Methodist.

(c) Within ninety (90) days after receiving the Exercise of Unwind Notice, the determination of the Breach Unwind is made, or the occurrence of an Illegality Unwind Event, as applicable, Parent shall provide Methodist its accounting of and anticipated payment dates (all of which shall be prior to the Anticipated Termination Date) during the unwind period of the following amounts due from/due to each other as of the Anticipated Termination Date. In the event that Methodist disagrees with Parent's accounting or payment dates, the Parties shall work in good faith to resolve such dispute prior to the Anticipated Termination Date.

(i) The aggregate amount to be paid by Methodist to Parent shall be equal to: (A) the actual aggregate Strategic Capital invested or contributed by Parent (or its Affiliates) after the Closing Date ("***Investment in Methodist***"), *plus* (B) an amount equal to the Interest (as defined in section 2(c)(ii) below) accrued on the Investment in Methodist until the date of payment.

(ii) For purposes of this Exhibit A, "***Interest***" shall be defined as the amount of interest owed, if any (as of the date of repayment by Methodist), by Parent to the University of Southern California (or its Affiliates) on the Investment in Methodist being repaid to Parent by Methodist.

(d) Once all actions necessary and appropriate to terminate Parent's membership in Methodist have been completed and all payments due from/due to the Parties have been made or agreed to, the Parties shall execute a final notice indicating that all actions have been completed to effectuate the termination of Parent's membership in Methodist (the "***Final Notice***"). The execution date of the Final Notice shall be the date on which Parent's membership in Methodist shall be effectively terminated.

(e) Methodist acknowledges and agrees that if Parent's membership in Methodist has not been effectively terminated within thirty (30) months after Methodist receives the Methodist Unwind Event Notice, then unless the Parties otherwise agree in writing, the Methodist Unwind Right shall automatically expire and terminate as to that Methodist Unwind Event Notice.

2. No Restrictions. In the event Parent's membership in Methodist is terminated pursuant to the terms set forth in this **Exhibit A**, the Parties acknowledge and agree that after the effective date of such membership termination there shall be no restrictions on the operations or actions of any Party or its affiliated entities. Without limiting the generality of the foregoing, in the event Parent's membership in Methodist is terminated pursuant to the terms set forth in this **Exhibit A**, the Parties: (a) shall not be restricted from competing with each other in any way; and (b) shall not be restricted from soliciting or recruiting each other's employees or affiliated physicians in any way. The Parties further acknowledge and agree that in the event Parent's membership in Methodist is terminated pursuant to the terms set forth in this **Exhibit A**, any medical practitioner providing services on behalf of Parent, Methodist or any of their respective Affiliates may elect to either: (i) continue providing services on behalf of such entity; or (ii) provide services for any other entity. The Parties agree that Methodist and Parent may solicit physicians and other providers during any unwind period.

3. Termination of Agreement. Notwithstanding anything in this Agreement that may be construed to the contrary, the Parties acknowledge and agree that in the event Parent's membership in Methodist is terminated pursuant to the terms set forth in this **Exhibit A** (either as a result of a Methodist Unwind Event, Breach Unwind, or an Illegality Unwind Event), this Agreement shall automatically terminate upon the effective date of the termination of Parent's membership interest in Methodist.

# Attachment 2.1(a)

**Amended and Restated Articles of Incorporation of Methodist**

Attached.

**AMENDED AND RESTATED ARTICLES OF INCORPORATION**
**OF**
**METHODIST HOSPITAL OF SOUTHERN CALIFORNIA**
**A California Nonprofit Public Benefit Corporation**

THE UNDERSIGNED CERTIFY THAT:

1. They are the President and Secretary, respectively, of Methodist Hospital of Southern California, a California nonprofit public benefit corporation (this "Corporation").

2. The Articles of Incorporation of this Corporation are amended and restated to read as follows:

**ONE**: The name of this corporation is USC ARCADIA HOSPITAL.

**TWO**: This corporation's address is 300 West Huntington Drive, Arcadia, California, 91007.

**THREE**: The name and address in the State of California of this corporation's initial agent for service of process is:

William Grigg
300 West Huntington Drive
Arcadia, California, 91007

**FOUR**: This corporation is a nonprofit public benefit corporation and is not organized for the private gain of any person. It is organized under the California Nonprofit Public Benefit Corporation Law for public and charitable purposes. This corporation is organized and operated exclusively for the following charitable, scientific, and educational purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986, as now in effect or as may hereafter be amended (the "Code"), and Section 214 of the California Revenue and Taxation Code, as now in effect or as may hereafter be amended (the "R&TC"):

1) To establish, equip, maintain, and operate a nonprofit hospital as part of the integrated health care system of USC Health System;

2) To coordinate the activities of this corporation in a manner that enhances the accessibility, quality and cost-effectiveness of health care services related to the communities served by this corporation, provides associated services including, but not limited to, outpatient care and emergency care, to all persons without regard to sex, race, age, religion, creed, color or national origin, sexual orientation, or physical or mental disability, and supports the educational and research missions of this corporation and USC Health System;

3) To participate in activities designed and carried on to provide and improve the general public health and health of patients served by this corporation and USC Health System; and

4) In furtherance of the purpose, mission and activities of this corporation and USC Health System, to provide other forms of aid and assistance to, for the benefit of, or in connection with the nonprofit components of this corporation and USC Health System.

In furtherance thereof, this corporation may receive property by gift, devise or bequest, invest or reinvest the same, and apply the income and principal thereof, as the directors may from time to time determine, either directly or through contributions to any charitable organization or organizations, exclusively for charitable, scientific, or educational purposes, and engage in any lawful act or activity for which corporations may be organized under the California Nonprofit Public Benefit Corporation Law. In furtherance of its corporate purposes, this corporation shall have all the general powers enumerated in Sections 5140 and 5141 of the California Nonprofit Public Benefit Corporation Law, as now in effect or as may hereafter be amended, together with the power to solicit grants and contributions for such purposes.

**FIVE**: The sole member of this corporation shall be USC Health System, a California nonprofit public benefit corporation (the "Member"). The rights of the Member shall be as fixed in this corporation's Bylaws.

**SIX**: No substantial part of the activities of this corporation shall consist of carrying on propaganda, or otherwise attempting to influence legislation (except as otherwise permitted by Section 501(h) of the Code and in any corresponding laws of the State of California), and this corporation shall not participate in or intervene in (including the publishing or distribution of statements concerning) any political campaign on behalf of (or in opposition to) any candidate for public office.

Notwithstanding any other provision of these Articles of Incorporation, this corporation shall not, except to an insubstantial degree, carry on any activity or exercise any powers not permitted to be carried on or exercised (a) by a corporation exempt from Federal income taxation as a corporation described in Section 501(c)(3) of the Code, or (b) by a corporation, contributions to which are deductible under Section 170(c)(2) of the Code.

**SEVEN**: The property of this corporation is irrevocably dedicated to charitable, scientific, and educational purposes meeting the requirements for exemption under Section 214 of the R&TC and Section 501(c)(3) of the Code. No part of the net earnings of this corporation shall inure to the benefit of, or be distributable to any director or officer of this corporation, or any other private person, except that this Corporation shall be authorized and empowered to pay reasonable compensation for services rendered to or for this Corporation and to make payments and distributions in furtherance of the purposes set forth in Article FOUR hereof.

In the event of dissolution or final liquidation of this corporation, all of the remaining assets and property of this corporation shall, after paying or making provision for the payment of all of the liabilities and obligations of this corporation and for necessary expenses thereof, be distributed in accordance with this corporation's Bylaws, *provided*, that any such reciepient shall be an organization described in Section 214 of the R&TC and Section 501(c)(3) (or successor provision) of the Code. In no event shall any of such assets or property be distributed to any director or officer, or any private individual.

3. The foregoing Amended and Restated Articles of Incorporation of this Corporation have been duly approved by the required vote of the board of directors of this Corporation.

4. The foregoing Amended and Restated Articles of Incorporation of this Corporation have been approved by the required vote of the members of this Corporation.

*(Remainder of page intentionally left blank)*

We further declare under penalty of perjury under the laws of the State of California that the matters set forth in this Declaration are true and correct of our knowledge:

Dated: _____

By: _____
Name: Dan Ausman
Title: President and CEO

By: _____
Name: William Grigg
Title: Secretary

# Attachment 2.1(b)

**Amended and Restated Bylaws of Methodist**

Attached.

# BYLAWS
# OF
# USC ARCADIA HOSPITAL

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## ARTICLE I
## PURPOSE OF THE CORPORATION

**1. Name.**

The name of this corporation is USC Arcadia Hospital, and references to this "**Corporation**" shall mean USC Arcadia Hospital, a California nonprofit public benefit corporation. References herein to "Hospital" refer to that certain general acute care hospital in Arcadia, California known as USC Arcadia Hospital that is owned and operated by the Corporation. References herein to the "Law" refer to the Nonprofit Corporation Law of the State of California.

**2. Purposes**.

This Corporation is established for the purposes set forth in the Articles of Incorporation.

The property of this Corporation is irrevocably dedicated to charitable purposes. No part of the net income or assets of this Corporation shall ever inure to the benefit of any director or Officer thereof, or to the benefit of any other private person. The Corporation is a nonprofit public benefit corporation and is not organized for the private gain of any person. It is organized under the California Nonprofit Public Benefit Corporation Law (the "**Law**") for public and charitable purposes. The Corporation is organized for the charitable, scientific and educational purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986, as now in effect or as may hereafter be amended (the "**Code**"), and Section 214 of the California Revenue and Taxation Code, as now in effect or as may hereafter be amended (the "**R&TC**"), as set forth in the Articles of Incorporation.

**3. Dissolution**.

Upon the dissolution or winding up of this Corporation during the period that is five (5) years after the Closing Date (such period, the "**Transition Period**"), its assets remaining after payment, or provision for payment, of all debts and liabilities of this Corporation shall be distributed to the United Methodist Women of the California Pacific Conference of the United Methodist Church ("**UMW**"), provided that if, at that time UMW is not an organization described in Section 214 of the R&TC and Section 501(c)(3) (or successor provision) of the Code, then said assets shall be distributed to another organization then described in Section 214 of the R&TC and Section 501(c)(3) (or successor provision) of the Code, as this Corporation's Board of Directors may select.

Upon the dissolution or winding up of this Corporation after the Transition Period, its assets remaining after payment, or provision for payment, of all debts and liabilities of this Corporation shall be distributed to the Sole Member, provided that if, at that time the Sole Member is not an organization described in Section 214 of the R&TC and Section 501(c)(3) (or successor provision) of the Code, then said assets shall be distributed to another organization then described in Section 214 of the R&TC and Section 501(c)(3) (or successor provision) of the Code, as the Sole Member may select.

**4. Unwind**.

If a Final Notice (as defined in the Affiliation Agreement) indicating that all actions have been completed to effectuate the termination of Sole Member's membership in this Corporation is executed by Sole Member and this Corporation, then, effective on the date of such execution, and subject to full compliance with Section 5341 of the California Corporations Code, the following shall occur: (a) the Sole Member shall automatically, without any action or further notice required, cease to be a member of this Corporation, and (b) the individuals then serving on the Board of Directors who were nominated by this Corporation shall automatically, without any action or further notice required, become members of this Corporation, authorized and empowered to take all actions which members of this Corporation are entitled to take under applicable law, this Corporation's Articles of Incorporation, and these Bylaws. Without limiting the generality of the foregoing, such new member(s) may immediately take all actions necessary or desirable to remove existing Directors of this Corporation, amend this Corporation's Articles of Incorporation, and amend these Bylaws; *provided* that such amendments are consistent and in compliance with Section 214 of the R&TC and Section 501(c)(3) of the Code.

## ARTICLE II
## OFFICES AND SEAL

**1. Offices**.

The principal office for the transaction of the business of the Corporation shall be in the County of Los Angeles, State of California. The Corporation may also have an office or offices within or outside the State of California as the Board of Directors may from time to time establish.

**2. Seal**.

The Corporation may, but shall not be required to, have a corporate seal, and the same shall have inscribed thereon the name of the Corporation, the date of its incorporation and the word "**California**."

## ARTICLE III
## MEMBERSHIP

**1. Membership**.

The membership of the Corporation shall consist of a single member, USC Health System, a California nonprofit public benefit corporation (the "**Sole Member**").

**2. Actions by the Sole Member**.

(a) Action of the Sole Member. The Sole Member may act by or through its Board of Directors, the President of the Sole Member, or by or through any committee, person or persons duly authorized by its Board of Directors to act in the name and on behalf of the Sole Member in its capacity as Sole Member of the Corporation.

(b) Methods of Voting and Other Actions of the Sole Member; Action by Written Consent. Any action required or permitted to be taken by the Sole Member at a meeting may be taken without a meeting if the Sole Member shall consent in writing to such action. Such consent shall have the same force and effect as a vote of the Sole Member at a meeting, so long as it is executed in its name by an authorized officer of the Sole Member. The written consents of the Sole Member shall be filed with the minutes of the proceedings of the Corporation.

**3. Rights of the Sole Member**.

Subject to the terms of that certain Affiliation Agreement entered into by and between the Sole Member and this Corporation, executed on October 11, 2021 (the "**Affiliation Agreement**"), which was consummated on [_____], 2022 (the "**Closing Date**") and the rights and authority expressly reserved to the Board of Directors of this Corporation under the Law or these Bylaws, the Sole Member shall have all rights, privileges, preferences, and powers of a "member" under Law and the authority to exercise all powers of the Corporation, including as follows:

(a) Subject to the approval powers reserved to the Board of Directors in Article IV of these Bylaws, the Sole Member shall have the power to approve the following actions (and after the termination of the Interim Period, the Sole Member shall have the right to initiate the taking of any of the following actions):

(i) Any change in the structure of this Corporation that affects its tax-exempt status;

(ii) The discontinuation of any material clinical service line at the Hospital;

(iii) Any material change to the mission, vision, and values of this Corporation;

(iv) Any change to the size, qualifications or composition of the Board of Directors, including the number of Directors who must reside within the City of Arcadia and the number of Directors who must be members of the Hospital medical staff, as set forth in Article IV, Section 3 of these Bylaws;

(v) Any amendment or restatement of this Corporation's Articles of Incorporation or Bylaws (subject to Article XIV of these Bylaws); and

(vi) Any reduction or elimination of the services or operations of the Hospital required to be maintained under the terms of the Affiliation Agreement for the duration of the ten (10) year period commencing as of the Closing Date (such period, the "**Interim Period**").

(b) The Sole Member shall have the power to take the following actions:

(i) Develop the annual operating and capital budget of this Corporation in collaboration with the recommendations of the Board of Directors, *provided* that

the Sole Member will have the final authority to approve each annual operating and capital budget;

(ii) Establish the capital expenditure thresholds for this Corporation in collaboration with the recommendations of the Board of Directors, *provided* that the Sole Member will have the final authority to establish all capital expenditure thresholds;

(iii) After the expiration of the three (3) year period following the Closing Date, the final authority to approve the compensation and benefit plans of the following Officers of this Corporation: Chief Executive Officer ("**CEO**"), Chief Strategy Officer, Chief Operating Officer, Chief Financial Officer, Chief Medical Officer, Chief Human Resources Officer, Chief Nursing Officer, Chief Compliance and Risk Officer, and the President of the Foundation (collectively, the "**Executive Team**") and the final authority to remove each from their senior management position;

(iv) Hiring and removal of the CEO of the Corporation, subject to the following: (A) the right of the Board of Directors to consult with and propose nominations of each successor CEO (each, a "**Successor CEO**") to the CEO holding office on the Closing Date (the "**Initial CEO**"), and (B) the right of the Initial CEO to make a recommendation regarding his Successor CEO, and (C) the restrictions on removal of such individual under Section 3(b)(iii) of Article III of these Bylaws;

(v) Hiring and removal of all successor members of the Executive Team (other than the CEO), subject to the restrictions on removal of such individuals under Section 3(b)(iii) of Article III of these Bylaws, as applicable;

(vi) Appointment of successor members to the Board of Directors in place as of the Closing Date, subject to the right of the Board of Directors to recommend nominees for each such appointment;

(vii) After the Transition Period, the right to remove members from the Board of Directors, subject to the right of the Board of Directors to consult on any such removals;

(viii) Develop or modify all strategic and business plans for this Corporation, subject to input from the Board of Directors;

(ix) Approve any settlement or consent decree on behalf of this Corporation with any government authority;

(x) Select the independent auditor for this Corporation;

(xi) The right to make recommendations, in collaboration with the recommendations of the Board of Directors, to the Board of Trustees of University of Southern California, the Sole Member's sole member ("**USC**") regarding: (A)

new indebtedness for this Corporation; (B) changes to the existing indebtedness structure of this Corporation; and (C) which legal entities affiliated with the Sole Member, should be included in the obligated group for bond financing purposes; and

(xii) Subject to Section 12.6(b) of the Affiliation Agreement, the right to replace any existing Methodist hospital-based provider agreements (*e.g.*, emergency department, anesthesia, critical care, hospitalists, etc.) with Sole Member-based provider agreements in accordance the limitations described in Section 12.6(b) of the Affiliation Agreement.

## ARTICLE IV
## BOARD OF DIRECTORS

**1. Powers**.

Except as otherwise provided by law, by this Corporation's Articles of Incorporation, these Bylaws or the Affiliation Agreement, the activities and affairs of the Corporation, including as related to quality of care and operating performance, shall be conducted and all corporate powers shall be exercised by or under the direction of the Board of Directors, subject to any necessary approvals of the Sole Member as described herein and in the Affiliation Agreement. The Board of Directors may delegate the management of the Corporation to any person or persons, management company or committee however composed, *provided* that the affairs of the Corporation shall be managed and all corporate powers shall be exercised by or under the direction of the Board of Directors, as consistent and in compliance with the Corporation's Articles of Incorporation, these Bylaws, and the Affiliation Agreement. Subject to the powers reserved to the Sole Member as set forth in these Bylaws and the applicable terms of the Affiliation Agreement, the Board of Directors shall have the power and responsibility to take the following actions:

(a) Approve any change of control of Methodist Hospital Foundation, this Corporation's wholly-owned subsidiary (the "**Foundation**");

(b) Approve any use of the Foundation's assets that are not used for this Corporation and the Corporation's local area purposes;

(c) In accordance with the time periods identified in Section 12.5(a)(iv) of the Affiliation Agreement, approve any action that would result in this Corporation no longer being identified as the exclusive hospital member of the Sole Member within the "**Methodist PSA**" and in the "**Methodist SSA**" (as each such term is defined under the Affiliation Agreement);

(d) During the three (3) year period immediately following the Closing Date, the sole authority to remove, or reduce the compensation and benefit plans of, the Executive Team;

(e) After the Transition Period, the right to consult on the removal of any remaining incumbent member of the Board of Directors;

(f) Nominate the individual serving as the first Successor CEO;

(g) Consult on the selection and removal of each CEO;

(h) Nominate successor members to serve on the Board of Directors, subject to approval of the Sole Member in accordance with Section 3(b)(vi) of Article III of these Bylaws;

(i) During the Interim Period, approve the following actions:

(i) Any change in the structure of this Corporation that affects its tax-exempt status;

(ii) The discontinuation of any material clinical service line at the Hospital;

(iii) Any material change to the mission, vision, and values of this Corporation;

(iv) Any change to the size, qualifications or composition of the Board of Directors, including the number of Directors who must reside within the City of Arcadia and the number of Directors who must be members of the Hospital medical staff, as set forth in Article IV, Section 3 of these Bylaws;

(v) Any amendment or restatement of this Corporation's Articles of Incorporation or Bylaws (subject to Article XIV of these Bylaws); and

(vi) Any reduction or elimination of the services or operations of the Hospital required to be maintained under the terms of the Affiliation Agreement for the duration of the Interim Period.

(j) Nominate one (1) voting member to serve on the Sole Member's Board of Directors to serve in accordance with the Sole Member's Bylaws, and one (1) representative to be invited to attend the Sole Member's Board of Directors meetings without vote, each subject to the Sole Member's approval (which shall not be unreasonably withheld);

(k) During the Transition Period, retain discretion over the use of all cash, cash equivalents, and investments held by the Corporation immediately prior to the Closing Date for uses that benefit the Corporation and the Corporation's local area, which shall include servicing the Corporation's debt and providing for routine capital needs, subject to the Sole Member's authority to review and approve expenditures that individually or in the aggregate exceed Five Million Dollars ($5,000,000) (except with respect to the occurrence of a "Methodist Unwind Event," as such term is defined in the Affiliation Agreement);

(l) During the three (3) year period immediately following the Closing Date, approve the Sole Member's addition of any new hospital member or any hospital-based clinical service program, including through the expansion of an existing clinical service program and USC-affiliated physician practice location as set forth on Schedule 12.5(a)(iv) of the Affiliation Agreement, to a new location within the "**Methodist SSA**" (as defined under the Affiliation Agreement);

(m) Subject to Section 12.6(b) of the Affiliation Agreement, the right to terminate any hospital-based provider agreements of the Hospital (e.g., emergency department, anesthesia, critical care, hospitalists, etc.); and

(n) Subject to, and in accordance with, the terms of the Affiliation Agreement and Section 5341 of the California Corporations Code, during the Transition Period, the Board of Directors shall have the right to terminate the membership of the Sole Member in the event that any of the following events occur:

(i) The Sole Member takes or approves any of the following events without obtaining the approval of the Board of Directors: (A) the closure of the Hospital or the dissolution of the Corporation, (B) the sale, transfer, or disposition of all or substantially all of the assets of the Corporation, (C) any action that causes another entity to become the beneficial owner of one hundred percent (100%) of the voting ownership interests of the entity that owns the Hospital, or (D) the Sole Member undergoes a change of corporate member that results in USC no longer being the majority member of the Sole Member;

(ii) An arbitrator determines that the Sole Member materially breached the Affiliation Agreement and identifies the termination of the Sole Member's membership of the Corporation as the remedy for such material breach; or

(iii) A final determination is made in accordance with Section 12.1 of the Affiliation Agreement that the affiliation of the Corporation and the Sole Member under the Affiliation Agreement is illegal and the Corporation and the Sole Member are unable to mutually agree upon any necessary alteration to the Affiliation Agreement and/or their respective governance documents (including these Bylaws), or if such alteration is not legally possible.

**2. Certain Limitations on Power**. Subject to Article IV, Section 1(n) and without otherwise limiting any right of the Sole Member provided in these Bylaws, after the Closing Date, the Board of Directors will not, without the prior approval of the Sole Member, take any of the following actions:

(a) Enter into any change of control transaction with respect to this Corporation, including any transaction in which the Sole Member would no longer be the sole member of this Corporation;

(b) Merge, consolidate, convert or otherwise reorganize this Corporation;

(c) Dissolve this Corporation;

(d) Change the tax status of this Corporation as a tax-exempt organization or as a public charity;

(e) Amend the mission or charitable purposes of this Corporation; or

(f) Sell, transfer or otherwise dispose of a significant portion of the assets of this Corporation.

**3. Number and Qualification**.

(a) The Board of Directors shall consist of no more than fifteen (15) directors (each, a "**Director**" and collectively, the "**Directors**" or "**Board of Directors**" or "**Board**"). The Board of Directors shall be appointed by the Sole Member, subject to and in accordance with Article III, Section 3.

(i) All Directors shall fulfill at least one (1) of the competencies from the Core Competencies Matrix developed and approved by the Governance Committee;

(ii) Not less than twenty-five percent (25%) of the Directors shall be residents of the City of Arcadia, California;

(iii) Not less than seventy-five percent (75%) of the Directors shall be residents of Southern California;

(iv) Not less than two (2) of the Directors shall be practicing physicians that are members in good standing of the medical staff of the Hospital;

(v) Not less than two (2) of the Directors shall be appointed by the Sole Member, one of which shall be non-management member of the Sole Member's Board of Directors or a member of the USC Board of Trustees, based on availability and appropriateness; and

(vi) One (1) of the Directors shall be the President of the United Methodist Women of the California Pacific Conference of the United Methodist Church ("**UMW**"). If she is unable to serve, the Executive Committee of the UMW may nominate another member of the Executive Committee to serve as an *ex-officio* Director with a vote.

(b) The Board of Directors shall invite *ex officio* non-voting representatives to attend meetings of the Board of Directors, as follows:

(i) During the Transition Period, the Sole Member may invite *ex officio* non-voting representatives to meetings of the Board of Directors on an as needed basis;

(ii) After the Transition Period, two (2) shall be identified by the Sole Member on an *ad hoc* basis;

(iii) One (1) shall be the Chief of Staff of the Medical Staff of the Hospital; and

(iv) One (1) shall be the Chairman of the Board of the Foundation.

Persons serving as non-voting representatives shall be invited to all Board of Directors meetings and have the opportunity to hear and be heard on all matters not discussed in

executive session. Non-voting representatives shall not be taken into account for purposes of notice, quorum, voting or other rights to which directors are entitled under the Law and these Bylaws.

**4. Interested Persons as Directors**.

No more than forty-nine percent (49%) of the persons serving on the Board may be "interested persons." An interested person is (a) any person compensated by the Corporation for services rendered by such person within the previous twelve (12) months, whether as a full-time or part-time employee, independent contractor, or otherwise, excluding any reasonable compensation paid to a Director for services in such capacity; and (b) any brother, sister, ancestor, descendant, spouse, brother-in-law, sister-in-law, son-in-law, daughter-in-law, mother-in-law, or father-in-law of such person. Notwithstanding the above, any violation of this paragraph shall not affect the validity or enforceability of transactions entered into by the Corporation.

**5. Term, Election and Tenure**.

(a) The Directors listed in Article IV, Section 3(a)(vi) shall be Directors while their aforementioned terms of office continue, or for such Directors identified by the Sole Member, for the duration as determined by the Sole Member. The remaining Directors of the Board of Directors shall be classified so that the term of office of one-third (1/3) of their number shall be elected or re-elected by the Sole Member, subject to the right of the Board of Directors to recommend nominees for each such appointment and subject to the following: the term of office of each Director serving at the time that these Bylaws are adopted (i.e., as of the Closing Date) shall be a period of five (5) years, and thereafter, each Director shall serve for a period of three (3) years and until the election of his or her successor. The term of office of a non-voting Representative serving due to his or her position shall be coterminous with his or her position, such that he or she shall remain a non-voting Representative so long as he or she remains in that position and shall be succeeded by the next individual who occupies the indicated office.

(b) Other than the Directors listed in Article IV, Section 3(a)(vi), no Director shall serve for more than four (4) consecutive full terms or twelve (12) consecutive years, whichever is the last to occur. Such a Director who has served up to such maximum terms or years shall only be eligible for re-election after the lapse of a one (1) year period while such person does not serve on the Board. The term limits of this Section 5(b) shall not apply to those persons who serve as *ex officio* representatives invited to attend meetings of the Board of Directors.

**6. Resignation**.

Any Director may resign at any time, either by oral tender of resignation at any meeting of the Board of Directors or by giving written notice thereof to the Secretary of the Corporation. Such resignation shall take effect at the time specified therefor and, unless otherwise specified with respect thereto, the acceptance of such resignation shall not be necessary to make it effective. Notwithstanding the foregoing, no Director may resign if the Corporation would then be left without a duly appointed director or directors in charge of its affairs, except upon notice to the California Attorney General.

**7. Removal**.

(a) A Director may be removed, with or without cause, as follows:

(i) During the Transition Period, by the action of two-thirds (2/3) of the authorized number of Directors; and

(ii) After the Transition Period, by the Sole Member, in consultation with the Board of Directors.

(b) The Board of Directors, or after the Transition Period, the Sole Member (subject to the restrictions of Section 7(a)(i)), may declare vacant the office of a Director who has been declared of unsound mind by a final order of court, or convicted of a felony, or been found by a final order or judgment of any court to have breached any duty under the standards of conduct required of directors under the Law, or if the director has unexcused failure to attend three (3) regular Board meetings during any consecutive twelve (12) months. "Unexcused failure to attend" refers to failures to attend meetings where (i) the Director has not notified the Chairman of the Board, the President or the Secretary of the anticipated nonattendance and the reason(s) therefor at least five (5) hours in advance of the scheduled time of a Board meeting, and (ii) the Chairman or a majority of the Board of Directors has not found the reason(s) sufficient.

**8. Vacancies**.

Any vacancy occurring in the Board of Directors shall be filled by the Sole Member, subject to the right of the Directors to recommend nominees for each such appointment and any requirements for the Director whose office is vacant. A Director elected to fill a vacancy occurring in the Board of Directors shall serve for the unexpired term of his or her predecessor in office.

**9. Organizational Meeting of the Board of Directors**.

The annual or organizational meeting of the Board of Directors shall be held on the date designated by the Board of Directors for the purpose of conducting necessary actions or any such other business as may come before the meeting.

**10. Regular Meetings**.

Regular meetings of the Board of Directors shall be at such time and place as the Board may fix by resolution from time to time.

**11. Special Meetings**.

Special meetings of the Board of Directors may be called by or at the request of two (2) or more Directors, the Chairman, the Vice Chairman, the President and Chief Executive Officer, or the Secretary.

**12. Notice of Meetings.**

Notice of the time and place of all meetings shall be delivered personally or by telephone, including a voice messaging system or by electronic transmission by the Corporation to each Director or sent by first-class mail, charges prepaid, addressed to each Director at the Director's address as it is shown on the records of the Corporation. In case the notice is mailed, it shall be deposited in the United States mail at least four (4) days before the time of the holding of the meeting. In case the notice is delivered personally or by telephone, it shall be delivered personally or by telephone at least forty-eight (48) hours before the time for the holding of the meeting. The notice need not specify the purpose of the meeting nor the place if the meeting is to be held at the principal office of the Corporation.

**13. Quorum and Voting.**

A majority of the authorized number of voting members of the Board of Directors shall constitute a quorum for the transaction of business at any meeting of the Board of Directors, but if fewer than a majority thereof are present at the meeting, a majority of the Directors present may adjourn and reconvene the meeting from time to time without further notice. If the meeting is adjourned for more than twenty-four (24) hours, notice of an adjournment to another time or place shall be given prior to the time of the adjourned meeting to the Directors who were not present at the time of the adjournment.

Each voting Director shall have one (1) vote on each matter presented to the Board of Directors for action. No Director may vote by proxy.

**14. Validation of Meeting.**

The transactions of the Board of Directors at any meeting, however called or noticed or wherever held, shall be as valid as though had at a meeting duly held after call and notice if a quorum be present and if, either before or after the meeting, each Director not present signs a written waiver of notice or a consent to the holding of such meeting or an approval of the minutes thereof. Notice of a meeting shall also be deemed given to any Director who attends the meeting without protesting the lack of adequate notice before the meeting or at its commencement. All such waivers, consents or approvals shall be filed with the corporate records and made a part of the minutes of the meeting.

**15. Unanimous Action Without Meeting.**

An action required or permitted to be taken by the Board of Directors may be taken without a meeting if all Directors individually or collectively consent in writing to that action and if, subject to subdivision (a) of Section 5224 of the Law, the number of Directors then in office constitutes a quorum. The written consent or consents shall be filed with the minutes of the proceedings of the Board of Directors. The action by written consent shall have the same force and effect as a unanimous vote of the Directors. For purposes of this paragraph only, "all Directors" does not include an "interested director" as defined in subdivision (a) of Section 5233 of the Law or a "common director" as described in subdivision (b) of Section 5234 of the Law who abstains in writing from providing consent, where (1) the facts described in paragraph (2) or (3) of subdivision

(d) of Section 5233 of the Law are established or the provisions of paragraph (1) or (2) of subdivision (a) of Section 5234 of the Law are satisfied, as appropriate, at or prior to execution of the written consent or consents; (2) the establishment of those facts or satisfaction of those provisions, as applicable, is included in the written consent or consents executed by the non-interested or non-common Directors or in other records of the Corporation; and (3) the non-interested or non-common directors, as applicable, approve the action by a vote that is sufficient without counting the votes of the interested directors or common directors.

Any certificate or other document filed on behalf of this Corporation relating to an action taken by the Board of Directors without a meeting shall state that the action was taken by unanimous written consent of the Board without a meeting, and that the Bylaws of the Corporation authorize its Directors to so act.

**16. Telecommunications Equipment**.

Directors may participate in a meeting through use of conference telephone, electronic video screen communication or other communications equipment. Participation in a meeting through use of conference telephone or electronic video screen communication or other communications equipment constitutes presence in person at that meeting as long as all Directors participating in the meeting are able to hear one another. Directors may also participate through use of electronic transmission by and to the Corporation (as permitted by and in compliance with Sections 20 and 21 of the California Corporations Code) if both of the following apply:

(a) each Director participating in the meeting can communicate concurrently with all other Directors; and

(b) each Director is provided the means of participating in all matters before the Board, including the capacity to propose or to interpose an objection to, a specific action to be taken by the Corporation.

**17. Compensation**.

The Corporation shall not pay any compensation to Directors for services rendered to the Corporation, except that Directors may be reimbursed for expenses incurred in the performance of their duties to the Corporation, in reasonable amounts as approved by the Board of Directors.

**18. Director Emeritus**.

The Board of Directors may appoint one or more former Directors to serve as Directors Emeritus. Upon request of the Chairman of the Board, such Directors Emeritus may serve as advisors to the Board of Directors. All Directors Emeritus shall be invited to attend the annual meeting. A Director Emeritus shall not have the authority to vote.

**19. Contracts with Directors**.

Neither the Board of Directors nor any committee of the Board of Directors shall approve or permit the Corporation to engage in a contract or transaction between the Corporation and any

domestic or foreign corporation, firm or association of which one or more of the Corporation's Directors is a director, unless:

(a) The material facts as to the contract or transaction and as to such Director's other directorship, officership, or financial interest are fully disclosed in good faith and noted in the minutes or known to the Board, and the Board authorizes, approves or ratifies the contract or transaction in good faith by a vote sufficient without counting the vote of the interested Director or Directors.

(b) Before authorizing or approving the transaction, the Board considers and in good faith decides after reasonable investigation, that the Corporation could not obtain a more advantageous arrangement with reasonable effort under the circumstances.

(c) The Corporation, for its own benefit enters into the transaction, which is fair and reasonable to the Corporation at the time the transaction is entered into.

(d) This Section shall not apply to a transaction that is part of an educational, religious or charitable program of this Corporation if it: (i) is approved or authorized by the Corporation in good faith and without unjustified favoritism, and (ii) results in a benefit to one or more Directors or their families because they are in the class of persons intended to be benefited by the educational, religious or charitable program of this Corporation.

**20. Conflict of Interest Policy.**

The Sole Member shall adopt on behalf of the Corporation a conflict of interest policy (the "**Conflict of Interest Policy**") applicable to the Directors and Officers and, as the Sole Member deems appropriate, to employees and agents of the Corporation, which shall establish procedures for disclosure and resolution of conflicts of interest, material financial interests, interlocking directorships, business and familial relationships and similar matters of significance to the integrity of decision making on behalf of the Corporation.

**21. Directors' Inspection Rights**.

Every Director shall have the right at any reasonable time to inspect the Corporation's books, records, and documents of every kind, and to inspect the physical properties of the Corporation. The inspection may be made in person or by the Director's agent or attorney. The right of inspection includes the right to copy and make extracts of books, records, and documents of every kind, subject to the requirements and restrictions of federal and state protected health information and privacy laws and regulations.

**22. Annual Report**.

The Board shall cause an annual report to be sent to the Directors within one hundred twenty (120) days after the end of the Corporation's fiscal year. The report shall contain the following information, in appropriate detail: (a) the assets and liabilities, including the trust funds, of the Corporation as of the end of the fiscal year; (b) the principal changes in assets and liabilities, including trust funds during the fiscal year; (c) the Corporation's revenue or receipts, both unrestricted and restricted to particular purposes; (d) the Corporation's expenses or disbursements

for both general and restricted purposes during the fiscal year; (e) any other information required by these Bylaws; and (f) an independent accountant's report or, if none, the certificate of an authorized Officer of the Corporation that such statements were prepared without audit from the Corporation's books and records. If the Board approves, the Corporation may send the report and any accompanying material sent pursuant to this section by electronic transmission.

**23. Annual Statement of Transactions with Interested Persons and of Indemnification**.

The Corporation annually shall prepare and mail, deliver, or send by electronic transmission by the Corporation to each Director a statement of any transaction or indemnification of the following kind: (a) Any transaction: (i) in which the Corporation was a party, (ii) in which an "interested person" had a direct or indirect material financial interest, and (iii) that involved more than $50,000 or was one of several transactions with the same interested person involving, in the aggregate, more than $50,000. For this purpose, an "interested person" is any Director or Officer of the Corporation or its Sole Member, or its subsidiary(ies); or any holder of more than ten percent (10%) of the voting power of the Corporation, its Sole Member, or its subsidiary(ies). The statement shall include a brief description of the transaction, the names of interested persons involved, their relationship to the Corporation, the nature of their interest in the transaction, and, if practicable, the amount of that interest, *provided* that if the transaction was with a partnership in which the interested person is a partner, only the interest of the partnership need be stated; and (b) any indemnification sums or advances aggregating more than $10,000 paid during the fiscal year to any Officer or Director of the Corporation under these Bylaws.

**24. Standard of Care.**

A Director shall perform the duties of a director, including duties as a member of any board committee on which the director may serve, in good faith, in a manner such director believes to be in the best interest of the Corporation and with such care, including reasonable inquiry, as an ordinary prudent person in a like situation would use under similar circumstances. In performing the duties of a Director, a Director shall be entitled to rely on information, opinions, reports, or statements, including financial statements and other financial data, in each case prepared or presented by:

(a) One or more Officers or employees of the Corporation whom the Director believes to be reliable and competent as to the matters presented;

(b) Counsel, independent accountants, or other persons as to matters which the Director believes to be within such person's profession or expert competence; or

(c) A committee of the Board upon which the Director does not serve, as to matters within its designated authority, provided that the Director believes such committee merits confidence; so long as in any such case, the Director acts in good faith after reasonable inquiry when the need therefor is indicated by the circumstances and without knowledge that would cause such reliance to be unwarranted.

## ARTICLE V
## COMMITTEES

### 1. Committees Generally.

Except as otherwise provided by the Bylaws, the Board of Directors may, by resolution or resolutions passed by a majority of the Directors thereof, appoint standing or special committees for any purpose and, if such committees are comprised solely of Directors, delegate to such committees any of the powers and authority of the Board, except the power to: (a) take any final action on any matter that, under the Law or these Bylaws, also requires approval of the Sole Member or the Board of Directors; (b) fill vacancies on the Board or any committee of the Board; (c) fix compensation of the Directors for serving on the Board or on any committee; (d) amend or repeal Bylaws or adopt new Bylaws; (e) amend or repeal any resolution of the Board that by its express terms is not so amendable or repealable; (f) create any other committees of the Board or the members thereof; (g) expend corporate funds to support a nominee for Director if more people have been nominated for Director than can be elected; (h) approve any contract or transaction to which the Corporation is a party and in which one or more of its Directors has a material financial interest, except as special approval is provided for in Corporations Code §5233(d)(3); or (i) take any other actions that may be prohibited by law. Such committees shall have power to act only in intervals between meetings of the Board and shall at all times be subject to the control of the Board. The Board of Directors or, if the Board does not act, the committees shall establish rules and regulations for meetings and shall meet at such times as it is deemed necessary, *provided* that notice of all meetings shall be given to committee members in the manner provided in Section 12 of Article IV. No act of a committee shall be valid unless approved by the vote or written consent of a majority of such committee's members. Committees shall keep regular minutes of proceedings and report the same to the Board from time to time as the Board of Directors may require. Any committee composed of, one or more persons, who are not Directors, may act solely in an advisory capacity to the Board. All committees shall have a majority of non-interested Directors (as defined in Section 4 of Article IV of these Bylaws).

### 2. Executive Committee.

The Executive Committee shall be elected by a majority of the Directors in office and each member of the committee shall be a Director of the Corporation. The Executive Committee shall be composed of the Officers of the Corporation who are Directors, and two (2) or such number of "at-large" members elected by the Board sufficient to ensure that the majority of the Executive Committee members are non-interested (as defined in Section 4 of Article IV of these Bylaws).

The duties and responsibilities of the Executive Committee shall include but not be limited to the following:

(a) To have and exercise the authority of the Board of Directors in the management of the Corporation between meetings of the Board of Directors, excepting as to matters concerning which the full Board of Directors is required to act by law or by the Articles of Incorporation or by these Bylaws;

(b) To have and exercise such specific powers and perform such specific duties as prescribed by these Bylaws or as the Board of Directors shall from time to time prescribe or direct; and

(c) To approve the annual evaluation of the President and Chief Executive Officer's performance and the compensation of the President and Chief Executive Officer and Vice Presidents and other Officers performed by the Compensation Committee (provided no members of the Executive Committee shall participate in evaluating or making compensation decisions relating to their own compensation and performance).

**3. Compensation Committee**.

For the first three (3) years following the adoption date of these Bylaws, the Corporation shall have a Compensation Committee. The Compensation Committee shall be elected by a majority of the Directors in office and each member of the committee shall be a Director of the Corporation. The Compensation Committee shall be composed of at least three (3) Directors of the Board of Directors, two (2) of whom shall also be members of the Executive Committee and all of whom shall be non-interested directors (as defined in Section 4 of Article IV of these Bylaws).

The duties and responsibilities of the Compensation Committee shall be:

(a) To prepare and recommend a Compensation Philosophy and Executive Compensation Charter to the Executive Committee and then to the Board of Directors for final approval;

(b) To recommend necessary amendments to the Compensation Philosophy and Executive Compensation Charter to the Executive Committee and then to the Board of Directors for final approval from time to time based on changes to law or the business environment;

(c) Review the recommendations of the President and Chief Executive Officer regarding compensation of the other Officers and executive staff of the Corporation;

(d) To perform the evaluation of the President and Chief Executive Officer's performance and make recommendations to the Executive Committee regarding the compensation of the President and Chief Executive Officer; and

(e) To retain at least on a triennial basis the services of an independent consultant to survey the marketplace in order to assure that base salaries, incentive compensation and benefits are consistent with fair market value and with any Board Approved Executive Compensation Philosophy.

**4. Finance and Compliance Committee**.

The Finance and Compliance Committee shall be composed of a minimum of three (3) Directors of the Board of Directors, one (1) of whom shall be the Treasurer who shall serve as Chairman. The committee shall meet as often as necessary, but no less than four (4) times annually.

The duties and responsibilities of the Finance and Compliance Committee shall be:

(a) To set the overall corporate "tone" for quality financial reporting, sound business risk practices, and ethical behavior;

(b) To ensure that the Corporation has adopted and implemented policies and procedures which will require the Hospital and its employees to act in full compliance with all applicable laws, regulations and policies;

(c) To review and discuss financial information and earnings guidance provided to analyst and rating agencies;

(d) To provide oversight to the Corporate Compliance Program relating to the conduct of business that will ensure that high ethical conduct standards are met. Ensure that the Hospital's mission, vision, values, and the Standards of Business Conduct are properly communicated to all employees on an ongoing basis, including annual dissemination and review of conflict of interest questionnaires. Conflict of Interest is a condition, either based on a one-time event or ongoing, in which the individual may have some other interest which may cause that person to act, or refrain from acting in a way which is contrary to the interests of Methodist Hospital. A covered individual may have such a conflict whether or not that person has acted upon it;

(e) To review matters relating to education, training and communication in connection with the Hospital's Standards of Business Conduct to ensure that the Hospital's policies and procedures on compliance are properly disseminated, understood and followed;

(f) To periodically review the malpractice and other liability claims pending against the Corporation;

(g) To advise the Board of Directors on methods and procedures which will assure that the financial policies and budgets adopted by the Board of Directors are carried out and to assist the Treasurer of the Corporation;

(h) To review and advise the Board of Directors on financial feasibility of corporate projects, acts and undertakings referred to it by the Board of Directors; to review and recommend the level of insurance coverage to be maintained by the Corporation;

(i) To provide oversight for the personnel practices and policies for the employed personnel of the hospital;

(j) To oversee and periodically review the performance and adequacy of or changes to the Hospital's retirement plans; and

(k) To provide oversight for the preparation of the Corporation's annual budgets, to review the same and to make recommendations thereon to the Board of Directors prior to the end of the Corporation's fiscal year; to review the monthly financial statements of the Corporation, appraise the Corporation's operating performance and make recommendations to the Board of Directors on both current and long term fiscal affairs;

**5. Audit Committee**.

To the extent that the Sole Member retains an audit and compliance committee, that committee shall serve as the audit and compliance committee of the Corporation.

**6. Governance Committee**.

The Governance Committee shall be composed of members of the Board appointed by the Board of Directors including one representative of the United Methodist Women. The duties and responsibilities of the Governance Committee shall be:

(a) To recommend to the Board of Directors for presentation to the Sole Member a slate of candidates to fill the positions of Directors whose terms expire each year, such slate to be submitted to the Board of Directors not later than thirty (30) days prior to the last regularly scheduled Board meeting held prior to the annual meeting of the Board;

(b) To recommend to the Board of Directors candidates for Officers of the Corporation, as necessary or requested by the Board of Directors;

(c) To periodically review the Bylaws of the Corporation and make recommendations to the Board for change, and also to discuss changes to these Bylaws proposed by others;

(d) To develop and recommend to the Board of Directors a self-assessment survey to be completed annually by Directors;

(e) To develop and recommend to the Board of Directors procedures for the introduction and training of new Directors; and

(f) To develop and recommend to the Board of Directors periodic informational and educational input for Directors.

**7. Planning Committee**.

The Planning Committee shall be composed of five (5) members of the Board of Directors, one (1) of whom shall be a member of the Executive Committee.

The duties and responsibilities of the Planning Committee shall be:

(a) To act as a liaison group between the Medical Staff and the Board of Directors on joint planning issues;

(b) To develop, maintain and recommend to the Board of Directors strategic plans and actions required to accomplish such plans;

(c) To review and recommend to the Board of Directors corporate financial feasibility and/or patient care service changes, consistent with: maintaining the high quality of care of the Hospital; Hospital purposes, needs and capabilities; and community needs; and

(d) To work jointly with the Medical Staff Planning Committee on planning issues which require joint study; to make recommendations to the Board of Directors on such issues; and to have general supervision over the maintenance, renovation and extension of the property of the Corporation as well as evaluating proposals for all significant facility and capital equipment expenditures.

**8. Performance Improvement Committee**.

The Performance Improvement Committee shall be composed of members of the Board of Directors and will meet quarterly with members of the Medical Staff (CQIS Committee) and Administration to review performance improvement indicators, results of the Hospital's safety program and special reports. From this review, a quarterly report will be presented to the Board which brings forth overview of quality and safety matters of the Hospital and the Medical Staff.

**9. Investment Committee**.

The Investment Committee shall be composed of at least three (3) members of the Board appointed by the Board of Directors including the Treasurer, *provided* that the Treasurer is a Director. The duties and responsibilities of the Investment Committee shall be:

(a) To approve the Corporation's investment policy, including the setting of investment objectives, goals and guidelines;

(b) To provide oversight of investment activities, including the retention of investment advisors and managers and the setting of asset allocations;

(c) To approve the establishment of custodial accounts for the holding of investments; and

(d) To meet periodically, but at least annually, with third party investment advisors to review investment results and to recommend to the Board of Directors changes to the investment portfolio as appropriate ensuring compliance with the Corporation's investment policy and procedures.

**10. Quorum**.

A majority of the members of a committee shall constitute a quorum and any transaction of a committee shall require a majority vote of the quorum present at any meeting. Each member of a committee, including the person presiding at the meeting, shall be entitled to one (1) vote.

**11. Membership Appointment**.

The Chairman and members of each committee other than the Executive Committee shall be appointed by the Chairman of the Board, subject to the approval of the Board of Directors. The members of the Executive Committee shall be appointed by the Board of Directors. The Chairman

of each committee shall be a member of the Board of Directors. Other members of committees need not be members of the Board of Directors except as otherwise provided in these Bylaws.

**12. Term of Office.**

The Chairman and members of each committee shall serve for one (1) year after appointment and until his or her successor is appointed, or until such committee is sooner terminated, or until he or she is removed, resigns or otherwise ceases to qualify as a Chairman or member, as the case may be, of the committee.

**13. Removal of Committee Members**.

The body or person that appointed the members of a committee may remove at any time, with or without cause, such members of that committee.

**14. Meetings**.

Members of committees shall meet not less frequently than once a year, except the Executive Committee shall meet at least four (4) times a year and in any event, at the call of the Chairman of the Board, the President and Chief Executive Officer or the Chairman of the committee at such a place as he, she or they shall designate. The provisions of Section 10, 11, 13, 15, and 16 of Article IV shall apply to all committee meetings. Each committee shall keep minutes of its proceedings and make a report to the Board of Directors of its action within a reasonable time subsequent thereto.

## ARTICLE VI
## OFFICERS

**1. Officers**.

The Officers of the Corporation (each an "**Officer**" and collectively, the "**Officers**") shall be Chairman of the Board, a Vice Chairman, a President and Chief Executive Officer, a Secretary, a Treasurer, a Chief Financial Officer, Chief Strategy Officer, Chief Operating Officer, and Chief Medical Officer. Officers of the Corporation may be employees of the Corporation. The Corporation may also have, at the discretion of the Board of Directors, one or more Assistant Secretaries and one or more Assistant Treasurers. Any person may hold more than one office, except that neither the President and Chief Executive Officer nor the Chairman may serve concurrently as either the Secretary or Chief Financial Officer.

**2. Appointment of Officers**.

The Officers of the Corporation shall be appointed annually by the Sole Member subject to the restrictions set forth in Article II, Section 3 of these Bylaws and the rights of the Board of Directors set forth in Article IV, Section 1 of these Bylaws, respectively.

**3. Subordinate Officers**.

The Board of Directors may elect or authorize the appointment of such other Officers than those herein before mentioned as the business of the Corporation may require, each of whom shall hold office for such period, have such authority and perform such duties as are provided in these Bylaws or as the Board of Directors from time to time may authorize.

**4. Removal of Officer**.

Any Officer may be removed either with or without cause by the Sole Member, subject to the restrictions set forth in Article III, Section 3 of these Bylaws, and the rights of the Board of Directors set forth in Article IV, Section 1 of these Bylaws. Should a vacancy occur in any office as a result of death, resignation, removal, disqualification or any other cause, the Board may delegate the powers and duties of such office to any Officer or to any Director until such time as a successor for such office has been selected.

**5. Chairman of the Board**.

The Chairman of the Board shall preside at all meetings of the Board, and shall have such other powers and duties as the Board may specify. The chairman may serve no more than three (3) consecutive one-year terms. Such a Chairman who has served up to such maximum term shall be eligible for re-election after a lapse of a one-year period while such person does not serve as Chairman.

**6. Vice Chairman of the Board**.

In the absence or disability of the Chairman of the Board, the Vice Chairman of the Board shall perform all the duties of the Chairman and, when so acting, shall have all the powers of, and be subject to, all the restrictions upon the Chairman. The Vice Chairman shall have such other powers and duties as may be specified by the Board of Directors. The Vice Chairman shall succeed the Chairman when such Chairman is not reelected or when he/she has reached his/her term limits.

**7. President and Chief Executive Officer**.

The President and Chief Executive Officer shall be the chief executive officer of the Corporation. Subject to the control of the Board, he/she shall have general supervision of the business of the Corporation, shall be a member of all of the Committees, and shall have such other powers and duties usually vested in such an Officer.

**8. Secretary**.

The Secretary shall be a Director, shall keep or cause to be kept the minutes of the meetings of the members and the Board of Directors and its Committees in one or more books provided for that purpose, shall see that all notices are duly given in accordance with the provisions of these Bylaws and the Articles of Incorporation, as required by law, shall be custodian of the Corporation's records and of the seal of the Corporation and shall see that the seal is affixed to all documents, the execution of which on behalf of the Corporation under its seal is duly authorized, and in general shall perform all duties as from time to time may be prescribed by the Chairman of

the Board, the President and Chief Executive Officer or the Board of Directors. These duties may also be carried out by an Assistant Secretary so designated by the Board of Directors.

**9. Treasurer**.

The Treasurer shall oversee the financial condition of the Corporation and shall be the Chairman of the Finance Committee.

**10. Chief Financial Officer**.

The Chief Financial Officer, if required by the Board of Directors, shall give a bond for the faithful discharge of his or her duties in such form and with such surety or sureties as the Board of Directors shall determine. The Chief Financial Officer shall have charge and custody of all the funds of the Corporation. The Chief Financial Officer shall also be designated Assistant Treasurer and shall keep, or cause to be kept, in books belonging to the Corporation, full and accurate accounts of all receipts and disbursements, and shall deposit all money and other valuable effects in the name of the Corporation in such depositories as may be designated for that purpose by the Board of Directors. The Chief Financial Officer shall disburse the funds of the Corporation as may be ordered by the Board of Directors, taking proper vouchers for such disbursements, and shall render to the Chairman of the Board of Directors at the meetings of the Board of Directors whenever requested by them an account of all his transactions as Chief Financial Officer and of the financial condition of the Corporation.

**11. Compensation and Expenses**.

Officers shall serve without salary unless they are also employees of the Corporation. Expenses incurred in connection with performance of their official duties may be reimbursed to Officers upon approval of the Board of Directors. Any compensation of the President and Chief Executive Officer and the Chief Financial Officer or Treasurer shall be determined in accordance with subdivision (g) of Section 12586 of the Government Code, if applicable.

## ARTICLE VII
## ADMINISTRATION

**1. Administration**.

The President and Chief Executive Officer shall be the Board of Directors' direct executive representative in the management of the Hospital. The President and Chief Executive Officer shall be in charge of the general management of the Hospital, including the establishment of internal controls to effectively operate the hospital, and subject to administrative policies adopted by the Board of Directors and orders resulting there from. The President and Chief Executive Officer shall act as the duly authorized representative of the Board of Directors in all matters in which the Board of Directors has not formally designated some other person to act. The authority and duties of the President and Chief Executive Officer shall be as follows:

(a) Carrying out all policies established by the Board of Directors;

(b) Development of a plan of organization of the personnel and others concerned with the operation of the Hospital and submission thereof to the Board of Directors for approval;

(c) With the goal of conserving the physical and financial assets of the company, preparation of an annual operating and capital expenditure budget showing the expected receipts and expenditures and such other information as is required by the Board of Directors, and submission of such budgets to the Board of Directors for approval;

(d) Selection, employment, control, retention and discharge of employees, and development and maintenance of personnel policies and practices for the Hospital;

(e) Maintenance of physical properties in a good state of repair and operating condition;

(f) Establishing and maintaining information and support systems;

(g) Supervision of business affairs to insure that funds are collected and expended to the best possible advantage and within the provisions of the annual budgets;

(h) Cooperation with the Medical Staff and with all those concerned with the rendering of professional service to the end that high quality care may be rendered to the patients consistent with the policies set forth by the Board of Directors;

(i) Presentation to the Board of Directors, or to its authorized committees, of periodic reports reflecting the professional service and financial activities of the Hospital as prescribed by corporate administrative policies and preparation and submission of such special reports as may be required by the Board of Directors;

(j) Report all activities and recommendations of the Medical Staff to the Board;

(k) Execute contracts authorized by the Board of Directors subject to the limitations of authority delegated by the Board of Directors;

(l) Performance of other duties assigned by the Board of Directors that may be necessary in the best interest of the Hospital; and

(m) Designate a qualified individual who shall be responsible to the President in matters of administration and shall represent him or her during his or her absence.

The Board shall annually evaluate the performance of the President against key goals and management objectives, and such other criteria as the Board may from time to time establish.

## ARTICLE VIII
## MEDICAL STAFF

**1. Organization**.

The Board of Directors shall cause to be created a medical staff organization to be known as the Medical Staff of the Hospital, whose membership shall be comprised of all physicians and other licensed practitioners who are privileged to attend patients in the Hospital. Only members of the Medical Staff with clinical privileges may admit patients to or treat patients at the Hospital, and those practitioners shall be directly responsible for each patient's diagnosis and treatment within the scope of his or her privileges. Membership in this medical staff organization shall be a prerequisite to the exercise of clinical privileges in the Hospital, except as otherwise specifically provided in the Medical Staff Bylaws.

**2. Medical Staff Bylaws and Rules and Regulations**.

(a) Purpose. The Medical Staff shall be responsible for the development, adoption and periodic review of Medical Staff Bylaws and Rules and Regulations that are consistent with Hospital policy and with any applicable legal or other requirements. Medical Staff Bylaws and Rules and Regulations shall be subject to, and effective upon, approval of the Board of Directors, which approval shall not be unreasonably withheld. The Medical Staff Bylaws shall create an effective administrative unit to discharge the functions and responsibilities assigned to the Medical Staff by the Board of Directors. The Medical Staff Bylaws and Rules and Regulations shall state the purposes, functions and organization of the Staff and shall set forth the policies by which the Medical Staff exercises and accounts for its delegated authority and responsibilities. The Medical Staff Bylaws shall also establish an effective formal means for the Medical Staff, as liaison, to participate in the development of Hospital policy.

(b) Procedure. The Medical Staff shall have the initial responsibility to formulate, adopt and recommend to the Board of Directors Medical Staff Bylaws and Rules and Regulations and amendments thereto which shall be effective when approved by the Board of Directors. Proposed changes to Medical Staff Bylaws and Rules and Regulations will be presented to a meeting of the Board of Directors and mailed to each Director at least ten (10) days prior to the meeting at which a vote is to be taken on adoption of the proposed change. No Medical Staff Bylaws and Rules and Regulations or amendments thereto shall become effective without approval by the Board as herein above provided except that revisions in Rules and Regulations within the scope of the Medical Staff Bylaws may be implemented immediately by the Medical Staff subject to the review and approval of the Board of Directors. Medical Staff Bylaws and Rules and Regulations shall be reviewed annually and revised as necessary. (These provisions are adopted pursuant to the California Administrative Code, Title 22, Section 70701)

**3. Medical Staff Membership and Clinical Privileges**.

(a) Delegation to the Medical Staff. The Board of Directors shall delegate to the Medical Staff the responsibility and authority to investigate and evaluate all matters relating to Medical Staff membership status, clinical privileges and corrective action, and shall require that the Staff adopt and forward to it specific written recommendations with appropriate supporting documentation that will allow the Board to take informed action. A "fast track" credentialing

procedure, as set forth in the Medical Staff Bylaws, shall be authorized in cases deemed to be appropriate under the Medical Staff Bylaws.

(b) Action by the Board of Directors. The Board of Directors shall consider and act upon each Medical Staff appointment and reappointment recommendation as set forth in these Bylaws and the Medical Staff Bylaws. Final action on all matters relating to Medical Staff membership status, clinical privileges and corrective action shall be taken by the Board after considering the Medical Staff recommendations, *provided* that the Board may initiate corrective action as permitted in the Medical Staff Bylaws; and shall take final action in the event the Staff fails to adopt and submit an appropriate recommendation within the time periods set forth in the Medical Staff Bylaws.

Any Board action, without a Medical Staff recommendation, shall be based on the same kind of documented investigation and evaluation of current ability, judgment and character as is required for Medical Staff recommendations.

In the event the Board does not concur in a Medical Staff recommendation relative to Medical Staff membership or credentialing, it shall refer the matter to an appropriate Ad Hoc or Joint Conference committee having equal members of Board and Medical Staff appointed members for review and recommendation before a final decision is made by the Board.

(c) Criteria for Board Action. When acting on matters of Medical Staff membership status, clinical privileges and/or corrective action, the Board shall consider the Medical Staff recommendations, the Hospital's and the community's needs, and such additional criteria as are set forth in the Medical Staff Bylaws, including but not limited to the practitioner's ability to conduct him or herself in a non-disruptive manner. In granting and defining the scope of clinical privileges to be exercised by each practitioner, the Board shall consider the Medical Staff recommendations, the supporting information on which they are based and such criteria as are set forth in the Medical Staff Bylaws. No aspect of membership status nor specific clinical privileges shall be limited or denied to a practitioner on the basis of sex, age, race, creed, color or national origin, or on the basis of any other criterion unrelated to good patient care at the Hospital, to professional qualifications, to the Hospital's purposes, needs and capabilities, or to community needs.

(d) Terms and Conditions of Staff Membership and Clinical Privileges. The terms and conditions of membership status on the Medical Staff and of the exercise of clinical privileges shall be as specified in the Medical Staff Bylaws or as more specifically defined in the notice of individual appointment. Each member of the Medical Staff shall have appropriate authority and responsibility for the care of his or her patients, subject to the requirements of these Bylaws and any requirements and/or limitations imposed under the Medical Staff Bylaws. Appointments to the Medical Staff shall be for a maximum term of two (2) years.

(e) Procedure. The procedure to be followed by the Medical Staff and the Board of Directors in acting on matters of membership status, clinical privileges and corrective action shall be as specified in the Medical Staff Bylaws.

**4. Fair Hearing Procedures.**

The Board of Directors shall require that any adverse recommendation made by the Medical Executive Committee or any adverse action taken by the Board with respect to a practitioner's Medical Staff appointment, reappointment, department affiliation, Medical Staff category, admitting prerogatives or clinical privileges shall, except under circumstances for which specific provision is made in the Medical Staff Bylaws and/or by contract, be accomplished in accordance with the Board approved fair hearing plan procedures as included in the Medical Staff Bylaws. Such Plan shall provide for procedure to assure fair treatment and afford opportunity for the presentation of all pertinent information. For the purposes of this section, an "adverse recommendation" of the Medical Executive Committee and an "adverse action" of the Board shall be defined in the Medical Staff Bylaws.

**5. Allied Health Professional**.

(a) Categories Eligible to Apply for Allied Health Professional Service Privileges. The categories of allied health professionals ("**AHPs**"), based on occupation or profession, that shall be eligible to apply for AHP membership and service authorization at the Hospital, and any corresponding service authorization privileges or prerogatives for each such AHP category, shall be designated by the Board of Directors, upon the recommendation of the Medical Executive Committee, and when approved by the Board of Directors, shall be set forth in the Medical Staff Rules and Regulations.

(b) Credentialing. The Board of Directors shall delegate to the Medical Staff the responsibility and authority to investigate and evaluate each application by an allied health professional for specified services, department affiliation and modification in the services such allied health professional may perform and shall require that the Medical Staff, or a designated component thereof, make recommendation to it or to its designee thereon.

(c) Appeal Procedure. The procedures for the credentialing of and corrective action against AHPs shall be set forth in the Medical Staff Bylaws. Where the Medical Executive Committee has upheld an action against an AHP following a grievance procedure filed by the AHP, the Board of Directors shall provide an opportunity for the AHP to appeal the Medical Executive Committee's decision to an up to three (3) member Appeal Board appointed by the Chair of the Board of Directors or his/her designee. The Appeal Board shall have at least one (1) member of the Board of Directors. Each party to the appeal, the AHP whose grievance prompted the appeal, and the Medical Executive Committee, may submit a written statement in support of its position to the Appeal Board within thirty (30) days of the Board of Director's acceptance of the appeal. There shall be no right to oral argument. The Appeal Board shall issue recommendations to the Board of Directors within fifteen (15) days of the deadline for receipt of the written statements. The Board of Directors shall issue a final decision at its next regular meeting.

**6. Amendments**.

The Board of Directors shall submit proposed amendments to this Article VIII of these Hospital Bylaws to the Executive Committee of the Medical Staff for its review and recommendations thirty (30) days prior to final consideration of such amendments by the Board.

## ARTICLE IX
## QUALITY OF PROFESSIONAL SERVICES

**1. Board of Directors' Responsibility**.

The Board of Directors shall require: (a) that the Medical and Administrative Staff prepare and maintain adequate and accurate medical records for all patients; (b) that the person responsible for each basic and supplemental medical service cause written policies and procedures to be developed and maintained and that such policies be approved by the Board, (c) the Medical and Administrative Staffs develop and maintain a system of continuous performance improvement that is more specifically defined in an annual written performance improvement plan to be approved by the Board. The Board shall further require, after considering the recommendations of the Medical Staff, the conduct of specific review and evaluation activities to assess, preserve and improve the overall quality and efficiency of patient care in the Hospital. The Board shall provide whatever administrative assistance is reasonably necessary to support and facilitate the implementation and the ongoing operation of these review and evaluation activities.

**2. Medical Staff Responsibility**.

The Medical Staff shall conduct, and be accountable to the Board for conducting activities that contribute to the preservation and improvement of the quality and efficiency of patient care provided in the Hospital. These activities shall include:

(a) The conduct of periodic meetings at regular intervals to review and evaluate the quality of patient care employing a combination of retrospective peer review, the monitoring of performance in important aspects of care as defined by each department, and other monitoring functions as defined by California state regulations and the Joint Commission or other applicable accrediting body.

(b) Definition of the clinical privileges which may be appropriately granted within the Hospital and within each department, delineation of clinical privileges for members of the Medical Staff commensurate with the individual credentials and demonstrated ability and judgment and assignment of patient care responsibilities to other healthcare, professionals consistent with individual licensure, qualifications and demonstrated ability;

(c) Provision of continuing professional education, shaped primarily by the needs identified through the review and evaluation activities;

(d) Review of utilization of the Hospital's medical resources to provide for their allocation to meet the needs of the patients;

(e) Such other measures as the Board of Directors may, after considering the advice of the Medical Staff and other professional services and the Hospital Administration, deem necessary for the preservation and improvement of the quality and efficiency of patient care; and

(f) The Medical Staff, together with senior executive management, shall prepare and review annually a plan to assure the comprehensiveness and hospital-wide integration of the Hospital's Quality Improvement program.

### 3. Documentation.

The Board of Directors shall require, receive, consider and act upon the findings and recommendations emanating from the activities required by Section 2 of this Article IX. All such findings and recommendations shall be in writing, signed by the persons responsible for conducting the review activities and supported and accompanied by appropriate documentation upon which the Board can take informed action.

## ARTICLE X
## AUXILIARIES

From time to time the Board of Directors may approve the establishment of auxiliary organizations, including advisory boards and Hospital auxiliaries. Each such group shall establish its own Bylaws and Rules and Regulations and present them to the Board of Directors for approval, and all amendments thereto shall also be subject to the approval of the Board of Directors. These Bylaws and the Articles of Incorporation of this Corporation shall prevail and govern over the documents and actions of such adjunct and subordinate groups. All activities of such auxiliaries shall be subject to the approval of the Board of Directors.

## ARTICLE XI
## GENERAL PROVISIONS

### 1. Contracts.

The Board of Directors or the Executive Committee may authorize any Officer or Officers, agent or agents, to enter into any contract or execute or deliver any instrument in the name of and on behalf of the Corporation, and such authority may be general or confined to specific instances.

### 2. Deposits.

All funds of the Corporation, not otherwise employed, shall be deposited from time to time to the credit of the Corporation in such banks, trust companies or other depositories as the Board of Directors or the Executive Committee may direct or pursuant to a policy approved by the Board of Directors.

### 3. Checks.

All checks, drafts or other orders for the payment of money, notes or other evidences of indebtedness issued in the name of the Corporation shall be signed by such Officer or Officers,

agent or agents, of the Corporation and in such manner as shall from time to time be determined by resolution of the Board of Directors or the Executive Committee.

**4. Loans**.

Notwithstanding Section 5236 of the Law, the Corporation shall not make any loan of money or property to or guarantee the obligation of any Director or officer, or any other person in a position to exercise substantial influence over the affairs of the Corporation.

**5. Review**.

The Board will review these Bylaws every two (2) years.

## ARTICLE XII
## INDEMNIFICATION AND INSURANCE

**1. Definitions**.

For the purposes of this Article XII, "agent" means any person who is or was a Director, Officer, employee or other agent of the Corporation, or is or was serving at the request of the partnership, joint venture, trust, or other enterprise, or was a director, officer, employee or agent of a foreign or domestic corporation which was a predecessor corporation of the Corporation or of another enterprise at the request of such predecessor corporation; "proceeding" means any threatened, pending, or completed action or proceeding, whether civil, criminal, administrative, or investigative; and "expenses" includes without limitation, attorneys' fees and any expenses of establishing a right to indemnification under Section 4 or 5 of this Article XII.

**2. Indemnification in Third Party Actions**.

The Corporation shall indemnify any person who was or is a party or is threatened to be made a party to any proceeding (other than an action by or in the right of the Corporation to procure a judgment in its favor, an action brought under Section 5233 of the Law or an action brought by the Attorney General or a person granted relator status by the Attorney General for any breach of duty relating to assets held in charitable trust) by reason of the fact that such person is or was an agent of the Corporation, against expenses, judgments, fines, settlements and other amounts actually and reasonably incurred in connection with such proceeding if such person acted in good faith and in a manner such person reasonably believed to be in the best interest of the Corporation and, in the case of a criminal proceeding, had no reasonable cause to believe the conduct of such person was unlawful. The termination of any proceeding by judgment, order, settlement, conviction or upon a plea of nolo contendere or its equivalent shall not, of itself, create a presumption that the person did not act in good faith and in a manner which the person reasonably believed to be in the best interest of the Corporation or that the person had reasonable cause to believe that person's conduct was unlawful.

**3. Indemnification in Derivative Actions**.

The Corporation shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action by or in the right of the Corporation,

or brought under Section 5233 of the Law or brought by the Attorney General or a person granted relator status by the Attorney General for breach of duty relating to assets held in charitable trust, to procure a judgment in its favor by reason of the fact that such person is or was an agent of the Corporation, against expenses actually and reasonably incurred by such person in connection with the defense or settlement of such action if such person acted in good faith, in a manner such person believed to be in the best interests of the Corporation and with such care, including reasonable inquiry, as an ordinarily prudent person in a like position would use under similar circumstances. however, no indemnification shall be made under this Section 3:

(a) In respect of any claim, issue or matter as to which such person shall have been adjudged to be liable to the Corporation in the performance of such person's duty to the Corporation, unless and only to the extent that the court in which such proceeding is or was pending shall determine upon application that, in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for the expenses which such court shall determine;

(b) Of amounts paid in settling or otherwise disposing of a threatened or pending action, with or without court approval; or

(c) Of expenses incurred in defending a threatened or pending action which is settled or otherwise disposed of without court approval, unless it is settled with the approval of the Attorney General.

**4. Indemnification Against Expenses**.

(a) To the extent that an agent of the Corporation has been successful on the merits in defense of any proceeding referred to in Sections 2 or 3 of this Article XII or in defense of any claim, issue or matter therein, the agent shall be indemnified against expenses actually and reasonably incurred by the agent in connection therewith.

**5. Required Determinations**.

(a) Except as provided in Section 4 of this Article XII, any indemnification under this Article XII shall be made by the Corporation only if authorized in the specific case, upon a determination that indemnification of the agent is proper under the circumstances because the agent has met the applicable standard of conduct set forth in Sections 2 or 3 of this Article XII, by:

(a) A majority vote of a quorum consisting of Directors who are not parties to such proceeding;

(b) Approval of the Sole Member, with the persons to be indemnified not being entitled to vote thereon; or

(c) The court in which such proceeding is or was pending upon application made by the Corporation or the agent or the attorney or other person rendering services in connection with the defense, whether or not such application by the agent, attorney or other person is opposed by the Corporation.

**6. Advance of Expenses**.

(a) Expenses incurred in defending any proceeding may be advanced by the Corporation prior to the final disposition of such proceeding upon receipt of an undertaking by or on behalf of the agent to repay such amount unless it shall be determined ultimately that the agent is entitled to be indemnified as authorized in this Article XII.

**7. Other Indemnification**.

No provision made by the Corporation to indemnify its Directors or Officers for the defense of any proceeding, whether contained in the Articles of Incorporation, these Bylaws, a resolution of the Board of Directors, an agreement or otherwise, shall be valid unless consistent with this Article XII. Nothing contained in this Article XII shall affect any right to indemnification to which persons other than such Directors and Officers may be entitled by contract or otherwise.

**8. Forms of Indemnification Not Permitted**.

No indemnification or advance shall be made under this Article XII, except as provided in Sections 4 or 5, in any circumstances where it appears:

(a) That it would be inconsistent with a provision of the Articles of Incorporation, these Bylaws or an agreement in effect at the time of the accrual of the alleged cause of action asserted in the proceeding in which the expenses were incurred or other amounts were paid, which prohibits or otherwise limits indemnification;

(b) That it would be inconsistent with any condition expressly imposed by a court in approving a settlement; or

(c) That it would constitute an "excess benefit transaction" within the meaning of Section 4958 of the Internal Revenue Code of 1986, as amended.

**9. Insurance**.

The Corporation shall have power to purchase and maintain such insurance on behalf of any agent of the Corporation against any liability asserted against or incurred by the agent in such capacity or arising out of the agent's status as such, whether or not the Corporation would have the power to indemnify the agent against such liability under the provision of this Article XII; provided however that the Corporation shall have no power to purchase and maintain such insurance to indemnify any agent of the Corporation for violation of Section 5233 of the California Corporations Code.

**10. Nonapplicability to Fiduciaries of Employee Benefit Plans**.

This Article does not apply to any proceeding against any Director, investment manager or other fiduciary of an employee benefit plan in such person's capacity as such, even though such person may also be an agent of the Corporation as defined in Section 1 of this Article XII. The Corporation shall have power to indemnify such director, investment manager or other fiduciary to the extent permitted by Section 207(f) of the California Corporations Code.

## ARTICLE XIII
## ACCOUNTING YEAR AND TAX AUDIT

**1. Accounting Year**.

The accounting year of the Corporation shall be that of the Sole Member.

**2. Audit**.

At the end of the accounting year the books of the Corporation shall be closed and audited by a certified public accountant selected by the Sole Member. The financial report of the auditor shall be promptly mailed to each Director and a copy thereof shall be furnished to the Sole Member.

## ARTICLE XIV
## AMENDMENTS

These Bylaws and any part thereof may be amended or repealed, and new Bylaws may be adopted, only by the Sole Member; *provided*, *however*, if these Bylaws or any part thereof are amended or repealed (other than ministerial amendments that do not affect the rights of the Corporation or its Board of Directors provided for in the Affiliation Agreement, the Corporation's Articles of Incorporation, or these Bylaws), or new Bylaws adopted, during the Interim Period, then such change shall also require the approval of the Board of Directors of the Corporation through an affirmative vote of a majority of the total number of Directors then in office at any meeting of the Board of Directors of the Corporation. In addition, any amendment or restatement of the following terms of these Bylaws shall require the approval of both the Sole Member and the Board of Directors, as follows: (a) during the Interim Period, any provisions related to the size, composition, or qualifications of the Board of Directors of the Corporation, as referenced in Article IV, Section 3; and (b) any reference to the Affiliation Agreement in these Bylaws.





MHSC-0000202

Adopted unanimously by the Board of Directors on _____, 2021

_____ _____

Chairman of the Board Secretary

| | | |
|---|---|---|
| Amended 04/24/1986 | Amended 08/07/1995 | Amended 01/21/2003 |
| Amended 06/25/1987 | Amended 12/12/1995 | Amended 04/09/2003 |
| Amended 03/30/1990 | Amended 05/09/2000 | Amended 07/23/2003 |
| Amended 11/30/1990 | Amended 05/31/2000 | Amended 04/28/2005 |
| Amended 1/04/1992 | Amended 11/09/2000 | Amended 12/05/2010 |
| Amended 02/10/1993 | | Amended 07/30/2015 |
| | | Amended __/__/2022 |
| | | |

# Attachment 3.1(a)(i)

**Amended and Restated Articles of Incorporation of Parent**

Attached.

**CERTIFICATE OF AMENDMENT**
**OF ARTICLES OF INCORPORATION**

The undersigned certify that:

1. They are the President and Secretary, respectively, of USC Health System, a California nonprofit public benefit corporation.

2. Article Four of the Articles of Incorporation of this corporation is amended to read as follows:

> "The Corporation is a nonprofit public benefit corporation and is not organized for the private gain of any person. It is organized under the Nonprofit Public Benefit Corporation Law for public and charitable purposes. The Corporation is organized for the following exclusively charitable, scientific and educational purposes within the meaning of Section 501 (c)(3) of the Internal Revenue Code of 1986, as now in effect or as may hereafter be amended (the "Code"), and Section 214 of the California Revenue and Taxation Code, as now in effect or as may hereafter be amended (the "R&TC"). The Corporation is organized and shall be operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of the University of Southern California, USC Care Medical Group, Inc., Keck Medical Center of USC, USC Verdugo Hills Hospital, and USC Arcadia Hospital. In this capacity, the Corporation shall:
>
> 1) Organize, coordinate, direct and operate an integrated health care system for the delivery of health care services by those hospitals and other health care providers that become affiliated with, or related to, the Corporation;
>
> 2) Enhance the accessibility, quality and cost-effectiveness of health care services related to the communities served by the Corporation and its affiliates; and
>
> 3) Encourage and participate in activities designed and carried on to provide and improve the general public health and health of patients served by the Corporation and its affiliates.
>
> In furtherance thereof, the Corporation may receive property by gift, devise or bequest, invest or reinvest the same, and apply the income and principal thereof, as the directors may from time to time determine, either directly or through contributions to any charitable organization or organizations, exclusively for

charitable, scientific, or educational purposes, and engage in any lawful act or activity for which corporations may be organized under the California Nonprofit Public Benefit Corporation Law.

In furtherance of its corporate purposes, the Corporation shall have all the general powers enumerated in Sections 5140 and 5141 of the California Nonprofit Public Benefit Corporation Law, as now in effect or as may hereafter be amended, together with the power to solicit grants and contributions for such purposes."

3. The foregoing amendment of Articles of Incorporation has been duly approved by the board of directors.

4. The foregoing amendment of Articles of Incorporation has been duly approved by the sole member.

We further declare under penalty of perjury under the laws of the State of California that the matters set forth in this certificate are true and correct of our own knowledge.

DATE: _____

_____
Rod Hanners, President

_____
Beong-Soo Kim, Secretary

# Attachment 3.1(a)(ii)

## Amended and Restated Bylaws of Parent

Attached.

# BYLAWS
# OF
# USC HEALTH SYSTEM

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## ARTICLE I

## NAME AND PURPOSES

Section 1.1. Name. The name of the corporation is USC Health System.

Section 1.2. Purposes. The Corporation is a nonprofit public benefit corporation and is not organized for the private gain of any person. It is organized under the California Nonprofit Corporation Law (as defined herein) for public and charitable purposes. The Corporation is organized for the following exclusively charitable, scientific and educational purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986, as now in effect or as may hereafter be amended (the "Code"), and Section 214 of the California Revenue and Taxation Code, as now in effect or as may hereafter be amended. The Corporation is organized and shall be operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of the University of Southern California, a California nonprofit public benefit corporation and a tax-exempt organization described in Sections 501(c)(3) and 509(a)(1) of the Code. In this capacity, the Corporation shall:

1) Organize, coordinate, direct and operate an integrated health care system for the delivery of health care services by those hospitals and other health care providers that become affiliated with, or related to, the Corporation;

2) Enhance the accessibility, quality and cost-effectiveness of health care services related to the communities served by the Corporation and its affiliates; and

3) Encourage and participate in activities designed and carried on to provide and improve the general public health and health of patients served by the Corporation and its affiliates.

## ARTICLE II

## DEFINITIONS

Section 2.1. "Articles" means the articles of incorporation of the Corporation filed with the California Secretary of State.

Section 2.2. "Board of Directors" means the governing body of the Corporation organized pursuant to Section 4.1 of these Bylaws.

Section 2.3. "Bylaws" means these bylaws, including amendments hereto.

Section 2.4. "California Nonprofit Corporation Law" means California Corporations Code Sections 5000 et seq., as amended from time to time.

Section 2.5. "Conflict of Interest Policy" means the conflict of interest policy adopted by the Directors pursuant to Section 4.13 of these Bylaws, as in effect from time to time.

Section 2.6. "Control" shall have the same meaning as in Section 5045 of the California Nonprofit Corporation Law.

Section 2.7. "Corporation" means USC Health System, a nonprofit public benefit corporation.

Section 2.8. "Directors" means the individuals serving as the members of the Board of Directors of the Corporation from time to time.

Section 2.9. "Sole Member" is defined in Section 3.1 of these Bylaws.

Section 2.10. "Trustees" means the individuals serving as the members of the Board of Trustees of the Sole Member from time to time.

Section 2.11. Italicized Terms. Terms italicized in these Bylaws and not otherwise defined shall have the meanings given them in the California Nonprofit Corporation Law.

## ARTICLE III

## MEMBERSHIP

Section 3.1. Membership. The membership of the Corporation shall consist of a single member, the University of Southern California, a California nonprofit public benefit corporation.

Section 3.2. Actions by the Sole Member.

(a) Action of the Sole Member. The Sole Member shall act through its President, or any person or persons designated by its President to act in the name and on behalf of the University of Southern California in its capacity as Sole Member of the Corporation; provided, however, that the Sole Member shall exercise the following powers through the affirmative vote of its Board of Trustees (or a committee of the Board of Trustees): (i) the reserved powers of the Sole Member set forth in Section 3.3; and (ii) the amendment of these bylaws, to the extent such amendment affects the reserved powers of the Sole Member set forth in Section 3.3.

(b) Methods of Voting and Other Actions of the Sole Member.

(i) Action by Written Consent. Any action required or permitted to be taken by the Sole Member at a meeting may be taken without a meeting if the Sole Member shall consent in writing to such action. Such consent shall have the same force and effect as a vote of the Sole Member at a meeting, so long as it is executed in its name and on its behalf by a person duly authorized by the Sole Member whose authority to act for the Sole Member is stated in the written consent and certified by the secretary, an associate or assistant secretary or the general counsel of the Sole Member. The written consents of the Sole Member shall be filed with the minutes of the proceedings of the Corporation.

(ii) Reliance on Certain Authorizations from the Sole Member. The Corporation may rely on reasonable evidence of approval of any action of the Corporation that is subject to the rights and powers of the Sole Member under these Bylaws. Such reasonable

evidence includes but is not limited to written (including electronic) approval or confirmation from or under the apparent authority of the President of the Sole Member.

Section 3.3. Rights of the Sole Member. In addition to the rights, privileges, preferences and powers of a member under the California Nonprofit Corporation Law and those reserved to the Sole Member pursuant to and in accordance with applicable law, the Articles, and these Bylaws, the Sole Member shall have the power to:

(a) approve amendments to the Corporation's articles of incorporations or bylaws;

(b) elect or remove the Corporation's officers as described in Article VI below;

(c) approve the Corporation's annual consolidated capital and operating budgets;

(d) approve capital expenditures that exceed those budgeted for in the Corporation's annual capital and operating budgets, in accordance with the spending authority policy set forth by the Sole Member (the "Spending Authority Policy");

(e) approve any transaction of the Corporation or any of its subsidiaries that (i) exceeds the Corporation's spending authority or otherwise requires approval by the Sole Member pursuant to the Sole Member's Spending Authority Policy, or (ii) results in a change of Control with respect to the Corporation or any of the Corporation's subsidiaries;

(f) approve any sale, assignment, or any other transfer of the Corporation's or any of its subsidiaries' interest in any ground lease of real property (and all improvements thereon) owned by the University ("Ground Leases"), or the mortgaging, encumbering or any other hypothecation of the Corporation or its subsidiary's interest in any of the Ground Leases or real properties (including any improvements thereon) that are the subject of the Ground Leases;

(g) approve the borrowing of, incurrence of, or guaranteeing of debt in any amount, other than debt incurred in the ordinary course of business that is anticipated in and consistent with the annual capital and operating budget for which the debt was incurred;

(h) review the Corporation's annual strategic plan, prior to adoption by the Corporation; and

(i) select any external auditors of the Corporation or any of its subsidiaries.

## ARTICLE IV

## DIRECTORS

Section 4.1. Directors. The overall responsibility for the operation and management of the affairs of the Corporation shall be in a governing body comprised of individuals functioning as a board, who shall have and may exercise all the powers of the Corporation, except as reserved to the Sole Member by law, the Articles, and these Bylaws. The Board of Directors may delegate the management of the activities of the Corporation to any person or persons or committee however composed, provided that the activities and affairs of the Corporation shall be managed

and all corporate powers shall be exercised under the ultimate direction of the Board of Directors.

Section 4.2. Composition of the Board of Directors.

(a) The Board of Directors shall consist of between eleven and sixteen directors as follows:

(i) up to four shall be individuals elected by the Sole Member from among then-current or former Trustees of the Sole Member ("Trustee Directors");

(ii) up to four shall be individuals elected by the Sole Member from among then-current members of the Sole Member's administration who are nominated by the Sole Member's President (the "Administration Directors");

(iii) the President of the Sole Member shall serve as an *ex officio* voting member (the "*Ex Officio* Director," and together, with the Trustee Directors and the Administration Directors, the "University Directors");

(iv) up to four shall be individuals elected by the Sole Member from among persons nominated in accordance with Section 4.3 of these Bylaws ("Outside Directors");

(v) one shall be an individual elected by the Sole Member from among persons nominated by USC Arcadia Hospital for approval by the Sole Member (which approval shall not be unreasonably withheld); and

(vi) up to two may be elected by the Sole Member or appointed or designated by agreement in connection with transactions or affiliations approved by the Sole Member.

(b) Restriction on Interested Directors. No more than 49% of the directors may be *interested persons* at any time. An "interested person" means either:

(i) any person currently being compensated by the Corporation for services rendered to it within the previous 12 months, whether as a full-time or part-time employee, independent contractor, or otherwise, excluding any reasonable compensation paid to a director in his or her capacity as director; or

(ii) any brother, sister, ancestor, descendant, spouse, brother-in-law, sister in-law, son-in-law, daughter-in-law, mother-in-law, or father-in-law of any such person.

(c) *Ex Officio Representative*. In addition to the above Directors, the Corporation shall invite one (1) *ex officio* representative without voting rights to be identified by the USC Arcadia Hospital Board of Directors to attend all of the Corporation's Board of Director meetings.

Section 4.3. Nomination and Election of Outside Directors. To fill each vacancy of Outside Directors created by enlargement, expiration of term or otherwise, the Nominating and Governance Committee shall propose to the Board of Directors the criteria, qualifications and

other considerations for selection of candidates in consultation with the President of the Corporation. The Board of Directors shall approve the selection criteria to be used by the Nominating and Governance Committee. The Nominating and Governance Committee shall select and nominate candidates for election as Outside Directors. The Sole Member shall elect Outside Directors from among such nominees.

Section 4.4. Promotion of Diversity. The Corporation shall strive to nominate candidates with a variety of business, professional, and cultural backgrounds and shall seek to develop a diverse Board of Directors that reflects the communities served by the Corporation.

Section 4.5. Term of Office.

(a) Each director elected in accordance with Section 4.2(a) above shall serve for a term of three years commencing on the effective date of election and ending at the end of the third fiscal year after the term commences, unless such director sooner dies, resigns or is removed, and until such director's successor is duly elected and qualified. Director terms shall be staggered so that the terms of approximately one third of the directors expire in each year.

(b) Any person who has served as an elected director for three consecutive terms (not including either an initial term of less than three years necessary to initiate the classification of the elected directors nor any partial term filling another's unfinished term created by vacancy) shall not be eligible for election to the Board until one year has elapsed from the date on which the third consecutive term ended; provided, however, that this provision shall not apply to Administration Directors.

(c) The term of office of the *Ex Officio* Director shall be the duration of the individual's tenure as President of the Sole Member. Such term shall end immediately upon termination of the individual's tenure, without further action, and the individual succeeding to the office of President of the Sole Member shall immediately become the *Ex Officio* Director, without need of further action.

Section 4.6. Vacancies. A vacancy shall be deemed to exist on the Board in the event that the actual number of directors is less than the authorized number for any reason. Vacancies shall be filled in the same manner as the director whose office is vacant was selected.

Section 4.7. Resignation and Removal of Directors. Resignation of a director shall be effective upon receipt in writing by the Chair, the President and Chief Executive Officer, or the Secretary of the Corporation, unless a later effective date is specified in the resignation. If the resignation is to be effective at a later time, a successor may be elected, designated or otherwise authorized to take office when the resignation becomes effective. The Corporation shall notify the California Attorney General if the resignation of a director would leave the Corporation without a duly elected director or directors in charge of its affairs. The Board or the Sole Member may by resolution declare vacant the office of a director who has been declared of unsound mind by an order of court, convicted of a felony, found by final order or judgment of any court to have breached a duty under the California Nonprofit Corporation Law, or determined to have acted in a manner that is inconsistent with the Corporation's mission or detrimental to the reputation or operations of the Corporation.

Section 4.8. Meetings.

(a) Annual Board Meeting. An annual meeting of the Board of Directors shall be held at least once a year for the purpose of conducting actions necessary or advisable for good order. Annual meetings shall be called by the Chair, or any two directors, and noticed in accordance with Section 4.8(d).

(b) Regular Board Meetings. Regular meetings of the Board of Directors shall be held at least three times per year at such time and place as may be fixed by the Board of Directors. Regular meetings shall be called by the Chair or Co-Chair(s), or any two directors, and noticed in accordance with Section 4.8(d).

(c) Special Board Meetings. Special meetings of the Board of Directors may be called by the President and Chief Executive Officer, the Chair, or any two directors and noticed in accordance with Section 4.8(d).

(d) Notice. Notice of the annual meeting, regular meetings, and any special meetings of the Board of Directors shall be given to each director at least four days before any such meeting if given by first-class mail or 48 hours before any such meeting if given personally or by telephone, including a voice messaging system or by electronic transmission by the Corporation, and shall state the date, place, and time of the meeting. A notice need not specify the purpose of any regular or special meeting.

(e) Waiver of Notice. The transactions of any meeting of the Board of Directors, however called and noticed and wherever held, shall be valid as though taken at a meeting duly held after proper call and notice, if a quorum is present, and if, either before or after the meeting, each of the directors not present signs a written waiver of notice, a consent to holding the meeting, or an approval of the minutes. The waiver of notice or consent need not specify the purpose of the meeting. All waivers, consents, and approvals shall be filed with the corporate records or made a part of the minutes of the meeting. Notice of a meeting shall also be deemed given to any director who attends the meeting without protesting the lack of adequate notice before the meeting or at its commencement.

Section 4.9. Voting. Each Director shall have one vote. Directors may not vote by proxy.

(a) Quorum. A majority of the total number of directors then in office shall constitute a quorum. The act of a majority of the directors present at a meeting at which a quorum is present shall be the act of the Board of Directors, except as otherwise provided in these Bylaws or in the California Nonprofit Corporation Law. A meeting at which a quorum is initially present may continue to transact business notwithstanding the withdrawal of directors, if any action taken is approved by at least a majority of the required quorum for such meeting.

(b) Action Without a Meeting. Any action required or permitted to be taken by the Board of Directors may be taken without a meeting if all members of the Board of Directors (other than any director interested in a transaction so approved or any common director) shall individually or collectively consent to such action. Such written consents shall be filed with the

minutes of the proceedings of the Board. Such written consents shall have the same force and effect as the unanimous vote of such directors.

(c) Telephone and Electronic Meetings. Directors may participate in a meeting through use of conference telephone, electronic video screen communication or other communications equipment. Participation in a meeting through use of conference telephone or electronic video screen communication or other communications equipment constitutes presence in person at that meeting as long as all directors participating in the meeting are able to hear one another. Directors may also participate through use of electronic transmission by and to the Corporation (as permitted by and in compliance with Sections 20 and 21 of the California Corporations Code) if all of the following apply:

(i) each Director participating in the meeting can communicate with all of the other Directors concurrently;

(ii) each Director is provided with the means of participating in all matters before the Board of Directors, including the capacity to propose, or to interpose an objection to, a specific action to be taken by the Corporation; and

(iii) the requirements of Section 9.6 have been met.

Section 4.10. Standard of Care; Conflicts of Interest.

(a) General. A Director shall perform the duties of a Director, including duties as a member of any board committee on which the Director may serve, in good faith, in a manner such Director believes to be in the best interest of the Corporation and with such care, including reasonable inquiry, as an ordinary prudent person in a like situation would use under similar circumstances.

In performing the duties of a Director, a Director shall be entitled to rely on information, opinions, reports, or statements, including financial statements and other financial data, in each case prepared or presented by:

(A) one or more officers or employees of the Corporation whom the Director believes to be reliable and competent as to the matters presented;

(B) counsel, independent accountants, or other persons as to matters which the Director believes to be within such person's profession or expert competence; or

(C) a committee of the Board of Directors upon which the Director does not serve, as to matters within its designated authority, provided that the Director believes such committee merits confidence;

so long as in any such case, the Director acts in good faith after reasonable inquiry when the need therefor is indicated by the circumstances and without knowledge that would cause such reliance to be unwarranted.

(b) Self-Dealing Transactions. Except as provided in the Conflict of Interest Policy, the Board of Directors shall not approve, nor permit the Corporation to engage in, any self-dealing transaction. A "self-dealing transaction" is a transaction to which the Corporation is a party and in which one or more of its Directors has a material financial interest, unless the transaction comes within Section 5233(b) of the California Nonprofit Corporation Law.

(c) Loans. Notwithstanding Section 5236 of the California Nonprofit Corporation Law, the Corporation shall not make any loan of money or property to or guarantee the obligation of any Director or officer, or any other person in a position to exercise substantial influence over the affairs of the Corporation.

(d) Common Directors. Neither the Board of Directors nor any committee of the Board of Directors shall approve or permit the Corporation to engage in a contract or transaction between the Corporation and any domestic or foreign corporation, firm or association of which one or more of the Corporation's Directors is a Director, unless:

(i) The material facts as to the contract or transaction and as to such Director's other directorship are fully disclosed or known to the Board or board committee, and the Board or board committee authorizes, approves or ratifies the contract or transaction in good faith by a vote sufficient without counting the vote of the common Director or Directors; or

(ii) The contract or transaction is just and reasonable to the Corporation at the time entered into.

Section 4.11. Minutes. Minutes shall be kept of each meeting of the Board of Directors and shall be filed with the corporate records.

Section 4.12. Compensation of Directors; Substantial Contributors. The Corporation shall not pay any compensation to Directors for services rendered to the Corporation, except that Directors may be reimbursed for expenses incurred in the performance of their duties to the Corporation, in reasonable amounts as approved by the Board of Directors; provided, however, that in no event shall the Corporation reimburse the expenses of any "substantial contributor" to the Corporation, or any family member of a substantial contributor, as defined in Sections 4958(c)(3)(B) and (C) of the Code.

Section 4.13. Conflict of Interest Policy. The Board of Directors shall adopt a conflict of interest policy applicable to the Directors and officers and, as the Board of Directors deems appropriate, to employees and agents of the Corporation, which shall establish procedures for disclosure and resolution of conflicts of interest, material financial interests, interlocking directorships, business and familial relationships and similar matters of significance to the integrity of decision making on behalf of the Corporation.

## ARTICLE V

## COMMITTEES

Section 5.1. Board Committees. The Board of Directors may, by resolution adopted by a majority of the Directors then in office, create any number of board committees, each consisting

of three or more Directors, to serve at the pleasure of the Board of Directors. Appointments to any board committee shall be by a majority vote of the Directors then in office. Board committees may be given all the authority of the Board of Directors, except for the powers reserved solely to the full Board of Directors pursuant to the California Nonprofit Corporation Law or to the Sole Member.

Where it is not reasonably practicable to obtain approval of the Board of Directors before entering into a self-dealing transaction (as defined in Section 4.10(b)), a board committee may approve such transaction; provided that the board committee and the Board of Directors comply with the requirements of the Conflict of Interest Policy.

Section 5.2. Audit and Compliance Committee. The Audit and Compliance Committee shall be composed of a minimum of three Directors and shall be responsible for making recommendations to the Board with respect to the Corporation's annual audit, the Corporation's compliance program and undertaking such other tasks as the Board may require from time to time to effect the foregoing responsibilities.

Section 5.3. Finance Committee. The Finance Committee shall be composed of a minimum of three Directors and shall include the Chief Financial Officer of the Corporation and a trustee of the Sole Member who also serves on the Sole Member's Finance Committee. The Finance Committee shall be responsible for advising the Corporation's management and Board of Directors regarding the financial affairs of the Corporation and undertaking such other tasks as the Board of Directors may require from time to time to effect the foregoing responsibilities.

Section 5.4. Quality and Safety Committee. The Quality and Safety Committee shall be responsible for overseeing the health system's quality and safety program and to make recommendations for quality, patient safety, risk management, patient care assessment, patient satisfaction, and education to the Directors, the administrative staff, and the medical staff.

Section 5.5. Nominating and Governance Committee. The Nominating and Governance Committee shall be composed of a minimum of three Directors. Unless the Board shall otherwise determine from time to time, the Nominating and Governance Committee is responsible for (i) nominating the Outside Directors in accordance with Section 4.3, (ii) conducting an annual evaluation and assessment of the Board of Directors, and (iii) developing a formal process for on-boarding, training, and succession planning of the Directors.

Section 5.6. Advisory Committees. The Board of Directors may establish one or more advisory committees to the Board of Directors. The members of any advisory committee may include or consist of non-directors and may be appointed as the Board of Directors determines. Advisory committees may not exercise the authority of the Board of Directors to make decisions on behalf of the Corporation, but shall be restricted to making recommendations to the Board of Directors or board committees, and implementing Board of Directors or board committee decisions and policies under the supervision and control of the Board of Directors or board committee.

Section 5.7. Meetings.

(a) Board Committees. Meetings and actions of board committees shall be governed by and held and taken in accordance with the provisions of ARTICLE III of these Bylaws concerning meetings and actions of the Board of Directors, with such changes in the content of those Bylaws as are necessary to substitute the board committee and its members for the Board of Directors and its members. Minutes shall be kept of each meeting of any board committee and shall be filed with the corporate records.

(b) Advisory Committees. Advisory committees may determine their own meeting rules and whether minutes shall be kept.

The Board of Directors may adopt rules for the governance of any board or advisory committee not inconsistent with the provisions of these Bylaws.

## ARTICLE VI

## OFFICERS

Section 6.1. Officers. The officers of the Corporation shall be a Chair, a President and Chief Executive Officer, a Treasurer, and a Secretary. The Corporation may also have, at the discretion of the Directors, such other officers, including a Chief Operating Officer, a Chief Financial Officer and one or more Vice Presidents, as may be appointed by the Sole Member.

Any number of offices may be held by the same person, except that neither the Secretary nor the Treasurer may serve concurrently as the President and Chief Executive Officer or Chair. The President and Chief Executive Officer and other officers of the Corporation may but need not be Directors of the Corporation. The Board of Directors may appoint one or more officers to attend and participate in all meetings of the Board of Directors, other than executive sessions of the Board of Directors, but such officers shall not vote at any such meetings.

Section 6.2. Election. The officers of the Corporation shall be elected annually by the Sole Member, and each shall serve at the pleasure of the Sole Member, subject to the rights, if any, of an officer under any contract of employment.

Section 6.3. Removal. Subject to the rights, if any, of an officer under any contract of employment, any officer may be removed, with or without cause, by the Sole Member.

Section 6.4. Resignation. Any officer may resign at any time by giving written notice to the Corporation. Any resignation shall take effect on receipt of that notice by such officer or at any later time specified by that notice and, unless otherwise specified in that notice, the acceptance of the resignation shall not be necessary to make it effective. Any resignation is without prejudice to the rights, if any, of the Corporation under any contract to which the officer is a party.

Section 6.5. Vacancies. Vacancies in any office for any reason shall be filled as they occur in the same manner as these Bylaws provide for election to that office.

Section 6.6. Chair. The Chair shall preside at all meetings of the Board of Directors and shall have such other powers and duties as may be prescribed by the Board of Directors or these Bylaws. The Chair or Co-Chair(s) shall be elected from among the University Directors.

Determinations concerning the procedures for the conduct of meetings of the Board of Directors shall be made by the Chair, consistent with the provisions of these Bylaws and applicable law.

Section 6.7. President and Chief Executive Officer. The Chief Executive Officer of Keck Medicine of USC shall be the President and Chief Executive Officer of the Corporation, *ex officio*, and shall, subject to control of the Board of Directors, generally supervise, direct, and control the business and other officers of the Corporation. The President and Chief Executive Officer shall have the general powers and duties of management usually vested in the office of President and Chief Executive Officer of the Corporation and shall have such other powers and duties as may be prescribed by the Board of Directors or contract.

Section 6.8. Secretary. The Secretary shall supervise the keeping of a full and complete record of the proceedings of the Board of Directors and its committees, if any, and shall supervise the giving of such notices as may be proper or necessary, shall supervise the keeping of the minute books and membership records of the Corporation, and shall have such other powers and duties as may be prescribed by the Board of Directors or these Bylaws.

Section 6.9. Treasurer. The Treasurer shall supervise the charge and custody of all funds of the Corporation, the deposit of such funds in the manner prescribed by the Board of Directors, and the keeping and maintaining of adequate and correct accounts of the Corporation's properties and business transactions, shall render reports and accountings as required, and shall have such other powers and duties as may be prescribed by the Board of Directors or these Bylaws.

## ARTICLE VII

## INDEMNIFICATION

Section 7.1. Indemnification. The Corporation, upon appropriate resolution of the Board of Directors, will indemnify and hold a person who is, or was, a Director or statutory officer of the Corporation harmless from and against all expenses, judgments, fines, settlements, and other amounts actually and reasonably incurred in any civil, criminal, administrative, investigative or other legal proceeding brought against them or any of them arising out of the performance of their duties as Directors or statutory officers of the Corporation to the full extent allowed under the California Nonprofit Corporation Law.

Section 7.2. Certain Tax Matters. Except as otherwise provided herein, in no case shall the Corporation indemnify, reimburse, or insure any person for any taxes imposed on such individual under Chapter 42 of the Code. Further, if at any time the Corporation is deemed to be a private foundation within the meaning of Section 509 of the Code then, during such time the Corporation (i) shall make no payment under this Article if such payment would constitute an act of self-dealing or a taxable expenditure, as defined in Section 4941(d) or Section 4945(d), respectively, of the Code, (ii) shall distribute its income for each taxable year (and principal, if necessary) at such time and in such manner as not to subject this Corporation to tax under Section 4942 of the Code, (iii) shall not retain any excess business holdings as defined in subsection (c) of Section 4943 of the Code, and (iv) shall not make any investments in such a manner as to subject this Corporation to tax under Section 4944 of the Code. Moreover, the

Corporation shall not indemnify, reimburse, or insure any person in any instance where such indemnification, reimbursement, or insurance is inconsistent with Section 4958 of the Code or any other provision of the Code applicable to corporations described in Section 501(c)(3) of the Code.

## ARTICLE VIII

## AMENDMENTS

These Bylaws and any part hereof may be amended or repealed and new Bylaws may be adopted only by the Sole Member.

## ARTICLE IX

## MISCELLANEOUS

Section 9.1. Fiscal Year. The fiscal year of the Corporation shall be that of the Sole Member.

Section 9.2. Execution of Documents. Except as otherwise required by law, all documents executed on behalf of the Corporation shall be executed by the President, or any other persons authorized by the Board of Directors, subject to any parameters set forth by the Board of Directors.

Section 9.3. Gender and Number. Words used in these Bylaws regardless of the number and gender specifically used shall be construed to include any other number, singular or plural, and any other gender, as the context requires.

Section 9.4. Governing Law. In all matters not specified in these Bylaws, or in the event these Bylaws shall not comply with applicable law, the California Nonprofit Corporation Law and the Government Code as then in effect shall apply.

Section 9.5. Annual Report. To the extent required by Section 6321 of the California Nonprofit Corporation Law, the Board of Directors shall cause an annual report with respect to the Corporation containing the information specified in such section to be sent to the Sole Member within 120 days after the end of each fiscal year of the Corporation.

Section 9.6. Electronic Transmissions. Subject to any guidelines and procedures that the Board of Directors may adopt from time to time, the terms "written" and "in writing" as used in these Bylaws include any form of recorded message in the English language capable of comprehension by ordinary visual means and may include electronic transmission, such as facsimile or e-mail, provided; (i) for electronic transmissions from the Corporation, the Corporation has obtained an unrevoked written consent from the recipient to the use of such means of communication; (ii) for electronic communications to the Corporation, the Corporation has in effect reasonable measures to verify that the sender is the individual purporting to have sent such transmission; and (iii) transmission creates a record that can be retained, retrieved, reviewed, and rendered into clearly legible form.

# EXHIBIT 2

# AMENDMENT TO USCHS ARTICLES OF INCORPORATION

**CERTIFICATE OF AMENDMENT**
**OF ARTICLES OF INCORPORATION**

The undersigned certify that:

1. They are the President and Secretary, respectively, of USC Health System, a California nonprofit public benefit corporation.

2. Article Four of the Articles of Incorporation of this corporation is amended to read as follows:

> "The Corporation is a nonprofit public benefit corporation and is not organized for the private gain of any person. It is organized under the Nonprofit Public Benefit Corporation Law for public and charitable purposes. The Corporation is organized for the following exclusively charitable, scientific and educational purposes within the meaning of Section 501 (c)(3) of the Internal Revenue Code of 1986, as now in effect or as may hereafter be amended (the "Code"), and Section 214 of the California Revenue and Taxation Code, as now in effect or as may hereafter be amended (the "R&TC"). The Corporation is organized and shall be operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of the University of Southern California, USC Care Medical Group, Inc., Keck Medical Center of USC, USC Verdugo Hills Hospital, and USC Arcadia Hospital. In this capacity, the Corporation shall:
>
> 1) Organize, coordinate, direct and operate an integrated health care system for the delivery of health care services by those hospitals and other health care providers that become affiliated with, or related to, the Corporation;
>
> 2) Enhance the accessibility, quality and cost-effectiveness of health care services related to the communities served by the Corporation and its affiliates; and
>
> 3) Encourage and participate in activities designed and carried on to provide and improve the general public health and health of patients served by the Corporation and its affiliates.
>
> In furtherance thereof, the Corporation may receive property by gift, devise or bequest, invest or reinvest the same, and apply the income and principal thereof, as the directors may from time to time determine, either directly or through contributions to any charitable organization or organizations, exclusively for

charitable, scientific, or educational purposes, and engage in any lawful act or activity for which corporations may be organized under the California Nonprofit Public Benefit Corporation Law.

In furtherance of its corporate purposes, the Corporation shall have all the general powers enumerated in Sections 5140 and 5141 of the California Nonprofit Public Benefit Corporation Law, as now in effect or as may hereafter be amended, together with the power to solicit grants and contributions for such purposes."

3. The foregoing amendment of Articles of Incorporation has been duly approved by the board of directors.

4. The foregoing amendment of Articles of Incorporation has been duly approved by the sole member.

We further declare under penalty of perjury under the laws of the State of California that the matters set forth in this certificate are true and correct of our own knowledge.

DATE: _____

_____
Rod Hanners, President

_____
Beong-Soo Kim, Secretary

# EXHIBIT 3

# AMENDMENT TO USCHS BYLAWS

# BYLAWS
# OF
# USC HEALTH SYSTEM

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## ARTICLE I

## NAME AND PURPOSES

Section 1.1. Name. The name of the corporation is USC Health System.

Section 1.2. Purposes. The Corporation is a nonprofit public benefit corporation and is not organized for the private gain of any person. It is organized under the California Nonprofit Corporation Law (as defined herein) for public and charitable purposes. The Corporation is organized for the following exclusively charitable, scientific and educational purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986, as now in effect or as may hereafter be amended (the "Code"), and Section 214 of the California Revenue and Taxation Code, as now in effect or as may hereafter be amended. The Corporation is organized and shall be operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of the University of Southern California, a California nonprofit public benefit corporation and a tax-exempt organization described in Sections 501(c)(3) and 509(a)(1) of the Code. In this capacity, the Corporation shall:

1) Organize, coordinate, direct and operate an integrated health care system for the delivery of health care services by those hospitals and other health care providers that become affiliated with, or related to, the Corporation;

2) Enhance the accessibility, quality and cost-effectiveness of health care services related to the communities served by the Corporation and its affiliates; and

3) Encourage and participate in activities designed and carried on to provide and improve the general public health and health of patients served by the Corporation and its affiliates.

## ARTICLE II

## DEFINITIONS

Section 2.1. "Articles" means the articles of incorporation of the Corporation filed with the California Secretary of State.

Section 2.2. "Board of Directors" means the governing body of the Corporation organized pursuant to Section 4.1 of these Bylaws.

Section 2.3. "Bylaws" means these bylaws, including amendments hereto.

Section 2.4. "California Nonprofit Corporation Law" means California Corporations Code Sections 5000 et seq., as amended from time to time.

Section 2.5. "Conflict of Interest Policy" means the conflict of interest policy adopted by the Directors pursuant to Section 4.13 of these Bylaws, as in effect from time to time.

Section 2.6. "Control" shall have the same meaning as in Section 5045 of the California Nonprofit Corporation Law.

Section 2.7. "Corporation" means USC Health System, a nonprofit public benefit corporation.

Section 2.8. "Directors" means the individuals serving as the members of the Board of Directors of the Corporation from time to time.

Section 2.9. "Sole Member" is defined in Section 3.1 of these Bylaws.

Section 2.10. "Trustees" means the individuals serving as the members of the Board of Trustees of the Sole Member from time to time.

Section 2.11. Italicized Terms. Terms italicized in these Bylaws and not otherwise defined shall have the meanings given them in the California Nonprofit Corporation Law.

## ARTICLE III

## MEMBERSHIP

Section 3.1. Membership. The membership of the Corporation shall consist of a single member, the University of Southern California, a California nonprofit public benefit corporation.

Section 3.2. Actions by the Sole Member.

(a) Action of the Sole Member. The Sole Member shall act through its President, or any person or persons designated by its President to act in the name and on behalf of the University of Southern California in its capacity as Sole Member of the Corporation; provided, however, that the Sole Member shall exercise the following powers through the affirmative vote of its Board of Trustees (or a committee of the Board of Trustees): (i) the reserved powers of the Sole Member set forth in Section 3.3; and (ii) the amendment of these bylaws, to the extent such amendment affects the reserved powers of the Sole Member set forth in Section 3.3.

(b) Methods of Voting and Other Actions of the Sole Member.

(i) Action by Written Consent. Any action required or permitted to be taken by the Sole Member at a meeting may be taken without a meeting if the Sole Member shall consent in writing to such action. Such consent shall have the same force and effect as a vote of the Sole Member at a meeting, so long as it is executed in its name and on its behalf by a person duly authorized by the Sole Member whose authority to act for the Sole Member is stated in the written consent and certified by the secretary, an associate or assistant secretary or the general counsel of the Sole Member. The written consents of the Sole Member shall be filed with the minutes of the proceedings of the Corporation.

(ii) Reliance on Certain Authorizations from the Sole Member. The Corporation may rely on reasonable evidence of approval of any action of the Corporation that is subject to the rights and powers of the Sole Member under these Bylaws. Such reasonable

evidence includes but is not limited to written (including electronic) approval or confirmation from or under the apparent authority of the President of the Sole Member.

Section 3.3. Rights of the Sole Member. In addition to the rights, privileges, preferences and powers of a member under the California Nonprofit Corporation Law and those reserved to the Sole Member pursuant to and in accordance with applicable law, the Articles, and these Bylaws, the Sole Member shall have the power to:

(a) approve amendments to the Corporation's articles of incorporations or bylaws;

(b) elect or remove the Corporation's officers as described in Article VI below;

(c) approve the Corporation's annual consolidated capital and operating budgets;

(d) approve capital expenditures that exceed those budgeted for in the Corporation's annual capital and operating budgets, in accordance with the spending authority policy set forth by the Sole Member (the "Spending Authority Policy");

(e) approve any transaction of the Corporation or any of its subsidiaries that (i) exceeds the Corporation's spending authority or otherwise requires approval by the Sole Member pursuant to the Sole Member's Spending Authority Policy, or (ii) results in a change of Control with respect to the Corporation or any of the Corporation's subsidiaries;

(f) approve any sale, assignment, or any other transfer of the Corporation's or any of its subsidiaries' interest in any ground lease of real property (and all improvements thereon) owned by the University ("Ground Leases"), or the mortgaging, encumbering or any other hypothecation of the Corporation or its subsidiary's interest in any of the Ground Leases or real properties (including any improvements thereon) that are the subject of the Ground Leases;

(g) approve the borrowing of, incurrence of, or guaranteeing of debt in any amount, other than debt incurred in the ordinary course of business that is anticipated in and consistent with the annual capital and operating budget for which the debt was incurred;

(h) review the Corporation's annual strategic plan, prior to adoption by the Corporation; and

(i) select any external auditors of the Corporation or any of its subsidiaries.

## ARTICLE IV

## DIRECTORS

Section 4.1. Directors. The overall responsibility for the operation and management of the affairs of the Corporation shall be in a governing body comprised of individuals functioning as a board, who shall have and may exercise all the powers of the Corporation, except as reserved to the Sole Member by law, the Articles, and these Bylaws. The Board of Directors may delegate the management of the activities of the Corporation to any person or persons or committee however composed, provided that the activities and affairs of the Corporation shall be managed

and all corporate powers shall be exercised under the ultimate direction of the Board of Directors.

Section 4.2. Composition of the Board of Directors.

(a) The Board of Directors shall consist of between eleven and sixteen directors as follows:

(i) up to four shall be individuals elected by the Sole Member from among then-current or former Trustees of the Sole Member ("Trustee Directors");

(ii) up to four shall be individuals elected by the Sole Member from among then-current members of the Sole Member's administration who are nominated by the Sole Member's President (the "Administration Directors");

(iii) the President of the Sole Member shall serve as an *ex officio* voting member (the "*Ex Officio* Director," and together, with the Trustee Directors and the Administration Directors, the "University Directors");

(iv) up to four shall be individuals elected by the Sole Member from among persons nominated in accordance with Section 4.3 of these Bylaws ("Outside Directors");

(v) one shall be an individual elected by the Sole Member from among persons nominated by USC Arcadia Hospital for approval by the Sole Member (which approval shall not be unreasonably withheld); and

(vi) up to two may be elected by the Sole Member or appointed or designated by agreement in connection with transactions or affiliations approved by the Sole Member.

(b) Restriction on Interested Directors. No more than 49% of the directors may be *interested persons* at any time. An "interested person" means either:

(i) any person currently being compensated by the Corporation for services rendered to it within the previous 12 months, whether as a full-time or part-time employee, independent contractor, or otherwise, excluding any reasonable compensation paid to a director in his or her capacity as director; or

(ii) any brother, sister, ancestor, descendant, spouse, brother-in-law, sister in-law, son-in-law, daughter-in-law, mother-in-law, or father-in-law of any such person.

(c) *Ex Officio Representative*. In addition to the above Directors, the Corporation shall invite one (1) *ex officio* representative without voting rights to be identified by the USC Arcadia Hospital Board of Directors to attend all of the Corporation's Board of Director meetings.

Section 4.3. Nomination and Election of Outside Directors. To fill each vacancy of Outside Directors created by enlargement, expiration of term or otherwise, the Nominating and Governance Committee shall propose to the Board of Directors the criteria, qualifications and

other considerations for selection of candidates in consultation with the President of the Corporation. The Board of Directors shall approve the selection criteria to be used by the Nominating and Governance Committee. The Nominating and Governance Committee shall select and nominate candidates for election as Outside Directors. The Sole Member shall elect Outside Directors from among such nominees.

Section 4.4. Promotion of Diversity. The Corporation shall strive to nominate candidates with a variety of business, professional, and cultural backgrounds and shall seek to develop a diverse Board of Directors that reflects the communities served by the Corporation.

Section 4.5. Term of Office.

(a) Each director elected in accordance with Section 4.2(a) above shall serve for a term of three years commencing on the effective date of election and ending at the end of the third fiscal year after the term commences, unless such director sooner dies, resigns or is removed, and until such director's successor is duly elected and qualified. Director terms shall be staggered so that the terms of approximately one third of the directors expire in each year.

(b) Any person who has served as an elected director for three consecutive terms (not including either an initial term of less than three years necessary to initiate the classification of the elected directors nor any partial term filling another's unfinished term created by vacancy) shall not be eligible for election to the Board until one year has elapsed from the date on which the third consecutive term ended; provided, however, that this provision shall not apply to Administration Directors.

(c) The term of office of the *Ex Officio* Director shall be the duration of the individual's tenure as President of the Sole Member. Such term shall end immediately upon termination of the individual's tenure, without further action, and the individual succeeding to the office of President of the Sole Member shall immediately become the *Ex Officio* Director, without need of further action.

Section 4.6. Vacancies. A vacancy shall be deemed to exist on the Board in the event that the actual number of directors is less than the authorized number for any reason. Vacancies shall be filled in the same manner as the director whose office is vacant was selected.

Section 4.7. Resignation and Removal of Directors. Resignation of a director shall be effective upon receipt in writing by the Chair, the President and Chief Executive Officer, or the Secretary of the Corporation, unless a later effective date is specified in the resignation. If the resignation is to be effective at a later time, a successor may be elected, designated or otherwise authorized to take office when the resignation becomes effective. The Corporation shall notify the California Attorney General if the resignation of a director would leave the Corporation without a duly elected director or directors in charge of its affairs. The Board or the Sole Member may by resolution declare vacant the office of a director who has been declared of unsound mind by an order of court, convicted of a felony, found by final order or judgment of any court to have breached a duty under the California Nonprofit Corporation Law, or determined to have acted in a manner that is inconsistent with the Corporation's mission or detrimental to the reputation or operations of the Corporation.

Section 4.8. Meetings.

(a) Annual Board Meeting. An annual meeting of the Board of Directors shall be held at least once a year for the purpose of conducting actions necessary or advisable for good order. Annual meetings shall be called by the Chair, or any two directors, and noticed in accordance with Section 4.8(d).

(b) Regular Board Meetings. Regular meetings of the Board of Directors shall be held at least three times per year at such time and place as may be fixed by the Board of Directors. Regular meetings shall be called by the Chair or Co-Chair(s), or any two directors, and noticed in accordance with Section 4.8(d).

(c) Special Board Meetings. Special meetings of the Board of Directors may be called by the President and Chief Executive Officer, the Chair, or any two directors and noticed in accordance with Section 4.8(d).

(d) Notice. Notice of the annual meeting, regular meetings, and any special meetings of the Board of Directors shall be given to each director at least four days before any such meeting if given by first-class mail or 48 hours before any such meeting if given personally or by telephone, including a voice messaging system or by electronic transmission by the Corporation, and shall state the date, place, and time of the meeting. A notice need not specify the purpose of any regular or special meeting.

(e) Waiver of Notice. The transactions of any meeting of the Board of Directors, however called and noticed and wherever held, shall be valid as though taken at a meeting duly held after proper call and notice, if a quorum is present, and if, either before or after the meeting, each of the directors not present signs a written waiver of notice, a consent to holding the meeting, or an approval of the minutes. The waiver of notice or consent need not specify the purpose of the meeting. All waivers, consents, and approvals shall be filed with the corporate records or made a part of the minutes of the meeting. Notice of a meeting shall also be deemed given to any director who attends the meeting without protesting the lack of adequate notice before the meeting or at its commencement.

Section 4.9. Voting. Each Director shall have one vote. Directors may not vote by proxy.

(a) Quorum. A majority of the total number of directors then in office shall constitute a quorum. The act of a majority of the directors present at a meeting at which a quorum is present shall be the act of the Board of Directors, except as otherwise provided in these Bylaws or in the California Nonprofit Corporation Law. A meeting at which a quorum is initially present may continue to transact business notwithstanding the withdrawal of directors, if any action taken is approved by at least a majority of the required quorum for such meeting.

(b) Action Without a Meeting. Any action required or permitted to be taken by the Board of Directors may be taken without a meeting if all members of the Board of Directors (other than any director interested in a transaction so approved or any common director) shall individually or collectively consent to such action. Such written consents shall be filed with the

minutes of the proceedings of the Board. Such written consents shall have the same force and effect as the unanimous vote of such directors.

(c) Telephone and Electronic Meetings. Directors may participate in a meeting through use of conference telephone, electronic video screen communication or other communications equipment. Participation in a meeting through use of conference telephone or electronic video screen communication or other communications equipment constitutes presence in person at that meeting as long as all directors participating in the meeting are able to hear one another. Directors may also participate through use of electronic transmission by and to the Corporation (as permitted by and in compliance with Sections 20 and 21 of the California Corporations Code) if all of the following apply:

(i) each Director participating in the meeting can communicate with all of the other Directors concurrently;

(ii) each Director is provided with the means of participating in all matters before the Board of Directors, including the capacity to propose, or to interpose an objection to, a specific action to be taken by the Corporation; and

(iii) the requirements of Section 9.6 have been met.

Section 4.10. Standard of Care; Conflicts of Interest.

(a) General. A Director shall perform the duties of a Director, including duties as a member of any board committee on which the Director may serve, in good faith, in a manner such Director believes to be in the best interest of the Corporation and with such care, including reasonable inquiry, as an ordinary prudent person in a like situation would use under similar circumstances.

In performing the duties of a Director, a Director shall be entitled to rely on information, opinions, reports, or statements, including financial statements and other financial data, in each case prepared or presented by:

(A) one or more officers or employees of the Corporation whom the Director believes to be reliable and competent as to the matters presented;

(B) counsel, independent accountants, or other persons as to matters which the Director believes to be within such person's profession or expert competence; or

(C) a committee of the Board of Directors upon which the Director does not serve, as to matters within its designated authority, provided that the Director believes such committee merits confidence;

so long as in any such case, the Director acts in good faith after reasonable inquiry when the need therefor is indicated by the circumstances and without knowledge that would cause such reliance to be unwarranted.

(b) Self-Dealing Transactions. Except as provided in the Conflict of Interest Policy, the Board of Directors shall not approve, nor permit the Corporation to engage in, any self-dealing transaction. A "self-dealing transaction" is a transaction to which the Corporation is a party and in which one or more of its Directors has a material financial interest, unless the transaction comes within Section 5233(b) of the California Nonprofit Corporation Law.

(c) Loans. Notwithstanding Section 5236 of the California Nonprofit Corporation Law, the Corporation shall not make any loan of money or property to or guarantee the obligation of any Director or officer, or any other person in a position to exercise substantial influence over the affairs of the Corporation.

(d) Common Directors. Neither the Board of Directors nor any committee of the Board of Directors shall approve or permit the Corporation to engage in a contract or transaction between the Corporation and any domestic or foreign corporation, firm or association of which one or more of the Corporation's Directors is a Director, unless:

(i) The material facts as to the contract or transaction and as to such Director's other directorship are fully disclosed or known to the Board or board committee, and the Board or board committee authorizes, approves or ratifies the contract or transaction in good faith by a vote sufficient without counting the vote of the common Director or Directors; or

(ii) The contract or transaction is just and reasonable to the Corporation at the time entered into.

Section 4.11. Minutes. Minutes shall be kept of each meeting of the Board of Directors and shall be filed with the corporate records.

Section 4.12. Compensation of Directors; Substantial Contributors. The Corporation shall not pay any compensation to Directors for services rendered to the Corporation, except that Directors may be reimbursed for expenses incurred in the performance of their duties to the Corporation, in reasonable amounts as approved by the Board of Directors; provided, however, that in no event shall the Corporation reimburse the expenses of any "substantial contributor" to the Corporation, or any family member of a substantial contributor, as defined in Sections 4958(c)(3)(B) and (C) of the Code.

Section 4.13. Conflict of Interest Policy. The Board of Directors shall adopt a conflict of interest policy applicable to the Directors and officers and, as the Board of Directors deems appropriate, to employees and agents of the Corporation, which shall establish procedures for disclosure and resolution of conflicts of interest, material financial interests, interlocking directorships, business and familial relationships and similar matters of significance to the integrity of decision making on behalf of the Corporation.

## ARTICLE V

## COMMITTEES

Section 5.1. Board Committees. The Board of Directors may, by resolution adopted by a majority of the Directors then in office, create any number of board committees, each consisting

of three or more Directors, to serve at the pleasure of the Board of Directors. Appointments to any board committee shall be by a majority vote of the Directors then in office. Board committees may be given all the authority of the Board of Directors, except for the powers reserved solely to the full Board of Directors pursuant to the California Nonprofit Corporation Law or to the Sole Member.

Where it is not reasonably practicable to obtain approval of the Board of Directors before entering into a self-dealing transaction (as defined in Section 4.10(b)), a board committee may approve such transaction; provided that the board committee and the Board of Directors comply with the requirements of the Conflict of Interest Policy.

Section 5.2. Audit and Compliance Committee. The Audit and Compliance Committee shall be composed of a minimum of three Directors and shall be responsible for making recommendations to the Board with respect to the Corporation's annual audit, the Corporation's compliance program and undertaking such other tasks as the Board may require from time to time to effect the foregoing responsibilities.

Section 5.3. Finance Committee. The Finance Committee shall be composed of a minimum of three Directors and shall include the Chief Financial Officer of the Corporation and a trustee of the Sole Member who also serves on the Sole Member's Finance Committee. The Finance Committee shall be responsible for advising the Corporation's management and Board of Directors regarding the financial affairs of the Corporation and undertaking such other tasks as the Board of Directors may require from time to time to effect the foregoing responsibilities.

Section 5.4. Quality and Safety Committee. The Quality and Safety Committee shall be responsible for overseeing the health system's quality and safety program and to make recommendations for quality, patient safety, risk management, patient care assessment, patient satisfaction, and education to the Directors, the administrative staff, and the medical staff.

Section 5.5. Nominating and Governance Committee. The Nominating and Governance Committee shall be composed of a minimum of three Directors. Unless the Board shall otherwise determine from time to time, the Nominating and Governance Committee is responsible for (i) nominating the Outside Directors in accordance with Section 4.3, (ii) conducting an annual evaluation and assessment of the Board of Directors, and (iii) developing a formal process for on-boarding, training, and succession planning of the Directors.

Section 5.6. Advisory Committees. The Board of Directors may establish one or more advisory committees to the Board of Directors. The members of any advisory committee may include or consist of non-directors and may be appointed as the Board of Directors determines. Advisory committees may not exercise the authority of the Board of Directors to make decisions on behalf of the Corporation, but shall be restricted to making recommendations to the Board of Directors or board committees, and implementing Board of Directors or board committee decisions and policies under the supervision and control of the Board of Directors or board committee.

Section 5.7. Meetings.

(a) Board Committees. Meetings and actions of board committees shall be governed by and held and taken in accordance with the provisions of ARTICLE III of these Bylaws concerning meetings and actions of the Board of Directors, with such changes in the content of those Bylaws as are necessary to substitute the board committee and its members for the Board of Directors and its members. Minutes shall be kept of each meeting of any board committee and shall be filed with the corporate records.

(b) Advisory Committees. Advisory committees may determine their own meeting rules and whether minutes shall be kept.

The Board of Directors may adopt rules for the governance of any board or advisory committee not inconsistent with the provisions of these Bylaws.

## ARTICLE VI

## OFFICERS

Section 6.1. Officers. The officers of the Corporation shall be a Chair, a President and Chief Executive Officer, a Treasurer, and a Secretary. The Corporation may also have, at the discretion of the Directors, such other officers, including a Chief Operating Officer, a Chief Financial Officer and one or more Vice Presidents, as may be appointed by the Sole Member.

Any number of offices may be held by the same person, except that neither the Secretary nor the Treasurer may serve concurrently as the President and Chief Executive Officer or Chair. The President and Chief Executive Officer and other officers of the Corporation may but need not be Directors of the Corporation. The Board of Directors may appoint one or more officers to attend and participate in all meetings of the Board of Directors, other than executive sessions of the Board of Directors, but such officers shall not vote at any such meetings.

Section 6.2. Election. The officers of the Corporation shall be elected annually by the Sole Member, and each shall serve at the pleasure of the Sole Member, subject to the rights, if any, of an officer under any contract of employment.

Section 6.3. Removal. Subject to the rights, if any, of an officer under any contract of employment, any officer may be removed, with or without cause, by the Sole Member.

Section 6.4. Resignation. Any officer may resign at any time by giving written notice to the Corporation. Any resignation shall take effect on receipt of that notice by such officer or at any later time specified by that notice and, unless otherwise specified in that notice, the acceptance of the resignation shall not be necessary to make it effective. Any resignation is without prejudice to the rights, if any, of the Corporation under any contract to which the officer is a party.

Section 6.5. Vacancies. Vacancies in any office for any reason shall be filled as they occur in the same manner as these Bylaws provide for election to that office.

Section 6.6. Chair. The Chair shall preside at all meetings of the Board of Directors and shall have such other powers and duties as may be prescribed by the Board of Directors or these Bylaws. The Chair or Co-Chair(s) shall be elected from among the University Directors.

Determinations concerning the procedures for the conduct of meetings of the Board of Directors shall be made by the Chair, consistent with the provisions of these Bylaws and applicable law.

Section 6.7. President and Chief Executive Officer. The Chief Executive Officer of Keck Medicine of USC shall be the President and Chief Executive Officer of the Corporation, *ex officio*, and shall, subject to control of the Board of Directors, generally supervise, direct, and control the business and other officers of the Corporation. The President and Chief Executive Officer shall have the general powers and duties of management usually vested in the office of President and Chief Executive Officer of the Corporation and shall have such other powers and duties as may be prescribed by the Board of Directors or contract.

Section 6.8. Secretary. The Secretary shall supervise the keeping of a full and complete record of the proceedings of the Board of Directors and its committees, if any, and shall supervise the giving of such notices as may be proper or necessary, shall supervise the keeping of the minute books and membership records of the Corporation, and shall have such other powers and duties as may be prescribed by the Board of Directors or these Bylaws.

Section 6.9. Treasurer. The Treasurer shall supervise the charge and custody of all funds of the Corporation, the deposit of such funds in the manner prescribed by the Board of Directors, and the keeping and maintaining of adequate and correct accounts of the Corporation's properties and business transactions, shall render reports and accountings as required, and shall have such other powers and duties as may be prescribed by the Board of Directors or these Bylaws.

## ARTICLE VII

## INDEMNIFICATION

Section 7.1. Indemnification. The Corporation, upon appropriate resolution of the Board of Directors, will indemnify and hold a person who is, or was, a Director or statutory officer of the Corporation harmless from and against all expenses, judgments, fines, settlements, and other amounts actually and reasonably incurred in any civil, criminal, administrative, investigative or other legal proceeding brought against them or any of them arising out of the performance of their duties as Directors or statutory officers of the Corporation to the full extent allowed under the California Nonprofit Corporation Law.

Section 7.2. Certain Tax Matters. Except as otherwise provided herein, in no case shall the Corporation indemnify, reimburse, or insure any person for any taxes imposed on such individual under Chapter 42 of the Code. Further, if at any time the Corporation is deemed to be a private foundation within the meaning of Section 509 of the Code then, during such time the Corporation (i) shall make no payment under this Article if such payment would constitute an act of self-dealing or a taxable expenditure, as defined in Section 4941(d) or Section 4945(d), respectively, of the Code, (ii) shall distribute its income for each taxable year (and principal, if necessary) at such time and in such manner as not to subject this Corporation to tax under Section 4942 of the Code, (iii) shall not retain any excess business holdings as defined in subsection (c) of Section 4943 of the Code, and (iv) shall not make any investments in such a manner as to subject this Corporation to tax under Section 4944 of the Code. Moreover, the

Corporation shall not indemnify, reimburse, or insure any person in any instance where such indemnification, reimbursement, or insurance is inconsistent with Section 4958 of the Code or any other provision of the Code applicable to corporations described in Section 501(c)(3) of the Code.

## ARTICLE VIII

## AMENDMENTS

These Bylaws and any part hereof may be amended or repealed and new Bylaws may be adopted only by the Sole Member.

## ARTICLE IX

## MISCELLANEOUS

Section 9.1. Fiscal Year. The fiscal year of the Corporation shall be that of the Sole Member.

Section 9.2. Execution of Documents. Except as otherwise required by law, all documents executed on behalf of the Corporation shall be executed by the President, or any other persons authorized by the Board of Directors, subject to any parameters set forth by the Board of Directors.

Section 9.3. Gender and Number. Words used in these Bylaws regardless of the number and gender specifically used shall be construed to include any other number, singular or plural, and any other gender, as the context requires.

Section 9.4. Governing Law. In all matters not specified in these Bylaws, or in the event these Bylaws shall not comply with applicable law, the California Nonprofit Corporation Law and the Government Code as then in effect shall apply.

Section 9.5. Annual Report. To the extent required by Section 6321 of the California Nonprofit Corporation Law, the Board of Directors shall cause an annual report with respect to the Corporation containing the information specified in such section to be sent to the Sole Member within 120 days after the end of each fiscal year of the Corporation.

Section 9.6. Electronic Transmissions. Subject to any guidelines and procedures that the Board of Directors may adopt from time to time, the terms "written" and "in writing" as used in these Bylaws include any form of recorded message in the English language capable of comprehension by ordinary visual means and may include electronic transmission, such as facsimile or e-mail, provided; (i) for electronic transmissions from the Corporation, the Corporation has obtained an unrevoked written consent from the recipient to the use of such means of communication; (ii) for electronic communications to the Corporation, the Corporation has in effect reasonable measures to verify that the sender is the individual purporting to have sent such transmission; and (iii) transmission creates a record that can be retained, retrieved, reviewed, and rendered into clearly legible form.

# EXHIBIT 4

# MHSC AMENDED AND RESTATED ARTICLES OF INCORPORATION

**AMENDED AND RESTATED ARTICLES OF INCORPORATION**
**OF**
**METHODIST HOSPITAL OF SOUTHERN CALIFORNIA**
**A California Nonprofit Public Benefit Corporation**

THE UNDERSIGNED CERTIFY THAT:

1. They are the President and Secretary, respectively, of Methodist Hospital of Southern California, a California nonprofit public benefit corporation (this "Corporation").

2. The Articles of Incorporation of this Corporation are amended and restated to read as follows:

**ONE**: The name of this corporation is USC ARCADIA HOSPITAL.

**TWO**: This corporation's address is 300 West Huntington Drive, Arcadia, California, 91007.

**THREE**: The name and address in the State of California of this corporation's initial agent for service of process is:

William Grigg
300 West Huntington Drive
Arcadia, California, 91007

**FOUR**: This corporation is a nonprofit public benefit corporation and is not organized for the private gain of any person. It is organized under the California Nonprofit Public Benefit Corporation Law for public and charitable purposes. This corporation is organized and operated exclusively for the following charitable, scientific, and educational purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986, as now in effect or as may hereafter be amended (the "Code"), and Section 214 of the California Revenue and Taxation Code, as now in effect or as may hereafter be amended (the "R&TC"):

1) To establish, equip, maintain, and operate a nonprofit hospital as part of the integrated health care system of USC Health System;

2) To coordinate the activities of this corporation in a manner that enhances the accessibility, quality and cost-effectiveness of health care services related to the communities served by this corporation, provides associated services including, but not limited to, outpatient care and emergency care, to all persons without regard to sex, race, age, religion, creed, color or national origin, sexual orientation, or physical or mental disability, and supports the educational and research missions of this corporation and USC Health System;

3) To participate in activities designed and carried on to provide and improve the general public health and health of patients served by this corporation and USC Health System; and

4) In furtherance of the purpose, mission and activities of this corporation and USC Health System, to provide other forms of aid and assistance to, for the benefit of, or in connection with the nonprofit components of this corporation and USC Health System.

In furtherance thereof, this corporation may receive property by gift, devise or bequest, invest or reinvest the same, and apply the income and principal thereof, as the directors may from time to time determine, either directly or through contributions to any charitable organization or organizations, exclusively for charitable, scientific, or educational purposes, and engage in any lawful act or activity for which corporations may be organized under the California Nonprofit Public Benefit Corporation Law. In furtherance of its corporate purposes, this corporation shall have all the general powers enumerated in Sections 5140 and 5141 of the California Nonprofit Public Benefit Corporation Law, as now in effect or as may hereafter be amended, together with the power to solicit grants and contributions for such purposes.

**FIVE**: The sole member of this corporation shall be USC Health System, a California nonprofit public benefit corporation (the "Member"). The rights of the Member shall be as fixed in this corporation's Bylaws.

**SIX**: No substantial part of the activities of this corporation shall consist of carrying on propaganda, or otherwise attempting to influence legislation (except as otherwise permitted by Section 501(h) of the Code and in any corresponding laws of the State of California), and this corporation shall not participate in or intervene in (including the publishing or distribution of statements concerning) any political campaign on behalf of (or in opposition to) any candidate for public office.

Notwithstanding any other provision of these Articles of Incorporation, this corporation shall not, except to an insubstantial degree, carry on any activity or exercise any powers not permitted to be carried on or exercised (a) by a corporation exempt from Federal income taxation as a corporation described in Section 501(c)(3) of the Code, or (b) by a corporation, contributions to which are deductible under Section 170(c)(2) of the Code.

**SEVEN**: The property of this corporation is irrevocably dedicated to charitable, scientific, and educational purposes meeting the requirements for exemption under Section 214 of the R&TC and Section 501(c)(3) of the Code. No part of the net earnings of this corporation shall inure to the benefit of, or be distributable to any director or officer of this corporation, or any other private person, except that this Corporation shall be authorized and empowered to pay reasonable compensation for services rendered to or for this Corporation and to make payments and distributions in furtherance of the purposes set forth in Article FOUR hereof.

In the event of dissolution or final liquidation of this corporation, all of the remaining assets and property of this corporation shall, after paying or making provision for the payment of all of the liabilities and obligations of this corporation and for necessary expenses thereof, be distributed in accordance with this corporation's Bylaws, *provided*, that any such reciepient shall be an organization described in Section 214 of the R&TC and Section 501(c)(3) (or successor provision) of the Code. In no event shall any of such assets or property be distributed to any director or officer, or any private individual.

3. The foregoing Amended and Restated Articles of Incorporation of this Corporation have been duly approved by the required vote of the board of directors of this Corporation.

4. The foregoing Amended and Restated Articles of Incorporation of this Corporation have been approved by the required vote of the members of this Corporation.

*(Remainder of page intentionally left blank)*

We further declare under penalty of perjury under the laws of the State of California that the matters set forth in this Declaration are true and correct of our knowledge:

Dated: _____

By: _____
Name: Dan Ausman
Title: President and CEO

By: _____
Name: William Grigg
Title: Secretary

# EXHIBIT 5

# MHSC AMENDED AND RESTATED BYLAWS

# BYLAWS
# OF
# USC ARCADIA HOSPITAL

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## ARTICLE I
## PURPOSE OF THE CORPORATION

**1. Name.**

The name of this corporation is USC Arcadia Hospital, and references to this "**Corporation**" shall mean USC Arcadia Hospital, a California nonprofit public benefit corporation. References herein to "Hospital" refer to that certain general acute care hospital in Arcadia, California known as USC Arcadia Hospital that is owned and operated by the Corporation. References herein to the "Law" refer to the Nonprofit Corporation Law of the State of California.

**2. Purposes**.

This Corporation is established for the purposes set forth in the Articles of Incorporation.

The property of this Corporation is irrevocably dedicated to charitable purposes. No part of the net income or assets of this Corporation shall ever inure to the benefit of any director or Officer thereof, or to the benefit of any other private person. The Corporation is a nonprofit public benefit corporation and is not organized for the private gain of any person. It is organized under the California Nonprofit Public Benefit Corporation Law (the "**Law**") for public and charitable purposes. The Corporation is organized for the charitable, scientific and educational purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986, as now in effect or as may hereafter be amended (the "**Code**"), and Section 214 of the California Revenue and Taxation Code, as now in effect or as may hereafter be amended (the "**R&TC**"), as set forth in the Articles of Incorporation.

**3. Dissolution**.

Upon the dissolution or winding up of this Corporation during the period that is five (5) years after the Closing Date (such period, the "**Transition Period**"), its assets remaining after payment, or provision for payment, of all debts and liabilities of this Corporation shall be distributed to the United Methodist Women of the California Pacific Conference of the United Methodist Church ("**UMW**"), provided that if, at that time UMW is not an organization described in Section 214 of the R&TC and Section 501(c)(3) (or successor provision) of the Code, then said assets shall be distributed to another organization then described in Section 214 of the R&TC and Section 501(c)(3) (or successor provision) of the Code, as this Corporation's Board of Directors may select.

Upon the dissolution or winding up of this Corporation after the Transition Period, its assets remaining after payment, or provision for payment, of all debts and liabilities of this Corporation shall be distributed to the Sole Member, provided that if, at that time the Sole Member is not an organization described in Section 214 of the R&TC and Section 501(c)(3) (or successor provision) of the Code, then said assets shall be distributed to another organization then described in Section 214 of the R&TC and Section 501(c)(3) (or successor provision) of the Code, as the Sole Member may select.

**4. Unwind**.

If a Final Notice (as defined in the Affiliation Agreement) indicating that all actions have been completed to effectuate the termination of Sole Member's membership in this Corporation is executed by Sole Member and this Corporation, then, effective on the date of such execution, and subject to full compliance with Section 5341 of the California Corporations Code, the following shall occur: (a) the Sole Member shall automatically, without any action or further notice required, cease to be a member of this Corporation, and (b) the individuals then serving on the Board of Directors who were nominated by this Corporation shall automatically, without any action or further notice required, become members of this Corporation, authorized and empowered to take all actions which members of this Corporation are entitled to take under applicable law, this Corporation's Articles of Incorporation, and these Bylaws. Without limiting the generality of the foregoing, such new member(s) may immediately take all actions necessary or desirable to remove existing Directors of this Corporation, amend this Corporation's Articles of Incorporation, and amend these Bylaws; *provided* that such amendments are consistent and in compliance with Section 214 of the R&TC and Section 501(c)(3) of the Code.

## ARTICLE II
## OFFICES AND SEAL

**1. Offices**.

The principal office for the transaction of the business of the Corporation shall be in the County of Los Angeles, State of California. The Corporation may also have an office or offices within or outside the State of California as the Board of Directors may from time to time establish.

**2. Seal**.

The Corporation may, but shall not be required to, have a corporate seal, and the same shall have inscribed thereon the name of the Corporation, the date of its incorporation and the word "**California**."

## ARTICLE III
## MEMBERSHIP

**1. Membership**.

The membership of the Corporation shall consist of a single member, USC Health System, a California nonprofit public benefit corporation (the "**Sole Member**").

**2. Actions by the Sole Member**.

(a) Action of the Sole Member. The Sole Member may act by or through its Board of Directors, the President of the Sole Member, or by or through any committee, person or persons duly authorized by its Board of Directors to act in the name and on behalf of the Sole Member in its capacity as Sole Member of the Corporation.

(b) Methods of Voting and Other Actions of the Sole Member; Action by Written Consent. Any action required or permitted to be taken by the Sole Member at a meeting may be taken without a meeting if the Sole Member shall consent in writing to such action. Such consent shall have the same force and effect as a vote of the Sole Member at a meeting, so long as it is executed in its name by an authorized officer of the Sole Member. The written consents of the Sole Member shall be filed with the minutes of the proceedings of the Corporation.

**3. Rights of the Sole Member**.

Subject to the terms of that certain Affiliation Agreement entered into by and between the Sole Member and this Corporation, executed on October 11, 2021 (the "**Affiliation Agreement**"), which was consummated on [_____], 2022 (the "**Closing Date**") and the rights and authority expressly reserved to the Board of Directors of this Corporation under the Law or these Bylaws, the Sole Member shall have all rights, privileges, preferences, and powers of a "member" under Law and the authority to exercise all powers of the Corporation, including as follows:

(a) Subject to the approval powers reserved to the Board of Directors in Article IV of these Bylaws, the Sole Member shall have the power to approve the following actions (and after the termination of the Interim Period, the Sole Member shall have the right to initiate the taking of any of the following actions):

(i) Any change in the structure of this Corporation that affects its tax-exempt status;

(ii) The discontinuation of any material clinical service line at the Hospital;

(iii) Any material change to the mission, vision, and values of this Corporation;

(iv) Any change to the size, qualifications or composition of the Board of Directors, including the number of Directors who must reside within the City of Arcadia and the number of Directors who must be members of the Hospital medical staff, as set forth in Article IV, Section 3 of these Bylaws;

(v) Any amendment or restatement of this Corporation's Articles of Incorporation or Bylaws (subject to Article XIV of these Bylaws); and

(vi) Any reduction or elimination of the services or operations of the Hospital required to be maintained under the terms of the Affiliation Agreement for the duration of the ten (10) year period commencing as of the Closing Date (such period, the "**Interim Period**").

(b) The Sole Member shall have the power to take the following actions:

(i) Develop the annual operating and capital budget of this Corporation in collaboration with the recommendations of the Board of Directors, *provided* that

the Sole Member will have the final authority to approve each annual operating and capital budget;

(ii) Establish the capital expenditure thresholds for this Corporation in collaboration with the recommendations of the Board of Directors, *provided* that the Sole Member will have the final authority to establish all capital expenditure thresholds;

(iii) After the expiration of the three (3) year period following the Closing Date, the final authority to approve the compensation and benefit plans of the following Officers of this Corporation: Chief Executive Officer ("**CEO**"), Chief Strategy Officer, Chief Operating Officer, Chief Financial Officer, Chief Medical Officer, Chief Human Resources Officer, Chief Nursing Officer, Chief Compliance and Risk Officer, and the President of the Foundation (collectively, the "**Executive Team**") and the final authority to remove each from their senior management position;

(iv) Hiring and removal of the CEO of the Corporation, subject to the following: (A) the right of the Board of Directors to consult with and propose nominations of each successor CEO (each, a "**Successor CEO**") to the CEO holding office on the Closing Date (the "**Initial CEO**"), and (B) the right of the Initial CEO to make a recommendation regarding his Successor CEO, and (C) the restrictions on removal of such individual under Section 3(b)(iii) of Article III of these Bylaws;

(v) Hiring and removal of all successor members of the Executive Team (other than the CEO), subject to the restrictions on removal of such individuals under Section 3(b)(iii) of Article III of these Bylaws, as applicable;

(vi) Appointment of successor members to the Board of Directors in place as of the Closing Date, subject to the right of the Board of Directors to recommend nominees for each such appointment;

(vii) After the Transition Period, the right to remove members from the Board of Directors, subject to the right of the Board of Directors to consult on any such removals;

(viii) Develop or modify all strategic and business plans for this Corporation, subject to input from the Board of Directors;

(ix) Approve any settlement or consent decree on behalf of this Corporation with any government authority;

(x) Select the independent auditor for this Corporation;

(xi) The right to make recommendations, in collaboration with the recommendations of the Board of Directors, to the Board of Trustees of University of Southern California, the Sole Member's sole member ("**USC**") regarding: (A)

new indebtedness for this Corporation; (B) changes to the existing indebtedness structure of this Corporation; and (C) which legal entities affiliated with the Sole Member, should be included in the obligated group for bond financing purposes; and

(xii) Subject to Section 12.6(b) of the Affiliation Agreement, the right to replace any existing Methodist hospital-based provider agreements (*e.g.*, emergency department, anesthesia, critical care, hospitalists, etc.) with Sole Member-based provider agreements in accordance the limitations described in Section 12.6(b) of the Affiliation Agreement.

## ARTICLE IV
## BOARD OF DIRECTORS

**1. Powers**.

Except as otherwise provided by law, by this Corporation's Articles of Incorporation, these Bylaws or the Affiliation Agreement, the activities and affairs of the Corporation, including as related to quality of care and operating performance, shall be conducted and all corporate powers shall be exercised by or under the direction of the Board of Directors, subject to any necessary approvals of the Sole Member as described herein and in the Affiliation Agreement. The Board of Directors may delegate the management of the Corporation to any person or persons, management company or committee however composed, *provided* that the affairs of the Corporation shall be managed and all corporate powers shall be exercised by or under the direction of the Board of Directors, as consistent and in compliance with the Corporation's Articles of Incorporation, these Bylaws, and the Affiliation Agreement. Subject to the powers reserved to the Sole Member as set forth in these Bylaws and the applicable terms of the Affiliation Agreement, the Board of Directors shall have the power and responsibility to take the following actions:

(a) Approve any change of control of Methodist Hospital Foundation, this Corporation's wholly-owned subsidiary (the "**Foundation**");

(b) Approve any use of the Foundation's assets that are not used for this Corporation and the Corporation's local area purposes;

(c) In accordance with the time periods identified in Section 12.5(a)(iv) of the Affiliation Agreement, approve any action that would result in this Corporation no longer being identified as the exclusive hospital member of the Sole Member within the "**Methodist PSA**" and in the "**Methodist SSA**" (as each such term is defined under the Affiliation Agreement);

(d) During the three (3) year period immediately following the Closing Date, the sole authority to remove, or reduce the compensation and benefit plans of, the Executive Team;

(e) After the Transition Period, the right to consult on the removal of any remaining incumbent member of the Board of Directors;

(f) Nominate the individual serving as the first Successor CEO;

(g) Consult on the selection and removal of each CEO;

(h) Nominate successor members to serve on the Board of Directors, subject to approval of the Sole Member in accordance with Section 3(b)(vi) of Article III of these Bylaws;

(i) During the Interim Period, approve the following actions:

(i) Any change in the structure of this Corporation that affects its tax-exempt status;

(ii) The discontinuation of any material clinical service line at the Hospital;

(iii) Any material change to the mission, vision, and values of this Corporation;

(iv) Any change to the size, qualifications or composition of the Board of Directors, including the number of Directors who must reside within the City of Arcadia and the number of Directors who must be members of the Hospital medical staff, as set forth in Article IV, Section 3 of these Bylaws;

(v) Any amendment or restatement of this Corporation's Articles of Incorporation or Bylaws (subject to Article XIV of these Bylaws); and

(vi) Any reduction or elimination of the services or operations of the Hospital required to be maintained under the terms of the Affiliation Agreement for the duration of the Interim Period.

(j) Nominate one (1) voting member to serve on the Sole Member's Board of Directors to serve in accordance with the Sole Member's Bylaws, and one (1) representative to be invited to attend the Sole Member's Board of Directors meetings without vote, each subject to the Sole Member's approval (which shall not be unreasonably withheld);

(k) During the Transition Period, retain discretion over the use of all cash, cash equivalents, and investments held by the Corporation immediately prior to the Closing Date for uses that benefit the Corporation and the Corporation's local area, which shall include servicing the Corporation's debt and providing for routine capital needs, subject to the Sole Member's authority to review and approve expenditures that individually or in the aggregate exceed Five Million Dollars ($5,000,000) (except with respect to the occurrence of a "Methodist Unwind Event," as such term is defined in the Affiliation Agreement);

(l) During the three (3) year period immediately following the Closing Date, approve the Sole Member's addition of any new hospital member or any hospital-based clinical service program, including through the expansion of an existing clinical service program and USC-affiliated physician practice location as set forth on Schedule 12.5(a)(iv) of the Affiliation Agreement, to a new location within the "**Methodist SSA**" (as defined under the Affiliation Agreement);

(m) Subject to Section 12.6(b) of the Affiliation Agreement, the right to terminate any hospital-based provider agreements of the Hospital (e.g., emergency department, anesthesia, critical care, hospitalists, etc.); and

(n) Subject to, and in accordance with, the terms of the Affiliation Agreement and Section 5341 of the California Corporations Code, during the Transition Period, the Board of Directors shall have the right to terminate the membership of the Sole Member in the event that any of the following events occur:

(i) The Sole Member takes or approves any of the following events without obtaining the approval of the Board of Directors: (A) the closure of the Hospital or the dissolution of the Corporation, (B) the sale, transfer, or disposition of all or substantially all of the assets of the Corporation, (C) any action that causes another entity to become the beneficial owner of one hundred percent (100%) of the voting ownership interests of the entity that owns the Hospital, or (D) the Sole Member undergoes a change of corporate member that results in USC no longer being the majority member of the Sole Member;

(ii) An arbitrator determines that the Sole Member materially breached the Affiliation Agreement and identifies the termination of the Sole Member's membership of the Corporation as the remedy for such material breach; or

(iii) A final determination is made in accordance with Section 12.1 of the Affiliation Agreement that the affiliation of the Corporation and the Sole Member under the Affiliation Agreement is illegal and the Corporation and the Sole Member are unable to mutually agree upon any necessary alteration to the Affiliation Agreement and/or their respective governance documents (including these Bylaws), or if such alteration is not legally possible.

**2. Certain Limitations on Power**. Subject to Article IV, Section 1(n) and without otherwise limiting any right of the Sole Member provided in these Bylaws, after the Closing Date, the Board of Directors will not, without the prior approval of the Sole Member, take any of the following actions:

(a) Enter into any change of control transaction with respect to this Corporation, including any transaction in which the Sole Member would no longer be the sole member of this Corporation;

(b) Merge, consolidate, convert or otherwise reorganize this Corporation;

(c) Dissolve this Corporation;

(d) Change the tax status of this Corporation as a tax-exempt organization or as a public charity;

(e) Amend the mission or charitable purposes of this Corporation; or

(f) Sell, transfer or otherwise dispose of a significant portion of the assets of this Corporation.

**3. Number and Qualification**.

(a) The Board of Directors shall consist of no more than fifteen (15) directors (each, a "**Director**" and collectively, the "**Directors**" or "**Board of Directors**" or "**Board**"). The Board of Directors shall be appointed by the Sole Member, subject to and in accordance with Article III, Section 3.

(i) All Directors shall fulfill at least one (1) of the competencies from the Core Competencies Matrix developed and approved by the Governance Committee;

(ii) Not less than twenty-five percent (25%) of the Directors shall be residents of the City of Arcadia, California;

(iii) Not less than seventy-five percent (75%) of the Directors shall be residents of Southern California;

(iv) Not less than two (2) of the Directors shall be practicing physicians that are members in good standing of the medical staff of the Hospital;

(v) Not less than two (2) of the Directors shall be appointed by the Sole Member, one of which shall be non-management member of the Sole Member's Board of Directors or a member of the USC Board of Trustees, based on availability and appropriateness; and

(vi) One (1) of the Directors shall be the President of the United Methodist Women of the California Pacific Conference of the United Methodist Church ("**UMW**"). If she is unable to serve, the Executive Committee of the UMW may nominate another member of the Executive Committee to serve as an *ex-officio* Director with a vote.

(b) The Board of Directors shall invite *ex officio* non-voting representatives to attend meetings of the Board of Directors, as follows:

(i) During the Transition Period, the Sole Member may invite *ex officio* non-voting representatives to meetings of the Board of Directors on an as needed basis;

(ii) After the Transition Period, two (2) shall be identified by the Sole Member on an *ad hoc* basis;

(iii) One (1) shall be the Chief of Staff of the Medical Staff of the Hospital; and

(iv) One (1) shall be the Chairman of the Board of the Foundation.

Persons serving as non-voting representatives shall be invited to all Board of Directors meetings and have the opportunity to hear and be heard on all matters not discussed in

executive session. Non-voting representatives shall not be taken into account for purposes of notice, quorum, voting or other rights to which directors are entitled under the Law and these Bylaws.

**4. Interested Persons as Directors**.

No more than forty-nine percent (49%) of the persons serving on the Board may be "interested persons." An interested person is (a) any person compensated by the Corporation for services rendered by such person within the previous twelve (12) months, whether as a full-time or part-time employee, independent contractor, or otherwise, excluding any reasonable compensation paid to a Director for services in such capacity; and (b) any brother, sister, ancestor, descendant, spouse, brother-in-law, sister-in-law, son-in-law, daughter-in-law, mother-in-law, or father-in-law of such person. Notwithstanding the above, any violation of this paragraph shall not affect the validity or enforceability of transactions entered into by the Corporation.

**5. Term, Election and Tenure**.

(a) The Directors listed in Article IV, Section 3(a)(vi) shall be Directors while their aforementioned terms of office continue, or for such Directors identified by the Sole Member, for the duration as determined by the Sole Member. The remaining Directors of the Board of Directors shall be classified so that the term of office of one-third (1/3) of their number shall be elected or re-elected by the Sole Member, subject to the right of the Board of Directors to recommend nominees for each such appointment and subject to the following: the term of office of each Director serving at the time that these Bylaws are adopted (i.e., as of the Closing Date) shall be a period of five (5) years, and thereafter, each Director shall serve for a period of three (3) years and until the election of his or her successor. The term of office of a non-voting Representative serving due to his or her position shall be coterminous with his or her position, such that he or she shall remain a non-voting Representative so long as he or she remains in that position and shall be succeeded by the next individual who occupies the indicated office.

(b) Other than the Directors listed in Article IV, Section 3(a)(vi), no Director shall serve for more than four (4) consecutive full terms or twelve (12) consecutive years, whichever is the last to occur. Such a Director who has served up to such maximum terms or years shall only be eligible for re-election after the lapse of a one (1) year period while such person does not serve on the Board. The term limits of this Section 5(b) shall not apply to those persons who serve as *ex officio* representatives invited to attend meetings of the Board of Directors.

**6. Resignation**.

Any Director may resign at any time, either by oral tender of resignation at any meeting of the Board of Directors or by giving written notice thereof to the Secretary of the Corporation. Such resignation shall take effect at the time specified therefor and, unless otherwise specified with respect thereto, the acceptance of such resignation shall not be necessary to make it effective. Notwithstanding the foregoing, no Director may resign if the Corporation would then be left without a duly appointed director or directors in charge of its affairs, except upon notice to the California Attorney General.

**7. Removal**.

(a) A Director may be removed, with or without cause, as follows:

(i) During the Transition Period, by the action of two-thirds (2/3) of the authorized number of Directors; and

(ii) After the Transition Period, by the Sole Member, in consultation with the Board of Directors.

(b) The Board of Directors, or after the Transition Period, the Sole Member (subject to the restrictions of Section 7(a)(i)), may declare vacant the office of a Director who has been declared of unsound mind by a final order of court, or convicted of a felony, or been found by a final order or judgment of any court to have breached any duty under the standards of conduct required of directors under the Law, or if the director has unexcused failure to attend three (3) regular Board meetings during any consecutive twelve (12) months. "Unexcused failure to attend" refers to failures to attend meetings where (i) the Director has not notified the Chairman of the Board, the President or the Secretary of the anticipated nonattendance and the reason(s) therefor at least five (5) hours in advance of the scheduled time of a Board meeting, and (ii) the Chairman or a majority of the Board of Directors has not found the reason(s) sufficient.

**8. Vacancies**.

Any vacancy occurring in the Board of Directors shall be filled by the Sole Member, subject to the right of the Directors to recommend nominees for each such appointment and any requirements for the Director whose office is vacant. A Director elected to fill a vacancy occurring in the Board of Directors shall serve for the unexpired term of his or her predecessor in office.

**9. Organizational Meeting of the Board of Directors**.

The annual or organizational meeting of the Board of Directors shall be held on the date designated by the Board of Directors for the purpose of conducting necessary actions or any such other business as may come before the meeting.

**10. Regular Meetings**.

Regular meetings of the Board of Directors shall be at such time and place as the Board may fix by resolution from time to time.

**11. Special Meetings**.

Special meetings of the Board of Directors may be called by or at the request of two (2) or more Directors, the Chairman, the Vice Chairman, the President and Chief Executive Officer, or the Secretary.

**12. Notice of Meetings.**

Notice of the time and place of all meetings shall be delivered personally or by telephone, including a voice messaging system or by electronic transmission by the Corporation to each Director or sent by first-class mail, charges prepaid, addressed to each Director at the Director's address as it is shown on the records of the Corporation. In case the notice is mailed, it shall be deposited in the United States mail at least four (4) days before the time of the holding of the meeting. In case the notice is delivered personally or by telephone, it shall be delivered personally or by telephone at least forty-eight (48) hours before the time for the holding of the meeting. The notice need not specify the purpose of the meeting nor the place if the meeting is to be held at the principal office of the Corporation.

**13. Quorum and Voting.**

A majority of the authorized number of voting members of the Board of Directors shall constitute a quorum for the transaction of business at any meeting of the Board of Directors, but if fewer than a majority thereof are present at the meeting, a majority of the Directors present may adjourn and reconvene the meeting from time to time without further notice. If the meeting is adjourned for more than twenty-four (24) hours, notice of an adjournment to another time or place shall be given prior to the time of the adjourned meeting to the Directors who were not present at the time of the adjournment.

Each voting Director shall have one (1) vote on each matter presented to the Board of Directors for action. No Director may vote by proxy.

**14. Validation of Meeting.**

The transactions of the Board of Directors at any meeting, however called or noticed or wherever held, shall be as valid as though had at a meeting duly held after call and notice if a quorum be present and if, either before or after the meeting, each Director not present signs a written waiver of notice or a consent to the holding of such meeting or an approval of the minutes thereof. Notice of a meeting shall also be deemed given to any Director who attends the meeting without protesting the lack of adequate notice before the meeting or at its commencement. All such waivers, consents or approvals shall be filed with the corporate records and made a part of the minutes of the meeting.

**15. Unanimous Action Without Meeting.**

An action required or permitted to be taken by the Board of Directors may be taken without a meeting if all Directors individually or collectively consent in writing to that action and if, subject to subdivision (a) of Section 5224 of the Law, the number of Directors then in office constitutes a quorum. The written consent or consents shall be filed with the minutes of the proceedings of the Board of Directors. The action by written consent shall have the same force and effect as a unanimous vote of the Directors. For purposes of this paragraph only, "all Directors" does not include an "interested director" as defined in subdivision (a) of Section 5233 of the Law or a "common director" as described in subdivision (b) of Section 5234 of the Law who abstains in writing from providing consent, where (1) the facts described in paragraph (2) or (3) of subdivision

(d) of Section 5233 of the Law are established or the provisions of paragraph (1) or (2) of subdivision (a) of Section 5234 of the Law are satisfied, as appropriate, at or prior to execution of the written consent or consents; (2) the establishment of those facts or satisfaction of those provisions, as applicable, is included in the written consent or consents executed by the non-interested or non-common Directors or in other records of the Corporation; and (3) the non-interested or non-common directors, as applicable, approve the action by a vote that is sufficient without counting the votes of the interested directors or common directors.

Any certificate or other document filed on behalf of this Corporation relating to an action taken by the Board of Directors without a meeting shall state that the action was taken by unanimous written consent of the Board without a meeting, and that the Bylaws of the Corporation authorize its Directors to so act.

**16. Telecommunications Equipment**.

Directors may participate in a meeting through use of conference telephone, electronic video screen communication or other communications equipment. Participation in a meeting through use of conference telephone or electronic video screen communication or other communications equipment constitutes presence in person at that meeting as long as all Directors participating in the meeting are able to hear one another. Directors may also participate through use of electronic transmission by and to the Corporation (as permitted by and in compliance with Sections 20 and 21 of the California Corporations Code) if both of the following apply:

(a) each Director participating in the meeting can communicate concurrently with all other Directors; and

(b) each Director is provided the means of participating in all matters before the Board, including the capacity to propose or to interpose an objection to, a specific action to be taken by the Corporation.

**17. Compensation**.

The Corporation shall not pay any compensation to Directors for services rendered to the Corporation, except that Directors may be reimbursed for expenses incurred in the performance of their duties to the Corporation, in reasonable amounts as approved by the Board of Directors.

**18. Director Emeritus**.

The Board of Directors may appoint one or more former Directors to serve as Directors Emeritus. Upon request of the Chairman of the Board, such Directors Emeritus may serve as advisors to the Board of Directors. All Directors Emeritus shall be invited to attend the annual meeting. A Director Emeritus shall not have the authority to vote.

**19. Contracts with Directors**.

Neither the Board of Directors nor any committee of the Board of Directors shall approve or permit the Corporation to engage in a contract or transaction between the Corporation and any

domestic or foreign corporation, firm or association of which one or more of the Corporation's Directors is a director, unless:

(a) The material facts as to the contract or transaction and as to such Director's other directorship, officership, or financial interest are fully disclosed in good faith and noted in the minutes or known to the Board, and the Board authorizes, approves or ratifies the contract or transaction in good faith by a vote sufficient without counting the vote of the interested Director or Directors.

(b) Before authorizing or approving the transaction, the Board considers and in good faith decides after reasonable investigation, that the Corporation could not obtain a more advantageous arrangement with reasonable effort under the circumstances.

(c) The Corporation, for its own benefit enters into the transaction, which is fair and reasonable to the Corporation at the time the transaction is entered into.

(d) This Section shall not apply to a transaction that is part of an educational, religious or charitable program of this Corporation if it: (i) is approved or authorized by the Corporation in good faith and without unjustified favoritism, and (ii) results in a benefit to one or more Directors or their families because they are in the class of persons intended to be benefited by the educational, religious or charitable program of this Corporation.

**20. Conflict of Interest Policy.**

The Sole Member shall adopt on behalf of the Corporation a conflict of interest policy (the "**Conflict of Interest Policy**") applicable to the Directors and Officers and, as the Sole Member deems appropriate, to employees and agents of the Corporation, which shall establish procedures for disclosure and resolution of conflicts of interest, material financial interests, interlocking directorships, business and familial relationships and similar matters of significance to the integrity of decision making on behalf of the Corporation.

**21. Directors' Inspection Rights**.

Every Director shall have the right at any reasonable time to inspect the Corporation's books, records, and documents of every kind, and to inspect the physical properties of the Corporation. The inspection may be made in person or by the Director's agent or attorney. The right of inspection includes the right to copy and make extracts of books, records, and documents of every kind, subject to the requirements and restrictions of federal and state protected health information and privacy laws and regulations.

**22. Annual Report**.

The Board shall cause an annual report to be sent to the Directors within one hundred twenty (120) days after the end of the Corporation's fiscal year. The report shall contain the following information, in appropriate detail: (a) the assets and liabilities, including the trust funds, of the Corporation as of the end of the fiscal year; (b) the principal changes in assets and liabilities, including trust funds during the fiscal year; (c) the Corporation's revenue or receipts, both unrestricted and restricted to particular purposes; (d) the Corporation's expenses or disbursements

for both general and restricted purposes during the fiscal year; (e) any other information required by these Bylaws; and (f) an independent accountant's report or, if none, the certificate of an authorized Officer of the Corporation that such statements were prepared without audit from the Corporation's books and records. If the Board approves, the Corporation may send the report and any accompanying material sent pursuant to this section by electronic transmission.

### 23. Annual Statement of Transactions with Interested Persons and of Indemnification.

The Corporation annually shall prepare and mail, deliver, or send by electronic transmission by the Corporation to each Director a statement of any transaction or indemnification of the following kind: (a) Any transaction: (i) in which the Corporation was a party, (ii) in which an "interested person" had a direct or indirect material financial interest, and (iii) that involved more than $50,000 or was one of several transactions with the same interested person involving, in the aggregate, more than $50,000. For this purpose, an "interested person" is any Director or Officer of the Corporation or its Sole Member, or its subsidiary(ies); or any holder of more than ten percent (10%) of the voting power of the Corporation, its Sole Member, or its subsidiary(ies). The statement shall include a brief description of the transaction, the names of interested persons involved, their relationship to the Corporation, the nature of their interest in the transaction, and, if practicable, the amount of that interest, *provided* that if the transaction was with a partnership in which the interested person is a partner, only the interest of the partnership need be stated; and (b) any indemnification sums or advances aggregating more than $10,000 paid during the fiscal year to any Officer or Director of the Corporation under these Bylaws.

### 24. Standard of Care.

A Director shall perform the duties of a director, including duties as a member of any board committee on which the director may serve, in good faith, in a manner such director believes to be in the best interest of the Corporation and with such care, including reasonable inquiry, as an ordinary prudent person in a like situation would use under similar circumstances. In performing the duties of a Director, a Director shall be entitled to rely on information, opinions, reports, or statements, including financial statements and other financial data, in each case prepared or presented by:

(a) One or more Officers or employees of the Corporation whom the Director believes to be reliable and competent as to the matters presented;

(b) Counsel, independent accountants, or other persons as to matters which the Director believes to be within such person's profession or expert competence; or

(c) A committee of the Board upon which the Director does not serve, as to matters within its designated authority, provided that the Director believes such committee merits confidence; so long as in any such case, the Director acts in good faith after reasonable inquiry when the need therefor is indicated by the circumstances and without knowledge that would cause such reliance to be unwarranted.

## ARTICLE V
## COMMITTEES

### 1. Committees Generally.

Except as otherwise provided by the Bylaws, the Board of Directors may, by resolution or resolutions passed by a majority of the Directors thereof, appoint standing or special committees for any purpose and, if such committees are comprised solely of Directors, delegate to such committees any of the powers and authority of the Board, except the power to: (a) take any final action on any matter that, under the Law or these Bylaws, also requires approval of the Sole Member or the Board of Directors; (b) fill vacancies on the Board or any committee of the Board; (c) fix compensation of the Directors for serving on the Board or on any committee; (d) amend or repeal Bylaws or adopt new Bylaws; (e) amend or repeal any resolution of the Board that by its express terms is not so amendable or repealable; (f) create any other committees of the Board or the members thereof; (g) expend corporate funds to support a nominee for Director if more people have been nominated for Director than can be elected; (h) approve any contract or transaction to which the Corporation is a party and in which one or more of its Directors has a material financial interest, except as special approval is provided for in Corporations Code §5233(d)(3); or (i) take any other actions that may be prohibited by law. Such committees shall have power to act only in intervals between meetings of the Board and shall at all times be subject to the control of the Board. The Board of Directors or, if the Board does not act, the committees shall establish rules and regulations for meetings and shall meet at such times as it is deemed necessary, *provided* that notice of all meetings shall be given to committee members in the manner provided in Section 12 of Article IV. No act of a committee shall be valid unless approved by the vote or written consent of a majority of such committee's members. Committees shall keep regular minutes of proceedings and report the same to the Board from time to time as the Board of Directors may require. Any committee composed of, one or more persons, who are not Directors, may act solely in an advisory capacity to the Board. All committees shall have a majority of non-interested Directors (as defined in Section 4 of Article IV of these Bylaws).

### 2. Executive Committee.

The Executive Committee shall be elected by a majority of the Directors in office and each member of the committee shall be a Director of the Corporation. The Executive Committee shall be composed of the Officers of the Corporation who are Directors, and two (2) or such number of "at-large" members elected by the Board sufficient to ensure that the majority of the Executive Committee members are non-interested (as defined in Section 4 of Article IV of these Bylaws).

The duties and responsibilities of the Executive Committee shall include but not be limited to the following:

(a) To have and exercise the authority of the Board of Directors in the management of the Corporation between meetings of the Board of Directors, excepting as to matters concerning which the full Board of Directors is required to act by law or by the Articles of Incorporation or by these Bylaws;

(b) To have and exercise such specific powers and perform such specific duties as prescribed by these Bylaws or as the Board of Directors shall from time to time prescribe or direct; and

(c) To approve the annual evaluation of the President and Chief Executive Officer's performance and the compensation of the President and Chief Executive Officer and Vice Presidents and other Officers performed by the Compensation Committee (provided no members of the Executive Committee shall participate in evaluating or making compensation decisions relating to their own compensation and performance).

**3. Compensation Committee**.

For the first three (3) years following the adoption date of these Bylaws, the Corporation shall have a Compensation Committee. The Compensation Committee shall be elected by a majority of the Directors in office and each member of the committee shall be a Director of the Corporation. The Compensation Committee shall be composed of at least three (3) Directors of the Board of Directors, two (2) of whom shall also be members of the Executive Committee and all of whom shall be non-interested directors (as defined in Section 4 of Article IV of these Bylaws).

The duties and responsibilities of the Compensation Committee shall be:

(a) To prepare and recommend a Compensation Philosophy and Executive Compensation Charter to the Executive Committee and then to the Board of Directors for final approval;

(b) To recommend necessary amendments to the Compensation Philosophy and Executive Compensation Charter to the Executive Committee and then to the Board of Directors for final approval from time to time based on changes to law or the business environment;

(c) Review the recommendations of the President and Chief Executive Officer regarding compensation of the other Officers and executive staff of the Corporation;

(d) To perform the evaluation of the President and Chief Executive Officer's performance and make recommendations to the Executive Committee regarding the compensation of the President and Chief Executive Officer; and

(e) To retain at least on a triennial basis the services of an independent consultant to survey the marketplace in order to assure that base salaries, incentive compensation and benefits are consistent with fair market value and with any Board Approved Executive Compensation Philosophy.

**4. Finance and Compliance Committee**.

The Finance and Compliance Committee shall be composed of a minimum of three (3) Directors of the Board of Directors, one (1) of whom shall be the Treasurer who shall serve as Chairman. The committee shall meet as often as necessary, but no less than four (4) times annually.

The duties and responsibilities of the Finance and Compliance Committee shall be:

(a) To set the overall corporate "tone" for quality financial reporting, sound business risk practices, and ethical behavior;

(b) To ensure that the Corporation has adopted and implemented policies and procedures which will require the Hospital and its employees to act in full compliance with all applicable laws, regulations and policies;

(c) To review and discuss financial information and earnings guidance provided to analyst and rating agencies;

(d) To provide oversight to the Corporate Compliance Program relating to the conduct of business that will ensure that high ethical conduct standards are met. Ensure that the Hospital's mission, vision, values, and the Standards of Business Conduct are properly communicated to all employees on an ongoing basis, including annual dissemination and review of conflict of interest questionnaires. Conflict of Interest is a condition, either based on a one-time event or ongoing, in which the individual may have some other interest which may cause that person to act, or refrain from acting in a way which is contrary to the interests of Methodist Hospital. A covered individual may have such a conflict whether or not that person has acted upon it;

(e) To review matters relating to education, training and communication in connection with the Hospital's Standards of Business Conduct to ensure that the Hospital's policies and procedures on compliance are properly disseminated, understood and followed;

(f) To periodically review the malpractice and other liability claims pending against the Corporation;

(g) To advise the Board of Directors on methods and procedures which will assure that the financial policies and budgets adopted by the Board of Directors are carried out and to assist the Treasurer of the Corporation;

(h) To review and advise the Board of Directors on financial feasibility of corporate projects, acts and undertakings referred to it by the Board of Directors; to review and recommend the level of insurance coverage to be maintained by the Corporation;

(i) To provide oversight for the personnel practices and policies for the employed personnel of the hospital;

(j) To oversee and periodically review the performance and adequacy of or changes to the Hospital's retirement plans; and

(k) To provide oversight for the preparation of the Corporation's annual budgets, to review the same and to make recommendations thereon to the Board of Directors prior to the end of the Corporation's fiscal year; to review the monthly financial statements of the Corporation, appraise the Corporation's operating performance and make recommendations to the Board of Directors on both current and long term fiscal affairs;

**5. Audit Committee**.

To the extent that the Sole Member retains an audit and compliance committee, that committee shall serve as the audit and compliance committee of the Corporation.

**6. Governance Committee**.

The Governance Committee shall be composed of members of the Board appointed by the Board of Directors including one representative of the United Methodist Women. The duties and responsibilities of the Governance Committee shall be:

(a) To recommend to the Board of Directors for presentation to the Sole Member a slate of candidates to fill the positions of Directors whose terms expire each year, such slate to be submitted to the Board of Directors not later than thirty (30) days prior to the last regularly scheduled Board meeting held prior to the annual meeting of the Board;

(b) To recommend to the Board of Directors candidates for Officers of the Corporation, as necessary or requested by the Board of Directors;

(c) To periodically review the Bylaws of the Corporation and make recommendations to the Board for change, and also to discuss changes to these Bylaws proposed by others;

(d) To develop and recommend to the Board of Directors a self-assessment survey to be completed annually by Directors;

(e) To develop and recommend to the Board of Directors procedures for the introduction and training of new Directors; and

(f) To develop and recommend to the Board of Directors periodic informational and educational input for Directors.

**7. Planning Committee**.

The Planning Committee shall be composed of five (5) members of the Board of Directors, one (1) of whom shall be a member of the Executive Committee.

The duties and responsibilities of the Planning Committee shall be:

(a) To act as a liaison group between the Medical Staff and the Board of Directors on joint planning issues;

(b) To develop, maintain and recommend to the Board of Directors strategic plans and actions required to accomplish such plans;

(c) To review and recommend to the Board of Directors corporate financial feasibility and/or patient care service changes, consistent with: maintaining the high quality of care of the Hospital; Hospital purposes, needs and capabilities; and community needs; and

(d) To work jointly with the Medical Staff Planning Committee on planning issues which require joint study; to make recommendations to the Board of Directors on such issues; and to have general supervision over the maintenance, renovation and extension of the property of the Corporation as well as evaluating proposals for all significant facility and capital equipment expenditures.

**8. Performance Improvement Committee**.

The Performance Improvement Committee shall be composed of members of the Board of Directors and will meet quarterly with members of the Medical Staff (CQIS Committee) and Administration to review performance improvement indicators, results of the Hospital's safety program and special reports. From this review, a quarterly report will be presented to the Board which brings forth overview of quality and safety matters of the Hospital and the Medical Staff.

**9. Investment Committee**.

The Investment Committee shall be composed of at least three (3) members of the Board appointed by the Board of Directors including the Treasurer, *provided* that the Treasurer is a Director. The duties and responsibilities of the Investment Committee shall be:

(a) To approve the Corporation's investment policy, including the setting of investment objectives, goals and guidelines;

(b) To provide oversight of investment activities, including the retention of investment advisors and managers and the setting of asset allocations;

(c) To approve the establishment of custodial accounts for the holding of investments; and

(d) To meet periodically, but at least annually, with third party investment advisors to review investment results and to recommend to the Board of Directors changes to the investment portfolio as appropriate ensuring compliance with the Corporation's investment policy and procedures.

**10. Quorum**.

A majority of the members of a committee shall constitute a quorum and any transaction of a committee shall require a majority vote of the quorum present at any meeting. Each member of a committee, including the person presiding at the meeting, shall be entitled to one (1) vote.

**11. Membership Appointment**.

The Chairman and members of each committee other than the Executive Committee shall be appointed by the Chairman of the Board, subject to the approval of the Board of Directors. The members of the Executive Committee shall be appointed by the Board of Directors. The Chairman

of each committee shall be a member of the Board of Directors. Other members of committees need not be members of the Board of Directors except as otherwise provided in these Bylaws.

**12. Term of Office.**

The Chairman and members of each committee shall serve for one (1) year after appointment and until his or her successor is appointed, or until such committee is sooner terminated, or until he or she is removed, resigns or otherwise ceases to qualify as a Chairman or member, as the case may be, of the committee.

**13. Removal of Committee Members**.

The body or person that appointed the members of a committee may remove at any time, with or without cause, such members of that committee.

**14. Meetings**.

Members of committees shall meet not less frequently than once a year, except the Executive Committee shall meet at least four (4) times a year and in any event, at the call of the Chairman of the Board, the President and Chief Executive Officer or the Chairman of the committee at such a place as he, she or they shall designate. The provisions of Section 10, 11, 13, 15, and 16 of Article IV shall apply to all committee meetings. Each committee shall keep minutes of its proceedings and make a report to the Board of Directors of its action within a reasonable time subsequent thereto.

## ARTICLE VI
## OFFICERS

**1. Officers**.

The Officers of the Corporation (each an "**Officer**" and collectively, the "**Officers**") shall be Chairman of the Board, a Vice Chairman, a President and Chief Executive Officer, a Secretary, a Treasurer, a Chief Financial Officer, Chief Strategy Officer, Chief Operating Officer, and Chief Medical Officer. Officers of the Corporation may be employees of the Corporation. The Corporation may also have, at the discretion of the Board of Directors, one or more Assistant Secretaries and one or more Assistant Treasurers. Any person may hold more than one office, except that neither the President and Chief Executive Officer nor the Chairman may serve concurrently as either the Secretary or Chief Financial Officer.

**2. Appointment of Officers**.

The Officers of the Corporation shall be appointed annually by the Sole Member subject to the restrictions set forth in Article II, Section 3 of these Bylaws and the rights of the Board of Directors set forth in Article IV, Section 1 of these Bylaws, respectively.

**3. Subordinate Officers**.

The Board of Directors may elect or authorize the appointment of such other Officers than those herein before mentioned as the business of the Corporation may require, each of whom shall hold office for such period, have such authority and perform such duties as are provided in these Bylaws or as the Board of Directors from time to time may authorize.

**4. Removal of Officer**.

Any Officer may be removed either with or without cause by the Sole Member, subject to the restrictions set forth in Article III, Section 3 of these Bylaws, and the rights of the Board of Directors set forth in Article IV, Section 1 of these Bylaws. Should a vacancy occur in any office as a result of death, resignation, removal, disqualification or any other cause, the Board may delegate the powers and duties of such office to any Officer or to any Director until such time as a successor for such office has been selected.

**5. Chairman of the Board**.

The Chairman of the Board shall preside at all meetings of the Board, and shall have such other powers and duties as the Board may specify. The chairman may serve no more than three (3) consecutive one-year terms. Such a Chairman who has served up to such maximum term shall be eligible for re-election after a lapse of a one-year period while such person does not serve as Chairman.

**6. Vice Chairman of the Board**.

In the absence or disability of the Chairman of the Board, the Vice Chairman of the Board shall perform all the duties of the Chairman and, when so acting, shall have all the powers of, and be subject to, all the restrictions upon the Chairman. The Vice Chairman shall have such other powers and duties as may be specified by the Board of Directors. The Vice Chairman shall succeed the Chairman when such Chairman is not reelected or when he/she has reached his/her term limits.

**7. President and Chief Executive Officer**.

The President and Chief Executive Officer shall be the chief executive officer of the Corporation. Subject to the control of the Board, he/she shall have general supervision of the business of the Corporation, shall be a member of all of the Committees, and shall have such other powers and duties usually vested in such an Officer.

**8. Secretary**.

The Secretary shall be a Director, shall keep or cause to be kept the minutes of the meetings of the members and the Board of Directors and its Committees in one or more books provided for that purpose, shall see that all notices are duly given in accordance with the provisions of these Bylaws and the Articles of Incorporation, as required by law, shall be custodian of the Corporation's records and of the seal of the Corporation and shall see that the seal is affixed to all documents, the execution of which on behalf of the Corporation under its seal is duly authorized, and in general shall perform all duties as from time to time may be prescribed by the Chairman of

the Board, the President and Chief Executive Officer or the Board of Directors. These duties may also be carried out by an Assistant Secretary so designated by the Board of Directors.

**9. Treasurer**.

The Treasurer shall oversee the financial condition of the Corporation and shall be the Chairman of the Finance Committee.

**10. Chief Financial Officer**.

The Chief Financial Officer, if required by the Board of Directors, shall give a bond for the faithful discharge of his or her duties in such form and with such surety or sureties as the Board of Directors shall determine. The Chief Financial Officer shall have charge and custody of all the funds of the Corporation. The Chief Financial Officer shall also be designated Assistant Treasurer and shall keep, or cause to be kept, in books belonging to the Corporation, full and accurate accounts of all receipts and disbursements, and shall deposit all money and other valuable effects in the name of the Corporation in such depositories as may be designated for that purpose by the Board of Directors. The Chief Financial Officer shall disburse the funds of the Corporation as may be ordered by the Board of Directors, taking proper vouchers for such disbursements, and shall render to the Chairman of the Board of Directors at the meetings of the Board of Directors whenever requested by them an account of all his transactions as Chief Financial Officer and of the financial condition of the Corporation.

**11. Compensation and Expenses**.

Officers shall serve without salary unless they are also employees of the Corporation. Expenses incurred in connection with performance of their official duties may be reimbursed to Officers upon approval of the Board of Directors. Any compensation of the President and Chief Executive Officer and the Chief Financial Officer or Treasurer shall be determined in accordance with subdivision (g) of Section 12586 of the Government Code, if applicable.

## ARTICLE VII
## ADMINISTRATION

**1. Administration**.

The President and Chief Executive Officer shall be the Board of Directors' direct executive representative in the management of the Hospital. The President and Chief Executive Officer shall be in charge of the general management of the Hospital, including the establishment of internal controls to effectively operate the hospital, and subject to administrative policies adopted by the Board of Directors and orders resulting there from. The President and Chief Executive Officer shall act as the duly authorized representative of the Board of Directors in all matters in which the Board of Directors has not formally designated some other person to act. The authority and duties of the President and Chief Executive Officer shall be as follows:

(a) Carrying out all policies established by the Board of Directors;

(b) Development of a plan of organization of the personnel and others concerned with the operation of the Hospital and submission thereof to the Board of Directors for approval;

(c) With the goal of conserving the physical and financial assets of the company, preparation of an annual operating and capital expenditure budget showing the expected receipts and expenditures and such other information as is required by the Board of Directors, and submission of such budgets to the Board of Directors for approval;

(d) Selection, employment, control, retention and discharge of employees, and development and maintenance of personnel policies and practices for the Hospital;

(e) Maintenance of physical properties in a good state of repair and operating condition;

(f) Establishing and maintaining information and support systems;

(g) Supervision of business affairs to insure that funds are collected and expended to the best possible advantage and within the provisions of the annual budgets;

(h) Cooperation with the Medical Staff and with all those concerned with the rendering of professional service to the end that high quality care may be rendered to the patients consistent with the policies set forth by the Board of Directors;

(i) Presentation to the Board of Directors, or to its authorized committees, of periodic reports reflecting the professional service and financial activities of the Hospital as prescribed by corporate administrative policies and preparation and submission of such special reports as may be required by the Board of Directors;

(j) Report all activities and recommendations of the Medical Staff to the Board;

(k) Execute contracts authorized by the Board of Directors subject to the limitations of authority delegated by the Board of Directors;

(l) Performance of other duties assigned by the Board of Directors that may be necessary in the best interest of the Hospital; and

(m) Designate a qualified individual who shall be responsible to the President in matters of administration and shall represent him or her during his or her absence.

The Board shall annually evaluate the performance of the President against key goals and management objectives, and such other criteria as the Board may from time to time establish.

## ARTICLE VIII
## MEDICAL STAFF

**1. Organization**.





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The Board of Directors shall cause to be created a medical staff organization to be known as the Medical Staff of the Hospital, whose membership shall be comprised of all physicians and other licensed practitioners who are privileged to attend patients in the Hospital. Only members of the Medical Staff with clinical privileges may admit patients to or treat patients at the Hospital, and those practitioners shall be directly responsible for each patient's diagnosis and treatment within the scope of his or her privileges. Membership in this medical staff organization shall be a prerequisite to the exercise of clinical privileges in the Hospital, except as otherwise specifically provided in the Medical Staff Bylaws.

**2. Medical Staff Bylaws and Rules and Regulations**.

(a) Purpose. The Medical Staff shall be responsible for the development, adoption and periodic review of Medical Staff Bylaws and Rules and Regulations that are consistent with Hospital policy and with any applicable legal or other requirements. Medical Staff Bylaws and Rules and Regulations shall be subject to, and effective upon, approval of the Board of Directors, which approval shall not be unreasonably withheld. The Medical Staff Bylaws shall create an effective administrative unit to discharge the functions and responsibilities assigned to the Medical Staff by the Board of Directors. The Medical Staff Bylaws and Rules and Regulations shall state the purposes, functions and organization of the Staff and shall set forth the policies by which the Medical Staff exercises and accounts for its delegated authority and responsibilities. The Medical Staff Bylaws shall also establish an effective formal means for the Medical Staff, as liaison, to participate in the development of Hospital policy.

(b) Procedure. The Medical Staff shall have the initial responsibility to formulate, adopt and recommend to the Board of Directors Medical Staff Bylaws and Rules and Regulations and amendments thereto which shall be effective when approved by the Board of Directors. Proposed changes to Medical Staff Bylaws and Rules and Regulations will be presented to a meeting of the Board of Directors and mailed to each Director at least ten (10) days prior to the meeting at which a vote is to be taken on adoption of the proposed change. No Medical Staff Bylaws and Rules and Regulations or amendments thereto shall become effective without approval by the Board as herein above provided except that revisions in Rules and Regulations within the scope of the Medical Staff Bylaws may be implemented immediately by the Medical Staff subject to the review and approval of the Board of Directors. Medical Staff Bylaws and Rules and Regulations shall be reviewed annually and revised as necessary. (These provisions are adopted pursuant to the California Administrative Code, Title 22, Section 70701)

**3. Medical Staff Membership and Clinical Privileges**.

(a) Delegation to the Medical Staff. The Board of Directors shall delegate to the Medical Staff the responsibility and authority to investigate and evaluate all matters relating to Medical Staff membership status, clinical privileges and corrective action, and shall require that the Staff adopt and forward to it specific written recommendations with appropriate supporting documentation that will allow the Board to take informed action. A "fast track" credentialing

procedure, as set forth in the Medical Staff Bylaws, shall be authorized in cases deemed to be appropriate under the Medical Staff Bylaws.

(b) Action by the Board of Directors. The Board of Directors shall consider and act upon each Medical Staff appointment and reappointment recommendation as set forth in these Bylaws and the Medical Staff Bylaws. Final action on all matters relating to Medical Staff membership status, clinical privileges and corrective action shall be taken by the Board after considering the Medical Staff recommendations, *provided* that the Board may initiate corrective action as permitted in the Medical Staff Bylaws; and shall take final action in the event the Staff fails to adopt and submit an appropriate recommendation within the time periods set forth in the Medical Staff Bylaws.

Any Board action, without a Medical Staff recommendation, shall be based on the same kind of documented investigation and evaluation of current ability, judgment and character as is required for Medical Staff recommendations.

In the event the Board does not concur in a Medical Staff recommendation relative to Medical Staff membership or credentialing, it shall refer the matter to an appropriate Ad Hoc or Joint Conference committee having equal members of Board and Medical Staff appointed members for review and recommendation before a final decision is made by the Board.

(c) Criteria for Board Action. When acting on matters of Medical Staff membership status, clinical privileges and/or corrective action, the Board shall consider the Medical Staff recommendations, the Hospital's and the community's needs, and such additional criteria as are set forth in the Medical Staff Bylaws, including but not limited to the practitioner's ability to conduct him or herself in a non-disruptive manner. In granting and defining the scope of clinical privileges to be exercised by each practitioner, the Board shall consider the Medical Staff recommendations, the supporting information on which they are based and such criteria as are set forth in the Medical Staff Bylaws. No aspect of membership status nor specific clinical privileges shall be limited or denied to a practitioner on the basis of sex, age, race, creed, color or national origin, or on the basis of any other criterion unrelated to good patient care at the Hospital, to professional qualifications, to the Hospital's purposes, needs and capabilities, or to community needs.

(d) Terms and Conditions of Staff Membership and Clinical Privileges. The terms and conditions of membership status on the Medical Staff and of the exercise of clinical privileges shall be as specified in the Medical Staff Bylaws or as more specifically defined in the notice of individual appointment. Each member of the Medical Staff shall have appropriate authority and responsibility for the care of his or her patients, subject to the requirements of these Bylaws and any requirements and/or limitations imposed under the Medical Staff Bylaws. Appointments to the Medical Staff shall be for a maximum term of two (2) years.

(e) Procedure. The procedure to be followed by the Medical Staff and the Board of Directors in acting on matters of membership status, clinical privileges and corrective action shall be as specified in the Medical Staff Bylaws.

**4. Fair Hearing Procedures.**

The Board of Directors shall require that any adverse recommendation made by the Medical Executive Committee or any adverse action taken by the Board with respect to a practitioner's Medical Staff appointment, reappointment, department affiliation, Medical Staff category, admitting prerogatives or clinical privileges shall, except under circumstances for which specific provision is made in the Medical Staff Bylaws and/or by contract, be accomplished in accordance with the Board approved fair hearing plan procedures as included in the Medical Staff Bylaws. Such Plan shall provide for procedure to assure fair treatment and afford opportunity for the presentation of all pertinent information. For the purposes of this section, an "adverse recommendation" of the Medical Executive Committee and an "adverse action" of the Board shall be defined in the Medical Staff Bylaws.

**5. Allied Health Professional**.

(a) Categories Eligible to Apply for Allied Health Professional Service Privileges. The categories of allied health professionals ("**AHPs**"), based on occupation or profession, that shall be eligible to apply for AHP membership and service authorization at the Hospital, and any corresponding service authorization privileges or prerogatives for each such AHP category, shall be designated by the Board of Directors, upon the recommendation of the Medical Executive Committee, and when approved by the Board of Directors, shall be set forth in the Medical Staff Rules and Regulations.

(b) Credentialing. The Board of Directors shall delegate to the Medical Staff the responsibility and authority to investigate and evaluate each application by an allied health professional for specified services, department affiliation and modification in the services such allied health professional may perform and shall require that the Medical Staff, or a designated component thereof, make recommendation to it or to its designee thereon.

(c) Appeal Procedure. The procedures for the credentialing of and corrective action against AHPs shall be set forth in the Medical Staff Bylaws. Where the Medical Executive Committee has upheld an action against an AHP following a grievance procedure filed by the AHP, the Board of Directors shall provide an opportunity for the AHP to appeal the Medical Executive Committee's decision to an up to three (3) member Appeal Board appointed by the Chair of the Board of Directors or his/her designee. The Appeal Board shall have at least one (1) member of the Board of Directors. Each party to the appeal, the AHP whose grievance prompted the appeal, and the Medical Executive Committee, may submit a written statement in support of its position to the Appeal Board within thirty (30) days of the Board of Director's acceptance of the appeal. There shall be no right to oral argument. The Appeal Board shall issue recommendations to the Board of Directors within fifteen (15) days of the deadline for receipt of the written statements. The Board of Directors shall issue a final decision at its next regular meeting.

**6. Amendments**.

The Board of Directors shall submit proposed amendments to this Article VIII of these Hospital Bylaws to the Executive Committee of the Medical Staff for its review and recommendations thirty (30) days prior to final consideration of such amendments by the Board.

## ARTICLE IX
## QUALITY OF PROFESSIONAL SERVICES

**1. Board of Directors' Responsibility**.

The Board of Directors shall require: (a) that the Medical and Administrative Staff prepare and maintain adequate and accurate medical records for all patients; (b) that the person responsible for each basic and supplemental medical service cause written policies and procedures to be developed and maintained and that such policies be approved by the Board, (c) the Medical and Administrative Staffs develop and maintain a system of continuous performance improvement that is more specifically defined in an annual written performance improvement plan to be approved by the Board. The Board shall further require, after considering the recommendations of the Medical Staff, the conduct of specific review and evaluation activities to assess, preserve and improve the overall quality and efficiency of patient care in the Hospital. The Board shall provide whatever administrative assistance is reasonably necessary to support and facilitate the implementation and the ongoing operation of these review and evaluation activities.

**2. Medical Staff Responsibility**.

The Medical Staff shall conduct, and be accountable to the Board for conducting activities that contribute to the preservation and improvement of the quality and efficiency of patient care provided in the Hospital. These activities shall include:

(a) The conduct of periodic meetings at regular intervals to review and evaluate the quality of patient care employing a combination of retrospective peer review, the monitoring of performance in important aspects of care as defined by each department, and other monitoring functions as defined by California state regulations and the Joint Commission or other applicable accrediting body.

(b) Definition of the clinical privileges which may be appropriately granted within the Hospital and within each department, delineation of clinical privileges for members of the Medical Staff commensurate with the individual credentials and demonstrated ability and judgment and assignment of patient care responsibilities to other healthcare, professionals consistent with individual licensure, qualifications and demonstrated ability;

(c) Provision of continuing professional education, shaped primarily by the needs identified through the review and evaluation activities;

(d) Review of utilization of the Hospital's medical resources to provide for their allocation to meet the needs of the patients;

(e) Such other measures as the Board of Directors may, after considering the advice of the Medical Staff and other professional services and the Hospital Administration, deem necessary for the preservation and improvement of the quality and efficiency of patient care; and

(f) The Medical Staff, together with senior executive management, shall prepare and review annually a plan to assure the comprehensiveness and hospital-wide integration of the Hospital's Quality Improvement program.

### 3. Documentation.

The Board of Directors shall require, receive, consider and act upon the findings and recommendations emanating from the activities required by Section 2 of this Article IX. All such findings and recommendations shall be in writing, signed by the persons responsible for conducting the review activities and supported and accompanied by appropriate documentation upon which the Board can take informed action.

## ARTICLE X
## AUXILIARIES

From time to time the Board of Directors may approve the establishment of auxiliary organizations, including advisory boards and Hospital auxiliaries. Each such group shall establish its own Bylaws and Rules and Regulations and present them to the Board of Directors for approval, and all amendments thereto shall also be subject to the approval of the Board of Directors. These Bylaws and the Articles of Incorporation of this Corporation shall prevail and govern over the documents and actions of such adjunct and subordinate groups. All activities of such auxiliaries shall be subject to the approval of the Board of Directors.

## ARTICLE XI
## GENERAL PROVISIONS

### 1. Contracts.

The Board of Directors or the Executive Committee may authorize any Officer or Officers, agent or agents, to enter into any contract or execute or deliver any instrument in the name of and on behalf of the Corporation, and such authority may be general or confined to specific instances.

### 2. Deposits.

All funds of the Corporation, not otherwise employed, shall be deposited from time to time to the credit of the Corporation in such banks, trust companies or other depositories as the Board of Directors or the Executive Committee may direct or pursuant to a policy approved by the Board of Directors.

### 3. Checks.

All checks, drafts or other orders for the payment of money, notes or other evidences of indebtedness issued in the name of the Corporation shall be signed by such Officer or Officers,

agent or agents, of the Corporation and in such manner as shall from time to time be determined by resolution of the Board of Directors or the Executive Committee.

**4. Loans**.

Notwithstanding Section 5236 of the Law, the Corporation shall not make any loan of money or property to or guarantee the obligation of any Director or officer, or any other person in a position to exercise substantial influence over the affairs of the Corporation.

**5. Review**.

The Board will review these Bylaws every two (2) years.

## ARTICLE XII
## INDEMNIFICATION AND INSURANCE

**1. Definitions**.

For the purposes of this Article XII, "agent" means any person who is or was a Director, Officer, employee or other agent of the Corporation, or is or was serving at the request of the partnership, joint venture, trust, or other enterprise, or was a director, officer, employee or agent of a foreign or domestic corporation which was a predecessor corporation of the Corporation or of another enterprise at the request of such predecessor corporation; "proceeding" means any threatened, pending, or completed action or proceeding, whether civil, criminal, administrative, or investigative; and "expenses" includes without limitation, attorneys' fees and any expenses of establishing a right to indemnification under Section 4 or 5 of this Article XII.

**2. Indemnification in Third Party Actions**.

The Corporation shall indemnify any person who was or is a party or is threatened to be made a party to any proceeding (other than an action by or in the right of the Corporation to procure a judgment in its favor, an action brought under Section 5233 of the Law or an action brought by the Attorney General or a person granted relator status by the Attorney General for any breach of duty relating to assets held in charitable trust) by reason of the fact that such person is or was an agent of the Corporation, against expenses, judgments, fines, settlements and other amounts actually and reasonably incurred in connection with such proceeding if such person acted in good faith and in a manner such person reasonably believed to be in the best interest of the Corporation and, in the case of a criminal proceeding, had no reasonable cause to believe the conduct of such person was unlawful. The termination of any proceeding by judgment, order, settlement, conviction or upon a plea of nolo contendere or its equivalent shall not, of itself, create a presumption that the person did not act in good faith and in a manner which the person reasonably believed to be in the best interest of the Corporation or that the person had reasonable cause to believe that person's conduct was unlawful.

**3. Indemnification in Derivative Actions**.

The Corporation shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action by or in the right of the Corporation,

or brought under Section 5233 of the Law or brought by the Attorney General or a person granted relator status by the Attorney General for breach of duty relating to assets held in charitable trust, to procure a judgment in its favor by reason of the fact that such person is or was an agent of the Corporation, against expenses actually and reasonably incurred by such person in connection with the defense or settlement of such action if such person acted in good faith, in a manner such person believed to be in the best interests of the Corporation and with such care, including reasonable inquiry, as an ordinarily prudent person in a like position would use under similar circumstances. however, no indemnification shall be made under this Section 3:

(a) In respect of any claim, issue or matter as to which such person shall have been adjudged to be liable to the Corporation in the performance of such person's duty to the Corporation, unless and only to the extent that the court in which such proceeding is or was pending shall determine upon application that, in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for the expenses which such court shall determine;

(b) Of amounts paid in settling or otherwise disposing of a threatened or pending action, with or without court approval; or

(c) Of expenses incurred in defending a threatened or pending action which is settled or otherwise disposed of without court approval, unless it is settled with the approval of the Attorney General.

**4. Indemnification Against Expenses**.

(a) To the extent that an agent of the Corporation has been successful on the merits in defense of any proceeding referred to in Sections 2 or 3 of this Article XII or in defense of any claim, issue or matter therein, the agent shall be indemnified against expenses actually and reasonably incurred by the agent in connection therewith.

**5. Required Determinations**.

(a) Except as provided in Section 4 of this Article XII, any indemnification under this Article XII shall be made by the Corporation only if authorized in the specific case, upon a determination that indemnification of the agent is proper under the circumstances because the agent has met the applicable standard of conduct set forth in Sections 2 or 3 of this Article XII, by:

(a) A majority vote of a quorum consisting of Directors who are not parties to such proceeding;

(b) Approval of the Sole Member, with the persons to be indemnified not being entitled to vote thereon; or

(c) The court in which such proceeding is or was pending upon application made by the Corporation or the agent or the attorney or other person rendering services in connection with the defense, whether or not such application by the agent, attorney or other person is opposed by the Corporation.

**6. Advance of Expenses**.

(a) Expenses incurred in defending any proceeding may be advanced by the Corporation prior to the final disposition of such proceeding upon receipt of an undertaking by or on behalf of the agent to repay such amount unless it shall be determined ultimately that the agent is entitled to be indemnified as authorized in this Article XII.

**7. Other Indemnification**.

No provision made by the Corporation to indemnify its Directors or Officers for the defense of any proceeding, whether contained in the Articles of Incorporation, these Bylaws, a resolution of the Board of Directors, an agreement or otherwise, shall be valid unless consistent with this Article XII. Nothing contained in this Article XII shall affect any right to indemnification to which persons other than such Directors and Officers may be entitled by contract or otherwise.

**8. Forms of Indemnification Not Permitted**.

No indemnification or advance shall be made under this Article XII, except as provided in Sections 4 or 5, in any circumstances where it appears:

(a) That it would be inconsistent with a provision of the Articles of Incorporation, these Bylaws or an agreement in effect at the time of the accrual of the alleged cause of action asserted in the proceeding in which the expenses were incurred or other amounts were paid, which prohibits or otherwise limits indemnification;

(b) That it would be inconsistent with any condition expressly imposed by a court in approving a settlement; or

(c) That it would constitute an "excess benefit transaction" within the meaning of Section 4958 of the Internal Revenue Code of 1986, as amended.

**9. Insurance**.

The Corporation shall have power to purchase and maintain such insurance on behalf of any agent of the Corporation against any liability asserted against or incurred by the agent in such capacity or arising out of the agent's status as such, whether or not the Corporation would have the power to indemnify the agent against such liability under the provision of this Article XII; provided however that the Corporation shall have no power to purchase and maintain such insurance to indemnify any agent of the Corporation for violation of Section 5233 of the California Corporations Code.

**10. Nonapplicability to Fiduciaries of Employee Benefit Plans**.

This Article does not apply to any proceeding against any Director, investment manager or other fiduciary of an employee benefit plan in such person's capacity as such, even though such person may also be an agent of the Corporation as defined in Section 1 of this Article XII. The Corporation shall have power to indemnify such director, investment manager or other fiduciary to the extent permitted by Section 207(f) of the California Corporations Code.

## ARTICLE XIII
## ACCOUNTING YEAR AND TAX AUDIT

**1. Accounting Year**.

The accounting year of the Corporation shall be that of the Sole Member.

**2. Audit**.

At the end of the accounting year the books of the Corporation shall be closed and audited by a certified public accountant selected by the Sole Member. The financial report of the auditor shall be promptly mailed to each Director and a copy thereof shall be furnished to the Sole Member.

## ARTICLE XIV
## AMENDMENTS

These Bylaws and any part thereof may be amended or repealed, and new Bylaws may be adopted, only by the Sole Member; *provided, however*, if these Bylaws or any part thereof are amended or repealed (other than ministerial amendments that do not affect the rights of the Corporation or its Board of Directors provided for in the Affiliation Agreement, the Corporation's Articles of Incorporation, or these Bylaws), or new Bylaws adopted, during the Interim Period, then such change shall also require the approval of the Board of Directors of the Corporation through an affirmative vote of a majority of the total number of Directors then in office at any meeting of the Board of Directors of the Corporation. In addition, any amendment or restatement of the following terms of these Bylaws shall require the approval of both the Sole Member and the Board of Directors, as follows: (a) during the Interim Period, any provisions related to the size, composition, or qualifications of the Board of Directors of the Corporation, as referenced in Article IV, Section 3; and (b) any reference to the Affiliation Agreement in these Bylaws.

Adopted unanimously by the Board of Directors on _____, 2021

_____ _____

Chairman of the Board Secretary

| | | |
|---|---|---|
| Amended 04/24/1986 | Amended 08/07/1995 | Amended 01/21/2003 |
| Amended 06/25/1987 | Amended 12/12/1995 | Amended 04/09/2003 |
| Amended 03/30/1990 | Amended 05/09/2000 | Amended 07/23/2003 |
| Amended 11/30/1990 | Amended 05/31/2000 | Amended 04/28/2005 |
| Amended 1/04/1992 | Amended 11/09/2000 | Amended 12/05/2010 |
| Amended 02/10/1993 | | Amended 07/30/2015 |
| | | Amended __/__/2022 |
| | | |

**11 Cal. Code Reg. Section 999.5(d)(1)(C)**

**A statement of all of the reasons the board of directors of applicant believes that the proposed agreement or transaction is either necessary or desirable**

MHSC has been engaged in its charitable mission of delivering healthcare services to communities in Los Angeles and the Greater San Gabriel Valley for over 100 years, with its current operations as a 348-licensed bed general acute care hospital in Arcadia.

Over the past several years, the MHSC Board engaged certain third party consultants to identify strategic imperatives and points of focus for MHSC as an independent hospital. As a result of this process, the MHSC Board has considered various alternatives in its strategic planning, ultimately concluding that it would be apt for MHSC to explore potential affiliations and alignment vehicles to achieve its strategic objectives. Specifically, to secure MHSC's future as a full-service community hospital, to provide MHSC with access to additional resources, to remain relevant in the shifting marketplace, and to operate as a sustainable organization into the future, the MHSC Board found it to be in MHSC's best interest to increase MHSC's ability to maintain access to health services, develop higher quality services, and expand the reach of its operations. Thus, by mid-2018, the MHSC Board instructed management to engage in a more deliberative evaluation of MHSC's strategic options, in recognition that MHSC, which remains strong from an overall economic perspective, would stand to benefit from affiliation with a like-minded hospital or health system, and to identify meaningful opportunities to realize such an affiliation.

In particular, the MHSC Board focused on the potential for an affiliation with a nonprofit health system with existing infrastructure that would provide clinical expertise and resources, ensure financial stability, and enable MHSC to pursue its goal of delivering clinical excellence to its community for decades to come. The MHSC Board did not engage in a formal process to solicit proposals or bids from other organizations. Rather, the MHSC Board authorized the formation of an affiliation subcommittee (the "Affiliation Committee"), which, along with the MHSC Board, evaluated potential strategic transactions and opportunities presented to MHSC, with a focus on potential transactions that would preserve and strengthen MHSC's legacy as a community-focused, full-service hospital serving the Greater San Gabriel Valley. The MHSC Board remained motivated throughout this process to prioritize options that would allow for the continuation of MHSC's legacy within a larger health system that models itself on similar long-term goals of providing innovative and high-quality care.

Essential to any affiliation that the MHSC Board would consider was a shared vision to achieve the following:

- Provide comprehensive care across the care continuum from primary care to complex and advance services, particularly through engagement with local physicians, and connecting the community to additional clinical experts, innovation, and research;

- Increase access and convenience for patients by establishing new points of service (both physical and virtual) across MHSC's service areas;

- Ensure that care is kept personal, and enable the delivery of holistic care by remaining attentive to the condition of each patient, with an understanding of underlying social determinants of health;

- Improve quality and patient experience by coordinating care through collaboration of local and USC-based physicians;

- Promote health and wellness by addressing health disparities and social determinants across all demographics; and

- Continue the advancement of MHSC's mission and legacy.

MHSC engaged in preliminary discussions with various potential partners regarding affiliation (including USCHS), and the MHSC Board and Affiliation Committee seriously evaluated such partners for affiliation. Most such discussions did not move forward as a result of organizational and cultural differences, or otherwise did not proceed because of the other party's lack of interest in moving forward with MHSC as a partnering organization (*see* the responses to Section 999.5(d)(11)(A) and Section 999.5(d)(11)(E) of this Notice for supporting materials). MHSC's discussions with USCHS, however, proved USCHS to be a compatible organization based upon its culture, vision, and goals for the future, and as a result, discussions regarding affiliation between MHSC and USCHS did move forward.

MHSC's President and Chief Executive Officer resigned from the MHSC Board on December 4, 2020, and the MHSC Board implemented parameters in accordance with Health and Safety Code Sections 1260 and 1260.1, including prohibiting communications concerning the Affiliation from members of management who may receive compensation from an acquiring party in a transaction with MHSC to other directors of the MHSC Board.

On or around April 2020, the MHSC Board, with no members of MHSC management participating, assessed whether moving forward with an affiliation with USCHS would be desirable and in MHSC's best interests. The MHSC Board reviewed USCHS from a qualitative perspective based on reports and guidance from third party consultants and legal advisors, and measured this information about USCHS against the goals of the MHSC Board and its vision for a potential partner of MHSC. By October 2020 the MHSC Board and Affiliation Committee identified USCHS as the ideal health system with which MHSC should ultimately affiliate, and concluded that an affiliation with USCHS effectuated through a definitive agreement would best satisfy the MHSC Board's previously-established affiliation criteria. The MHSC Board determined that an affiliation with USCHS had significant advantages, including: (1) new opportunities for growth and innovation through participation in a health system focused on initiatives of common interest and need; (2) the ability for MHSC to gain access to the significant clinical and research resources available at USCHS; and (3) the resulting expansion and strengthening of the quality of MHSC's services through USCHS support of MHSC's existing and future capital needs. In sum, the MHSC Board determined that the Affiliation with USCHS would improve the quality of and access to healthcare in the San Gabriel Valley, bolstering MHSC and its affiliates with the resources and support of USCHS and enabling MHSC to deliver clinical excellence and value-based care across the San Gabriel Valley for years to come.

Subsequently, MHSC and USCHS entered into a letter of agreement to establish the mutual exclusivity of the parties during the period in which MHSC and USCHS would negotiate the terms

of the proposed Affiliation to be reflected under a letter of intent (*See* responses to Section 999.5(d)(11)(A) and attachments thereto). On January 22, 2021, MHSC and USCHS executed a Non-Binding Letter of Intent (the "Letter of Intent"), which describes the key elements of the proposed transaction. In accordance with the Letter of Intent, MHSC's officers and legal counsel, under the oversight of the MHSC Board, proceeded with the negotiation of a definitive Affiliation Agreement and related documents to effectuate the transaction. The MHSC Board reached this decision because the Affiliation would satisfy the central objectives MHSC identified during its ongoing discussions and search for a potential partner with which to affiliate. Attached to this Section as **Exhibit 6** are the Resolutions of the MHSC Board, adopted August 9, 2021, approving the proposed Affiliation with USCHS and MHSC's execution of the Affiliation Agreement.

# EXHIBIT 6

# MHSC BOARD RESOLUTIONS APPROVING OF AFFILIATION

**METHODIST HOSPITAL OF SOUTHERN CALIFORNIA**
**JOINT MEETING AND RESOLUTIONS OF THE BOARD OF DIRECTORS AND MEMBERS**
**Regarding the Material Terms of Proposed Affiliation with USC Health System**

**August 9, 2021**

In accordance with the Bylaws, dated July 30, 2015, of Methodist Hospital of Southern California, a California nonprofit public benefit corporation (the "Corporation"), and the California Corporations Code, the undersigned, constituting the Board of Directors (the "Board") and the members of the Corporation (the "Members"), hereby take the following actions and adopt the following preambles and resolutions (the "Resolutions") pursuant to a special joint meeting of the Board and the Members held and effective as of the date hereof, for which the Board and the Members hereby waive notice:

**WHEREAS**, the Corporation is a California nonprofit public benefit corporation that owns and operates an acute care hospital located at 300 Huntington Drive, Arcadia, California, 91007;

**WHEREAS**, over the past several years, the Board has determined that it was in the best interest of the Corporation and the communities it serves to identify options for a strategic affiliation with another healthcare entity, and as a result, the Corporation has entered into discussions with potential partners for the development of a strategic affiliation to better serve the Corporation's community and their respective communities;

**WHEREAS**, USC Health System is a California nonprofit public benefit corporation ("USCHS") that functions as an integrated parent organization that supports various healthcare organizations. USCHS is the sole corporate member of USC Verdugo Hills Hospital, and of Keck Medical Center of USC (which includes two general acute care hospitals, Keck Hospital of USC and USC Norris Cancer Hospital), and provides various outpatient services in USCHS's community through other healthcare-related businesses and facilities and wholly owned and partially owned subsidiaries;

**WHEREAS**, the Corporation and USCHS have been engaged in discussions regarding certain collaborative activities, and specifically, the affiliation of the two organizations with the purpose of advancing quality of care and furthering charitable activities that would support significant improvements in healthcare delivery and outcomes, which would be effectuated through USCHS becoming the sole corporate member of the Corporation (the "Affiliation"), and as a result of the foregoing deliberative process, the Corporation and USCHS entered into a Non-Binding Letter of Intent on January 22, 2021 (the "LOI");

**WHEREAS**, in order to manage and oversee the proposed Affiliation, the Board established a special strategic subcommittee composed of Board members and supported by corporate officers (the "Board Strategy Committee");

**WHEREAS**, the Corporation and USCHS have negotiated and finalized an affiliation agreement effectuating the agreed upon terms of the Affiliation, attached to these Resolutions as Exhibit A (the "Affiliation Agreement"), which has been presented to the Board Strategy Committee, the Board, and the Members for their respective consideration and review;

**WHEREAS**, to carry out the material terms of the Affiliation, including to align the respective purposes of the Corporation and USCHS, make modifications to the selection of the Board, and effectuate the resignation of all of the current Members and appoint USCHS as the sole corporate member of the Corporation, the Corporation and USCHS have developed the proposed Amended and Restated Articles of Incorporation of the Corporation, substantially in the form attached hereto as Exhibit B (the "Amended and Restated Articles"), and have agreed to amend and restate the Bylaws of the Corporation to the extent necessary to accurately reflect the terms and conditions of the Affiliation Agreement (the "Amended and Restated Bylaws"). The Amended and Restated Bylaws, together with the Amended and Restated Articles constitute the "Governance Documents";

**WHEREAS**, following the execution of the Affiliation Agreement, it is necessary that the Corporation submit an application to the California Attorney General's office to obtain the California Attorney General's approval of the Affiliation, and submit a Pre-merger Notification and Report Form to the Federal Trade Commission to obtain the Federal Trade Commission's approval of the Affiliation;

**WHEREAS**, the closing of the Affiliation Agreement (the "Closing") and adoption of the Governance Documents shall only occur if the Affiliation is successfully completed by the approval of the Affiliation by the California Attorney General and the Federal Trade Commission, and the satisfaction or waiver of all of the closing conditions contained in the Affiliation Agreement;

**WHEREAS**, based upon its review of the Affiliation Agreement, the Governance Documents, and the terms and conditions contained therein, along with the presentations made to the Board Strategy Committee and the Board regarding the Affiliation, and consideration of and deliberation on the benefits and risks to the Corporation associated with the Affiliation, including input from the Corporation's legal counsel and financial advisors, the Board believes the Affiliation is in the best interests of the Corporation, its Members, and the communities served by the Corporation, and desires to approve the execution of the Affiliation Agreement, the Governance Documents for adoption at Closing, and the documents and transactions contemplated thereby, and recommends such for approval by the Members; and

**WHEREAS**, based upon its review of the Affiliation Agreement, the Governance Documents, and the terms and conditions contained therein, along with the presentations made to the Members regarding the Affiliation, and recommendations of the Board Strategy Committee and the Board, the Members believe the Affiliation is in the best interests of the Corporation, its Members, and the communities served by the Corporation, and desire to approve the execution of the Affiliation Agreement, the Governance Documents for adoption at Closing, and the documents and transactions contemplated thereby.

**NOW, THEREFORE, BE IT RESOLVED**, that the Board and the Members believe it is in the best interest of the Corporation, in furtherance of its nonprofit corporate and charitable purposes and for the benefit of the communities served by the Corporation, for the Corporation to effectuate the Affiliation by the Corporation's entrance into the Affiliation Agreement with USCHS and subsequent adoption of the Governance Documents at the Closing, all upon and subject to the material terms and conditions set forth in the Affiliation Agreement and Governance Documents, as presented to the Board and the Members;

**RESOLVED FURTHER**, that the Affiliation and the powers of USCHS in the form, material terms, and provisions of the Affiliation Agreement and Governance Documents presented to the Board and the Members are hereby approved by the Board, and this Board recommends approval by the Members of the Corporation's entrance into the Affiliation Agreement and approval of the Governance Documents;

**RESOLVED FURTHER**, that the entrance and execution of the Affiliation Agreement by the Corporation is hereby approved by the Board and the Members;

**RESOLVED FURTHER**, that the form, material terms, and provisions of the Governance Documents presented to the Board and Members are hereby approved by the Board and the Members, subject to the approval of the Affiliation by the California Attorney General and the Federal Trade Commission, and the successful completion of the Affiliation by the satisfaction or waiver of all required closing conditions contained in the Affiliation Agreement;

**RESOLVED FURTHER**, that the Corporation's proposal to submit an application to the California Attorney General's office to obtain the California Attorney General's consent of the Affiliation and the Corporation's proposal to submit the Premerger Notification Form and Report to the Federal Trade Commission to obtain the Federal Trade Commission's approval (or equivalent waiver) of the Affiliation, is hereby approved by the Board and the Members;

**RESOLVED FURTHER**, that the Chief Executive Officer of the Corporation, acting as an individual, is authorized, in the name and on behalf of the Corporation, to execute and deliver the Affiliation Agreement substantially in the form approved by the Board and the Members, with any such changes not affecting the material provisions thereof, as may be approved in accordance with these Resolutions, their execution and delivery of the same to be conclusive evidence of the due approval of such changes and of the final form of such documents; and to execute, deliver and where appropriate, file or record, in the name and on behalf of the Corporation, any other documents, certificates, instruments, deemed necessary or desirable to be executed by the Corporation in order to give effect to these Resolutions and the Affiliation Agreement and the Governance Documents, including the documents and instruments listed as schedules and exhibits thereof (collectively, the "Related Documents"); and to do any and all other acts deemed necessary or desirable to consummate the transactions contemplated by the Affiliation Agreement, Governance Documents, and Related Documents, and to complete the Affiliation and all matters related thereto;

**RESOLVED FURTHER**, that the Chief Executive Officer of the Corporation, acting as an individual, is hereby authorized to approve on behalf of the Corporation, modifications or amendments to the Affiliation Agreement and the Governance Documents presented to the

Board and the Members that do not alter the material terms thereof, the approval of such changes or documents to be conclusively evidenced by the execution and delivery of such documents in accordance with these Resolutions;

**RESOLVED FURTHER**, that all actions taken by the officers, agents, attorneys and employees of the Corporation in connection with the Affiliation Agreement, Governance Documents, and Related Documents, are hereby ratified and confirmed;

**RESOLVED FURTHER**, that the Board and the Members authorize and direct all proper committees, officers, agents, attorneys and employees of the Corporation to take or cause to be taken any and all such actions deemed necessary or appropriate to effectuate the Affiliation in a manner consistent with the intent of the foregoing resolutions, including, but not limited to: (1) to carry out, or cause to be carried out, all obligations of the Corporation under the Affiliation Agreement, the Governance Documents, and the Related Documents, including without limitation the execution and delivery of the agreements, certificates, and opinions required by the Affiliation Agreement, the Governance Documents, and the Related Documents, and the payment of the expenses incurred or to be incurred by the Corporation in connection with the Affiliation; (2) filing of the Affiliation Agreement, the Governance Documents, and the Related Documents, and any other required documents with the California Attorney General's office and Federal Trade Commission for approval of the Affiliation; and (3) to perform, or cause to be performed, such other acts as they shall consider necessary or advisable in connection with the Affiliation; and

**RESOLVED FURTHER**, that these Resolutions may be executed in multiple counterparts, each of which shall be deemed an original, and all of which shall constitute one and the same instrument.

*(Remainder of Page Intentionally Blank)*

CERTIFICATE OF SECRETARY

I, the undersigned, do hereby certify:

1. That I am the duly elected and acting Secretary of Methodist Hospital of Southern California, a California nonprofit public benefit corporation (the "Corporation");

2. Attached to this Certificate is a correct copy of the resolutions adopted by the required vote of each of the Board of Directors and the Members of the Corporation at a joint meeting held on August 9, 2021, at which a quorum of the Board of Directors and a quorum of the Members was present and acting throughout. These resolutions have not been revoked, modified, amended, or rescinded, and are still in effect; and

3. As of the date of this Certificate, the following persons are the elected and qualified officers of the Corporation, any of whom are authorized by the Board of Directors to execute documents on behalf of the Corporation, and the signature that are opposite their names are their genuine signatures.

[redacted]
Signature

Name: Dan F. Ausman
Title: Chief Executive Officer

In witness whereof, I have signed this certificate as of August 9, 2021

By: [redacted]
Name: DeWayne McMullin
Title: Secretary

## Exhibit A

**Affiliation Agreement**

(To be attached)

**USC HEALTH SYSTEM,**
a California nonprofit public benefit corporation

and

**METHODIST HOSPITAL OF SOUTHERN CALIFORNIA,**
a California nonprofit public benefit corporation

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# AFFILIATION AGREEMENT

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# AFFILIATION AGREEMENT

THIS AFFILIATION AGREEMENT (this "***Agreement***") is made and entered into effective as of _____, 2021 (the "***Execution Date***") by and between **USC Health System,** a California nonprofit public benefit corporation ("***Parent***"), and **Methodist Hospital of Southern California,** a California nonprofit public benefit corporation ("***Methodist***"). Parent and Methodist are referred to herein individually as a "***Party***" and collectively as the "***Parties***."

## R E C I T A L S

**WHEREAS,** Parent is a California nonprofit public benefit corporation that is organized for the benefit of, and to support, nonprofit health care organizations organized for the purpose of establishing, maintaining, sponsoring and promoting activities relating to the improvement of human health and well-being;

**WHEREAS,** Parent is the sole member of (i) Keck Medical Center of USC ("***Keck***"), which owns and operates an acute care hospital known as Keck Hospital of USC located at 1500 San Pablo Street, Los Angeles, California 90033, and an acute care hospital known as USC Kenneth Norris Jr. Cancer Hospital located at 1441 Eastlake Avenue, Los Angeles, California 90033, and (ii) USC Verdugo Hills Hospital ("***Verdugo***"), which owns and operates an acute care hospital known as USC Verdugo Hills Hospital located at 1812 Verdugo Boulevard, Glendale, California 91208, and also provides various outpatient services in Parent's community through hospital-based and community-based clinics, ambulatory surgical centers, and other health care related businesses and facilities;

**WHEREAS,** Methodist is a California nonprofit public benefit corporation, which owns and operates an acute care hospital located at 300 Huntington Drive, Arcadia, California 91007 ("***Methodist Hospital***"), and provides various outpatient services in Methodist's community through other health care related businesses and facilities and wholly-owned and partially-owned subsidiaries;

**WHEREAS,** the Parties desire for Methodist to affiliate with Parent on the terms and conditions set forth in this Agreement (the "***Affiliation***") to develop an integrated healthcare delivery system to increase access and improve the quality of healthcare within Parent's and Methodist's communities, and to further Parent's and Methodist's mission of advancing quality of care and furthering the charitable activities of Parent and Methodist in a manner consistent with the Parties' charitable missions and purposes;

**WHEREAS,** to implement the Affiliation, the Parties contemplate, among other things, that Parent will become the sole corporate and voting member of Methodist and that Parent and Methodist will amend and restate their organizational documents to address certain structural and governance matters, as set forth herein; and

**WHEREAS,** once the Affiliation takes effect, it is the Parties' desire to grow the integrated healthcare delivery system created by the Affiliation where such growth is strategically and economically feasible and appropriate.

**NOW, THEREFORE,** in consideration of the mutual promises and benefits to be derived from this Agreement, the Parties hereto, intending to be legally bound, hereby agree as follows:

ARTICLE I
VISION AND DEFINITIONS

1.1 Vision. The Parties intend to fulfill community need for expanded access to high-quality health services for residents in the Methodist PSA and Methodist SSA through the creation of an integrated academic/community-based network of care. The Parties intend to accomplish this by:

(a) Providing comprehensive care across the continuum, from primary care to complex and advanced services by engaging with local physicians, and by connecting the residents directly to Parent's specialists, innovation and research;

(b) Increasing access and convenience by establishing physical points of service across the Methodist PSA and Methodist SSA, as well as offering enhanced virtual/digital access to Methodist and Parent physicians;

(c) Keeping care personal by remaining attentive to the condition of each patient, and with an understanding of underlying social determinants of health, enabling the delivery of truly holistic care;

(d) Enhancing quality and patient experience by coordinating care through collaboration of Methodist and Parent physicians;

(e) Promoting health and wellness by addressing health disparities and social determinants across all demographics; and

(f) Advancing the mission of the Parties.

1.2 Definitions. As used in this Agreement, the following terms have the meanings given:

(a) "***Action***" shall mean any action, complaint, claim, suit, litigation, proceeding, arbitration, mediation, labor dispute, arbitral action, governmental audit, inquiry, criminal prosecution, investigation or unfair labor practice charge or complaint.

(b) "***Business Day***" means a day other than a Saturday, Sunday or other day on which banks located in California are authorized or required by law to close.

(c) "***Code***" means the Internal Revenue Code of 1986, as amended.

(d) "***Contracts***" means all commitments, contracts, leases, licenses, agreements and understandings, written or oral, including agreements with payors, physicians and other providers, agreements with health maintenance organizations, independent practice associations, preferred provider organizations and other managed care plans and alternative delivery systems, joint venture and partnership agreements, management, employment, retention and severance agreements, vendor agreements, real and personal property leases and schedules, maintenance agreements and schedules, agreements with municipalities and labor organizations, and bonds, mortgages and other loan agreements.

(e) "***Control***" (including, with correlative meanings, the terms "controlled by" and "under common control with") means the power or possession of the power, direct or indirect, to direct or cause the direction of the management and policies of an entity, whether through the ownership of securities, election or appointment of directors, by contract or otherwise.

(f) "***Employee Welfare Benefit Plan***" shall have the meaning set forth in Section 3(1) of ERISA.

(g) "***Encumbrances***" means all liabilities, levies, claims, charges, assessments, mortgages, security interests, liens, pledges, conditional sales agreements, title retention contracts, leases, subleases, rights of first refusal, options to purchase, restrictions and other encumbrances, and agreements or commitments to create or suffer any of the foregoing.

(h) "***Environmental Claim***" means any written or threatened, claim, action, cause of action, investigation or notice by any Person alleging potential liability arising out of, based on or resulting from (i) the presence, release, or threatened release, of any Hazardous Materials at or adjacent to any location owned or operated by Methodist or a Parent Entity, as applicable, or (ii) circumstances forming the basis of any violation or alleged violation of any Environmental Law.

(i) "***Environmental Laws***" means any and all Laws relating to pollution, contamination or protection of human health or the environment (including ground water, land surface or subsurface strata), including Laws relating to emissions, discharges, releases or threatened releases of Hazardous Materials, or otherwise relating to the manufacture, processing, distribution, use, treatment, storage, disposal, transport, recycling, reporting or handling of Hazardous Materials.

(j) "***ERISA***" means the Employee Retirement Income Security Act of 1974, as amended.

(k) "***ERISA Affiliate***" means any person or entity that directly controls, is controlled by, or is under common control with a Person if it is considered a single employer with such Person under ERISA Section 4001(b) or Section 414 of the Code, or part of the same "controlled group" as such Person for purposes of ERISA Section 302(d)(3).

(l) "***Executive Team***" means the individuals serving in the following officer roles of Methodist: Chief Executive Officer/President (the "***Methodist CEO***"), Chief Strategy Officer, Chief Operating Officer, Chief Financial Officer, Chief Medical Officer, Chief Human Resources Officer, Chief Nursing Officer, Chief Compliance and Risk Officer, and the President of the Foundation.

(m) "***Financing Documents***" means the Master Trust Indenture and Term Loan Agreement.

(n) "***Governmental Entity***" means any United States federal, state, provincial, county, municipal, regional or local governmental, or any political subdivision thereof, and any entity, department, commission, bureau, agency, authority, board, court or other similar body or quasi-governmental body exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to any government or other political subdivision thereof.

(o) "***Government Payment Programs***" means federal and state Medicare, Medi-Cal and TRICARE (f/k/a CHAMPUS) programs, and similar or successor programs with or for the benefit of Governmental Entities.

(p) "***Hazardous Materials***" means all chemicals, pollutants, contaminants, wastes (including medical waste), toxic substances, petroleum and petroleum products, including hazardous wastes under the Resource, Conservation and Recovery Act, 42 U.S.C. §§ 6903 *et seq*., hazardous substances under the Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 U.S.C. §§ 9601 *et seq*., asbestos, polychlorinated biphenyls and urea formaldehyde, and low-level

nuclear materials, special nuclear materials or nuclear-byproduct materials, all within the meaning of the Atomic Energy Act of 1954, as amended, and any rules, regulations or policies promulgated thereunder.

(q) "***Health Information Laws***" means all federal and state Laws relating to the privacy and security of patient, medical or individual health information, including the Health Insurance Portability and Accountability Act of 1996, as amended and supplemented by the Health Information Technology for Clinical Health Act of the American Recovery and Reinvestment Act of 2009, Pub. Law No. 111-5 and its implementing regulations, when each is effective and as each is amended from time to time (collectively, "***HIPAA***").

(r) "***HSR Act***" means the Hart-Scott-Rodino Antitrust Improvements Act of 1976 and the rules and regulations promulgated thereunder.

(s) "***Law***" or "***Laws***" means all laws, codes, regulations, rules, orders, common law and ordinances including, but not limited to: state corporate practice of medicine Laws and regulations, state professional fee-splitting laws and regulations, the Patient Protection and Affordable Care Act, as amended by the Health Care and Education Affordability Reconciliation Act, the federal Anti-kickback Statute (42 U.S.C. § 1320a-7b(b)), the Stark Law (42 U.S.C. § 1395nn), any applicable state fraud and abuse prohibitions, including those that apply to all payors (governmental, commercial insurance and self-payors), the Anti-Inducement Law (42 U.S.C. § 1320a-7a(a)(5)), the civil False Claims Act (31 U.S.C. §§ 3729 *et seq.*), the administrative False Claims Law (42 U.S.C. § 1320a-7b(a)), the civil monetary penalty laws (42 U.S.C. § 1320a-7a), and any other local, state or federal law, regulation, guidance document, manual provision, program memorandum, opinion letter, or other public issuance.

(t) "***Lookback Period***" means the six (6) year period ending on the Execution Date.

(u) "***Master Trust Indenture***" means that certain Master Trust Indenture dated as of December 1, 2018, by and between Methodist and Master Trustee, including all amendments and supplements thereto, and all associated loan agreements, bond indentures, ancillary agreements, financing statements and other related documents.

(v) "***Master Trustee***" means the Bank of New York Mellon Trust Company, N.A.

(w) "***Material***" means: (i) as it pertains to Methodist, an effect or consequence that individually or in the aggregate results in the loss of a dollar amount, consideration, or other value that is equal to or exceeds Ten Million Dollars ($10,000,000), and (ii) as it pertains to a Parent Entity (as defined below), an effect or consequence that individually or in the aggregate results in the loss of a dollar amount, consideration, or other value that is equal to or exceeds two percent (2%) of the net revenue of Parent, measured based on Parent's fiscal year immediately prior to the Execution Date.

(x) "***Methodist Assets***" means any and all assets used in the ordinary course of the Methodist Operations (as defined below), including: (i) the Methodist Real Property (as defined below), (ii) all tangible personal property owned by Methodist and used in connection with the Methodist Operations, of every kind and nature, including all furniture, fixtures, equipment, machinery, vehicles, and owned or licensed computer systems, (iii) all inventories of useable supplies, drugs, food, janitorial and office supplies, maintenance and shop supplies, and other disposables and consumables owned by Methodist and used in connection with the Methodist Operations, and (iv) all marks, names, trademarks, service marks, patents, patent rights, assumed names, logos, copyrights, trade secrets and similar intangibles (including variants of and applications for any of the foregoing) used in the ordinary course of the Methodist Operations.

(y) "***Methodist Due Diligence Request***" means that certain Due Diligence Request list originally provided by Methodist to Parent on April 29, 2021, and all supplemental diligence requests made by Methodist to Parent between April 29, 2021 and the Closing Date.

(z) "***Methodist Employee Benefit Program***" means any pension, profit-sharing, savings, retirement, employment, collective bargaining, severance pay, termination, executive compensation, incentive compensation, deferred compensation, bonus, phantom stock or other equity-based compensation, change-in-control, retention, salary continuation, vacation, sick leave, disability, death benefit, group insurance, hospitalization, medical, dental, life, Code Section 125 "cafeteria" or "flexible" benefit, or other material employee or fringe benefit plan, program, policy, practice, agreement or arrangement, whether written or oral, formal or informal, legally binding or not (including, but not limited to, every "employee benefit plan," within the meaning of ERISA Section 3(3)) (i) currently maintained, sponsored or contributed to (or with respect to which any obligation to maintain, sponsor or contribute has been undertaken) by Methodist or any ERISA Affiliate, (ii) under which any current or former employee or director of Methodist has any present or future right to benefits, and (iii) with respect to which Methodist has any liability.

(aa) "***Methodist Financial Statements***" means the balance sheet and income statement of Methodist as of and for the year ended December 31, 2020 and the interim balance sheet and income statement of Methodist as of May 31, 2021.

(bb) "***Methodist Foundation***" means Methodist Hospital Foundation, a California nonprofit public benefit corporation, whose sole member is Methodist.

(cc) "***Methodist Healthcare Service***" means any licensed or license-exempt healthcare service provided by Methodist.

(dd) "***Methodist's Knowledge***" means: (i) the actual knowledge of the Chief Executive Officer, Chief Financial Officer, Chief Strategy Officer, Chief Operations Officer or Chief Compliance Officer of Methodist, or a position equivalent to any of the foregoing held by an individual at Methodist, and (ii) the knowledge which could have been acquired by any of the individuals listed immediately above at Methodist after making such due inquiry and exercising such due diligence as a prudent businessperson in their actual capacity would have made or exercised in the management of his, her or its business affairs in light of all of the circumstances applicable thereto.

(ee) "***Methodist Material Adverse Change***" means an event, change or circumstance, which, individually or together with any other event, change or circumstance, does or would be reasonably expected to have a Material adverse effect, either individually or in the aggregate, on the business, assets, liabilities, financial condition or results of Methodist Operations regardless of whether such effect is or would be realized before or after the Closing. A Methodist Material Adverse Change shall not include: (i) changes in the financial or operating performance due to or caused by the announcement of the Affiliation or seasonal changes; (ii) requirements, reimbursement rates, policies or procedures of third-party payors or accreditation commissions or organizations that are generally applicable to hospitals or health care facilities; (iii) general business, industry or economic conditions, including such conditions related to Methodist; (iv) local, regional, national or international political or social conditions, including the engagement by the United States in hostilities, whether or not pursuant to the declaration of a national emergency or war, or the occurrence of any military or terrorist attack; (v) changes in financial, banking or securities markets (including any disruption thereof and any decline in the price of any security or any market index); or (vi) changes in Generally Accepted Accounting Principles.

(ff) "***Methodist Operations***" means any and all operations conducted by Methodist, whether at Methodist Hospital or elsewhere, including, without limitation, all Methodist Healthcare Services.

(gg) "***Methodist PSA***" means Methodist Hospital's primary service area (consisting of the following zip codes: 91006, 91007, 91008, 91010, 91016, 91024, 91066, 91104, 91105, 91107, 91702, 91706, 91731, 91732, 91733, 91741, 91754, 91770, 91775, 91776, 91780 and 91801).

(hh) "***Methodist Real Property***" means all real property interests owned by Methodist, and all of Methodist's interests therein, and all right, title and interest of Methodist in all appurtenances, options, easements, servitudes, rights-of-way and other rights associated therewith.

(ii) "***Methodist SSA***" means Methodist Hospital's secondary service area (consisting of the following zip codes: 90032, 90042, 90640, 91001, 91030, 91101, 91103, 91106, 91108, 91722, 91723, 91724, 91740, 91744, 91745, 91746, 91748, 91750, 91755, 91765, 91773, 91789, 91790, 91791, 91792 and 91803).

(jj) "***Multiemployer Plan***" shall have the meaning set forth in Section 3(37) of ERISA or Section 4001(a)(3) of ERISA.

(kk) "***Parent Assets***" means any and all assets used in the ordinary course of the Parent Operations (as defined below) taken as a whole or in the individual operations of any Parent Entity (as defined below), including: (i) the Parent Real Property (as defined below), (ii) all tangible personal property owned by Parent and used in connection with the Parent Operations, of every kind and nature, including all furniture, fixtures, equipment, machinery, vehicles, and owned or licensed computer systems, (iii) all inventories of useable supplies, drugs, food, janitorial and office supplies, maintenance and shop supplies, and other disposables and consumables owned by any Parent Entity and used in connection with the Parent Operations, and (iv) all marks, names, trademarks, service marks, patents, patent rights, assumed names, logos, copyrights, trade secrets and similar intangibles (including variants of and applications for any of the foregoing) used in the ordinary course of the Parent Operations taken as a whole or in the individual operations of any Parent Entity.

(ll) "***Parent Financial Statements***" means the balance sheet and income statement of Parent as of and for the year ended December 31, 2020, and the interim balance sheet and income statement of Parent as of May 31, 2021.

(mm) "***Parent Employee Benefit Program***" means any pension, profit-sharing, savings, retirement, employment, collective bargaining, severance pay, termination, executive compensation, incentive compensation, deferred compensation, bonus, phantom stock or other equity-based compensation, change-in-control, retention, salary continuation, vacation, sick leave, disability, death benefit, group insurance, hospitalization, medical, dental, life, Code Section 125 "cafeteria" or "flexible" benefit, or other material employee or fringe benefit plan, program, policy, practice, agreement or arrangement, whether written or oral, formal or informal, legally binding or not (including, but not limited to, every "employee benefit plan," within the meaning of ERISA Section 3(3)) (i) currently maintained, sponsored or contributed to (or with respect to which any obligation to maintain, sponsor or contribute has been undertaken) by any Parent Entity or any ERISA Affiliate, (ii) under which any current or former employee or director of any Parent Entity has any present or future right to benefits, and (iii) with respect to which any Parent Entity has any liability.

(nn) "***Parent Entity***" means Parent, Keck and Verdugo.

(oo) "***Parent Healthcare Service***" means any licensed or license-exempt healthcare service provided by any Parent Entity.

(pp) "***Parent's Knowledge***" means: (i) the actual knowledge of the Interim Chief Executive Officer, Chief Financial Officer, Chief Strategy Officer, and Chief Transformation and Risk Officer of a Parent Entity, or a position equivalent to any of the foregoing held by an individual at a Parent Entity, and (ii) the knowledge which could have been acquired by any of the individuals listed immediately above at a Parent Entity after making such due inquiry and exercising such due diligence as a prudent businessperson in their actual capacity would have made or exercised in the management of his, her or its business affairs in light of all of the circumstances applicable thereto.

(qq) "***Parent Material Adverse Change***" means an event, change or circumstance, which, individually or together with any other event, change or circumstance, does or would be reasonably expected to have a Material adverse effect, either individually or in the aggregate, on the business, assets, liabilities, financial condition or results of Parent Operations regardless of whether such effect is or would be realized before or after the Closing. A Parent Material Adverse Change shall not include: (i) changes in the financial or operating performance due to or caused by the announcement of the Affiliation or seasonal changes; (ii) requirements, reimbursement rates, policies or procedures of third-party payors or accreditation commissions or organizations that are generally applicable to hospitals or health care facilities; (iii) general business, industry or economic conditions, including such conditions related to Parent; (iv) local, regional, national or international political or social conditions, including the engagement by the United States in hostilities, whether or not pursuant to the declaration of a national emergency or war, or the occurrence of any military or terrorist attack; (v) changes in financial, banking or securities markets (including any disruption thereof and any decline in the price of any security or any market index); or (vi) changes in Generally Accepted Accounting Principles.

(rr) "***Parent Operations***" means any and all operations conducted by any Parent Entity, including, without limitation, all Parent Healthcare Services.

(ss) "***Parent Real Property***" means all real property interests owned by any Parent Entity, and all of Parent's and a Parent Entity's interests therein, and all right, title and interest of Parent and a Parent Entity in all appurtenances, options, easements, servitudes, rights-of-way and other rights associated therewith.

(tt) "***Person***" means an individual, corporation, partnership, limited liability company, firm, joint venture, association, joint stock company, trust, unincorporated organization or other entity, or any Governmental Entity or quasi-governmental body or regulatory authority.

(uu) "***Plant Closure Laws"*** means any "plant closure" or "mass layoff" Law, which includes the Federal Worker Adjustment and Retraining Notification Act (29 U.S.C. §§ 2101 *et seq.*) and its California counterpart (California Labor Code Sections 1400 *et seq.*).

(vv) "***Tax***" means (a) (i) any federal, state, local or foreign income, gross receipts, franchise, estimated, alternative minimum, add-on minimum, sales, use, transfer, real property gains, registration, value added, excise, natural resources, severance, stamp, occupation, windfall profits, environmental (under Section 59A of the Code), customs, duties, real property, personal property, capital stock, social security (or similar), unemployment, disability, payroll, license, employee, service, ad valorem, profits, capital, premium, production, consumption, commercial rent, capital gains, business privilege, recording, inventory, merchandise, intangibles, transaction, title, business, deduction at source or other withholding (including withholding liability as a representative taxpayer), or other tax, (ii) any impost, fee, levy, charge, or assessment, in each case, in the nature of taxes, (iii) any liability under

unclaimed property, escheat or any similar Law, and (iv) any interest, penalties or additions in respect of the foregoing (whether disputed or not) or in respect to failure to comply with any requirement with respect to Tax Returns, and (b) any liability for the payment of any amounts of the type described in clause (a) as a result of any Contract to pay or assume any such amounts or to indemnify any other Person for such amounts, any transferee or successor liability, the operation of Law (including pursuant to Treasury Regulations Section 1.1502-6 or any similar state, local or foreign Law) or otherwise.

(ww) "***Tax Return***" means any return, declaration, report, claim for refund, information return or statement, including schedules and attachments thereto and amendments, relating to Taxes.

(xx) "***Term Loan Agreement***" means that certain Term Loan Agreement dated as of May 15, 2020, between Methodist and JPMorgan Chase Bank, National Association, including all amendments and supplements thereto, and all associated loan agreements, bond indentures, ancillary agreements, financing statements and other related documents.

(yy) "***Transition Period***" means the five (5) year period immediately following the Closing Date.

(zz) "***USC Board of Trustees***" means the Board of Trustees of University of Southern California.

(aaa) "***USC Due Diligence Request***" means that certain Due Diligence Request list originally provided by Parent to Methodist on February 8, 2021, and all supplemental diligence requests made by Parent between February 8, 2021 and the Closing Date.

## ARTICLE II
## METHODIST MEMBERSHIP AND GOVERNANCE

2.1 Issuance of Membership. The Affiliation shall be effected by Parent becoming the sole corporate member of Methodist on the Closing Date, effective as of the Effective Time (the "***Membership Issuance***"). On the Closing Date and effective as of the Effective Time, Methodist shall have: (a) adopted and filed with the California Secretary of State an amended and restated articles of incorporation of Methodist in the form attached hereto as Attachment 2.1(a), and (b) adopted the amended and restated bylaws of Methodist in the form attached hereto as Attachment 2.1(b) (collectively the "***New Methodist Organizational Documents***"). The New Methodist Organizational Documents make Parent the sole corporate member of Methodist and include certain governance and economic control rights over Methodist with Methodist reserving certain governance and economic control rights.

2.2 Methodist Governance.

(a) The New Methodist Organizational Documents will provide for the addition of not less than two (2) voting members to the Methodist Board of Directors appointed by Parent, and during the Transition Period, Parent may invite *ex officio* non-voting individuals to meetings of the Methodist Board of Directors on an as needed basis. After the Transition Period, Parent may appoint two (2) *ex officio* non-voting representatives to the Methodist Board of Directors, as identified by Parent on an *ad hoc* basic. At least one (1) of the two (2) Parent appointees with voting authority to the Methodist Board of Directors will be a non-management member of the Parent Board of Directors or a member of the USC Board of Trustees, based on availability and appropriateness. The New Methodist Organizational Documents will require that the Methodist Board of Directors have no more than fifteen (15) voting members.

(b) Subject to the Parent's reserved powers in Article XIV and as otherwise contemplated by this Agreement, the Parties intend that the activities and affairs of Methodist, including as related to quality of care and operating performance, shall be conducted by or under the direction of the Methodist Board of Directors.

## ARTICLE III
## PARENT ORGANIZATIONAL DOCUMENTS

3.1 Parent Organizational Documents.

(a) On the Closing Date, effective as of the Effective Time, Parent shall have: (i) adopted and filed with the California Secretary of State amended and restated articles of incorporation of Parent in the form attached hereto as Attachment 3.1(a)(i), and (ii) adopted the amended and restated bylaws of Parent in the form attached hereto as Attachment 3.1(a)(ii) (collectively the "***New Parent Organizational Documents***").

(b) The Parties acknowledge that Parent, under the New Parent Organizational Documents, shall provide Methodist the ability to nominate one (1) voting member to serve on the Parent Board of Directors, and one (1) *ex officio* representative to be invited to the Parent Board of Directors meetings. Parent shall approve such persons to serve in the aforementioned capacities, which approval shall not be unreasonably withheld, and with such first nomination and appointment to occur on or prior to the Closing Date.

## ARTICLE IV
## REPRESENTATIONS AND WARRANTIES OF METHODIST

Except as otherwise set forth on the schedules prepared by Methodist, dated as of the Execution Date and updated pursuant to Section 6.2(a) (collectively, "***Methodist Schedules***"), Methodist represents and warrants to Parent as of the Execution Date, as follows:

4.1 Organization, Power, Absence of Conflicts.

(a) Organization; Good Standing. Methodist is a corporation duly organized, validly existing and in good standing under the laws of the State of California (the "***State***") and has full power and authority to carry on its respective business in the State and to own or lease and operate the Methodist Assets and other properties at and where now owned or leased and operated by it. Methodist is not licensed, qualified or admitted to do business in any jurisdiction other than the State and there is no other

jurisdiction in which the ownership, use or leasing of any Methodist Asset, or the conduct or nature of the Methodist Operations, makes such licensing, qualification or admission necessary.

(b) Authority; No Conflict; Required Filings and Consents.

(i) Methodist has all requisite corporate power and authority to conduct its business, as now being conducted, to execute, deliver and enter into this Agreement, to consummate the Affiliation contemplated hereby and to perform its obligations hereunder. The execution and delivery of this Agreement, and the consummation of the Affiliation contemplated hereby, have been duly authorized by all necessary corporate or other action on the part of Methodist, as may be required under Law. No other corporate or other proceeding on the part of Methodist is necessary to authorize this Agreement and the Affiliation contemplated hereby. This Agreement has been duly executed and delivered by Methodist and is a legal, valid and binding obligation of Methodist, enforceable against Methodist in accordance with its terms, except to the extent that enforceability may be limited by applicable bankruptcy, reorganization, insolvency, moratorium or other Laws affecting the enforcement of creditors' rights generally and by general principles of equity, regardless of whether such enforceability is considered in a proceeding at law or in equity. As of Closing, no vote or written consent of any holder of any membership or ownership interests of Methodist is necessary to approve this Agreement or the Affiliation contemplated hereby. The corporate membership of Methodist is as set forth on Schedule 4.1(b)(i).

(ii) To Methodist's Knowledge, the execution and delivery by Methodist of this Agreement does not, and the consummation of the Affiliation contemplated hereby will not, (A) result in any breach or contravention of, or permit the acceleration of the maturity of, any Material Encumbrances of Methodist, (B) result in the creation of any Material Encumbrances on the Methodist Assets (other than Encumbrances created pursuant to the terms of this Agreement and the other agreements and documents executed in connection with the consummation of the Affiliation contemplated hereby), (C) conflict with, or result in any violation or breach of any provision of the formation or governing documents of Methodist, as amended to date, or (D) conflict with or result in a breach of, or give rise to a right of termination or amendment of or loss of benefit under, or accelerate the performance required by the terms of any judgment, court order or consent decree, or any material Contract or constitute a default thereunder for Methodist.

4.2 Third-Party Rights. Except for this Agreement, there are no Contracts with, or rights of, any Person to acquire, directly or indirectly, any Material Methodist Assets, or any interest therein.

4.3 Legal Compliance.

(a) To Methodist's Knowledge, Methodist is and, during the Lookback Period, has been in all material respects, in compliance with all Laws and, to Methodist's Knowledge, has timely filed all reports, data and other information required to be filed with Governmental Entities. During the Lookback Period, Methodist has not received notice from any Person of any proceeding or investigation by Governmental Entities alleging or based upon a violation of any Laws that is currently pending. To Methodist's Knowledge, Methodist has not been threatened by any Person with any proceeding or investigation by Governmental Entities alleging a violation of any Laws with respect to the Methodist Operations.

(b) To Methodist's Knowledge, Methodist has (i) developed a compliance plan for being in compliance with the Health Information Laws, and (ii) used its best efforts to implement those provisions of such compliance plan in all respects necessary to ensure that the applicable Methodist Operations are in compliance with the Health Information Laws.

(c) To Methodist's Knowledge, Methodist and each Methodist Healthcare Service meets all requirements of participation, claims submission and payment of the Government Payment Programs and other third-party payment programs and is a party to valid participation agreements for payment by such Government Payment Programs and other third-party payment programs, as applicable. Neither Methodist, nor any of its officers, directors, employees, agents or contractors has been or is currently excluded from participation in any Government Payment Program.

(d) Methodist and each Methodist Healthcare Service, as applicable, is qualified for participation in and has current and valid provider Contracts with, the Government Payment Programs and/or their fiscal intermediaries or paying agents and, to Methodist's Knowledge, complies in all material respects with the conditions of participation therein. To Methodist's Knowledge, there are no Material Government Payment Program recoupments or Material recoupments of any third-party payor being sought, requested, claimed, or threatened against Methodist. To Methodist's Knowledge, (i) there is no Action pending, received or threatened against Methodist which relates in any way to a violation of any Law pertaining to the Government Payment Programs or which could result in the imposition of Material penalties on or the exclusion of Methodist or any Methodist Healthcare Service from participation in any Government Payment Programs, and (ii) neither Methodist, nor any of its officers, directors, employees or agents have engaged in any activities which are cause for civil penalties or mandatory or permissive exclusion from any Government Payment Program. Methodist is not a party to any corporate integrity agreements, deferred prosecution agreements, monitoring agreements, consent decrees, settlement orders, plans of correction or similar agreements imposed by any Governmental Entity.

(e) Methodist is in material compliance with all Laws regarding the selection, deselection, and credentialing of contracted providers, including, but not limited to, verification of licensing status and eligibility for reimbursement under the Government Payment Programs. Methodist's contracted providers are properly licensed and hold appropriate clinical privileges, as applicable, for the services which they provide, and, with respect to providers that perform services eligible for reimbursement under any Government Payment Program, are not debarred or excluded from any such Government Payment Program.

(f) To Methodist's Knowledge, during the Lookback Period, all reports, data, and information required to be filed by Methodist in connection with any Government Payment Program have been timely filed and were true and complete at the time filed (or were corrected in or supplemented by a subsequent filing). There are no Actions or appeals pending (and to Methodist's Knowledge, Methodist has not made any filing or submission that would result in any Actions or appeals) before any court, regulatory body, administrative agency, governmental body, arbitrator or other authority (including governmental administrative contractors) with respect to any Government Payment Program reports or claims filed by Methodist on or before the date hereof, or with respect to any disallowances by any regulatory body, administrative agency, governmental body or other authority (including governmental administrative contractors) in connection with any audit. No material validation review or program integrity review related to Methodist or any Methodist Healthcare Service has been conducted by any regulatory body, administrative agency, governmental body or other authority (including governmental administrative contractors) in connection with any Government Payment Program during the Lookback Period and, to Methodist's Knowledge, no such reviews are scheduled, pending, or threatened against or affecting Methodist or any Methodist Healthcare Service.

(g) Methodist holds all licenses, permits, authorizations, certifications, accreditations, registrations and franchises (collectively, the "***Licenses***") that are necessary for the Methodist Operations. All such Licenses are in good standing and, to Methodist's Knowledge, are not

subject to meritorious challenge. To Methodist's Knowledge, the Methodist Operations and Methodist Healthcare Services are in compliance in all material respects with such licensing requirements.

4.4 Methodist Financial Statements.

(a) Attached as Schedule 4.4(a) are copies of the Methodist Financial Statements. Except as set forth on Schedule 4.4(a), the Methodist Financial Statements fairly and accurately present in all material respects the financial condition and results of operations of the Methodist Operations as of the respective dates thereof and for the period therein referred to, subject to normal recurring year-end adjustments (the effect of which will not, individually or in the aggregate, be Material) and the absence of notes; and the Methodist Financial Statements reflect the consistent application of Generally Accepted Accounting Principles throughout the periods involved.

(b) Attached as Schedule 4.4(b) is a financial forecast (the "***Financial Forecast***") prepared by or on behalf of Methodist that describes how the results from the Methodist Operations will achieve compliance with the debt service and other covenants set forth in the Financing Documents for the next two (2) fiscal years. To Methodist's Knowledge, the Financial Forecast accurately and fairly portrays Methodist's financial condition over such period.

4.5 Absence of Material Change. Since the date of the last Methodist Financial Statements, no Material change has occurred in the financial condition, assets, liabilities, income or prospects of Methodist. To Methodist's Knowledge, there has not been any event, change, occurrence or circumstance that has had or could reasonably be expected to have a Methodist Material Adverse Change.

4.6 Real Property.

(a) Methodist owns fee simple title to the Methodist Real Property, free and clear of any Encumbrances, other than those Encumbrances listed on Schedule 4.6(a).

(b) The Methodist Real Property comprises all of the real property owned or leased by Methodist.

(c) To Methodist's Knowledge, Methodist has not received notice of condemnation or similar proceeding relating to the Methodist Real Property or any part thereof.

(d) Except for those tenants in possession of the Methodist Real Property under Contracts as set forth on Schedule 4.6(d), to Methodist's Knowledge there are no Persons in possession of, or claiming any possession, adverse or not, to or other interest in, any portion of the Methodist Real Property other than Methodist, whether as lessees, tenants at sufferance, trespassers or otherwise. To Methodist's Knowledge, Methodist has not received any written notice of any material default or breach on the part of the landlord under any lease of Methodist Real Property which has not been cured, nor does there exist any such default or breach on the part of the landlord.

(e) Schedule 4.6(e) identifies all those construction or capital projects currently in progress with respect to the Methodist Real Property for which all final approvals needed from Governmental Entities have not been obtained.

4.7 Environmental Matters.

(a) To Methodist's Knowledge, (i) Methodist is not subject to any Action or any other Material liability arising under any Environmental Laws, and (ii) no circumstances exist that are

reasonably expected to constitute a Material violation of Environmental Laws by Methodist. During the three (3) year period prior to the Execution Date, to Methodist's Knowledge, Methodist has not received any written communication (or reduced to writing any oral communication) from any Person alleging that Methodist is not in full compliance with Environmental Laws.

(b) To Methodist's Knowledge, during the Lookback Period, there has been no Material Environmental Claim pending or threatened against any Person whose liability for any Environmental Claim has or may have been retained or assumed either contractually or by operation of law by Methodist.

4.8 Employment Matters.

(a) Employee and Employee Relations.

(i) There is no pending or, to Methodist's Knowledge, threatened employee strike, work stoppage or slowdown, labor dispute or unfair labor practices in connection with the Methodist Operations.

(ii) Except as set forth on Schedule 4.8(a)(ii), (A) there are no employees of Methodist who are represented by, or have made demand for recognition of, a labor union or employee organization with respect to their work at the Methodist Operations, or (B) to Methodist's Knowledge, there is no other union organizing or collective bargaining activities by or with respect to any employees of Methodist with respect to such employment.

(iii) Methodist has complied with all Material obligations and liabilities under any Plant Closure Laws during the Lookback Period and as a result of (A) the Methodist Operations on or prior to the Closing Date, and/or (B) the consummation of the Affiliation.

(b) Pending Proceedings. There are no active, pending or, to Methodist's Knowledge, threatened Material administrative or judicial proceedings under Title VII of the Civil Rights Act of 1964, the Age Discrimination in Employment Act, the Fair Labor Standards Act, the Occupational Safety and Health Act, the National Labor Relations Act, the Fair Employment and Housing Act, the California Labor Code, ERISA or any other foreign, federal, state or local law (including common law), ordinance or regulation relating to current employees or former employees of Methodist. Other than the retention of the current Executive Team by Parent for the three (3) year period following the Closing Date, no employee or independent contractor of Methodist is entitled to receive any compensation, payment, or remuneration from any Person as a result of the execution and delivery of this Agreement or the occurrence of the Closing.

4.9 Employee Benefit Plans.

(a) Schedule 4.9 sets forth a true, correct and complete list of each Methodist Employee Benefit Program.

(b) Each Methodist Employee Benefit Program that is intended to qualify under Section 401(a) of the Code has received a favorable determination or opinion letter from the IRS regarding its qualification thereunder, and during the Lookback Period no event has occurred and no condition exists that would reasonably be expected to result in the loss of such tax-qualified status or the imposition of any liability, penalty or tax under ERISA, the Code or any other Laws. With respect to each Methodist Employee Benefit Program, all reports, returns, notices, and other documentation that are required to have been filed with or furnished to the IRS, the United States Department of Labor (the

"***DOL***"), the Pension Benefit Guaranty Corporation (the "***PBGC***"), the Securities and Exchange Commission (the "***SEC***") or any other Governmental Entity, or to the participants or beneficiaries of such Methodist Employee Benefit Program, have been filed or furnished on a timely basis.

(c) With respect to each Methodist Employee Benefit Program, Methodist has provided to Parent, and has caused Methodist to provide to Parent (in each case, if applicable to such Methodist Employee Benefit Program): (i) all documents embodying or governing such Methodist Employee Benefit Program, and any funding medium for the Methodist Employee Benefit Program (including plan documents, trust agreements and amendments thereto); (ii) the most recent IRS determination letter with respect to such Methodist Employee Benefit Program under Code Section 401(a); and (iii) any insurance policy related to such Methodist Employee Benefit Program.

(d) Each Methodist Employee Benefit Program has been established, operated, and administered in all material respects in accordance with the requirements of Law, including ERISA and the Code, and is being administered and operated in all material respects in accordance with its terms, and is being administrated in a manner that avoids the imposition of material penalties imposed by Law, including penalty taxes. No Methodist Employee Benefit Program is subject to Title IV of ERISA or is a Multiemployer Plan, within the meaning of ERISA Section 3(37) and during the Lookback Period neither Methodist nor any ERISA Affiliate has sponsored, maintained, contributed to or had any liability in respect to any employee benefit plan subject to Title IV of ERISA or any Multiemployer Plan.

(e) Neither any Methodist Employee Benefit Program fiduciary nor any Methodist Employee Benefit Program has engaged in any transaction in violation of Section 406 of ERISA or any "prohibited transaction" (as defined in Section 4975(c)(1) of the Code), which transaction is not exempt under Section 4975(d) of the Code or Section 408 of ERISA and which could reasonably be expected to result in material liability under ERISA or the Code. Neither Methodist nor ERISA Affiliate or any Person appointed or otherwise designated to act on behalf of Methodist or such ERISA Affiliate, has engaged in any transactions in connection with any Methodist Employee Benefit Program that is reasonably expected to result in the imposition of a material penalty pursuant to Section 502(i) of ERISA, material damages pursuant to Section 409 of ERISA or a material Tax pursuant to Section 4975(a) of the Code.

(f) No administrative investigation, audit or other administrative proceeding by the DOL, the PBGC, the Internal Revenue Service or any other Governmental Entity is pending, with respect to any Methodist Employee Benefit Program. There is no pending, or to Methodist's Knowledge, threatened, legal action, proceeding, or investigation, other than routine claims for benefits, concerning any of the Methodist Employee Benefit Programs, or, any fiduciary or service provider thereof. Methodist does not have liability by virtue of its being a member of a controlled group with a person who has liability under the Code or ERISA.

(g) Each Employee Welfare Benefit Plan which is a group health plan (within the meaning of Section 5000(b)(1) of the Code) complies in all material respects with and has been maintained and operated in all material respects in accordance with each of the requirements of Section 4980B of the Code and Part 6 of Subtitle B of Title I of ERISA. Except as set forth in Schedule 4.9(g), no Methodist Employee Benefit Program provides for health or welfare benefits (other than as required pursuant to Section 4980B of the Code or pursuant to State health continuation laws) to any current or future retiree or former employee beyond the month of termination.

(h) Except as set forth on Schedule 4.9(h) or as otherwise disclosed, neither the execution and delivery of this Agreement nor the consummation of the Affiliation will result in (i) any increase in severance pay otherwise due upon any termination of employment after the date of this

Agreement; (ii) the acceleration of the time of payment or vesting or result in any funding of compensation or benefits; (iii) any payment, compensation or benefit becoming due, or increase in the amount of any payment, compensation or benefit due, to any current or former employee of Methodist; (iv) any new obligation pursuant to any Methodist Employee Benefit Program; (v) payment of compensation that would, in combination with any other payment, result in an "excess parachute payment" within the meaning of Section 280G of the Code; or (vi) any limitation or restriction on the right of Methodist to merge, amend or terminate any Methodist Employee Benefit Program.

(i) Each Methodist Employee Benefit Program that is a "nonqualified deferred compensation plan" (as defined under Section 409A of the Code) has been operated and administered in good faith compliance with Section 409A of the Code, and no compensation shall be includable in the gross income of any current or former employee, officer, director or consultant of Methodist or any ERISA Affiliate as a result of the operation of Section 409A of the Code with respect to any applicable arrangements or agreements in effect prior to the Closing.

4.10 Litigation. There are no Material Actions pending or, to Methodist's Knowledge, threatened against Methodist or with respect to any Methodist Assets. To Methodist's Knowledge, there exist no facts known to Methodist that might form the basis of any such Action. There is no pending or, to Methodist's Knowledge, threatened, litigation, arbitration, investigation or other proceeding involving Methodist or Methodist Assets of or before any court, arbitrator or governmental, regulatory or administrative official, body or authority that is reasonably likely to prevent or materially delay or affect the consummation of the Affiliation.

4.11 Tax Exempt Status. Methodist and Methodist Foundation are each California nonprofit public benefit corporations and are exempt from federal and state income taxation.

4.12 Certain Affiliations. Except as set forth on Schedule 4.12, no officer or director of Methodist, nor any child, spouse, parent or sibling or any other family member of any such officer or director of Methodist:

(a) directly or indirectly owns, in whole or in part, any property, asset or right of material significance, used in connection with the Methodist Operations; or

(b) directly or indirectly has an interest in or is party to any Material Contract to which Methodist is a party.

4.13 Operation of the Methodist Operations. To Methodist's Knowledge, the Methodist Assets constitute all assets, properties, goodwill and businesses necessary to conduct the Methodist Operations, in the aggregate and with respect to each Methodist Healthcare Service, in all Material respects in the manner in which the Methodist Operations are currently conducted.

4.14 Intellectual Property. To Methodist's Knowledge, Methodist owns or has sufficient right to use all Methodist Intellectual Property Assets (as defined below) that are necessary for the operation of the business of Methodist as it is currently conducted. For purposes of this Agreement, "***Methodist Intellectual Property Assets***" means: (a) the name of Methodist, all fictional business names, trade names, registered and unregistered trademarks, service marks and applications for same; (b) all patents and patent applications; (c) all copyrights in both published works and unpublished works; (d) all rights in mask works; and (e) all know-how, trade secrets, confidential information, customer lists, software, technical information, data, process technology, plans, drawings and blueprints and other intellectual property rights owned, used or licensed by Methodist as licensee or licensor.

4.15 Insurance. Schedule 4.15 includes a list of all insurance policies (including the policy type, carrier, retention, term and claim limits) to which Methodist is a party and that provide coverage to Methodist or the Methodist Operations, or any director, manager or officer of Methodist (the "***Methodist Insurance Policies***"). All Methodist Insurance Policies (a) are valid, outstanding, and enforceable, and (b) are sufficient for compliance in all material respects with all applicable Contracts to which Methodist is a party. The consummation of the Affiliation by Methodist does not result in a default under any of the Methodist Insurance Policies. Methodist has paid all premiums due, and has otherwise performed all of its obligations in all material respects, under each Methodist Insurance Policy to which the Methodist is a party or that provides coverage to the business of Methodist or any officers, directors or managers thereof.

4.16 Methodist Operations. To Methodist's Knowledge, the Methodist Assets constitute all assets, properties, goodwill and businesses necessary to conduct the Methodist Operations, in the aggregate and with respect to each Methodist Healthcare Service, in all material respects in the manner in which the Methodist Operations are currently conducted.

4.17 Material Misstatements or Omissions. Subject to qualifications expressly set forth in this Article IV regarding Methodist's Knowledge, the representations and warranties of Methodist in this Article IV, together with the disclosures set forth in the Methodist Schedules, do not contain any untrue statement of a material fact or omit to state any material fact necessary in order to make the representations and warranties of Methodist in this Article IV not misleading in any material respect.

4.18 Due Diligence. Methodist has provided the material items responsive to the USC Due Diligence Request and such items, either individually or in the aggregate, do not, to Methodist's Knowledge, contain any untrue statement of material fact or omit to state any material fact that is reasonably expected to be material to Parent's decision regarding the Affiliation. In addition, Methodist has used good faith and commercially reasonable efforts to inform Parent of any fact that is reasonably expected to be material to Parent regarding the Affiliation.

4.19 No Other Representations. Parent acknowledges and agrees that, except as expressly set forth in this Agreement, the New Methodist Organizational Documents, and the New Methodist Bylaws, Methodist and its officers, directors, attorneys, financial advisors, agents or other representatives (collectively "***Representatives***") are not making any representation or warranty, express or implied, with respect to Methodist.

4.20 Survival of Representations and Warranties. The representations and warranties of Methodist set forth in this Article IV shall not survive the Closing Date.

## ARTICLE V
## REPRESENTATIONS AND WARRANTIES OF PARENT

Except as otherwise set forth on the schedules prepared by Parent, dated as of the Execution Date and updated pursuant to Section 6.2(b) (collectively, "***Parent Schedules***"), Parent represents and warrants to Methodist as of the Execution Date as follows:

5.1 Organization, Power, Absence of Conflicts

(a) Organization; Good Standing. Each Parent Entity is a corporation or limited liability company, as the case may be, is duly organized, validly existing and in good standing under the laws of the State and has full power and authority to carry on its respective business in the State and to own or lease and operate the Parent Assets and other properties at and where now owned or leased and operated by it. No Parent Entity is licensed, qualified or admitted to do business in any jurisdiction other

than the State and there is no other jurisdiction in which the ownership, use or leasing of any Parent Asset, or the conduct or nature of the Parent Operations, makes such licensing, qualification or admission necessary.

(b) Authority; No Conflict; Required Filings and Consents.

(i) Parent has all requisite corporate power and authority to conduct its businesses, including those of the Parent Entities, as now being conducted, to execute, deliver and enter into this Agreement, to consummate the Affiliation contemplated hereby and to perform its obligations hereunder. The execution and delivery of this Agreement, and the consummation of the Affiliation contemplated hereby, have been duly authorized by all necessary corporate or other action on the part of all Parent Entities, as may be required under Law. No other corporate or other proceeding on the part of any Parent Entity is necessary to authorize this Agreement and the Affiliation contemplated hereby. This Agreement has been duly executed and delivered by Parent and is a legal, valid and binding obligation of Parent, enforceable against each Parent Entity in accordance with its terms, except to the extent that enforceability may be limited by applicable bankruptcy, reorganization, insolvency, moratorium or other Laws affecting the enforcement of creditors' rights generally and by general principles of equity, regardless of whether such enforceability is considered in a proceeding at law or in equity. As of Closing, no vote or written consent of any holder of any membership or ownership interests of any Parent Entity is necessary to approve this Agreement or the Affiliation contemplated hereby.

(ii) To Parent's Knowledge, the execution and delivery by Parent of this Agreement does not, and the consummation of the Affiliation contemplated hereby will not, (A) result in any breach or contravention of, or permit the acceleration of the maturity of, any Material Encumbrances of any Parent Entity, (B) result in the creation of any Material Encumbrances on the Parent Assets (other than Encumbrances created pursuant to the terms of this Agreement and the other agreements and documents executed in connection with the consummation of the Affiliation contemplated hereby), (C) conflict with, or result in any violation or breach of any provision of the formation or governing documents of any Parent Entity, as amended to date, or (D) conflict with or result in a breach of, or give rise to a right of termination or amendment of or loss of benefit under, or accelerate the performance required by the terms of any judgment, court order or consent decree, or any material Contract or constitute a default thereunder for any Parent Entity.

5.2 Third-Party Rights. There are no Contracts with, or rights of, any Person to acquire, directly or indirectly, any Material Parent Assets, or any interest therein.

5.3 Legal Compliance.

(a) To Parent's Knowledge, each Parent Entity is and, during the Lookback Period has been, in all material respects, in compliance with all Laws and, to Parent's Knowledge, has timely filed all reports, data and other information required to be filed with Governmental Entities. During the Lookback Period, no Parent Entity has received notice from any Person of any proceeding or investigation by Governmental Entities alleging or based upon a violation of any Laws that is currently pending. To Parent's Knowledge, no Parent Entity has been threatened by any Person with any proceeding or investigation by Governmental Entities alleging a violation of any Laws with respect to the Parent Operations.

(b) To Parent's Knowledge: (i) each Parent Entity has (a) developed a compliance plan for being in compliance with the Health Information Laws, and (b) used its best efforts to implement those provisions of such compliance plan in all respects necessary to ensure that the applicable Parent Operations are in compliance with the Health Information Laws.

(c) To Parent's Knowledge, each Parent Entity and each Parent Healthcare Service meets all requirements of participation, claims submission and payment of the Government Payment Programs and other third-party payment programs and is a party to valid participation agreements for payment by such Government Payment Programs and other third-party payment programs, as applicable. To Parent's Knowledge, no Parent Entity nor any of their respective officers, directors, employees, agents or contractors has been or is currently excluded from participation in any Government Payment Program.

(d) Each Parent Entity and Parent Healthcare Service, as applicable, is qualified for participation in and has current and valid provider Contracts with, the Government Payment Programs and/or their fiscal intermediaries or paying agents and, to Parent's Knowledge, complies in all material respects with the conditions of participation therein. To Parent's Knowledge, there are no Material Government Payment Program recoupments or Material recoupments of any third-party payor being sought, requested, claimed, or threatened against any Parent Entity. To Parent's Knowledge, (i) there is no Action pending, received or threatened against any Parent Entity which relates in any way to a violation of any Law pertaining to the Government Payment Programs or which is reasonably expected to result in the imposition of material penalties on or the exclusion of any Parent Entity or any Parent Healthcare Service from participation in any Government Payment Programs, and (ii) no Parent Entity or any of their respective officers, directors, employees or agents have engaged in any activities which are cause for civil penalties or mandatory or permissive exclusion from any Government Payment Program. No Parent Entity is a party to any corporate integrity agreements, deferred prosecution agreements, monitoring agreements, consent decrees, settlement orders, plans of correction or similar agreements imposed by any Governmental Entity.

(e) To Parent's Knowledge, each Parent Entity, as applicable, is in material compliance with all Laws regarding the selection, deselection, and credentialing of contracted providers, including, but not limited to, verification of licensing status and eligibility for reimbursement under the Government Payment Programs. To Parent's Knowledge, each Parent Entity's contracted providers are properly licensed and hold appropriate clinical privileges, as applicable, for the services which they provide, and, with respect to providers that perform services eligible for reimbursement under any Government Payment Program, are not debarred or excluded from any such Government Payment Program.

(f) To Parent's Knowledge, during the Lookback Period, all reports, data, and information required to be filed by any Parent Entity in connection with any Government Payment Program have been timely filed and were true and complete at the time filed (or were corrected in or supplemented by a subsequent filing). There are no Actions or appeals pending (and to Parent's Knowledge, no Parent Entity has made any filing or submission that would result in any Actions or appeals) before any court, regulatory body, administrative agency, governmental body, arbitrator or other authority (including governmental administrative contractors) with respect to any Government Payment Program reports or claims filed by any Parent Entity on or before the date hereof, or with respect to any disallowances by any regulatory body, administrative agency, governmental body or other authority (including governmental administrative contractors) in connection with any audit. No material validation review or program integrity review related to any Parent Entity or any Parent Healthcare Service has been conducted by any regulatory body, administrative agency, governmental body or other authority (including governmental administrative contractors) in connection with any Government Payment Program during the Lookback Period and, to Parent's Knowledge, no such reviews are scheduled, pending, or threatened against or affecting any Parent Entity or any Parent Healthcare Service.

(g) To Parent's Knowledge, each Parent Entity holds all necessary Licenses for its respective part of the Parent Operations. All such Licenses are in good standing and, to Parent's

Knowledge, are not subject to meritorious challenge. To Parent's Knowledge, the Parent Operations and Parent Healthcare Services are in compliance in all material respects with such licensing requirements.

5.4 Parent Financial Statements. Attached as Schedule 5.4 are copies of the Parent Financial Statements. Except as set forth on Schedule 5.4, the Parent Financial Statements fairly and accurately present in all material respects the financial condition and results of operations of the Parent Operations as of the respective dates thereof and for the period therein referred to, subject to normal recurring year-end adjustments (the effect of which will not, individually or in the aggregate, be Material) and the absence of notes; and the Parent Financial Statements reflect the consistent application of Generally Accepted Accounting Principles throughout the periods involved.

5.5 Absence of Material Change. Since the date of the last Parent Financial Statements, no Material change has occurred in the financial condition, assets, liabilities, income or prospects of Parent. To Parent's Knowledge, there has not been any event, change, occurrence or circumstance that has had or is reasonably expected to have a Parent Material Adverse Change.

5.6 Real Property.

(a) A Parent Entity owns fee simple title to the Parent Real Property, free and clear of any Encumbrances, other than those Encumbrances listed on Schedule 5.6(a).

(b) To Parent's Knowledge, no Parent Entity has received notice of condemnation or similar proceeding relating to the Parent Real Property or any part thereof.

(c) Except for those tenants in possession of the Parent Real Property under Contracts, to Parent's Knowledge there are no Persons in possession of, or claiming any possession, adverse or not, to or other interest in, any portion of the Parent Real Property other than a Parent Entity, whether as lessees, tenants at sufferance, trespassers or otherwise. To Parent's Knowledge, during the Lookback Period, no Parent Entity has received any written notice of any material default or breach on the part of the landlord under any lease of Parent Real Property which has not been cured, nor does there exist any such default or breach on the part of the landlord.

5.7 Environmental Matters.

(a) To Parent's Knowledge, (i) no Parent Entity is subject to any Action or any other Material liability arising under any Environmental Laws, and (ii) no circumstances exist that are reasonably expected to constitute a Material violation of Environmental Laws by any Parent Entity. During the three (3) year period prior to the Execution Date, to Parent's Knowledge, no Parent Entity has received any written communication (or reduced to writing any oral communication) from any Person alleging that any Parent Entity is not in full compliance with Environmental Laws.

(b) To Parent's Knowledge, during the Lookback Period, there has been no Material Environmental Claim pending or threatened against any Person whose liability for any Environmental Claim has or may have been retained or assumed either contractually or by operation of law by a Parent Entity.

5.8 Employment Matters.

(a) Employee and Employee Relations.

(i) There is no pending or, to Parent's Knowledge, threatened employee strike, work stoppage or slowdown, labor dispute or unfair labor practices in connection with the Parent Operations.

(ii) Except as set forth on Schedule 5.8(a)(ii), (A) there are no employees of any Parent Entity who are represented by, or have made demand for recognition of, a labor union or employee organization with respect to their work at the Parent Operations, or (B) to Parent's Knowledge, there is no other union organizing or collective bargaining activities by or with respect to any employees of any Parent Entity with respect to such employment.

(iii) To Parent's Knowledge, Parent has complied with all Material obligations and liabilities under any Plant Closure Laws during the Lookback Period and as a result of (i) the Parent Operations on or prior to the Closing Date, and/or (ii) the consummation of the Affiliation.

(b) Pending Proceedings. There are no active, pending or, to Parent's Knowledge, threatened Material administrative or judicial proceedings under Title VII of the Civil Rights Act of 1964, the Age Discrimination in Employment Act, the Fair Labor Standards Act, the Occupational Safety and Health Act, the National Labor Relations Act, the Fair Employment and Housing Act, the California Labor Code, ERISA or any other foreign, federal, state or local law (including common law), ordinance or regulation relating to current employees or former employees of any Parent Entity. No employee or independent contractor of any Parent Entity is entitled to receive any compensation, payment, or remuneration from any Person as a result of the execution and delivery of this Agreement or the occurrence of the Closing

5.9 Employee Benefit Plans.

(a) Schedule 5.9 sets forth a true, correct and complete list of each Parent Employee Benefit Program.

(b) Each Parent Employee Benefit Program that is intended to qualify under Section 401(a) of the Code has received a favorable determination or opinion letter from the IRS regarding its qualification thereunder, and during the Lookback Period no event has occurred and no condition exists that would reasonably be expected to result in the loss of such tax-qualified status or the imposition of any liability, penalty or tax under ERISA, the Code or any other Laws. With respect to each Parent Employee Benefit Program, all reports, returns, notices, and other documentation that are required to have been filed with or furnished to the IRS, the DOL, the PBGC, the SEC, or any other Governmental Entity, or to the participants or beneficiaries of such Parent Employee Benefit Program, have been filed or furnished on a timely basis.

(c) With respect to each Parent Employee Benefit Program, Parent has provided to Methodist: all documents embodying or governing such Parent Employee Benefit Program, and any funding medium for the Parent Employee Benefit Program (including plan documents, trust agreements and amendments thereto); (ii) the most recent IRS determination letter with respect to such Parent Employee Benefit Program under Code Section 401(a); and (iii) any insurance policy related to such Parent Employee Benefit Program.

(d) Except as set forth in Schedule 5.9(d)(i), each Parent Employee Benefit Program has been established, operated, and administered in all material respects in accordance with the requirements of Law, including ERISA and the Code, and is being administered and operated in all material respects in accordance with its terms, and is being administrated in a manner that avoids the imposition of material penalties imposed by Law, including penalty taxes. Except as set forth in Schedule 5.9(d)(ii), no Parent Employee Benefit Program is subject to Title IV of ERISA or is a Multiemployer Plan, within the meaning of ERISA Section 3(37) and during the Lookback Period no Parent Entity or any ERISA Affiliate has sponsored, maintained, contributed to or had any liability in respect to any employee benefit plan subject to Title IV of ERISA or any Multiemployer Plan.

(e) Neither any Parent Employee Benefit Program fiduciary nor any Parent Employee Benefit Program has engaged in any transaction in violation of Section 406 of ERISA or any "prohibited transaction" (as defined in Section 4975(c)(1) of the Code), which transaction is not exempt under Section 4975(d) of the Code or Section 408 of ERISA and which is reasonably expected to result in material liability under ERISA or the Code. No Parent Entity or ERISA Affiliate or any Person appointed or otherwise designated to act on behalf of such Parent Entity or such ERISA Affiliate, has engaged in any transactions in connection with any Parent Employee Benefit Program that is reasonably expected to result in the imposition of a material penalty pursuant to Section 502(i) of ERISA, material damages pursuant to Section 409 of ERISA or a material Tax pursuant to Section 4975(a) of the Code.

(f) No administrative investigation, audit or other administrative proceeding by the DOL, the PBGC, the Internal Revenue Service or any other Governmental Entity is pending, with respect to any Parent Employee Benefit Program. Except as set forth on Schedule 5.9(f), there is no material pending, or to Parent's Knowledge, threatened, legal action, proceeding, or investigation, other than routine claims for benefits, concerning any of the Parent Employee Benefit Programs, or, any fiduciary or service provider thereof. Parent does not have liability by virtue of its being a member of a controlled group with a person who has liability under the Code or ERISA.

(g) Each Employee Welfare Benefit Plan which is a group health plan (within the meaning of Section 5000(b)(1) of the Code) complies in all material respects with and has been maintained and operated in all material respects in accordance with each of the requirements of Section 4980B of the Code and Part 6 of Subtitle B of Title I of ERISA. Except as set forth in Schedule 5.9(g), no Parent Employee Benefit Program provides for health or welfare benefits (other than as required pursuant to Section 4980B of the Code or pursuant to State health continuation laws) to any current or future retiree or former employee beyond the month of termination.

(h) Except as set forth in Schedule 5.9(h), neither the execution and delivery of this Agreement nor the consummation of the Affiliation will result in (A) any increase in severance pay otherwise due upon any termination of employment after the date of this Agreement; (B) the acceleration of the time of payment or vesting or result in any funding of compensation or benefits; (C) result in any payment, compensation or benefit becoming due, or increase in the amount of any payment, compensation or benefit due, to any current or former employee of any Parent Entity; (D) any new obligation pursuant to any Parent Employee Benefit Program; (E) payment of compensation that would, in combination with any other payment, result in an "excess parachute payment" within the meaning of Section 280G of the Code; or (F) any limitation or restriction on the right of any Parent Entity to merge, amend or terminate any Parent Employee Benefit Program.

(i) Each Parent Employee Benefit Program that is a "nonqualified deferred compensation plan" (as defined under Section 409A of the Code) has been operated and administered in good faith compliance with Section 409A of the Code, and no compensation shall be includable in the gross income of any current or former employee, officer, director or consultant of any Parent Entity or

any ERISA Affiliate as a result of the operation of Section 409A of the Code with respect to any applicable arrangements or agreements in effect prior to the Closing.

5.10 Litigation. There are no Material Actions pending or, to Parent's Knowledge, threatened against any Parent Entity or with respect to any Parent Assets. To Parent's Knowledge, there exist no facts known to Parent that might form the basis of any such Action. There is no pending or, to Parent's Knowledge, threatened, litigation, arbitration, investigation or other proceeding involving any Parent Entity or Parent Assets of or before any court, arbitrator or governmental, regulatory or administrative official, body or authority that is reasonably likely to prevent or materially delay or affect the consummation of the Affiliation.

5.11 Tax Exempt Status. Parent Entities are California nonprofit public benefit corporations exempt from federal and state income taxation.

5.12 Certain Affiliations. Except as set forth on Schedule 5.12, no officer or director of any Parent Entity, nor any child, spouse, parent or sibling or any other family member of any such officer or director of any Parent Entity:

(a) directly or indirectly owns, in whole or in part, any property, asset or right of material significance, used in connection with the Parent Operations; or

(b) directly or indirectly has an interest in or is party to any Material Contract to which a Parent Entity is a party.

5.13 Intellectual Property. To Parent's Knowledge, the Parent Entities own or have sufficient right to use all Parent Entities Intellectual Property Assets (as defined below) that are necessary for the operation of the business of the Parent Entities as they are currently conducted. For purposes of this Agreement, "***Parent Entities Intellectual Property Assets***" means, for each of the Parent Entities: (a) the name of each such Parent Entity, all fictional business names, trade names, registered and unregistered trademarks, service marks and applications for same; (b) all patents and patent applications; (c) all copyrights in both published works and unpublished works; (d) all rights in mask works; and (e) all know-how, trade secrets, confidential information, customer lists, software, technical information, data, process technology, plans, drawings and blueprints and other intellectual property rights owned, used or licensed by the Parent Entities as licensee or licensor.

5.14 Insurance. Parent maintains all appropriate insurance policies that provide coverage to the Parent Entities or the Parent Operations, or any director, manager or officer of the Parent Entities (the "***Parent Entities Insurance Policies***"). All Parent Entities Insurance Policies (a) are valid, outstanding, and enforceable, and (b) are sufficient for compliance in all material respects with all applicable Contracts to which a Parent Entity is a party. The consummation of the Affiliation by Parent does not result in a default under any of the Parent Entities Insurance Policies. Parent has paid all premiums due, and has otherwise performed all of its obligations in all material respects, under each of the Parent Entities Insurance Policy to which a Parent Entity is a party or that provides coverage to the business of the Parent Entities or any officers, directors or managers thereof.

5.15 Parent Operations. To Parent's Knowledge, the Parent Assets constitute all assets, properties, goodwill and businesses necessary to conduct the Parent Operations, in the aggregate and with respect to each Parent Healthcare Service, in all material respects in the manner in which the Parent Operations are currently conducted.

5.16 Material Misstatements or Omissions. Subject to qualifications expressly set forth in this Article V regarding Parent's Knowledge, the representations and warranties of Parent in this Article V, together with the disclosures set forth in the Parent Schedules, do not contain any untrue statement of material fact or omit to state any material fact necessary in order to make the representations and warranties of Parent in this Article V not misleading in any material respect.

5.17 Due Diligence. Parent has provided the material items responsive to the Methodist Due Diligence Request and such items, either individually or in the aggregate, do not, to Parent's Knowledge, contain any untrue statement of material fact or omit to state any material fact that is reasonably expected to be material to Methodist's decision regarding the Affiliation. In addition, Parent has used its good faith and commercially reasonable efforts to inform Methodist of any fact that is reasonably expected to be material to Methodist regarding the Affiliation.

5.18 No Other Representations. Methodist acknowledges and agrees that, except as expressly set forth in this Agreement and the New Parent Organizational Documents, Parent and its Representatives are not making any representation or warranty, express or implied, with respect to Parent.

5.19 Survival of Representations and Warranties. The representations and warranties of Parent set forth in this Article V shall not survive the Closing Date.

## ARTICLE VI
## PRE-CLOSING COVENANTS

6.1 Consents and Approvals.

(a) California Attorney General.

(i) As soon as reasonably practicable following the Execution Date, Methodist shall notify the California Attorney General (the "***Attorney General***") in writing of the proposed Affiliation in accordance with Sections 5914 et seq. of the California Corporations Code ("***Section 5914***"). As of the Execution Date, Parent and Methodist hereby agree that Parent has reviewed and approved Methodist's proposed written notice to the Attorney General, and that Methodist shall submit to the Attorney General the written notice in substantially the same form as reviewed and approved by Parent. Methodist shall use commercially reasonable efforts to provide such other information as the Attorney General shall request, and shall generally use its commercially reasonable efforts to obtain the Attorney General's approval of the Affiliation. Parent shall provide such information and communications to the Attorney General as Methodist may reasonably request and shall otherwise cooperate with Methodist in obtaining the Attorney General's approval of the transaction.

(ii) Participation; No Consent. Each Party shall be entitled to participate, to the extent practicable, in conversations with personnel in the Office of the Attorney General in connection with the Affiliation contemplated hereby. If the Attorney General challenges, objects to, prohibits, enjoins, places conditions upon or fails to provide any consent or approval required to complete the transaction contemplated by this Agreement, the Parties shall mutually agree on: (A) the acceptance of any conditions imposed on the transaction by the Attorney General, (B) the decision to pursue any remedies a Party may have against the Attorney General, or (C) the decision to contest or appeal the Attorney General's challenge, objection to, prohibition, enjoyment of, or failure to approve the transaction. In the event the Parties agree to take any action set forth in the foregoing sentence, each Party shall bear its own costs and expenses pertaining thereto. In furtherance of the foregoing, the Parties shall use good faith efforts to mutually accept the conditions imposed upon the transaction by the Attorney General and enter into an amendment of this Agreement evidencing the same (as the Parties

deem necessary or appropriate, or as required by the Attorney General), including with respect to any conditions imposed that affect the material obligations or commitments of either Party hereunder. In the event that the Parties do not mutually agree upon the action to be taken by the Parties contemplated under this Section 6.1(a)(ii), the Parties shall attempt to resolve such disagreement pursuant to the meet and confer process set forth in Section 17.10 (which process shall be expedited in consideration of any requirements or other requests of the Attorney General with respect to timing).

(b) HSR Act.

(i) To the extent required by Law, Parent and Methodist each agree to file the appropriate Notification and Report Form pursuant to the HSR Act with respect to the Affiliation as soon as reasonably practicable after the Execution Date. After filing, Parent and Methodist agree to respond promptly to any requests for additional information by any such Governmental Entity and keep the other promptly apprised of any communications with, and inquiries or requests for information from, such Governmental Entity. Parent and Methodist each agree to request early termination of the waiting period under the HSR Act. In addition, Parent and Methodist each agree to promptly make any other filing that may be required under any antitrust law or by any antitrust authority and effect all other filings with and notifications to the government agencies in any other jurisdiction where such filings and notifications are required.

(ii) Parent and Methodist shall each instruct their respective counsel to cooperate with each other and use commercially reasonable efforts to facilitate and expedite the identification and resolution of any issues under any antitrust law and, consequently, expiration or termination of the applicable HSR Act waiting period at the earliest practicable date. Parent and Methodist shall supply each other with copies of all correspondence, filings or communications with antitrust authorities, with respect to the Affiliation; provided, however, that to the extent any of the documents or information are commercially or competitively sensitive, a Party may satisfy its obligations by providing such documents or information to the other Party's outside antitrust counsel, with the understanding that such antitrust counsel shall not share such documents and information with its client.

(c) Contracts. For those Contracts to which Methodist is a Party, Methodist shall use commercially reasonable efforts to obtain prior to Closing all required consents and approvals necessary from each Contract's parties to ensure that each Contract remains in full force and effect following the Closing Date.

6.2 Notification of Certain Matters.

(a) Methodist Schedule Amendments. From time to time prior to the Closing, Methodist may promptly supplement or amend the Methodist Schedules in Article IV in order to keep such information therein timely, complete and accurate, and each supplement to or amendment of the Methodist Schedules made after the Execution Date pursuant to this Section 6.2(a) shall be deemed to amend the Methodist Schedules as of the date the Methodist Schedule is accepted by Parent; *provided, however*, that if any such supplement or amendment is not acceptable to Parent, and Parent notifies Methodist of same within fifteen (15) days of Parent receiving the amended Methodist Schedule(s), the Parties shall work together in good faith to resolve the matter.

(b) Parent Schedule Amendments. From time to time prior to the Closing, Parent may promptly supplement or amend the Parent Schedules in Article V in order to keep such information therein timely, complete and accurate, and each supplement to or amendment of the Schedules made after the Execution Date pursuant to this Section 6.2(b) shall be deemed to amend the Parent Schedules as of the date the Parent Schedule is accepted by Methodist; *provided, however*, that if any such supplement or

amendment is not acceptable to Methodist, and Methodist notifies Parent of same within fifteen (15) days of Methodist receiving the amended Parent Schedule(s), the Parties shall work together in good faith to resolve the matter.

6.3 Negative Covenants of Parent. From the Execution Date until the earlier of the Closing or the termination of this Agreement, Parent shall not (and shall not agree to) take any action which would cause Methodist to be in breach of any covenant, representation or warranty contained in this Agreement, or which would have a material adverse effect on the ability of any Party hereto to perform their respective covenants and agreements under this Agreement and the documents and agreements contemplated hereby, without the prior written consent of Methodist.

6.4 Negative Covenants of Methodist. From the Execution Date until the earlier of the Closing or the termination of this Agreement, Methodist shall not (and shall not agree to) take any action which would cause Parent to be in breach of any covenant, representation or warranty contained in this Agreement, or which would have a material adverse effect on the ability of any Party hereto to perform their respective covenants and agreements under this Agreement and the documents and agreements contemplated hereby, without the prior written consent of Parent.

6.5 Conduct of the Methodist Operations. After the Execution Date and up to the Closing, except as expressly contemplated by this Agreement or as Parent otherwise consents to in writing, which consent shall not be unreasonably delayed, conditioned or withheld, Methodist shall conduct the Methodist Operations in the ordinary course of business consistent with past practices. Without limiting the generality of the foregoing, except as expressly contemplated by this Agreement, Methodist shall, in the ordinary course of business and consistent with past practices:

(a) use commercially reasonable efforts to preserve the business organization and ordinary course of operations of Methodist and Methodist Operations intact, preserve the Methodist Assets, keep available the services Methodist's present employees involved in the Methodist Operations (other than terminations consistent with past practice and Methodist policies), and preserve the goodwill of Methodist's suppliers, patients, physicians and others with whom Methodist has business relationships relating to the Methodist Operations;

(b) not enter into or materially change the terms of any employment agreement with any Executive Team member, or increase the compensation, bonus or benefits of any Executive Team member, except in the ordinary course of business consistent with past practice; and

(c) not terminate, amend or otherwise modify any Methodist Employee Benefit Program in any material respect, except for amendments required to comply with Laws.

6.6 Access and Information; Due Diligence. From the Execution Date until the Closing Date, each Party shall give, and shall cause each Party's affiliates to give, to the other Party and its Representatives, reasonable access during normal business hours to such Party's (and such Party's affiliates) corporate, financial, litigation, insurance and personnel files, books, accounts, records and all other relevant documents and information as Representatives of the requesting Party may from time to time request for any purpose related to its due diligence review of the other Party in connection with Affiliation contemplated hereunder, all in such manner as to not unduly disrupt normal business activities and in compliance with Law and any contractual obligations relating to confidentiality. The access to and disclosure of all such books, contracts and records shall be subject to and continued to be governed by the terms and conditions of that certain Mutual Nondisclosure Agreement between Parent and Methodist dated as of March 17, 2020 and that certain Clean Team Confidentiality Agreement between Parent and Methodist dated as of April 9, 2021.

6.7 No Negotiation.

(a) Until the earlier of the Closing or the termination of this Agreement, Methodist shall not, and shall cause its respective Representatives to not, without the prior written consent of Parent:

(i) offer for sale, purchase, lease or any other transaction any of its material assets or any portion of its equity interest in or control of its affiliated businesses in which the party owns less than 100% beneficial interest ("***Affiliated Businesses***"), whether by merger, consolidation, tender offer, substitution of corporate member or otherwise;

(ii) solicit, encourage, negotiate or take any other action to facilitate offers to sell any material portion of its assets, business, equity or any portion of its equity interest in any Affiliated Businesses, whether by merger, consolidation, tender offer, substitution of corporate member or otherwise;

(iii) hold any discussions with any party (other than the other party hereto) involving such offers, solicitations, or transactions as described above; or

(iv) enter into any agreement with any party (other than the other party hereto) with respect to an affiliation relationship that involves any form of transfer of any part of Methodist's assets, equity or business.

(b) Until the earlier of the Closing or the termination of this Agreement, Parent shall not, and shall cause its respective Representatives to not, without the prior written consent of Methodist:

(i) solicit, encourage, negotiate or take any other action to facilitate offers to buy or acquire any hospital assets or equity interest in any party that owns or operates a hospital (other than the other party hereto) located within the Methodist PSA or Methodist SSA, whether by merger, consolidation, tender offer, substitution of corporate member or otherwise;

(ii) hold any discussions with any party (other than the other party hereto) involving such offers, solicitations, or transactions as described above; or

(iii) enter into any agreement with any hospital in the Greater San Gabriel Valley or any party that owns or operates a hospital in the Greater San Gabriel Valley (other than the other party hereto) with respect to an affiliation relationship, acquisition, or joint venture involving any part of any such hospital's assets, equity, or business (including individual service lines).

6.8 Methodist's Efforts to Close. Methodist shall use commercially reasonable efforts to satisfy all of the conditions precedent set forth in Article X to the Parties' obligations under this Agreement to the extent that Methodist's action or inaction can control or influence the satisfaction of such conditions.

6.9 Parent's Efforts to Close. Parent shall use commercially reasonable efforts to satisfy all of the conditions precedent set forth in Article X to the Parties' obligations under this Agreement to the extent that Parent's action or inaction can control or influence the satisfaction of such conditions.

6.10 Growth and Alignment Planning. During the period from the Execution Date through the Closing Date, the Parties will develop service line-specific implementation plans, including specific timelines, to establish the following Parent services at Methodist Hospital following the Closing (and the

loss of revenue to Parent, if any, resulting from carrying out such implementation plans will not be attributed to Methodist):

(a) Cardiovascular

(i) Cath Lab (PCI and EP)

(ii) Cardiac Surgery

(iii) Vascular Surgery

(b) Neurosciences

(i) Neurosurgery

(ii) Neuro-IR

(iii) Neuro-hospitalists

(iv) Neuro-intensivist

(c) Hepatobiliary Surgery

(d) Oncology/Cancer Care

(e) Breast Surgery

(f) Thoracic Surgery

(g) Orthopedics

6.11 Financing Documents.

(a) Between the Execution Date and the Closing Date, Methodist will deliver to Parent, not later than concurrent with delivery to the Master Trustee, copies of all quarterly reports and other written materials that Methodist is required to submit, or chooses voluntarily to submit, to the Master Trustee in connection with the Financing Documents.

(b) Between the Execution Date and the Closing Date, Methodist will promptly (*e.g.*, within two (2) Business Days) provide Parent with copies of any correspondence (including but not limited to all breach or default notices) or any other communication received from the Master Trustee in connection with the Financing Documents.

## ARTICLE VII
## ADDITIONAL COVENANTS AND AGREEMENTS

7.1 Government Authorizations. Methodist shall promptly apply for and use good faith efforts to obtain, as promptly as practicable, all material Government Authorizations that are necessary to consummate the proposed transaction as set forth in this Agreement. For purposes of the preceding, "***Government Authorizations***" means all Licenses, consents or approvals of any Governmental Entity which are required for Methodist to continue operating all material aspects of the Methodist Operations after Parent becomes Methodist's sole member.

7.2 Further Assurances. Each Party shall execute and deliver such instruments, in form and substance mutually agreeable to the Parties, as the other Party may reasonably require in order to carry out the terms of this Agreement or the Affiliation.

## ARTICLE VIII
## TERMINATION OF AGREEMENT

8.1 Termination of Agreement.

(a) Mutual Agreement. This Agreement may be terminated at any time prior to the Closing by the mutual written agreement of the Parties.

(b) Breach of Agreement.

(i) Breach By Methodist. This Agreement may be terminated by Parent at any time prior to the Closing if Methodist has materially breached any of its covenants, representations or warranties prior to the Closing, or if any representation or warranty of Methodist set forth in this Agreement is determined to have been materially inaccurate or misleading when made.

(ii) Breach By Parent. This Agreement may be terminated by Methodist at any time prior to the Closing if Parent has materially breached any of its covenants, representations or warranties prior to the Closing, or if any representation or warranty of Parent set forth in this Agreement is determined to have been materially inaccurate or misleading when made.

(c) Failure of Condition. This Agreement may be terminated by Parent or Methodist if the Closing has not occurred on or before the first (1st) anniversary of the Execution Date (the "***Drop Dead Date***"); *provided*, *however*, that (i) Parent shall not be permitted to terminate this Agreement if the Closing is delayed beyond the Drop Dead Date by the breach of a covenant by Parent or the failure of a condition which was Parent's responsibility to fulfill, and (ii) Methodist shall not be permitted to terminate this Agreement if the Closing is delayed beyond the Drop Dead Date by the breach of a covenant by Methodist or the failure of a condition which was Methodist's responsibility to fulfill.

(d) Failure to Finalize Schedules. This Agreement may be terminated by: (i) Parent, in accordance with Section 6.2(a), if Parent and Methodist are unable to resolve Parent's reasonable objection to an amendment to the Methodist Schedules proposed by Methodist after the Execution Date; and (ii) Methodist, in accordance with Section 6.2(b), if Parent and Methodist are unable to resolve Methodist's reasonable objection to an amendment to the Parent Schedules proposed by Parent after the Execution Date.

(e) Failure to Obtain Satisfactory Attorney General Approval. This Agreement may be terminated by any Party if the Attorney General does not approve (with terms mutually satisfactory to the Parties in accordance with Section 6.1(a)(ii)) the Affiliation pursuant to Section 5914 within eight (8) months after the Attorney General has received the completed notice from Methodist.

## ARTICLE IX
## CONDITIONS TO CLOSING

9.1 Conditions Precedent to Obligations of Parent. The obligations of Parent to complete the Affiliation at the Closing shall be subject to fulfillment of all of the following conditions, except those conditions which are waived by Parent:

(a) Accuracy of Representations and Warranties. The representations and warranties of Methodist, as amended pursuant to this Agreement, shall be true and correct in all material respects on the Closing Date.

(b) Attorney General Approval. The consent of the Attorney General with respect to the Membership Issuance shall have been obtained and each condition imposed by the Attorney General with respect to the Membership Issuance has been approved by Parent, in its sole discretion (which shall not be unreasonably withheld). It is expressly understood that this condition may not be waived by Parent, and that if the consent of the Attorney General is not obtained as required herein, this Agreement shall automatically terminate and no Party shall have any liability to any other Party, except as specifically provided in this Agreement.

(c) HSR Act. The waiting period pursuant to the HSR Act and any extensions thereof shall have expired or been terminated.

(d) Performance of Covenants and Agreements. Methodist shall have performed in all material respects all covenants and agreements contained in this Agreement required to be performed by Methodist before the Closing.

(e) Licenses and Other Government Authorizations. Any Government Authorizations listed on Schedule 9.1(e) required for Parent to become the sole corporate member of Methodist and or to consummate any of the terms set forth in this Agreement shall have been obtained.

(f) Third Party Approvals. The consents and approvals of third parties listed on Schedule 9.1(f) shall have been obtained.

(g) Approval of Documentation. The form and substance of all certificates, transfer documents, opinions, consents, instruments and other documents and agreements contemplated hereby delivered to Parent shall be reasonably satisfactory in all respects to Parent's counsel.

(h) No Litigation. No Material Action shall be pending or threatened against Methodist or Parent in relation to or affecting the consummation of the Affiliation contemplated by this Agreement.

(i) Officers Certificates. Methodist shall deliver to Parent, in forms reasonably acceptable to Parent, (i) a closing and incumbency certificate of an officer of Methodist, (ii) resolutions of the Methodist Board of Directors authorizing the execution and delivery of this Agreement and the performance by Methodist of its obligations hereunder, and (iii) a bring-down certificate to the effect of Section 9.1(a) (collectively, the "***Methodist Certificates***").

(j) Supplemental Schedules. Pursuant to Section 6.2(a), any supplements or modifications to the Methodist Schedules delivered by Methodist prior to or at Closing shall be reasonably acceptable to Parent.

(k) Methodist Material Adverse Change. There has been no Methodist Material Adverse Change with respect to Methodist since the Execution Date.

(l) Due Diligence Investigation. Parent shall be fully satisfied, in its sole and absolute discretion (which shall not be unreasonably withheld), with the results of its due diligence investigation of Methodist conducted by Parent prior to the Closing Date.

(m) Internal Approvals. All necessary internal approvals shall have been obtained, including the Parent Board of Directors and USC Board of Trustees.

(n) Financing Document Compliance. Except as otherwise disclosed by Methodist, Methodist shall not be in material breach of any covenant (including the debt service covenant) contained in, or otherwise in default under, the Financing Documents.

(o) Deliveries at Closing. All of the deliverables described in Section 10.2 shall have been provided to Parent or waived by Parent.

9.2 Conditions Precedent to Obligations of Methodist. The obligations of Methodist to complete the Affiliation at the Closing shall be subject to fulfillment of all of the following conditions, except those conditions that are waived by Methodist:

(a) Accuracy of Representations and Warranties. The representations and warranties of Parent, as amended pursuant to this Agreement, shall be true and correct in all material respects on the Closing Date.

(b) Attorney General Approval. The consent of the Attorney General with respect to the Membership Issuance shall have been obtained and each condition imposed by the Attorney General with respect to the Membership Issuance has been approved by Methodist, in its sole discretion (which shall not be unreasonably withheld). It is expressly understood that this condition may not be waived by Methodist, and that if the consent of the Attorney General is not obtained as required herein, this Agreement shall automatically terminate and no Party shall have any liability to any other Party, except as specifically provided in this Agreement.

(c) HSR Act. The waiting period pursuant to the HSR Act and any extensions thereof shall have expired or been terminated.

(d) Performance of Covenants and Agreements. Parent shall have performed in all material respects all covenants and agreements contained in this Agreement required to be performed by Parent before the Closing.

(e) Licenses and Other Government Authorizations. Any Government Authorizations required for Parent to become the sole corporate member of Methodist and or to consummate any of the terms set forth in this Agreement shall have been obtained.

(f) Approval of Documentation. The form and substance of all certificates, opinions, consents, instruments and other documents and agreements contemplated hereby delivered to Methodist under this Agreement shall be reasonably satisfactory in all respects to Methodist and Methodist's counsel.

(g) No Litigation. No Material Action shall be pending or threatened against Methodist or Parent in relation to or affecting the consummation of the Affiliation contemplated by this Agreement.

(h) Officers Certificates. Parent shall each deliver to Methodist, in forms reasonably acceptable to Methodist, (i) a closing and incumbency certificate of an officer of Parent, (ii) resolutions of the Parent Board of Directors authorizing the execution and delivery of this Agreement and the performance by Parent of their obligations hereunder, and (iii) a bring-down certificate to the effect of Section 9.2(a) (collectively, the "***Parent Certificates***").

(i) Supplemental Schedules. Pursuant to Section 6.2(b), any supplements or modifications to the Parent Schedules delivered by Parent prior to or at Closing shall be reasonably acceptable to Methodist.

(j) Parent Material Adverse Change. There has been no Parent Material Adverse Change with respect to a Parent Entity since the Execution Date.

(k) Due Diligence Investigation. Methodist shall be fully satisfied, in its sole and absolute discretion (which shall not be unreasonably withheld), with the results of its due diligence investigation of Parent conducted by Methodist prior to the Closing Date.

(l) Internal Approvals. All necessary internal approvals shall have been obtained, including the Methodist Board of Directors.

(m) Deliveries at Closing. All of the deliverables described in Section 10.3 shall have been provided to Methodist or waived by Methodist.

## ARTICLE X
## CLOSING

10.1 Closing, Closing Date and Effective Time. Subject to the provisions of this Article X, the closing of the Affiliation (the "***Closing***") shall take place remotely via exchange of documents and signature pages on the date (the "***Closing Date***") that is as promptly as practical (but no more than five (5) Business Days) after satisfaction or waiver of the conditions set forth in Sections 9.1 and 9.2, and other than those conditions that by their nature are to be satisfied at Closing but subject to fulfillment or waiver of those conditions. The Membership Issuance and Affiliation contemplated by the Parties pursuant to this Agreement shall occur at 12:01 a.m. (Pacific Time) on the day immediately following the Closing (the "***Effective Time***"). All proceedings to take place at the Closing shall take place simultaneously.

10.2 Deliveries by Methodist. At the Closing, Methodist shall deliver to Parent the following:

(a) Methodist Certificates. Certified copies of the Methodist Certificates.

(b) Good Standing Certificate. An original Certificate of Status for Methodist, or comparable status, issued by the California Secretary of State dated no earlier than a date which is ten (10) calendar days prior to the scheduled Closing Date.

(c) Other Documents. Any other documents contemplated by this Agreement or requested by Parent and reasonably required or necessary for the consummation of the Affiliation.

10.3 Deliveries by Parent. At the Closing, Parent shall deliver to Methodist the following:

(a) Parent Certificates. Certified copies of the Parent Certificates.

(b) Good Standing Certificates. For each Parent Entity, original Certificates of Status, or comparable status, issued by the California Secretary of State dated no earlier than a date which is ten (10) calendar days prior to the scheduled Closing Date.

(c) Other Documents. Any other documents contemplated by this Agreement or requested by Methodist and reasonably required or necessary for the consummation of the Affiliation.

## ARTICLE XI
## CONFIDENTIALITY

11.1 Confidentiality and Announcements. Prior to the date on which notice to the Attorney General is filed by Methodist pursuant to Section 6.1(a), no Party shall, without the written consent of the other Party, make any public announcement or press release with respect to this Agreement except to their consultants, accountants, investors, attorneys, the Attorney General, Governmental Entities, and/or to other Persons when such announcement or press release to other Persons is necessary to comply with any Law, governmental or court order or regulation. Additionally, the Parties shall mutually develop a plan in conjunction with this Agreement providing for the processes and requirements of any internal and external communications with respect to the terms of this Agreement, which the Parties shall comply with prior to the Closing. Parties shall mutually agree on any internal announcements pertaining to the Affiliation made by a Party or its affiliates or Representatives prior to the date on which notice to the Attorney General is filed by Methodist pursuant to Section 6.1(a).

## ARTICLE XII
## POST-CLOSING RIGHTS AND OBLIGATIONS

12.1 Illegality.

(a) If, at any time during the Transition Period, Methodist determines in good faith based on advice of qualified legal counsel specializing in healthcare matters that any federal, state, or local law or regulation renders the affiliation entered into pursuant to this Agreement illegal, then Methodist may give written notice thereof to Parent ("***Notice of Illegality***") if such action is approved by the affirmative vote of a majority of the actual number of individuals then sitting on the Methodist Board of Directors. If Parent disputes the conclusion set forth in the Notice of Illegality, Parent shall notify Methodist of such dispute (the "***Illegality Dispute***") within ten (10) days after Parent's receipt of the Notice of Illegality. The Parties shall attempt to resolve such Illegality Dispute in accordance with the meet and confer process set forth in Section 17.10; *provided, however*, that the Parties agree that such meet and confer process shall be on an expedited basis and all time frames set forth under Section 17.10 shall be deemed modified hereunder, to reflect that any such Illegality Dispute shall be resolved within ninety (90) days after a Party receives the Notice of Illegality or Illegality Dispute (as applicable). In the event that the Parties do not come to resolution on the Illegality Dispute, either Party may submit the Illegality Dispute to binding arbitration pursuant to Section 17.11. In the event a final determination is made that the Affiliation is illegal, Parent and Methodist shall work together in good faith to alter their relationship to the minimum extent necessary to comply with applicable laws or regulations or otherwise resolve the legal problem. If, after diligent good faith efforts, Parent and Methodist are unable to mutually agree upon such alteration after a period of ninety (90) days, or if such alteration is not legally possible, then Parent and Methodist shall work together in good faith to modify their organizational documents and take all other actions necessary and appropriate to terminate Parent's membership in Methodist and unwind the Affiliation between Parent and Methodist contemplated in this Agreement, the New Methodist Organizational Documents and the New Parent Organizational Documents. The Parties acknowledge and agree that in the event Parent's membership in Methodist is terminated pursuant to the terms set forth in this Section 12.1 (an "***Illegality Unwind Event***"), Methodist shall have the right to assume the assets and liabilities of Methodist pursuant to the terms set forth in **Exhibit A** attached hereto and incorporated herein.

12.2 Methodist Unwind. The Parties acknowledge and agree that after the Closing Date and until the expiration of the Transition Period, if Parent initiates, approves and affirmatively causes any of the following events without first obtaining the approval of the Methodist Board of Directors, Methodist shall have the right to terminate Parent's membership in Methodist and assume the assets and liabilities of

Methodist pursuant to the terms set forth on **Exhibit A**: (a) cause the closure of Methodist Hospital or the dissolution of Methodist, (b) sell, transfer, or dispose of all or substantially all of the assets of Methodist, (c) cause another entity to become the beneficial owner of one hundred percent (100%) of the voting ownership interests of the entity that owns Methodist Hospital, or (d) undergo a change of corporate member that results in University of Southern California not being the majority member of Parent (each a "***Methodist Unwind Event***"). Subject to the foregoing rights of the Methodist Board of Directors, the Parties agree that after the Closing Date, Parent shall have the unilateral right to initiate, approve, and affirmatively cause a Methodist Unwind Event, which unilateral right also may require the approval of the USC Board of Trustees.

12.3 Material Breach. During the Transition Period, if Methodist determines in good faith that Parent has materially breached this Agreement, such as Parent failing to contribute to Methodist a material portion of the Strategic Capital commitment indicated in Section 12.7(b), or failing to maintain Methodist as a "full service" hospital in accordance with Section 12.6, then the Parties shall attempt to resolve such alleged material breach in accordance with the meet and confer process set forth in Section 17.10, *provided* that such meet and confer process will be resolved by a committee comprised of no less than three (3) members of the Methodist Board of Directors and three (3) members of the Parent Board of Directors instead of by each Party's designated senior executives as described in Section 17.10. If the Parties are unable to resolve such Dispute in accordance with this modified meet and confer process, then Methodist may submit the Dispute to binding arbitration pursuant to Section 17.11, and the arbitrator may utilize the unwind process outlined in **Exhibit A** as a potential remedy to resolve such alleged material breach.

12.4 Name Change. As of the Effective Time, the Parties shall rename Methodist Hospital to "USC Arcadia Hospital."

12.5 Growth and Alignment.

(a) Physician Alignment and Network Development.

(i) Ambulatory and Digital/Virtual Services. Within eighteen (18) months after the Closing Date, both Parties will develop and begin implementation of a multi-year strategy to expand ambulatory and digital/virtual services throughout the Methodist PSA and Methodist SSA.

(ii) Arcadia "Pod" within USC Care. The Parties will develop an implementation plan set to begin within eighteen (18) months after the Closing Date to extend Parent's physician alignment models and supporting capabilities to Arcadia and throughout the Methodist PSA and Methodist SSA. Priorities will include retention and growth of Parent medical staff and the local physician network, and to expand geographic coverage and access to needed clinical services. This model will include establishing a specific Methodist/Arcadia "pod" or division within Parent's physician vehicles that offer various opportunities for physician alignment, including employment or clinically integrated affiliation that offers contracting and management services.

(iii) Physician Network. Within eighteen (18) months after the Closing Date, the Parties will implement a multi-year, Arcadia-based physician network strategy. The strategy will be pluralistic in approach and which will include:

(A) The acquisition or affiliation of primary care and/or specialist physicians within Arcadia or the surrounding Methodist PSA; and

(B) Affiliation and relationship development to better align with key IPAs operating in the Methodist PSA and Methodist SSA.

(iv) Clinical Programs. Within eighteen (18) months after the Closing Date, Methodist will become the exclusive hospital member of Parent, as well as the exclusive provider of Parent hospital-based clinical services, within the Methodist PSA (unless waived by the Methodist Board of Directors). For a period of three (3) years after the Closing Date, without the approval of the Methodist Board of Directors, Parent will not add any new hospital member or any new hospital-based clinical service program, including through the expansion of Parent's existing clinical service programs and Parent-affiliated physician practice locations as set forth on Schedule 12.5(a)(iv), to a new location within the Methodist SSA.

(v) Value Based Services Organizations. Parent will provide Methodist with support and access to clinical protocols, care coordination, analytics, tools, leadership, and other supporting programs and infrastructure (*e.g.*, Parent Value-Based Services Organization), in order to enhance care delivery, improve quality, reduce variations in care and unnecessary costs of care.

(b) Teaching Programs. Within eighteen (18) months after the Closing Date, the Parties will develop a feasibility plan to establish residency and fellowship programs at Methodist Hospital to increase the physician base and expand access to care throughout the Methodist PSA and Methodist SSA.

(c) Payor Relations. In conjunction with the other activities of the Parties under this Section 12.5 and consistent with the timeframes thereunder, the Parties agree to co-develop and implement a value-based managed care strategy to improve value and access for residents of in the Methodist PSA and Methodist SSA. Implementation will include (i) partnering with key payors to participate in shared-risk relationships that enable expanded access to Parent and Methodist physicians and technology, and (ii) developing a private label insurance product in partnership with an existing health plan, which targets the local communities.

(d) Timeframes for Development and Implementation. The Parties shall use good faith and best efforts to develop and implement the activities identified under this Section 12.5 in accordance with the corresponding timeframes identified hereunder. In order to ensure implementation within the timeframes identified in this Section 12.5, the Parties agree to commence efforts for each activity as soon as possible (and no later than within thirty (30) days following the Closing Date), and at such time, shall agree upon specific timelines, milestones, and priorities for all such activities (individually and as a whole), which in no way shall delay or postpone completed implementation within the timeframes stated in this Section 12.5.

12.6 Operations

(a) Full Service Hospital. Parent will maintain Methodist Hospital as a "full-service" hospital for a period not less than ten (10) years after the Closing Date, with no material reduction in the following clinical services:

(i) 24/7 Emergency Department

(A) STEMI Receiving Center

(B) Comprehensive Stroke Center

(C) EDAP Certified

(ii) Maternal Child Health (deliveries)

(iii) Cath labs/Angiography suites

(iv) Vascular IR

(v) Cardiovascular Services

(A) PCI, EP, TVR

(B) Cardiac Surgery

(C) Vascular Surgery

(vi) Neurosciences

(A) Neuro IR

(B) Neurosurgery

(C) Neuro-hospitalists

(vii) Orthopedics (including TJR and JSP)

(viii) General Surgery (including bariatics)

(ix) Interventional Gastroenterology

(x) Cancer Care (GYN, colorectal, breast, other)

(xi) Inpatient Rehabilitation.

(b) Hospital-Based Agreements. During the Transition Period (and anytime thereafter without the limitations described below), Parent will have the right to replace any existing Methodist hospital-based provider agreements (*e.g.*, emergency department, anesthesia, critical care, hospitalists, etc.) (the "***Hospital-Based Agreements***") with Parent-based provider agreements if (i) such existing Hospital-Based Agreements are terminated for-cause by the Methodist Board of Directors, or (ii) any Methodist-based clinical programs or hospital-based providers do not meet current Parent quality, outcome or other performance standards based on an annual evaluation. Any Methodist hospital-based providers identified after the Closing Date who do not meet current Parent quality, outcome or other performance standards will be given the opportunity to meet such benchmarks to the reasonable satisfaction of Parent.

12.7 Capital Commitment and Strategic Capital.

(a) Routine Capital. On an annual basis during the Transition Period, Parent will reinvest capital from Methodist's Operations into Methodist (including routine capital and any required seismic retrofit of affected areas of Methodist Hospital in connection with the requirements of the Alfred E. Alquist Hospital Seismic Safety Act of 1983) in an annual amount estimated on a historical basis to be between Eight Million Dollars ($8,000,000) and Twelve Million Dollars ($12,000,000) based on

industry-accepted benchmarks and using 'A' rated organization medians for capital spending as a percent of depreciation. If Methodist's annual operating margin performance falls below average industry-accepted benchmarks, then the annual amount for routine capital will adjust downward or Methodist will utilize the retained cash from operations prior to Closing for routine annual capital, which is the cash retained in Section 13.1. The Parties agree that this arrangement will ensure that the budgeted amount of annual routine capital for Methodist does not fall below the amount required for Methodist to maintain compliance with all applicable Laws.

(b) Strategic Capital. Parent hereby commits Two Hundred Million Seven Hundred Thousand Dollars ($200,700,000) to Methodist during the Transition Period for strategic capital investments (the "***Strategic Capital***").

(c) Methodist Foundation Capital. Methodist will retain exclusive control over the Methodist Foundation and its operations. The Methodist Foundation hereby commits to make annual distributions (historically between Four Million Dollars ($4,000,000) and Six Million Dollars ($6,000,000)) to Methodist to be used for the benefit of Methodist and its surrounding service area.

12.8 Executive Team Retention. For a period of not less than three (3) years after the Closing Date, Parent will retain (or cause Methodist to retain) the individuals identified herein as the Executive Team as of the Closing Date, subject to each member of the Executive Team meeting Parent's standard conditions for employment and successfully passing a satisfactory background screening that is acceptable to Parent. For a period of not less than three (3) years after the Closing Date, each member of the Executive Team will receive total compensation and benefits in an aggregate amount not less than their respective compensation arrangements immediately prior to the Closing Date. Notwithstanding the foregoing, during the three (3)-year period following the Closing Date, the Methodist Board of Directors will have the right to remove any Executive Team member from his or her senior management position or reduce this or her respective total compensation and benefits.

## ARTICLE XIII
## POST-CLOSING RIGHTS OF METHODIST

13.1 Methodist Cash. As of the Effective Time, and continuing for a period up to but not exceeding the Transition Period, all cash, cash equivalents and investments held by Methodist immediately prior to the Effective Time will continue to be held by Methodist for uses that benefit Methodist and the local area, which will include servicing its debt and providing for routine capital needs consistent with Section 12.7(a). The Methodist Board of Directors will have discretion over the use of such assets consistent with their fiduciary duties, subject to the Parent Board of Directors right to review and approve expenditures that individually or in the aggregate exceed Five Million Dollars ($5,000,000) (except with respect to the occurrence of a Methodist Unwind Event).

13.2 Methodist Foundation. After the Closing Date, the Methodist Board of Directors will have reserved powers to approve (a) any change of control of Methodist Foundation, and (b) any use of Methodist Foundation assets that are not used for Methodist and local area purposes.

13.3 Exclusive Hospital. In accordance with the time periods identified in Section 12.5(a)(iv), the Methodist Board of Directors shall be required to approve any decision by the Parent Board of Directors for the Parent to take any action that would prevent Methodist Hospital from being identified as the exclusive hospital member of Parent within the Methodist PSA and in the Methodist SSA.

13.4 Executive Team Matters.

(a) During the three (3) year period immediately following the Closing Date, the Methodist Board of Directors will have sole authority to remove, or reduce the compensation and benefit plans of, the Executive Team. After such three (3) year period, the Methodist Board of Directors will have the right to consult on the removal of any remaining incumbent member of the Executive Team.

(b) The Methodist Board of Directors will have the right to: (i) nominate the individual serving as the first successor Methodist CEO, subject to the right of incumbent Methodist CEO to make recommendations of such successor Methodist CEO; and (ii) consult on the selection and removal of all future Methodist CEOs.

13.5 Methodist Board Members. After the Closing Date, the Methodist Board of Directors shall have the right to recommend nominees for the appointment of members to the Methodist Board of Directors.

## ARTICLE XIV
## PARENT RESERVED POWERS

14.1 Budgets. After the Closing Date, Parent will develop an annual operating and capital budget for Methodist in collaboration with the recommendations of the Methodist Board of Directors, *provided* that Parent, in its capacity as sole member of Methodist, will have the final authority to approve each annual operating and capital budget.

14.2 Capital Expenditures. After the Closing Date, Parent will establish all capital expenditure thresholds for Methodist in collaboration with the recommendations of the Methodist Board of Directors, *provided* that Parent, in its capacity as sole member of Methodist, will have the final authority to establish all capital expenditure thresholds.

14.3 Executive Team.

(a) After the three (3) year period immediately following the Closing Date, the Parent Board of Directors will have the right to remove any Executive Team member from their senior management position, each in consultation with the Methodist Board of Directors.

(b) After the Closing Date, subject to the requirement under Section 12.8 to retain the current Methodist CEO for a period of not less than three (3) years after the Closing Date, the Parent Board of Directors will have the right to hire or remove all successor Methodist CEOs; *provided, that*, the Methodist Board of Directors shall have the right to consult with and propose nominations of successor Methodist CEOs, and the current Methodist CEO shall have the right to make a recommendation regarding his successor Methodist CEO.

(c) After the Closing Date, subject to the requirement under Section 12.8 to retain the current Executive Team for a period of not less than three (3) years after the Closing Date, the Parent Board of Directors will have the right to hire or remove all successor members of the Executive Team.

14.4 Methodist Board Members. After the Closing Date, the Parent Board of Directors will have the right to appoint members to the Methodist Board of Directors in accordance with this Agreement and subject to the right of the Methodist Board of Directors to recommend nominees for each such appointment. After the Transition Period, the Parent Board of Directors will have the right to remove members from the Methodist Board of Directors, subject to the Methodist Board of Directors right to consult on any such removals.

14.5 Strategic Plan. After the Closing Date, Parent shall have the right to develop or modify all future strategic and business plans for Methodist, subject to input from the Methodist Board of Directors.

14.6 Settlement or Consent Decree. After the Closing Date, the Methodist Board of Directors shall not enter into any settlement or consent decree on behalf of Methodist with any government authority without the prior approval of the Parent Board of Directors.

14.7 Independent Auditor. After the Closing Date, the Parent Board of Directors shall have the right to select the independent auditor of Methodist.

14.8 Indebtedness; Obligated Group. After the Closing Date, the Parent Board of Directors shall have the right to make recommendations, in collaboration with the recommendations of the Methodist Board of Directors, to the USC Board of Trustees regarding: (a) new indebtedness for Methodist; (b) changes to the existing indebtedness structure of Methodist; and (c) which legal entities affiliated with Parent, should be included in the obligated group for bond financing purposes.

14.9 Methodist Organizational Documents. After the Closing Date, subject to Section 12.2 and Section 15.1(e), the Parent Board of Directors shall have the right to approve any amendment or restatement of the articles of incorporation or the bylaws (or equivalent documents) of Methodist.

14.10 Sale, Transfer or Disposition of Assets to Third Parties. After the Closing Date, the Methodist Board of Directors shall not have any right to: (a) enter into any change of control transaction with respect to Methodist, including any transaction in which Parent would no longer be the sole member of Methodist; (b) merge, consolidate, convert or otherwise reorganize Methodist; (c) dissolve Methodist; (d) change the tax status of Methodist as a tax-exempt organization or as a public charity; (e) amend the mission or charitable purposes of Methodist; or (f) sell, transfer or otherwise dispose of a significant portion of the assets of Methodist, each without the prior approval of the Parent Board of Directors.

## ARTICLE XV
## JOINT POWERS

15.1 Joint Powers. During the ten (10) year period commencing immediately after the Closing Date, the following actions will require approval from both the Parent Board of Directors and Methodist Board of Directors, which shall be reflected in the New Methodist Organizational Documents and the New Parent Organizational Documents (and equivalent or successor documents thereto). After the expiration of such period and subject to Methodist's reserved powers in Article XIII, Parent in its capacity as sole member of Methodist, will have the right to take such actions.

(a) Any change in structure of Methodist that affects its tax-exempt status;

(b) The discontinuation of any material clinical service line at Methodist Hospital;

(c) Any material change to the mission, vision and values of Methodist;

(d) Any change to the size, qualifications or composition of the Methodist Board, including the number of Methodist Board members who must reside within the City of Arcadia and the number of Methodist Board members who must be members of the Methodist Hospital medical staff;

(e) Any amendment or restatement of the New Methodist Organizational Documents (or equivalent or successor documents); and

(f) Any reduction or elimination of the services or operations listed in Section 12.6, subject at all times to the approval of the Attorney General.

## ARTICLE XVI
## REMEDIES

16.1 Remedies on or Prior to the Closing Date. The Parties acknowledge and agree that the sole and exclusive remedy of the Parties hereto arising out of: (a) any breach of, or any inaccuracy in, any representation or warranty made by a Party in this Agreement that occurs on or prior to the Closing Date; or (b) any breach of any covenant, obligation or agreement of a Party in this Agreement that occurs on or prior to the Closing Date, shall be the right to terminate this Agreement pursuant to Article VIII; *provided*, *however*, that nothing contained in this Section 16.1 shall in any way limit or restrict the right of any Party to bring a cause of action based on actual fraud or knowing and willful misrepresentation.

16.2 Remedies After the Closing Date. The Parties shall attempt to resolve any dispute, claim or controversy arising out of or relating to any breach of any covenant, obligation or agreement of a Party in this Agreement that occurs after the Closing Date through the meet and confer process set forth in Section 17.10; *provided*, *however*, that if the Parties are unable to resolve a dispute, claim or controversy through such meet and confer process, each Party shall have the right to seek any legal or equitable recourse or remedy available to such Party.

## ARTICLE XVII
## MISCELLANEOUS

17.1 Notices. All notices, requests, demands and other communications under this Agreement must be in writing and shall be deemed duly given, unless otherwise expressly indicated to the contrary in this Agreement, (a) when personally delivered, or (b) one Business Day after delivery to a nationally recognized overnight courier service for next Business Day delivery, in any case addressed to the Parties or their permitted assigns at the following addresses (or at such other address as is given in writing by a Party to the other Parties):

| | |
|---|---|
| To Parent: | USC Health System<br>Office of the General Counsel<br>2551 Trousdale Parkway, ADM 352<br>Los Angeles, California 90089<br>Attention: General Counsel |
| With a copy to: | McDermott Will & Emery LLP<br>2049 Century Park East, Suite 3200<br>Los Angeles, California 90067<br>Attention: Gary B. Gertler, Esq. |
| To Methodist: | Methodist Hospital of Southern California<br>300 West Huntington Drive<br>Arcadia, California 91007<br>Attn: President and Chief Executive Officer |
| With a copy to: | Nixon Peabody LLP<br>300 South Grand Avenue<br>Suite 4100 |

Los Angeles, California 90071
Attention: Jill H. Gordon, Esq.

17.2 Counterparts. This Agreement may be executed in one or more counterparts and may be exchanged by email transmission, each of which shall be deemed to be an original but all of which together shall constitute one and the same document. The Parties may deliver executed signature pages to this Agreement by facsimile, electronic mail (including pdf or any electronic signature complying with the U.S. federal ESIGN Act of 2000, *e.g.*, www.docusign.com) or other transmission method.

17.3 Captions and Section Headings. Captions and section headings are for convenience only, are not a part of this Agreement and may not be used in construing it.

17.4 Cooperation. Each of the Parties agrees to cooperate in the effectuation of the Affiliation and to execute any and all additional documents and to take such additional action as is reasonably necessary or appropriate for such purposes.

17.5 Time of Essence. The time of making payments and keeping the agreements made herein is specifically made of the essence of this Agreement.

17.6 Entire Agreement. This Agreement, including any certificate, schedule, exhibit or other document delivered pursuant to its terms, constitutes the entire agreement between the Parties, and supersedes all prior agreements and understandings between the Parties relating to the subject matter hereof. There are no verbal agreements, representations, warranties, or undertakings between the Parties other than as provided herein, and this Agreement may not be amended or modified in any respect, except by a written instrument signed by the Parties to this Agreement. In the event of any inconsistency or conflict between the terms and conditions set forth in this Agreement and the terms of the New Methodist Organizational Documents or the New Parent Organizational Documents, the terms and condition of this Agreement shall govern.

17.7 Governing Laws. This Agreement is to be governed by and construed in accordance with the internal laws of the State.

17.8 Assignment. This Agreement shall not be assigned or otherwise transferred by any Party without the prior written consent of the other Parties, which may be granted or withheld in the other Parties' sole and absolute discretion.

17.9 Expenses. Each Party shall be responsible for the payment of all attorney fees and costs incurred by such Party in connection with the negotiation, due diligence and completion of the final terms of this Agreement and the Affiliation. Notwithstanding the foregoing, the Parties agree that the Parties shall equally share all costs and expenses incurred in connection with Methodist's notice to the Attorney General under Section 6.1(a) (not including each Party's respective attorney fees).

17.10 Meet and Confer. Except as otherwise provided in this Agreement, a Party shall notify the other Party of any dispute, claim or controversy arising out of or relating to this Agreement, or the breach, termination, enforcement, interpretation, or validity thereof (collectively, a "***Dispute***"). If, within ninety (90) days after a Party receives written notice of a Dispute (the "***Dispute Notice***"), the Parties do not resolve such dispute, then the Dispute shall be referred to the designated senior executives with authority to resolve the Dispute from each Party for further negotiation (the "***Meet and Confer***") for not less than ninety (90) days. The obligation to conduct a Meet and Confer pursuant to this Section 17.10 does not obligate any Party to agree to any compromise or resolution of the Dispute that such Party does not determine, in its sole and absolute discretion, to be a satisfactory resolution of the Dispute. The Meet

and Confer shall be considered a settlement negotiation for the purpose of all applicable laws protecting statements, disclosures, or conduct in such context, and any offer in compromise or other statements or conduct made at or in connection with any Meet and Confer shall be protected under such laws, including California Evidence Code Section 1152. Additionally, nothing in this Agreement shall prevent a Party from seeking provisional measures from any court of competent jurisdiction, and any such request shall not be deemed incompatible with the agreement to Meet and Confer.

17.11 Arbitration. Any Dispute not resolved by the end of the Meet and Confer process may be submitted, at the option of either Party, to binding arbitration administered by the commercial panel of the American Arbitration Association under its Commercial Arbitration Rules, as modified by any written instruments that the Parties may mutually agree upon. There shall be a single arbitrator who shall be experienced in healthcare and hospital related matters, and such arbitrator shall be chosen in accordance with the Commercial Arbitration Rules. The place of arbitration shall be Los Angeles, California. California law shall apply. Unless the parties agree otherwise, depositions may be taken for the purpose of preserving testimony and discovery may be obtained (subject to a limit of five (5) interrogatories with respect to any person). The award rendered by the arbitrator shall be final and binding upon the Parties hereto, and judgment upon the award may be entered in any court of competent jurisdiction in the United States. The arbitrator may decide the Dispute in accordance with the applicable substantive law of the State of California. The award shall include written findings of fact, a summary of the evidence, and reasons underlying the decision and conclusions of law. As part of the award, the arbitrator may award reasonable costs actually incurred by the prevailing Party, including that Party's share of the arbitrator's fees, costs and expenses, as well as any administration fees. The arbitrator may also include reasonable attorneys' fees in an award of costs if the arbitrator finds that the Party against whom the fees are assessed acted frivolously or in bad faith in its demand for, or participation in, the arbitration.

17.12 No Third-Party Beneficiaries. Except as expressly provided otherwise in this Agreement, the terms and provisions of this Agreement (including provisions regarding employee and employee benefit matters) are intended solely for the benefit of the Parties and their respective successors and permitted assigns, and are not intended to confer third-party beneficiary rights upon any other person.

17.13 Waiver. No delay or failure to require performance of any provision of this Agreement shall constitute a waiver of the performance of such provision or any other instance. Any waiver granted by a Party must be in writing, and shall apply solely to the specific instance expressly stated.

17.14 Severability. If any provision of this Agreement is held to be unenforceable for any reason, it shall be adjusted rather than voided, if possible, in order to achieve the intent of the Parties to the greatest extent possible. All other provisions of this Agreement shall remain in full force and effect.

17.15 Successors and Assigns. The covenants and conditions contained herein, subject to the provisions as to assignment and subletting, apply to and bind the heirs, successors, executors, administrators and assigns of the Parties.

*[Signature page follows]*

**IN WITNESS WHEREOF**, the Parties have duly executed this Agreement effective as of the date first above written.

**METHODIST:**

**METHODIST HOSPITAL OF SOUTHERN CALIFORNIA,** a California nonprofit public benefit corporation

By:_____
Name: _____
Title: _____

**PARENT**:

**USC HEALTH SYSTEM,** a California nonprofit public benefit corporation

By:_____
Name: _____
Title: _____

## Methodist Schedules

Attached.

# Parent Schedules

Attached.

# EXHIBIT A

## Unwind

1. Methodist Unwind Event. If Parent causes a Methodist Unwind Event, Parent shall promptly notify Methodist in writing of the same (the "***Methodist Unwind Event Notice***"). Upon Methodist's receipt of the Methodist Unwind Event Notice, or in the event that Parent fails to properly notify Methodist and Methodist becomes aware of any Methodist Unwind Event, Methodist shall have the right, but not the obligation, to terminate Parent's membership in Methodist (the "***Methodist Unwind Right***") pursuant to the terms of this **Exhibit A**. Methodist shall give Parent notice of Methodist's intent to exercise the Methodist Unwind Right within thirty (30) days of Methodist's receipt of the Methodist Unwind Event Notice from Parent ("***Exercise of Unwind Notice***"), which intent to exercise the Methodist Unwind Right shall have been approved by the affirmative vote of a majority of the actual number of individuals then sitting on the Methodist Board of Directors.

2. Process.

(a) As soon as practical after (i) the receipt of the Exercise of Unwind Notice, (ii) an arbitrator determines that Parent materially breached this Agreement and that unwinding the Affiliation shall be the remedy to resolve such material breach pursuant to Section 12.3 of this Agreement (the "***Breach Unwind***"), or (iii) the occurrence of an Illegality Unwind Event as described in Section 12.1 of this Agreement, the Parties shall meet and confer in order to mutually agree to the actions necessary to effectuate the termination of Parent's membership in Methodist and an estimated date of termination for Parent's membership in Methodist (the "***Anticipated Termination Date***"). Thereafter, Parent and Methodist shall work together in good faith to promptly modify their organizational documents, take all actions agreed to by the Parties, and promptly take all other actions necessary and appropriate to terminate Parent's membership in Methodist, which shall result in Methodist assuming all assets and liabilities of Methodist.

(b) In connection with the termination of Parent's membership in Methodist, and in exchange for fair market value compensation, Methodist may require Parent to provide reasonable management or other administrative services to Methodist on mutually agreed upon terms for a reasonable period of time after Parent's membership in Methodist is terminated to minimize any economic or operational injury to Methodist. Parent and Methodist agree to work together in good faith to agree upon such services if requested by Methodist.

(c) Within ninety (90) days after receiving the Exercise of Unwind Notice, the determination of the Breach Unwind is made, or the occurrence of an Illegality Unwind Event, as applicable, Parent shall provide Methodist its accounting of and anticipated payment dates (all of which shall be prior to the Anticipated Termination Date) during the unwind period of the following amounts due from/due to each other as of the Anticipated Termination Date. In the event that Methodist disagrees with Parent's accounting or payment dates, the Parties shall work in good faith to resolve such dispute prior to the Anticipated Termination Date.

(i) The aggregate amount to be paid by Methodist to Parent shall be equal to: (A) the actual aggregate Strategic Capital invested or contributed by Parent (or its Affiliates) after the Closing Date ("***Investment in Methodist***"), *plus* (B) an amount equal to the Interest (as defined in section 2(c)(ii) below) accrued on the Investment in Methodist until the date of payment.



MHSC-0000344

(ii) For purposes of this Exhibit A, "***Interest***" shall be defined as the amount of interest owed, if any (as of the date of repayment by Methodist), by Parent to the University of Southern California (or its Affiliates) on the Investment in Methodist being repaid to Parent by Methodist.

(d) Once all actions necessary and appropriate to terminate Parent's membership in Methodist have been completed and all payments due from/due to the Parties have been made or agreed to, the Parties shall execute a final notice indicating that all actions have been completed to effectuate the termination of Parent's membership in Methodist (the "***Final Notice***"). The execution date of the Final Notice shall be the date on which Parent's membership in Methodist shall be effectively terminated.

(e) Methodist acknowledges and agrees that if Parent's membership in Methodist has not been effectively terminated within thirty (30) months after Methodist receives the Methodist Unwind Event Notice, then unless the Parties otherwise agree in writing, the Methodist Unwind Right shall automatically expire and terminate as to that Methodist Unwind Event Notice.

2. No Restrictions. In the event Parent's membership in Methodist is terminated pursuant to the terms set forth in this **Exhibit A**, the Parties acknowledge and agree that after the effective date of such membership termination there shall be no restrictions on the operations or actions of any Party or its affiliated entities. Without limiting the generality of the foregoing, in the event Parent's membership in Methodist is terminated pursuant to the terms set forth in this **Exhibit A**, the Parties: (a) shall not be restricted from competing with each other in any way; and (b) shall not be restricted from soliciting or recruiting each other's employees or affiliated physicians in any way. The Parties further acknowledge and agree that in the event Parent's membership in Methodist is terminated pursuant to the terms set forth in this **Exhibit A**, any medical practitioner providing services on behalf of Parent, Methodist or any of their respective Affiliates may elect to either: (i) continue providing services on behalf of such entity; or (ii) provide services for any other entity. The Parties agree that Methodist and Parent may solicit physicians and other providers during any unwind period.

3. Termination of Agreement. Notwithstanding anything in this Agreement that may be construed to the contrary, the Parties acknowledge and agree that in the event Parent's membership in Methodist is terminated pursuant to the terms set forth in this **Exhibit A** (either as a result of a Methodist Unwind Event, Breach Unwind, or an Illegality Unwind Event), this Agreement shall automatically terminate upon the effective date of the termination of Parent's membership interest in Methodist.

# Attachment 2.1(a)

**Amended and Restated Articles of Incorporation of Methodist**

Attached.

# Attachment 2.1(b)

**Amended and Restated Bylaws of Methodist**

Attached.

# Attachment 3.1(a)(i)

**Amended and Restated Articles of Incorporation of Parent**

Attached.

# Attachment 3.1(a)(ii)

**Amended and Restated Bylaws of Parent**

Attached.

**Exhibit B**

**Amended and Restated Articles of Incorporation**

(To be attached)

**AMENDED AND RESTATED ARTICLES OF INCORPORATION**
**OF**
**USC ARCADIA HOSPITAL**
**A California Nonprofit Public Benefit Corporation**

THE UNDERSIGNED CERTIFY THAT:

1. They are the President and Secretary, respectively, of Methodist Hospital of Southern California, a California nonprofit public benefit corporation (this "Corporation").

2. The Articles of Incorporation of this Corporation are amended and restated to read as follows:

**ONE**: The name of this corporation is USC ARCADIA HOSPITAL.

**TWO**: The corporation's address is 300 West Huntington Drive, Arcadia, California, 91007.

**THREE**: The name and address in the State of California of the corporation's initial agent for service of process is:

William Grigg
300 West Huntington Drive
Arcadia, California, 91007

**FOUR**: This corporation is a nonprofit public benefit corporation and is not organized for the private gain of any person. It is organized under the Nonprofit Public Benefit Corporation Law for charitable purposes. This corporation is a nonprofit hospital organized and operated exclusively for charitable, scientific, and educational purposes within the meaning of Section 214 of the California Revenue and Taxation Code, as now in effect or as may hereafter be amended (the "R&TC") and Section 501(c)(3) of the Internal Revenue Code of 1986, as now in effect or as may hereafter be amended (the "Code"):

(1) Establish, equip, maintain, and operate as a nonprofit hospital and promote activities relating to the improvement of human health and the provision of care to the sick, injured or disabled;

(2) Coordinate, sponsor, promote and advance programs and activities of the corporation in a manner that enhances the accessibility, quality and cost-effectiveness of health care services related to the communities which are

served by the corporation, provides associated services to all persons without regard to sex, race, age, religion, creed, color or national origin, sexual orientation, or physical or mental disability, and supports the educational and research mission of the corporation;

(3) Participate in activities designed and carried on to provide and improve the general public health and health of patients served by the corporation; and

(4) Provide other forms of aid and assistance to, for the benefit of, or in connection with the nonprofit components of the corporation.

In furtherance thereof, the corporation may receive property by gift, devise or bequest, invest or reinvest the same, and apply the income and principal thereof, as the directors may from time to time determine, either directly or through contributions to any charitable organization or organizations, exclusively for charitable, scientific, or educational purposes, and engage in any lawful act or activity for which corporations may be organized under the California Nonprofit Public Benefit Corporation Law. In furtherance of its corporate purposes, the corporation shall have all the general powers enumerated in Sections 5140 and 5141 of the California Nonprofit Public Benefit Corporation Law, as now in effect or as may hereafter be amended, together with the power to solicit grants and contributions for such purposes.

**FIVE**: The sole member of this corporation shall be USC Health System, a California nonprofit public benefit corporation (the "Member"). The rights of Member shall be as fixed in the corporation's Bylaws. Notwithstanding the foregoing, this corporation shall have more than one (1) member to the extent provided in Article Eight of these Articles of Incorporation.

**SIX**: No substantial part of the activities of this corporation shall consist of carrying on propaganda, or otherwise attempting to influence legislation (except as otherwise permitted by Section 501(h) of the Code and in any corresponding laws of the State of California), and the corporation shall not participate in or intervene in (including the

publishing or distribution of statements concerning) any political campaign on behalf of (or in opposition to) any candidate for public office.

Notwithstanding any other provision of these Articles of Incorporation, this corporation shall not, directly or indirectly carry on any activity which would prevent it from obtaining exemption from Federal income taxation as a corporation described in Section 501(c)(3) of the Code or cause it to lose such exempt status, or carry on any activity not permitted to be carried on by a corporation, contributions to which are deductible under Section 170(e)(2) of the Code.

**SEVEN**: The property of this corporation is irrevocably dedicated to charitable purposes. No part of the net income or assets of this corporation shall ever inure to the benefit of any director or officer thereof, or to the benefit of any other private person. Upon the dissolution or winding up of this corporation, its assets remaining after payment, or provision for payment, of all debts and liabilities of this corporation shall be distributed to the [United Methodist Women of the California-Pacific Conference of the United Methodist Church.][1] If, at the time of the dissolution or winding up of this corporation, the [United Methodist Women of the California-Pacific Conference of the United Methodist Church] is not an organization which is organized and operated exclusively for charitable purposes which at such time have established their tax-exempt status under Section 214 of the R&TC and Section 501(c)(3) of the Code, then upon the dissolution or winding up of this corporation, its assets remaining after payment, or provision for payment, of all debts and liabilities of this corporation shall be distributed to a nonprofit fund, foundation, or corporation which is organized and operated for charitable or hospital purposes meeting the requirements for exemption provided by Section 214 of the R&TC and which has established it exempt status under Section 501(c)(3) of the Code. In no event shall any of such assets or property be distributed to any director or officer, or any private individual.

[1] Under discussion with USC Health System.

**EIGHT**: On file at this corporation's office is that certain Affiliation Agreement, entered into by and between the Member and this corporation, dated [DATE] (the "Affiliation Agreement").

If a final notice indicating that all actions have been completed to effectuate the termination of Member's membership in this corporation is delivered by Member to this corporation pursuant to the Affiliation Agreement (a "Final Notice"), then, effective on the date of such delivery, and subject to full compliance with Section 5341 of the California Corporations Code, the following shall occur: (1) the Member shall automatically, without any action or further notice required, cease to be a member of this corporation, and (2) [the individuals then serving on the Board of Directors of Member who were nominated by this corporation][2] shall automatically, without any action or further notice required, become members of this corporation, authorized and empowered to take all actions which members of this corporation are entitled to take under applicable law, these Articles of Incorporation, and this corporation's Bylaws. Without limiting the generality of the foregoing, such new member(s) may immediately take all actions necessary or desirable to remove existing directors of this corporation, amend this corporation's Bylaws and amend these Articles of Incorporation provided that such amendments are consistent and in compliance with Section 214 of the R&TC and Section 501(c)(3) of the Code. A copy of the provisions of the Affiliation Agreement relevant to this Article is required to be sent annually by this corporation to all members of this corporation for the purpose of compliance with Section 5341 of the California Corporations Code.

3. The foregoing Amended and Restated Articles of Incorporation of this Corporation have been duly approved by the required vote of the board of directors of this Corporation.

4. The foregoing Amended and Restated Articles of Incorporation of this Corporation have been approved by the required vote of the members of this Corporation.

*(Remainder of page intentionally left blank)*

[2] Identification of new members to assume membership of MHSC upon termination of USCHS's membership to be confirmed.

We further declare under penalty of perjury under the laws of the State of California that the matters set forth in this Declaration are true and correct of our knowledge:

Dated: _____

By: _____
Name: Dan Ausman
Title: President and CEO

By: _____
Name: William Grigg
Title: Secretary

Title 11, California Code of Regulations, § 999.5(d)(2)

# FAIR MARKET VALUE

## 11 Cal. Code Reg. Section 999.5(d)(2)(A)

**The estimated market value of all cash, property, stock, notes, assumption or forgiveness of debt, and any other thing of value that the applicant would receive for each health facility or facility that provides similar healthcare coverage by the proposed agreement or transaction**

The Affiliation will not involve any sale, transfer, merger or other disposition of any assets of MHSC. Pursuant to the Affiliation Agreement, USCHS will become the sole member of MHSC through a mission-driven affiliation in which no cash, property, stock, notes forgiveness of debt, or other monetary consideration is to be received by MHSC. As a result, there is no estimated market value to be provided under this Section.

However, while there is no transfer or disposition of any assets, including cash holdings at Closing, by MHSC or USCHS, the parties have made important commitments regarding the successful financial health of USCHS as an overarching health system and the continued financial stability of MHSC, its continued operation of existing departments and services, and ongoing focus on providing high quality care across the Greater San Gabriel Valley community. For information regarding MHSC's assets, liabilities, and other financial matters, see the responses to Section 999.5(d)(1)(A), Section 999.5(d)(1)(B), Section 999.5(d)(11)(F) and the referenced exhibits.

## 11 Cal. Code Reg. Section 999.5(d)(2)(B)

## The estimated market value of each health facility, facility that provides similar healthcare or other asset to be sold or transferred by the applicant under the proposed agreement or transaction

The goal of the Affiliation is to secure and enhance the long-term future availability of high-quality healthcare in MHSC's and USCHS's communities, rather than to maximize the monetary value received by MHSC. Thus, the value of the assets themselves at Closing was not of critical importance in determining the most advantageous partner for MHSC, which is further described in detail in Section 999.5(d)(1)(C) of this Notice. As a result, the proposed transaction will not involve any sale, transfer, merger or other disposition of any of the assets of MHSC at Closing. However, as an indication of value available in the Affiliation, information concerning the value of MHSC's assets is set forth in the consolidated financial statements attached as **Exhibit 36**, **Exhibit 37**, and **Exhibit 38** to Section 999.5(d)(11)(F).

**11 Cal. Code Reg. Section 999.5(d)(2)(C)**

**A description of the methods used by the applicant to determine the market value of any assets involved in the proposed agreement or transaction. This description shall include a description of the efforts made by the applicant to sell or transfer each health facility or facility that provides similar healthcare that is the subject of the proposed agreement or transaction**

The Affiliation provides for USCHS to become the sole member of MHSC, and does not involve a sale, transfer merger or other disposition of any of MHSC's assets. As an economically-sound hospital, MHSC's goals for affiliating focused on consummating a strategic partnership that would honor MHSC's deep roots in the local community and not seek to disrupt or diminish its community ties, rather than be driven by asset value or concerns of solvency. As such, the Affiliation provides for the establishment of a joint system-level governance structure fundamentally driven by both organizations' desire to provide outstanding clinical care, improve patient experience, provide greater affordability and accessibility to health services, and ensure the long-term availability of high-quality healthcare throughout the Greater San Gabriel Valley. As described in Section 999.5(d)(1)(C) and Section 999.5(d)(11)(A) of this Notice, MHSC was committed to partnering with an organization that was equally committed to providing high-quality healthcare, and was not focused on maximizing the monetary value received from MHSC as a result of the Affiliation. MHSC found USCHS to be such an organization; therefore, the parties did not obtain an appraisal in connection with the proposed Affiliation.

For information regarding MHSC's assets, liabilities, and other financial matters, please also see the response to Section 999.5(d)(11)(F) and related exhibits.

## 11 Cal. Code Reg. Section 999.5(d)(2)(D)

## Reports, analysis, Requests for Proposals and other documents that refer or relate to the valuation of any asset involved in the transaction

MHSC did not undertake a formal process in its search for a potential partner with which to affiliate, and accordingly did not solicit or receive responses to Requests for Proposals that refer or relate to the valuation of any asset. The MHSC Board did not concentrate on the exchange of monetary value and instead focused on a strategic partner that would help to ensure long-term financial stability and best preserve MHSC's ability to serve its local community. Because the Affiliation provides that USCHS will become the sole member of MHSC, and does not involve a sale, transfer, merger or other disposition of any of MHSC's assets at Closing, the parties did not obtain an appraisal in connection with the proposed Affiliation.

For more information regarding MHSC's deliberative process in selecting USCHS as its affiliation partner, please see the responses to Section 999.5(d)(1)(C) and Section 999.5(d)(11)(A) of this Notice.

**11 Cal. Code Reg. Section 999.5(d)(2)(E)**

**For joint venture transactions, all asset contribution agreements and related valuations, all limited liability corporation or limited liability partnership operating agreements, management contracts, and put option agreements**

The proposed transaction is not a joint venture.

Title 11, California Code of Regulations, § 999.5(d)(3)

# INUREMENT AND SELF-DEALING

**11 Cal. Code Reg. Section 999.5(d)(3)(A)**

**Copies of any documents or writings of any kind that relate or refer to any personal financial benefit that a proposed affiliation between applicant and the transferee would confer on any officer, director, employee, doctor, medical group or other entity affiliated with applicant or any family member of any such person as identified in Corporations Code Section 5227(b)(2)**

The proposed transaction does not confer any personal financial benefit on any individual or entities described in California Code of Regulation, Title 11, Section 999.5(d)(3)(A).

Pursuant to the Affiliation Agreement, USCHS will become the sole member of MHSC, which will retain all of its assets and liabilities at Closing. These assets and liabilities include contractual arrangements MHSC has in place with officers, employees, doctors, and medical groups to provide administrative, professional and coverage services to MHSC. For more information in this regard, please see the responses to Section 999.5(d)(3)(B) and Section 999.5(d)(5)(F) of this Notice.

The following is a list of executive employment agreements that will be retained post-Closing:

1. Employment Agreement by and between Dan F. Ausman (President and Chief Executive Officer) and Methodist Hospital of Southern California, dated February 23, 2017.

2. Employment Agreement by and between Bala S. Chandrasekhar, M.D., (SVP & Chief Medical Officer) and Methodist Hospital of Southern California, dated June 13, 2017.

3. Employment Agreement by and between Clifford Daniels (SVP & Chief Strategy Officer) and Methodist Hospital of Southern California, dated March 8, 2012.

4. Employment Agreement by and between William E. Grigg (SVP & Chief Financial Officer) and Methodist Hospital of Southern California dated June 13, 2017.

5. Employment Agreement by and between Deborah McCoy (Chief Nursing Officer) and Methodist Hospital of Southern California, dated, May 24, 2018.

6. Employment Agreement by and between John F. Peeples (Vice President & Chief Human Resources Officer) and Methodist Hospital of Southern California, dated October 9, 2018.

7. Employment Agreement by and between Steven Sisto (SVP & Chief Operating Officer) and Methodist Hospital of Southern California, dated June 13, 2017.

8. Employment Agreement by and between Cari Toneck, RN (VP & Chief Compliance and Risk Officer) and Methodist Hospital of Southern California, dated August 1, 2017.

9. Employment Agreement by and between Michael Driebe (President of Methodist Hospital Foundation) and Methodist Hospital of Southern California, dated December 13, 2018.

In addition, the Affiliation Agreement provides for the retention of the Executive Team (as defined in the Affiliation Agreement), without a reduction in salary or other benefits (including

certain vesting under that certain Split Dollar Retention and Loan Supplement Executive Retirement Plan funded through Zurich American Life Insurance for certain officers), which shall be for at least a 3-year period following Closing.

## 11 Cal. Code Reg. Section 999.5(d)(3)(B)

**The identity of each and every officer, trustee or director of applicant (or any family member of such persons as identified in Corporations Code section 5227(b)(2)) or any affiliate of applicant who or which has any personal financial interest in any company, firm, partnership, or business entity (other than salary and directors'/trustees' fees) currently doing business with applicant, any affiliate of applicant, or the transferee or any affiliate of the transferee**

None of the individuals described in Title 11, California Code of Regulations, Section 999.5(d)(3)(B) have any personal financial interest (other than salary and/or directors' fees) in any company, firm, partnership or business entity currently doing business with MHSC (or its affiliates), or with USCHS (or its affiliates), except as noted below:

1. Marcel Pidoux, M.D., who currently serves on the MHSC Board, participates in certain leadership activities under the following arrangement: Physician Leadership Agreement between Methodist Hospital of Southern California and Marcel Pidoux, M.D., dated March 7, 2014. In addition, Marcel Pidoux, M.D., through a medical partnership in which he is a partner, Pacific Valley Medical Group, provides anesthesiology services on behalf of MHSC, pursuant to the following agreement: Anesthesiology Services Agreement by and between Methodist Hospital of Southern California and Pacific Valley Medical Group, dated December 10, 2014.

2. Stephen Soldo, M.D., who currently serves on the MHSC Board and Foundation's Board of Directors and as the Chair of the Foundation, participates in certain leadership activities under the following arrangement: Physician Leadership Services Agreement between Methodist Hospital of Southern California and Stephen Soldo, M.D. dated February 11, 2020, and provides medical directorship services on behalf of MHSC under that certain Medical Directorship Agreement between Methodist Hospital of Southern California and Stephen Soldo, M.D. dated October 10, 2012.

## 11 Cal. Code Reg. Section 999.5(d)(3)(C)

**A statement describing how the board of directors of the nonprofit corporations involved in the transaction are complying with the provisions of Health and Safety Code sections 1260 and 1260.1**

As further described in response to Section 999.5(d)(1)(C), the MHSC Board's evaluation and exploration of potential alternatives ultimately resulted in the MHSC Board identifying USCHS as the best partner and approving MHSC moving forward with this proposed Affiliation.

For purposes of ensuring compliance with Health and Safety Code Sections 1260 and 1260.1, given that MHSC's Chief Executive Officer is expected to continue to serve as an officer of MHSC after closing, MHSC's Chief Executive Officer resigned from the MHSC Board on December 4, 2020. The MHSC Board delegated to the MHSC Chief Executive Officer, subject to the MHSC Board's oversight and periodic reporting, the responsibility to negotiate the Letter of Intent, the Affiliation Documents, and the other related documents to effectuate the Affiliation. Any remarks to the MHSC Board by the MHSC Chief Executive Officer were limited to factual statements.

No member of the MHSC Board or USCHS Board who participated in the negotiation of the terms and conditions of the proposed transaction with USCHS has received or will receive (directly or indirectly), any salary, compensation, payment or other form of remuneration from USCHS, or any entity affiliated with USCHS, following consummation of the proposed Affiliation. None of the members of the MHSC Board listed in Section 999.5(d)(3)(B) of this Notice participated in the negotiation of the terms and conditions of the proposed transaction with USCHS.

Title 11, California Code of Regulations, § 999.5(d)(4)

# CHARITABLE USE OF ASSETS

## 11 Cal. Code Reg. Section 999.5(d)(4)(A)

**The applicant's articles of incorporation and all amendments thereto and current bylaws, any charitable trust restrictions, and any other information necessary to define the charitable trust purpose of the applicant's assets**

Attached to this Section are the following:

- **Exhibit 7**, a copy of the MHSC Articles of Incorporation and all amendments thereto, which were in effect prior to the resignation of the then-current MHSC corporate member (the "Prior MHSC Members"); and

- **Exhibit 8**, copies of the Foundation's Articles of Incorporation and Bylaws.

Copies of the MHSC Amended and Restated Articles of Incorporation and MHSC Amended and Restated Bylaws are attached as **Exhibit 4** and **Exhibit 5**, respectively, to Section 999.5(d)(1)(B), to be adopted as of the Closing.

MHSC's service to its mission is supported through the Foundation. The Foundation engages in fundraising, donation, philanthropic efforts and the administration of such funds and property for the benefit of MHSC and its programs, services, and patients. The Affiliation will have no effect on the Foundation, including the charitable mission, corporate purposes, name and/or operations of the Foundation. Pursuant to the Foundation's governance documents, the funds and earnings on assets held by the Foundation are designated to be used solely to support activities undertaken by MHSC. As of December 31, 2020, the net assets of the Foundation were approximately $19,148,175.

# EXHIBIT 7

# MHSC ARTICLES OF INCORPORATION

ARTICLES OF INCORPORATION

OF THE

METHODIST HOSPITAL OF SOUTHERN CALIFORNIA.

oooooooOOOoooooooo

KNOW ALL MEN BY THESE PRESENTS:

That we, the undersigned citizens and residents of the State of California, do hereby voluntarily associate ourselves together for the purpose of incorporating a private corporation under the laws of the State of California. AND WE DO HEREBY CERTIFY:

First: That the name of said corporation shall be, METHODIST HOSPITAL OF SOUTHERN CALIFORNIA. and its principal place of business shall be Los Angeles, California,

Second: That the purposes for which said corporation is formed are: to establish, erect and maintain a hospital; to buy, own, hold and sell real estate; to receive, by donation or otherwise any real or personal property that may be deemed advantageous, desirable or necessary; to lease, mortgage, sell, or otherwise dispose of property; to establish and maintain a training school for nurses; to receive endowments and to invest the same; to establish and maintain free beds for those unable to pay hospital charges; to maintain a dispensary; to establish and maintain branch hospitals and sanitariums; and to receive property and to pay annuities.

Third: That the term for which said corporation is to exist is fifty years from and after the date of its incorporation.

MHSC-0000370

Fourth: That the number of directors of said corporation shall be nine, and the names and residences of the directors who are appointed for the first year and to serve until the election and qualification of their successors, are as follows, to wit:

| | | |
|---|---|---|
| Alfred E. Gwynn, | Los Angeles, | California. |
| J. C. Elliott, | " | " |
| Cora D. Bayly, | " | " |
| Lydia E. Alexander, | " | " |
| F. M. Larkin, | " | " |
| Kate W. Sprowls, | " | " |
| W. J. Hole, | " | " |
| Florence A. Pomeroy, | " | " |
| W. S. Allen, | " | " |

That on the 23rd day of April, 1912, in the City of Los Angeles, County of Los Angeles, State of California, an election of directors was held; that said election was held in accordance with the resolution adopted at a regular meeting of the trustees of the Women's Home Missionary Society of the Methodist Episcopal Church of the Southern California Conference, held on the 23rd day of April, 1912, in said City of Los Angeles; that notice of such meeting for the election of directors was given to the trustees of said Society; that a majority of the trustees of said Society who were present voted at such election, and that the result thereof was that the directors hereinbefore named were declared duly elected.

Fifth: That there is no capital stock and there are no shares of stock, pecuniary profit not being its object.

Sixth: That the directors hereafter shall be elected annually by the WOMEN'S HOME MISSIONARY SOCIETY OF THE METHODIST EPISCOPAL CHURCH OF THE SOUTHERN CALIFORNIA CONFERENCE.

IN WITNESS WHEREOF we have hereunto set our hands

MHSC-0000371

and seals this 25th day of June, 1912.

Signed and sealed in the presence of:

Alfred E. Gwynne (SEAL)

J. C. Elliott (SEAL)

Cora D. Bayly (SEAL)

Lydia E. Alexander (SEAL)

Florence A. Pomeroy (SEAL)

F. M. Larkin (SEAL)

Kate W. Sprowls (SEAL)

W. J. Hole (SEAL)

W. S. Allen (SEAL)

STATE OF CALIFORNIA )
) ss
COUNTY OF LOS ANGELES )

Mrs. Belle Z. T. Van Cleve and
Florence A. Pomeroy

being duly sworn, depose and say that they were the officers that conducted the election for directors above mentioned; that said election was held, and that the time and place of said election and the result thereof, as above set forth, are true of their own knowledge.

Mrs. Belle Z. T. Van Cleve, Chairman
Florence A. Pomeroy, Secretary

Subscribed and sworn to before me this 10 day of July A.D. 1912.

W S Allen
Notary Public in and for the County of Los Angeles, State of California.



MHSC-0000372

STATE OF CALIFORNIA )
) ss
COUNTY OF LOS ANGELES )

On this 14th day of July, A. D. 1912, before me, Melville P. Frasier, a Notary Public in and for said county, residing therein, duly commissioned and sworn, personally ap-

STATE OF CALIFORNIA, } ss.
COUNTY OF LOS ANGELES

No. 14627

I, H. J. LELANDE, *County Clerk and ex-officio Clerk of the Superior Court, do hereby certify the foregoing to be a full, true and correct copy of the original* Articles of Incorporation of Methodist Hospital of Southern California *on file in my office, and that I have carefully compared the same with the original.*

*In Witness Whereof, I have hereunto set my hand and affixed the seal of the Superior Court this* 12 *day of* July *1912*

H. J. LELANDE, County Clerk.

By [redacted] Deputy Clerk.

(Clerk Superior Court)

STATE OF CALIFORNIA )
(SS
COUNTY OF LOS ANGELES )

On this 29th day of July, A. D. 1912, before me, Melville P. Frasier, a Notary Public in and for said county, residing therein, duly commissioned and sworn, personally appeared: Alfred E. Gwynn, J. C. Elliott, Cora D. Bayly, Lydia E. Alexander, Florence A. Pomeroy, F. M. Larkin, Kate W. Sprowls, W. J. Hole and W. S. Allen, known to me to be the persons whose names are subscribed to the foregoing instrument, and they duly acknowledged to me that they executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal, at my office in said County, the day and year in this certificate last above written.

Seal

[redacted]
Notary Public in and for the
County of Los Angeles, State
of California.

MHSC-0000374

14627

Rec'd L.A.V. 8/14/12

ARTICLES OF INCORPORATION

OF THE

METHODIST HOSPITAL

OF

SOUTHERN CALIFORNIA.

Filed in the office of the
SECRETARY OF STATE
the 14th day of
August A. D. 1912
JOHN O. JORDAN,
SECRETARY OF STATE
By [illegible] Deputy
Record Book 286 Page 268
Exempt

Entered

FILED

AUG 12 1912

M. J. LELAND, Clerk
By [illegible] Deputy

Alfred E. Bryson
302 W. 2nd St.
Los Angeles Cal

MHSC-0000375

0070168 A0685014

FILED
in the office of the Secretary of State
of the State of California

NOV 20 2008

NOV 20 2008

Added For Imaging
08-21-2014

CERTIFICATE OF AMENDMENT
OF
ARTICLES OF INCORPORATION
OF
METHODIST HOSPITAL OF SOUTHERN CALIFORNIA

The undersigned certify that:

1. They are the president and the secretary, respectively, of METHODIST HOSPITAL OF SOUTHERN CALIFORNIA, a California corporation.

2. Article SIXTH of the Articles of Incorporation of this corporation is amended to read as follows:

"SIXTH: So long as a mortgage on the corporation's property is insured or held by FHA, the following provisions shall govern:

A. The Corporation shall provide on a nonprofit basis hospital facilities and services for the care and treatment of persons who are acutely ill who otherwise require medical and related services of the kind customarily furnished most effectively by hospitals, pursuant to Section 242 of the National Housing Act, as amended.

B. The Corporation shall have the power to mortgage or otherwise hypothecate its real and personal property and to do and perform all acts reasonably necessary to accomplish the purposes of the Corporation including the execution of a Regulatory Agreement with the Secretary of Housing and Urban Development, acting by and through the Federal Housing Commissioner, and of such other instruments and undertakings as may be necessary to enable the Corporation to secure the benefits of financing with the assistance of mortgage insurance under the provisions of the National Housing Act. Such Regulatory Agreement and other instruments and undertakings shall remain binding upon the Corporation, its successor and assigns, so long as a mortgage on the Corporation's property is insured or held by the Secretary of Housing and Urban Development.

C. So long as a mortgage on the Corporation's property is insured or held by the Secretary of Housing and Urban Development, these Articles may not be amended without the prior written approval of the said Secretary.

D. To the extent not in conflict with law, in the event of a conflict between any of the provisions of these Articles and any of the provisions of the Note, Mortgage, Security Agreement, or the Regulatory Agreement (the **"HUD Loan Documents"**), the provisions of the HUD Loan Documents shall govern and be controlling in all aspects.

E. The Corporation may adopt Bylaws at any regular meeting of the Corporation or at any special meeting called for that purpose, so long as they are not inconsistent

with these Articles or with the Regulatory Agreement between the Corporation and the Secretary of Housing and Urban Development."

3. The foregoing amendment of Articles of Incorporation has been duly approved by the board of directors.

4. The foregoing amendment of Articles of incorporation has been duly approved by the required vote of the members.

We further declare under penalty of perjury under the laws of the State of California that the matters set forth in this certificate are true and correct of our own knowledge.

DATE: October 26, 2008

[redacted]
Dennis M. Lee, President

[redacted]
Wayne Whitehill, Secretary

578022.2

A0645720

0070168

FILED
in the office of the Secretary of State
of the State of California
JUN 01 2006

# CERTIFICATE OF AMENDMENT OF ARTICLES OF INCORPORATION

The undersigned certify that:

1. They are the president and secretary, respectively, of Methodist Hospital of Southern California, a California corporation.

2. Article VII of the Articles of Incorporation of this Corporation is hereby amended to read as follows:

> The property of this Corporation is irrevocably dedicated to charitable, hospital and religious purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code and meeting the requirements for exemption provided by Section 214 of the Revenue and Taxation Code. No part of the net income or assets of this Corporation shall ever inure to the benefit of any director, officer or member of the Corporation or to the benefit of any private person.
>
> Upon the dissolution or winding up of this Corporation, its assets remaining after the payment or provision for payment of all debts and liability of this Corporation shall be distributed to the United Methodist Women of the California-Pacific Conference of the United Methodist Church provided that such organization is, at the time of distribution, organized and operated exclusively for charitable, hospital and religious purposes meeting the requirements for exemption provided under Section 214 of the California Revenue and Taxation Code and has established its tax-exempt status under California Revenue and Taxation Code Section 23701(d) and 501(c)(3) of the Internal Revenue Code. In the event that the United Methodist Women of the California-Pacific Conference of the United Methodist Church does not comply with these requirements at the time of dissolution, then all assets shall be distributed to another non-profit fund, foundation or corporation which is organized and operated exclusively for charitable, hospital and religious purposes, meets the requirements for exemption provided by Section 214 of the California Revenue and Taxation Code and which has established its tax-exempt status under California Revenue and Taxation Code Section 23701(d) Section 501(c)(3) of the Internal Revenue Code.

3. The foregoing Amendment of Articles of Incorporation has been duly approved by the Board of Directors.

4. The foregoing amendment of Articles of Incorporation has been duly approved by the required vote of the members.

We further certify under penalty of perjury under the laws of the State of California that the matters set forth in this Certificate are true and correct of our own knowledge.

Dated: 3/30/06

[redacted]
Dennis M. Lee, President

Dated: 3/30/06

[redacted]
Wayne Whitehill, Secretary

A229055

70168

FILED
In the office of the Secretary of State
of the State of California
FEB 2 1981
MARCH FONG EU, Secretary of State
By Deputy

CERTIFICATE OF AMENDMENT OF
ARTICLES OF INCORPORATION OF
METHODIST HOSPITAL OF SOUTHERN CALIFORNIA

The undersigned WALTER R. HOEFFLIN, JR. and F. HAROLD ROACH, are the President and Secretary, respectively, of Methodist Hospital of Southern California, and wish to amend its Articles of Incorporation pursuant to the provisions of Sections 5810 et seq. of the Nonprofit Public Benefit Law of the State of California.

1. On December 8, 1980, a meeting of the Board of Directors of Methodist Hospital of Southern California (the "Corporation") was duly held in the City of Arcadia, California. At the meeting the following resolution was adopted:

RESOLVED, that Article Seventh of the Articles of Incorporation of the Corporation be amended to read as follows:

> "Seventh: All of the properties, monies, and assets of this corporation are irrevocably dedicated to charitable and religious purposes and shall not inure to the benefit of any private individual. In the event that this corporation shall be dissolved or wound up at any time, then all of the properties, monies, and

assets of this corporation shall be transferred exclusively to and become the property of: (i) the United Methodist Women of the Pacific and Southwest Annual Conference of the United Methodist Church provided that such organization continues to qualify for tax exempt status under Section 23701d of the Revenue and Taxation Code of the State of California or Section 501(c)(3) of the Internal Revenue Code, as they now respectively exist or may subsequently be amended; or, (ii) if such organization does not continue so to qualify, to such non-profit fund(s), foundation(s) or corporation(s) as are selected and designated by the Board of Directors of this Corporation which is or are so qualified.

2. Said amendment was approved by a majority of the members of the Corporation, such majority constituting the requisite approval, at its annual meeting held in the City of Arcadia, California on December 8, 1980.

DATED: December 8, 1980.

[redacted]

Walter R. Hoefflin, Jr.

[redacted]

F. Harold Roach



MHSC-0000381

Each of the undersigned declares under penalty of perjury that the matters set forth in the above certificate are true and correct. Executed on December 8, 1980, in the City of Arcadia, California.

[redacted]
Walter R. Hoefflin, Jr.

[redacted]
F. Harold Roach



MHSC-0000382

A065462 70165

FILED
In the office of the Secretary of State
of the State of California
FEB 15 1967
FRANK M. JORDAN, Secretary of State
By [illegible] Deputy

CERTIFICATE OF AMENDMENT OF ARTICLES OF INCORPORATION
OF METHODIST HOSPITAL OF SOUTHERN CALIFORNIA

We, the undersigned, NED LEWIS, President, and H. T. MICHLER, Secretary, of METHODIST HOSPITAL OF SOUTHERN CALIFORNIA, a corporation organized under the laws of the State of California,

DO HEREBY CERTIFY THAT:

(1) On January 24, 1967, at the Methodist Hospital of Southern California, Arcadia, Califirnia, a meeting of the Board of Directors of the aforesaid corporation was held.

(2) At said meeting a resolution providing for the amendment of the Articles of Incorporation of said corporation was adopted:

> "RESOLVED that the section of the Articles of Incorporation of this corporation designated "Seventh" be amended to read as follows:
>
> "Seventh: All of the properties, monies, and assets of this corporation are irrevocably dedicated to charitable and religious purposes and shall not inure to the benefit of any private individual. In the event that this corporation shall be dissolved or wound up at any time, then all of the properties, monies, and assets of this corporation shall be transferred exclusively to and become the property of such non-profit funds, foundations or corporation as are selected and designated by the Board of Directors of this corporation, which have established their tax exempt status under Section 501 (c) (3) of the Internal Revenue Code of the United States and Section 214 of the Revenue & Taxation Code of the State of California, as they now respectively exist or may subsequently be amended."

(3) Said amendment was approved by the written consent of a majority of the members of said corporation; that a copy of the written consent signed and executed by said members is attached hereto and made a part hereof;

Law Offices
RICHARD MITCHELL
ALAN C. ROY
[illegible]
[illegible]



MHSC-0000383

that the total number of members of the corporation is 48, and that the number consenting to said amendment is 32.

Dated: January 26, 1967.

[redacted]
President

[redacted]
Secretary

STATE OF CALIFORNIA )
) ss
COUNTY OF LOS ANGELES )

NED LEWIS and H. T. MICHLER, being first duly sworn, depose and say: That they are the president and secretary, respectively, of the Methodist Hospital of Southern California; that they have read the foregoing Certificate of Amendment of Articles of Incorporation and know the contents thereof, and that the same is true of their own knowledge.

[redacted]
President

[redacted]
Secretary

Subscribed and sworn to before me this 26th day of January, 1967.

OFFICIAL SEAL
JEAN C. TRACY
NOTARY PUBLIC CALIFORNIA
PRINCIPAL OFFICE IN
LOS ANGELES COUNTY

[redacted]
Notary Public in and for said County and State

JEAN C. TRACY
My Commission Expires Jan. 22, 1969

Law Offices
ROLAND MAXWELL
ALAN C. FOX
928 Mutual Savings Building
Pasadena, California 91101
796-2464
681-4629



MHSC-0000384

CONSENT TO AMENDMENT OF ARTICLES OF INCORPORATION

OF

METHODIST HOSPITAL OF SOUTHERN CALIFORNIA

The undersigned members of Methodist Hospital of Southern California, a corporation, do hereby consent to the amendment of section Seventh of the Articles of Incorporation of said corporation to read as follows:

"Seventh: All of the properties, monies, and assets of this corporation are irrevocably dedicated to charitable and religious purposes and shall not inure to the benefit of any private individual. In the event that this corporation shall be dissolved or wound up at any time, then all of the properties, monies, and assets of this corporation shall be transferred exclusively to and become the property of such non-profit funds, foundations or corporation as are selected and designated by the Board of Directors of this corporation, which have established their tax exempt status under Section 501 (c) (3) of the Internal Revenue Code of the United States and Section 214 of the Revenue & Taxation Code of the State of California, as they now respectively exist or may subsequently be amended."

Dated: January 26, 1967

[redacted]

[redacted]

[redacted]

[redacted]

Law Offices
EDWARDS MAXWELL
ALAN C. FOX
[illegible]
[illegible]



MHSC-0000385

[redacted]

Law Offices
ROLAND MAYBERRY
ALAN C. FOX
[redacted]

A50561 7/68

FILED
In the Office of the Secretary of State
of the State of California
MAR 23 1966
FRANK M. JORDAN, Secretary of State
By [signature]
Deputy

Ph. of bus.chg.from Los Angeles to Los Angeles County

CERTIFICATE OF AMENDMENT OF ARTICLES OF INCORPORATION
OF METHODIST HOSPITAL OF SOUTHERN CALIFORNIA

We, the undersigned, NED LEWIS, President, and H. T. MICHLER, Secretary, of METHODIST HOSPITAL OF SOUTHERN CALIFORNIA, a corporation organized under the laws of the State of California,

DO HEREBY CERTIFY THAT:

(1) On January 27, 1966, at the Methodist Hospital of Southern California, Arcadia, California, a meeting of the Board of Directors of the aforesaid corporation was held.

(2) At said meeting a resolution providing for the amendment of the Articles of Incorporation of said corporation was adopted by the affirmative vote of all of the directors of said corporation present at said meeting; that the following is a copy of the said resolution so adopted, to wit:

"RESOLVED that the section of the Articles of Incorporation of this corporation designated 'FIRST' be amended to read as follows:

"First: That the name of said corporation shall be Methodist Hospital of Southern California and its principal office for transaction of business shall be located in the County of Los Angeles."

(3) Said amendment was approved by the written consent of a majority of the members of said corporation; that a copy of the written consent signed and executed by said members is attached hereto and made a part hereof; that the total number of members

Law Offices
ROLAND MAXWELL
[illegible]
Pasadena, California



MHSC-0000387

constituting a quorum is 21;
~~entitled to consent to the adoption of said amendment~~
~~is 132~~ that the number consenting to said amendment is 26.

Dated: January 27, 1966.

[redacted]
President

[redacted]
Secretary

STATE OF CALIFORNIA )
) ss
COUNTY OF LOS ANGELES )

NED LEWIS and H. T. MICHLER, being first duly sworn, depose and say: That they are the president and secretary, respectively, of the METHODIST HOSPITAL OF SOUTHERN CALIFORNIA; that they have read the foregoing Certificate of Amendment of Articles of Incorporation and know the contents thereof, and that the same is true of their own knowledge.

[redacted]

[redacted]

Subscribed and sworn to before me this 24 day of February, 1966.

[redacted]
Notary Public in and for the County of Los Angeles, State of California

My Commission Expires May 31, 1967

Law Offices
ROLAND MAXWELL
438 Mutual Savings Building
Pasadena, California



MHSC-0000388

CONSENT TO AMENDMENT OF ARTICLES OF INCORPORATION

OF

METHODIST HOSPITAL OF SOUTHERN CALIFORNIA

The undersigned members of Methodist Hospital of Southern California, a corporation, do hereby consent to the amendment of section First of the Articles of Incorporation of said corporation to read as follows:

"First: That the name of said corporation shall be Methodist Hospital of Southern California and its principal office for transaction xpbocm of business shall be located in the County of Los Angeles."

Dated: January 27, 1966.

[redacted]

[redacted]

Law Offices
ROLAND MAXWELL
636 Mutual Savings Building
Pasadena, California



MHSC-0000389

[redacted]

[redacted]

70168

A25148

FILED
In the office of the Secretary of State
of the State of California
NOV 4 - 1960
FRANK M. JORDAN, Secretary of State
By Layola K. Martin
Deputy

CERTIFICATE OF AMENDMENT OF

ARTICLES OF INCORPORATION

OF

METHODIST HOSPITAL OF SOUTHERN CALIFORNIA

We, the undersigned, ROLAND MAXWELL, President, and H. T. MICHLER, Secretary, of the METHODIST HOSPITAL OF SOUTHERN CALIFORNIA, a corporation, organized under the laws of the State of California,

DO HEREBY CERTIFY that:

(a) At a regular meeting of the Board of Directors of said corporation held on May 24, 1960, at 7:00 p.m., at 300 West Huntington Drive, Arcadia, California, at which meeting there were at all times present and acting 12 members of the Board of Directors of said corporation, the following resolution was adopted:

"RESOLVED, that Article SIXTH of the Articles of Incorporation of this corporation be amended to read as follows:

"'SIXTH: The members of the corporation shall be those persons who are now, or may hereafter, become members of the Board of Directors of this corporation, and those persons who are now, or may hereafter, become members of the Executive Committee of the Woman's Society of Christian Service of the Southern California-Arizona Conference of The Methodist Church while they continue to be members of said Board of Directors and of said Executive Committee.'"

Law Offices
ROLAND MAXWELL
PAUL H. MARSTON
410 Security Building
Pasadena, California

MHSC-0000391

(b) That the members of the Board of Directors of said corporation are the voting members of said corporation. That on May 24, 1960, at 7:00 p.m., at 300 West Huntington Drive, Arcadia, California, the members of said corporation adopted a resolution identical in all respects to that resolution of the Board of Directors set forth in paragraph (a) herein. That there are 19 members of said corporation, and that 10 members constitute a quorum. That there were 12 members present, all of whom voted in favor of said resolution.

[redacted]

President

[redacted]

Secretary

STATE OF CALIFORNIA )
) ss
COUNTY OF LOS ANGELES)

ROLAND MAXWELL, being first duly sworn, deposes and says: That he is an officer of METHODIST HOSPITAL OF SOUTHERN CALIFORNIA, to wit, President thereof, and as such is duly authorized to make oath for and on behalf of said corporation; that he has read the foregoing Certificate of Amendment of Articles of Incorporation and knows the contents thereof and that the same is true of his own knowledge, except as to the matters therein stated upon information and belief and as to those matters believes it to be true.

[redacted]

Subscribed and sworn to before me this 26 day of October, 1960.

[redacted]

Notary Public in and for said County and State

Law Offices
ROLAND MAXWELL
PAUL H. MARSTON
410 Security Building
Pasadena, California



MHSC-0000392

STATE OF CALIFORNIA )
) ss
COUNTY OF LOS ANGELES)

H. T. MICHLER, being first duly sworn, deposes and says: That he is an officer of METHODIST HOSPITAL OF SOUTHERN CALIFORNIA, to wit, Secretary thereof, and as such is duly authorized to make oath for and on behalf of said corporation; that he has read the foregoing Certificate of Amendment of Articles of Incorporation and knows the contents thereof and that the same is true of his own knowledge, except as to the matters therein stated upon information and belief and as to those matters he believes it to be true.

[redacted]

Subscribed and sworn to before
me this 31st day of October, 1960.

[redacted]
Notary Public in and for said
County and State
My Commission Expires May 18, 1961

Law Offices
ROLAND MAXWELL
PAUL H. MARSTON
410 Security Building
Pasadena, California



MHSC-0000393

# STATEMENT BY CORPORATION OF ADDRESS OF PRINCIPAL OFFICE, NAMES OF OFFICERS AND DESIGNATION OF AGENT FOR THE SERVICE OF PROCESS

*(For filing with the Secretary of State of the State of California pursuant to Section 3301, Corporation Code)*

70168

METHODIST HOSPITAL OF SOUTHERN CALIFORNIA, a corporation

organized under the laws of the State of California, makes the following statements:

1. The address and location of its principal office is as follows:

(a) P. O. Box 418, Arcadia, California
(Post Office or mail address)

(b) 300 W. Huntington Drive, Arcadia, California
(Street address or location)

FILED
In the office of the Secretary of State
of the State of California
JAN 13 1956
FRANK M. JORDAN, Secretary of State
By [redacted], Deputy

2. The names of the following officers are:

(a) President, Roland Maxwell

(b) Secretary, Raymond Brennan

(c) Treasurer, Williston L. Bradway

(d) Other officers desired to be named are, _____

(No officers other than the president or other head, the secretary, the treasurer, if any, need be named)

*(Use the following paragraph 3 if the process agent is a natural person. See NOTES at the end of this form.)*

3. _____, a natural person residing in the State of California, whose complete ☐ business ☐ residence address is _____, is designated as its agent for the purpose of service of process.

*(Use the following paragraph 3 if the process agent is a corporation. See NOTES at the end of this form.)*

3. _____, a corporation, is designated as its agent for the purpose of service of process.

*(Use the following subparagraphs (a) and (b) if the corporate agent is a domestic corporation.)*

(a) The said _____ is a corporation
(Name of corporate agent)

organized and existing under the laws of the State of California, which has filed the certificate provided for in Section 3301.5 of the Corporations Code of California.

(b) The name of the city, town or village wherein said _____ (Name of corporate agent) has the office at which the said _____ (Name of corporation filing statement) may be served, as set forth in the certificate filed by said _____ (Name of corporate agent) pursuant to Section 3301.5 or Section 3301.6 of the Corporations Code of California, is _____ (See NOTES at end of form for instructions before filling in) _____.

*(Use the following subparagraphs (a) and (b) if the corporate agent is a foreign corporation.)*

(a) The said _____ (Name of corporate agent) is a corporation organized and existing under the laws of _____ (Insert place or state of incorporation) which has filed the certificate provided for in Section 6403.5 of the Corporations Code of California.

(b) The name of the city, town or village wherein said _____ (Name of corporate agent) has the office at which the said _____ (Name of corporation filing statement) may be served, as set forth in the certificate filed by said _____ (Name of corporate agent) pursuant to Section 6403.5 or Section 6403.6 of the Corporations Code of California, is _____ (See NOTES at end of form for instructions before filling in) _____.

ENTERED

METHODIST HOSPITAL OF SOUTHERN CALIFORNIA
(Name of corporation)

January 6, 1956

By [redacted]
(Title)
Walter R. Hoefflin, Jr., Assistant Secretary

NOTES: (A) Item 1 (address and location of principal office) and 2 (names of officers) *must* be filled in in all cases. Item 3 (designation of agent) is optional and should not be filled in unless it is desired to designate an agent for the purpose of receiving process against the corporation.

*There is no fee for filing this statement if only Items 1 and 2 be filled in. If Item 3 is filled in, a filing fee of $5 will be charged.*

(B) All domestic (California) corporations, profit and nonprofit, are required to file this statement with the Secretary of State (Section 3301, Corporations Code). After the original filing, new statements need be filed only in the case of a change of address or location of principal office. New statements may be filed at any time desired for the purpose of designating an agent, or new agent, for purpose of service of process or naming successors of one or more of the officers named in the statement last filed with the Secretary of State.

(C) In answering paragraph 3 if a natural person is designated as process agent, give either the business address *or* the residence address. Indicate by check mark in proper box.

(D) In answering paragraph 3(b) if a corporate agent is designated as process agent, state only *the name of the city, town or village* wherein the corporate agent will maintain the office where service of process may be made. *Do not give the street address of each office.* The corporate agent in a certificate filed by it is required to give the corporate address of its office therein where service of process may be made. See Sections 3301.5, 3301.6, 6403.5 and 6403.6 of the Corporations Code.

12924 2-35 5M Ⓒ SPO

MHSC-0000395

# Statement by Corporation of Address of Principal Office, Names of Officers and Designation of Agent for the Service of Process

(For filing with the Secretary of State of the State of California pursuant to Section 3101 or Section 9005, Corporations Code)

Methodist Hospital of Southern California,

a corporation, makes the following statement:

1. That it is a corporation organized under the laws of the State of California
2. The address and location of its principal office (California) are as follows:

(a) 2026 So. Hope Street, Los Angeles 7
(Post Office or mail address)

(b) Same
(Street address or location)

FILED

3. The names of the following officers are:

(a) President, Roland Maxwell

(b) Secretary, Raymond Brennan

(c) Treasurer, Williston L. Bradway

(d) Other officers desired to be named are,

(No officers other than the president or other head, the secretary, the treasurer, if any, need be named)

4. _____, whose address is
(Name of individual)

_____,
(Give address in California at which agent can be personally contacted)

is designated as Agent for the purpose of service of process.

Methodist Hospital of Southern California

By _____

Walter R. Hoefflin, Jr., Administrator

NOTES: (A) Items 1 (identity), 2 (address and location of principal office) and 3 (names of officers) must be filled in in all cases. Item 4 (designation of agent) is optional and should not be filled in unless it is desired to designate a person to act as agent for the purpose of receiving process against the corporation. Item 4 should not be filled in at all by a foreign corporation.

(B) All domestic (California) corporations, profit and nonprofit, are required to file this statement with the Secretary of State (Section 3101, Corporations Code). After the original filing, unless required by Section 9005, Corporations Code, new statements need be filed only in the case of a change of address or location of principal office. New statements may be filed at any time desired for the purpose of designating an agent, or new agent, for purpose of service of process.

(C) Every domestic and qualified foreign nonprofit corporation expressly exempted from taxation by the provisions of the Bank and Corporation Franchise Tax Act of the State of California must file this statement (Items 1, 2, and 3) with the Secretary of State sometime during each and every calendar year beginning with the year 1950. Failure to file creates a presumption of abandonment making the corporation name available for use by another corporation. Such presumption of abandonment may be removed at any time by the filing of this statement, subject to the adoption of a new name if the corporation's name has been appropriated by another corporation during the period of presumed abandonment (Section 9005, Corporations Code). This statement may also be filed at any time for the purpose of changing address or location of principal office of a domestic corporation or for the purpose of designating an agent or new agent, except that it may not be filed by a foreign corporation for either purpose.

(D) There is no fee for filing this statement if only Items 1, 2, and 3 be filed in. If Item 4 is filled in, however, for the purpose of designating an agent for the service of process, a filing fee of $5 will be charged.

7016 P

# Statement by Corporation of Address of Principal Office, Names of Officers and Designation of Agent for the Service of Process

[For filing with the Secretary of State of the State of California pursuant to Section 3301 or Section 9005, Corporations Code]

METHODIST HOSPITAL OF SOUTHERN CALIFORNIA

a corporation, makes the following statements:

1. That it is a corporation organized under the laws of the State of California
2. The address and location of its principal office (California) are as follows:

(a) 2826 South Hope Street Los Angeles 7, California
(Post Office or mail address)

(b) 2826 South Hope Street Los Angeles 7, California
(Street address or location)

3. The names of the following officers are:
(a) President, Roland Maxwell

(b) Secretary, Raymond Brennan

(c) Treasurer, Williston L. Bradway

(d) Other officers desired to be named are, Irving J. Hancock, Assistant Sec'y.

FILED
In the office of the Secretary of State
of the State of California
JUN 1 - 1950
FRANK M. JORDAN, Secretary of State
By [redacted] Deputy

(No officers other than the president or other head, the secretary, the treasurer, if any, need be named)

[redacted], whose address is
(Name of individual)

[redacted],
(Give address in California at which agent can be personally contacted)

is designated as Agent for the purpose of service of process.

METHODIST HOSPITAL OF SOUTHERN CALIFORNIA

By [redacted]
Roland Maxwell, President

NOTES: (A) Items 1 (identity), 2 (address and location of principal office) and 3 (names of officers) must be filled in in all cases. Item 4 (designation of agent) is optional and should not be filled in unless it is desired to designate a person to act as agent for the purpose of receiving process against the corporation. Item 4 should not be filled in at all by a foreign corporation.

(B) All domestic (California) corporations, profit and nonprofit, are required to file this statement with the Secretary of State (Section 3301, Corporations Code). After the original filing, unless required by Section 9005, Corporations Code, new statements need be filed only in the case of a change of address or location of principal office. New statements may be filed at any time desired for the purpose of designating an agent, or new agent, for purpose of service of process.

(C) Every domestic and qualified foreign nonprofit corporation expressly exempted from taxation by the provisions of the Bank and Corporation Franchise Tax Act of the State of California must file this statement (Items 1, 2, and 3) with the Secretary of State sometime during each and every calendar year beginning with the year 1936. Failure to file creates a presumption of abandonment making the corporation name available for use by another corporation. Such presumption of abandonment may be removed at any time by the filing of this statement, subject to the adoption of a new name if the corporation's name has been appropriated by another corporation during the period of presumed abandonment (Section 9005, Corporations Code). The statement may also be filed at any time for the purpose of changing address or location of principal office of a domestic corporation or for the purpose of designating an agent or new agent, except that it may not be filed by a foreign corporation for either purpose.

(D) There is no fee for filing this statement if only items 1, 2, and 3 be filed in. If item 4 is filled in, however, for the purpose of designating an agent for the service of process, a filing fee of $1 will be charged.

MHSC-0000398

RM:vdL 6/10/48

70168

FILED
In the office of the Secretary of State
of the State of California
JUN 21 1948
FRANK M. JORDAN, Secretary of State
By Paula I. Young Deputy

CERTIFICATE OF AMENDMENT OF ARTICLES OF INCORPORATION OF METHODIST HOSPITAL OF SOUTHERN CALIFORNIA

We, the undersigned, Roland Maxwell, President, and Raymond Brennan, Secretary, of METHODIST HOSPITAL OF SOUTHERN CALIFORNIA, a corporation organized under the laws of the State of California,

DO HEREBY CERTIFY THAT:

(1) On June 21, 1948, at the hour of 7:00 p.m., of said day, at the office of the above-named corporation, at Los Angeles, California, a meeting of the Board of Directors of the aforesaid corporation was held.

(2) At said meeting a resolution providing for the amendment of the Articles of Incorporation of said corporation was adopted by the affirmative vote of all of the directors of said corporation present at said meeting; that the following is a copy of the said resolution so adopted, to wit:

"RESOLVED that the Articles of Incorporation of this corporation be amended as follows:

"Section 'Sixth' of said Articles shall be amended to read as follows:

"Sixth: That the directors hereafter shall be elected annually by the Women's Society of Christian Service of the Southern California-Arizona Conference of the Methodist Church.

"Section 'Seventh' of said Articles shall be amended to read as follows:

"Seventh: That upon the liquidation or dissolution of this corporation, or upon the abandonment of its corporate purposes, none of the property of the corporation shall inure to the benefit of any private person, but it shall be irrevocably dedicated to

Law Offices
ROLAND MAXWELL
PAUL H. MARSTON
410 Security Building
Pasadena 1, California
SYcamore 6-2664

MHSC-0000400

religious, charitable, or hospital purposes and shall be transferred to the Woman's Society of Christian Service of the Southern California-Arizona Conference of the Methodist Church, or in the event said Society is not in existence, then to the Woman's Division of Christian Service of the Board of Missions and Church Extension of The Methodist Church, or in the event said Woman's Division of Christian Service of the Board of Missions and Church Extension of The Methodist Church is not in existence, then to such religious, charitable, or hospital institution as may be designated by the Southern California Annual Conference of the Methodist Church and as shall assure the continued use of the property for such religious, charitable, or hospital purposes."

(3) Said amendment was approved by the written consent of a majority of the members of said corporation; that a copy of the written consent signed and executed by said members is attached hereto and made a part hereof; that the total number of members entitled to consent to the adoption of said amendment is 13; that the number consenting to said amendment is 8.

Dated: June 21, 1948.

[redacted]
President

[redacted]
Secretary



Law Offices
ROLAND MAXWELL
PAUL H. MARSTON
410 Security Building
Pasadena 1, California
SYcamore 6-2564

MHSC-0000401

STATE OF CALIFORNIA )
) ss
COUNTY OF LOS ANGELES )

ROLAND MAXWELL, being first duly sworn, deposes and says: That he is an officer of METHODIST HOSPITAL OF SOUTHERN CALIFORNIA, to wit, President thereof, and as such is duly authorized to make oath for and on behalf of said corporation; that he has read the foregoing Certificate of Amendment of Articles of Incorporation and knows the contents thereof and that the same is true of his own knowledge except as to the matters therein stated upon information and belief and as to those matters he believes it to be true.

[redacted]

Subscribed and sworn to before me
this 22 day of [redacted], 1948.

[redacted]
Notary Public in and for said
County and State
(Seal)

STATE OF CALIFORNIA )
) ss.
COUNTY OF LOS ANGELES )

RAYMOND BRENNAN, being first duly sworn, deposes and says: That he is an officer of METHODIST HOSPITAL OF SOUTHERN CALIFORNIA, to wit, Secretary thereof, and as such is duly authorized to make oath for and on behalf of said corporation; that he has read the foregoing Certificate of Amendment of Articles of Incorporation and knows the contents thereof and that the same is true of his own knowledge except as to the matters therein stated upon information or belief and as to those matters he believes it to be true.

[redacted]

Subscribed and sworn to before me
this 22 day of [redacted], 1948.

[redacted]
Notary Public in and for said
County and State
(Seal)

Law Offices
ROLAND MAXWELL
PAUL H. MARSTON
410 Security Building
Pasadena 1, California
SYcamore 6-2664



MHSC-0000402

CONSENT TO AMENDMENT OF ARTICLES OF INCORPORATION
OF METHODIST HOSPITAL OF SOUTHERN CALIFORNIA

The undersigned, members of METHODIST HOSPITAL OF SOUTHERN CALIFORNIA, do hereby consent to and approve the resolution of the Board of Directors of said corporation heretofore adopted to amend its Articles of Incorporation and do hereby consent to the amendment of the Articles of Incorporation of said corporation, as in said resolution provided. Said resolution is as follows:

"RESOLVED that the Articles of Incorporation of this corporation be amended as follows:

"Section 'Sixth of said Articles shall be amended to read as follows:

"Sixth: That the directors hereafter shall be elected annually by the Woman's Society of Christian Service of the Southern California-Arizona Conference of the Methodist Church.

"Section 'Seventh' of said Articles shall be amended to read as follows:

"Seventh: That upon the liquidation or dissolution of this corporation, or upon the abandonment of its corporate purposes, none of the property of the corporation shall inure to the benefit of any private person, but it shall be irrevocably dedicated to religious, charitable, or hospital purposes and shall be transferred to the Woman's Society of Christian Service of the Southern California-Arizona Conference of the Methodist Church, or in the event said Society is not in existence, then to the Woman's Division of Christian Service of the Board of Missions and Church Extension of The Methodist Church, or in the event said Woman's Division of Christian Service of the Board of Missions and Church Extension of The Methodist Church

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SYcamore 6-2664



MHSC-0000403

is not in existence, then to such religious, charitable, or hospital institution as may be designated by the Southern California Annual Conference of the Methodist Church and as shall assure the continued use of the property for such religious, charitable, or hospital purposes."

ROLAND MAXWELL

RAYMOND BRENNAN

NED LEWIS

WILLISTON L. BRADWAY

OLIVER M. CHATBURN

C. B. COOPER

MRS. LAVINA F. SEDGWICK

MRS. NEAL IRELAND

Law Offices
ROLAND MAXWELL
PAUL H. MARSTON
410 Security Building
Pasadena 1, California
SYcamore 6-2664



MHSC-0000404

RECORDED
JUL 2 - 1948
SECRETARY OF STATE

ENTERED

Law Offices
ROLAND MAXWELL
410 Security Building
Pasadena 1, California
SYcamore 6-2664

MHSC-0000405

Law Offices
ROLAND MAXWELL
410 Security Building
Pasadena 1, California
SYcamore 6-2668

Property dedicated to religious and charitable purposes

Secretary of State
Corporation Number
70168

FILED
In the office of the Secretary of State
of the State of California
FEB 11 1946
FRANK M. JORDAN, Secretary of State
By Deputy

CERTIFICATE OF AMENDMENT OF ARTICLES OF INCORPORATION OF METHODIST HOSPITAL OF SOUTHERN CALIFORNIA

WE, the undersigned, ROLAND MAXWELL, President, and RAY BRENNAN, Secretary, of METHODIST HOSPITAL OF SOUTHERN CALIFORNIA, a corporation organized under the laws of the State of California,

D O H E R E B Y C E R T I F Y :

(1) That on January 21, 1946, at the hour of 7:00 p.m. of said day, at the office of the above-named corporation, at Los Angeles, California, a meeting of the Board of Directors of the aforesaid corporation was held.

(2) That at said meeting a resolution providing for the amendment of the Articles of Incorporation of said corporation was adopted by the affirmative vote of all of the directors of said corporation present at said meeting; that the following is a copy of the said resolution so adopted, to wit:

"RESOLVED that the section of the Articles of Incorporation of this corporation, designated "SEVENTH", be amended to read, as follows:

"SEVENTH: That upon the liquidation or dissolution of this corporation or upon the abandonment of its corporate purposes, none of the property of the corporation shall inure to the benefit of any private person but it shall be irrevocably dedicated to religious, charitable or hospital purposes and shall be transferred to the Woman's Society of Christian Service of Southern California-Arizona Conference of The Methodist Church, or, in the event said Society is not in existence, then to the Woman's Division of



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ROLAND MAXWELL
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Pasadena 1, California
SYcamore 6-2664

Christian Service of the Board of Missions and Church Extension of The Methodist Church, provided the one of said organizations designated to receive said assets shall be found to be exclusively devoted to religious, charitable or hospital purposes, and in the event the one of said corporations so designated does not meet said requirement, the said assets shall be transferred to such other non-profit religious, charitable or hospital corporation as may be determined by the Board of Directors and as shall assure the continued use of the property for such religious, charitable or hospital purposes."

(3) That said amendment was approved by the written consent of a majority of the members of said corporation; that a copy of the written consent signed and executed by said members is attached hereto and made a part hereof; that the total number of members entitled to consent to the adoption of said amendment is 13; that the number consenting to said amendment is 10.

DATED this 5th day of February, 1946.

[redacted]
President

[redacted]
Secretary



/3

MHSC-0000407

Law Offices
ROLAND MAXWELL
410 Security Building
Pasadena 1, California
SYcamore 6-2564

STATE OF CALIFORNIA )
ss.
COUNTY OF LOS ANGELES)

ROLAND MAXWELL, being first duly sworn, deposes and says: That he is an officer of METHODIST HOSPITAL OF SOUTHERN CALIFORNIA, to wit, President thereof, and as such is duly authorized to make oath for and on behalf of said corporation; that he has read the foregoing Certificate of Amendment of Articles of Incorporation and knows the contents thereof and that the same is true of his own knowledge except as to the matters therein stated upon information and belief and as to those matters he believes it to be true.

[redacted]

Subscribed and sworn to before me
this 5th day of February, 1946.

[redacted]
Notary Public in and for said
County and State
(SEAL)

STATE OF CALIFORNIA )
ss.
COUNTY OF LOS ANGELES )

RAY BRENNAN, being first duly sworn, deposes and says: That he is an officer of METHODIST HOSPITAL OF SOUTHERN CALIFORNIA, to wit, Secretary thereof, and as such is duly authorized to make oath for and on behalf of said corporation; that he has read the foregoing Certificate of Amendment of Articles of Incorporation and knows the contents thereof and that the same is true of his own knowledge except as to the matters therein stated upon information or belief and as to those matters he believes it to be true.

[redacted]

Subscribed and sworn to before me
this [redacted] day of February, 1946.

[redacted]
Notary Public in and for said
County and State
(SEAL) My Commission Expires Nov. 29, 1949



MHSC-0000408

Law Offices
ROLAND MAXWELL
410 Security Building
Pasadena 1, California
SYcamore 6-2664

CONSENT TO AMENDMENT OF ARTICLES OF INCORPORATION
OF METHODIST HOSPITAL OF SOUTHERN CALIFORNIA

---

The undersigned members of METHODIST HOSPITAL OF SOUTHERN CALIFORNIA do hereby consent to and approve the resolution of the Board of Directors of said corporation heretofore adopted to amend its Articles of Incorporation and do hereby consent to the amendment of the Articles of Incorporation of said corporation, as in said resolution provided. Said resolution is as follows:

"RESOLVED that the section of the Articles of Incorporation of this corporation, designated "SEVENTH", be amended to read, as follows:

"SEVENTH: That upon the liquidation or dissolution of this corporation or upon the abandonment of its corporate purposes, none of the property of the corporation shall inure to the benefit of any private person but it shall be irrevocably dedicated to religious, charitable or hospital purposes and shall be transferred to the Woman's Society of Christian Service of Southern California-Arizona Conference of the Methodist Church, or, in the event said Society is not in existence, then to the Woman's Division of Christian Service of the Board of Missions and Church Extension of The Methodist Church, provided the one of said organizations designated to receive said assets shall be found to be exclusively devoted to religious, charitable or hospital purposes, and in the event the one of said corporations so designated does not meet said requirement, the said assets shall be transferred to such other non-profit religious, charitable or hospital corporation as may be determined by the Board of Directors and as shall assure the continued use of the property for such religious, charitable or hospital purposes."



15

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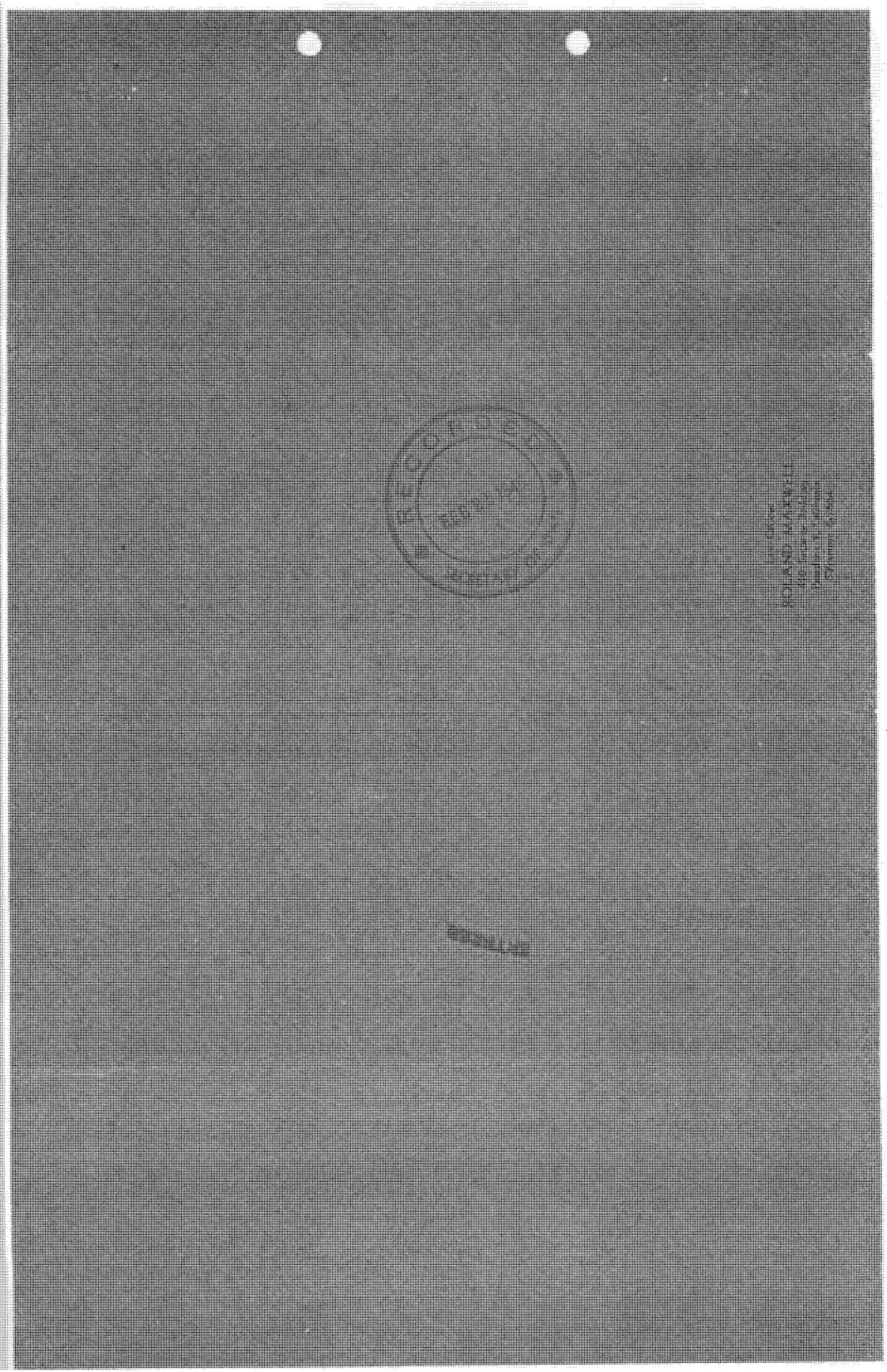
ROLAND MAXWELL
810 Security Building
Pasadena 1, California
SYcamore 6-2664

[redacted]



16

MHSC-0000410



Corporation Files
70168

Term of existence made perpetual.

CERTIFICATE OF AMENDMENT OF ARTICLES OF INCORPORATION

OF METHODIST HOSPITAL OF SOUTHERN CALIFORNIA

We, the undersigned, ROLAND MAXWELL, President, and NED LEWIS, Assistant Secretary, of METHODIST HOSPITAL OF SOUTHERN CALIFORNIA, a corporation organized under the laws of the State of California,

DO HEREBY CERTIFY:

(1) That on the 18th day of February, 1941, at the hour of 7:00 p.m., of said day, at the office of the above-named corporation, at Los Angeles, California, a meeting of the Board of Directors of the aforesaid corporation was held.

(2) That at said meeting a resolution providing for the amendment of the Articles of Incorporation of said corporation was adopted by the affirmative vote of all of the directors of said corporation present at said meeting; that the following is a copy of the said resolution so adopted, to wit:

"RESOLVED that the section of the Articles of Incorporation of this corporation designated 'Third' be amended to read as follows:

"Third: That the existence of this corporation shall be perpetual.

"RESOLVED FURTHER that the section of the Articles of Incorporation of this corporation designated 'Fourth' be amended to read as follows:

"Fourth: The names and residences of the directors of said corporation who are appointed for the first year and who are to serve until the election and qualification of their successors are as follows:

| | |
|---|---|
| Alfred E. Gwynn | Los Angeles, California |
| J. C. Elliott | Los Angeles, California |
| Cora D. Bayly | Los Angeles, California |
| Lydia E. Alexander | Los Angeles, California |
| F. M. Larkin | Los Angeles, California |
| Kate W. Sprowls | Los Angeles, California |
| W. J. Hole | Los Angeles, California |
| Florence A. Pomeroy | Los Angeles, California |
| W. S. Allen | Los Angeles, California |

"That on the 23d day of April, 1912, in the City of Los Angeles, County of Los Angeles, State of California, an election of directors was held; that said election was held in accordance with the resolution adopted at a regular meeting of the trustees of the Woman's Home Missionary Society of the Methodist Episcopal Church of the Southern California Conference, held on the 23d day of April, 1912, in the City of Los Angeles; that notice of such meeting for the election of directors was given to the trustees of said Society; that a majority of the trustees of said society who were present voted at such election, and that the result thereof was that the directors hereinbefore named were declared duly elected.

In the Office of the Secretary of State of the State of California
MAR. 6 - 1941
PAUL FEEK, Secretary of State
By _____ Assistant Secretary of State

LAW OFFICES
TICKNOR & MAXWELL
416 PACIFIC SOUTHWEST
BUILDING
PASADENA, CALIF.

MAR 8 - 1941

MHSC-0000412

"That this corporation shall have authority to change the number of directors of the corporation, which is hereby declared to be thirteen, from time to time, by a By-Law.

"RESOLVED FURTHER that the following section be added to the Articles of Incorporation of this corporation:

"Seventh: That in the event of the dissolution of this corporation, none of its assets shall ever be distributed, under any circumstances, to any private individual, but all of said assets shall be distributed to the Woman's Home Missionary Society of the Methodist Episcopal Church of the Southern California Conference, or in the event said society be not in existence, then to the Woman's Home Missionary Society of the Methodist Episcopal Church, an Ohio corporation, for the use or disposition by the corporation receiving the same in carrying out the general charitable program of said corporation, both of said corporations being non-profit, charitable corporations engaged in religious, educational and missionary activities."

(3) That said amendment was approved by the written consent of a majority of the members of said corporation; that a copy of the written consent signed and executed by said members is attached hereto and made a part hereof; that the total number of members entitled to consent to the adoption of said amendment is 13; that the number consenting to said amendment is 9.

Dated this 18th day of February, 1941.

[redacted]
President

[redacted]
Assistant Secretary

STATE OF CALIFORNIA )
) 33.
COUNTY OF LOS ANGELES )

ROLAND MAXWELL, being first duly sworn, deposes and says: That he is an officer of METHODIST HOSPITAL OF SOUTHERN CALIFORNIA, to wit, President thereof, and as such is duly authorized to make oath for and on behalf of said corporation; that he has read the foregoing Certificate of Amendment of Articles of Incorporation and knows the contents thereof and that the same is true of his own knowledge except as to the matters therein stated upon information



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PASADENA, CALIF.

MHSC-0000413

or belief and as to those matters he believes it to be true.

[redacted]

Subscribed and sworn to before me

this 18th day of February, 1941.

[redacted]

Notary Public in and for the County
of Los Angeles, State of California

STATE OF CALIFORNIA )
) ss.
COUNTY OF LOS ANGELES )

N E D L E W I S, being first duly sworn, deposes and says: That he is an officer of METHODIST HOSPITAL OF SOUTHERN CALIFORNIA, to wit, Assistant Secretary thereof, and as such is duly authorized to make oath for and on behalf of said corporation; that he has read the foregoing Certificate of Amendment of Articles of Incorporation and knows the contents thereof and that the same is true of his own knowledge except as to the matters therein stated upon information or belief and as to those matters he believes it to be true.

[redacted]

Subscribed and sworn to before me

this 18th day of February, 1941.

[redacted]

Notary Public in and for the County
of Los Angeles, State of California

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410 PACIFIC SOUTHWEST
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PASADENA, CALIF.



MHSC-0000414

ASSENT OF MEMBERS TO AMENDMENT OF ARTICLES OF INCORPORATION OF METHODIST HOSPITAL OF SOUTHERN CALIFORNIA

We, the undersigned, constituting more than a majority of the members of METHODIST HOSPITAL OF SOUTHERN CALIFORNIA, do hereby assent to and approve the resolution of the Board of Directors of said corporation heretofore adopted, to amend the Articles of Incorporation of said corporation, and do hereby consent to the amendment of the Articles of Incorporation of said corporation as in said resolution provided. Said resolution reads as follows:

"RESOLVED that the section of the Articles of Incorporation of this corporation designated 'Third' be amended to read as follows:

"Third: That the existence of this corporation shall be perpetual.

"RESOLVED FURTHER that the section of the Articles of Incorporation of this corporation designated 'Fourth' be amended to read as follows:

"Fourth: The names and residences of the directors of said corporation who are appointed for the first year and who are to serve until the election and qualification of their successors are as follows:

| | |
|---|---|
| Alfred E. Gwynn | Los Angeles, California |
| J. C. Elliott | Los Angeles, California |
| Cora D. Bayly | Los Angeles, California |
| Lydia E. Alexander | Los Angeles, California |
| F. M. Larkin | Los Angeles, California |
| Kate W. Sprowls | Los Angeles, California |
| W. J. Hole | Los Angeles, California |
| Florence A. Pomeroy | Los Angeles, California |
| W. S. Allen | Los Angeles, California |

"That on the 23d day of April, 1912, in the City of Los Angeles, County of Los Angeles, State of California, an election of directors was held; that said election was held in accordance with the resolution adopted at a regular meeting of the trustees of the Woman's Home Missionary Society of the Methodist Episcopal Church of the Southern California Conference, held on the 23d day of April, 1912, in the City of Los Angeles; that notice of such meeting for the election of directors was given to the trustees of said Society; that a majority of the trustees of said society who were present voted at such election, and that the result thereof was that the directors hereinbefore named were declared duly elected.

"That this corporation shall have authority to change the number of directors of the corporation, which is hereby declared to be thirteen, from time to time, by a By-Law.

"RESOLVED FURTHER that the following section be added to the Articles of Incorporation of this corporation:

"Seventh: That in the event of the dissolution of this corporation, none of its assets shall ever be distributed, under any circumstances, to any private individual, but all of said assets

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PASADENA, CALIF.

MHSC-0000415

shall be distributed to the Woman's Home Missionary Society of the Methodist Episcopal Church of the Southern California Conference, or in the event said society be not in existence, then to the Woman's Home Missionary Society of the Methodist Episcopal Church, an Ohio corporation, for the use or disposition by the corporation receiving the same in carrying out the general charitable program of said corporation, both of said corporations being non-profit, charitable corporations engaged in religious, educational and missionary activities."

[redacted]

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610 PACIFIC SOUTHWEST
BUILDING
PASADENA, CALIF.



MHSC-0000416

MAR 25 1941

RECORDED
MAR 26 1941
SECRETARY OF STATE

ENTERED

LAW OFFICES
TICKNOR & MAXWELL
410 PACIFIC SOUTHWEST BUILDING
PASADENA, CALIFORNIA
SYCAMORE 6-2564

MHSC-0000417

# EXHIBIT 8

# METHODIST HOSPITAL FOUNDATION'S ARTICLES OF INCORPORATION AND BYLAWS

# ARTICLES OF INCORPORATION

# OF

# METHODIST HOSPITAL FOUNDATION

KNOW ALL MEN BY THESE PRESENTS:

That we, the undersigned, all of whom are residents of the State of California, have this day voluntarily associated ourselves together for the purpose of forming a corporation under the laws of the State of California; that the corporation is organized pursuant to Part 1 of Division 3 of Title 1 of the California Corporations Code, and we do hereby certify:

## ARTICLE I

## NAME

The name of this corporation is METHODIST HOSPITAL FOUNDATION.

## ARTICLE II

## DURATION

The period of the corporation's duration is perpetual.

## ARTICLE III

## PURPOSES AND POWERS

3.01. Specific and Primary Purpose. The specific and primary purpose of which this corporation is formed is to engage in the solicitation, receipt, and administration

ROLAND MAXWELL
ROBERT K. WRIGHT
628 Mutual Savings Bldg.
301 E. Colorado Blvd.
PASADENA, CA 91101
796-2664 681-4609



MHSC-0000419

of property, and from time to time to disburse such property and the income therefrom solely to, or for the benefit of, the hospital facility and related activities operated by the Methodist Hospital of Southern California located at 300 West Huntington Drive, Arcadia, California. Such disbursements shall be used at said Methodist Hospital of Southern California for only the following and no other purposes:

(1) Capital expenditures;

(2) Renovation of the hospital buildings;

(3) Equipment purchases;

(4) Medical and other professional health care education;

(5) Community health education;

(6) Medical research; and,

(7) Care and treatment of patients whose financial resources are insufficient to provide the expense incident to meeting their requirements for treatment and care.

3.02. General Purposes and Powers. The general purposes for which the corporation is formed and the powers which it may exercise in furtherance hereof are:

(a) To obtain and administer funds to be used in furtherance of the charitable purposes of the Methodist Hospital of Southern California set forth in Section 3.01 of this Article III.

(b) To receive and administer funds in furtherance of the charitable, educational, and scientific objectives and purposes mentioned above, and to that end,

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MHSC-0000420

in addition to and not in limitation of, the general powers conferred by the laws of the State of California, to take and hold by bequest, devise, gift, grant, purchase, lease, or otherwise, either absolutely, or jointly, or together with any other person, persons, or corporation, any property, real, personal, tangible, or intangible, or any undivided interest therein, without limitation as to amount or value required for its purpose; to sell, convey, lease, hypothecate, or otherwise dispose of, or deal with any such property and to invest, reinvest, or deal with the principal or the income thereof in such manner as in the judgment of the Board of Directors will best promote its purposes; without limitations, except such limitations, if any, as may be contained in the instrument under which such property is received, the Articles of Incorporation or the Bylaws of the corporation, or any laws applicable thereto.

(c) To act as trustee under any trust or endowment incidental to the principal objectives of the corporation, and in connection therewith to receive, hold, administer, and expend funds and real and personal property of every kind and character whatsoever subject to such trust or endowment.

(d) To acquire by purchase, exchange, subscription, or otherwise, and to receive, mortgage, pledge, sell, assign, transfer, exchange, or otherwise dispose of

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301 E. Colorado Blvd.
PASADENA, CA 91101
796-2664 681-4609



MHSC-0000421

shares of stock of, or voting trust certificates for shares of the stock of, or any bonds or other securities, evidence of indebtedness or obligations created by, any other corporation or corporations organized under the laws of the State of California or of any other state, or of any country, nation or government, and to pay therefor, in whole or in part, with cash, or other property, or with bonds or other obligations of this corporation; and, while the owner or holder of any such shares, or voting trust certificates for shares, or bonds, or other securities, or evidences of indebtedness, or obligations of any such other corporation or corporations, to possess and exercise in respect thereof all the rights, powers, and privileges of ownership, including the right to vote thereon and to consent in respect thereof for any and all purposes.

(e) To raise moneys for any of the purposes of this corporation without limit as to amount, and, from time to time, to borrow money and to issue bonds, debentures, notes, or other obligations, secured or unsecured, of this corporation for moneys so borrowed, or in payment for property acquired, or for any of the other objectives or purposes of this corporation, or in connection with its business; to secure such bonds, debentures, notes; and other obligations by mortgages, or deed or deeds of trust, or pledge or other lien upon any or all of the property, rights, privileges,

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301 E. Colorado Blvd.
PASADENA, CA 91101
796-2664 681-4609



MHSC-0000422

or franchises of this corporation, wheresoever situated, acquired, or to be acquired; and to pledge, sell, or otherwise dispose of any or all of such bonds, debentures, notes, and other obligations of this corporation for its corporate purposes.

(f) To do all other acts necessary or expedient for the administration of the affairs and attainment of the purposes of the corporation.

(g) Notwithstanding any of the above statements of purposes and powers, this corporation shall not, except to an insubstantial degree, engage in any activities or exercise any powers that are not in furtherance of the primary purpose of this corporation.

The foregoing clauses shall each be construed as purposes, objectives, and powers, and the matters expressed in each clause shall, except as otherwise expressly provided, be in nowise limited by reference to, or inference from the terms of any other clause, but shall be regarded as independent purposes, objectives, and powers; and the enumeration of specific objectives and powers shall not be construed to limit or restrict in any manner the meaning of the general powers of the corporation, nor shall the expression of one thing be deemed to exclude another, although it be of like nature, not expressed; provided that all of the foregoing purposes, objectives, powers, and matters set forth in

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796-2664 681-4609



MHSC-0000423

this Article III shall be limited to those which do not jeopardize the corporation's tax exempt status under Section 501(c)(3) of the Internal Revenue Code of 1954 and the equivalent exemption available under the laws of the State of California.

ARTICLE IV

DISSOLUTION

The property of the corporation is irrevocably dedicated to hospital, scientific, educational, and charitable purposes. Upon the dissolution or winding up of the corporation, after paying or adequately providing for the debts and obligations thereof, any remaining assets shall be distributed, for use in furtherance of the purposes of the corporation as set forth in Article III of these Articles of Incorporation, to the Methodist Hospital of Southern California, if it is then in existence and being operated as a charitable enterprise by an exempt organization qualified under Section 501(c)(3) of the Internal Revenue Code (1954), as amended, supplanted, or revised (if amended, supplanted, or revised) at that time. If the Methodist Hospital of Southern California is not then in existence or being so operated, then any remaining assets shall be distributed to any other non-profit corporation selected by this corporation's Board of Directors which is engaged in activities substantially similar to those of this

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PASADENA, CA 91101
796-2664 681-4609



MHSC-0000424

corporation and which is then so qualified.

ARTICLE V

PROHIBITIONS

No part of the net earnings of the corporation shall inure to the benefit of any individual member, or director, or officer of the corporation or any private individual (except that reasonable compensation may be paid for services rendered to or for the corporation affecting one or more of its purposes). No substantial part of the activities of the corporation shall be the carrying on of propaganda or otherwise attempting to influence legislation, and the corporation shall not participate in, or intervene in (including the publication or distribution of statements) any political campaign on behalf of any candidate for public office.

Notwithstanding any other provision of these Articles, the corporation shall not conduct or carry on any activities not permitted to be conducted or carried on by an organization exempt under Section 501(c)(3) of the Internal Revenue Code and related regulations as they now exist or as they may hereafter be amended, or by an organization, contributions to which are deductible under Section 170(c)(2) of such Code and related regulations as they now exist or as they may hereafter be amended, or the laws of the State of California as they now exist or as they may hereafter be amended.

ROLAND MAXWELL
ROBERT K. WRIGHT
628 Mutual Savings Bldg.
301 E. Colorado Blvd.
PASADENA, CA 91101
796-2664 601-4609



MHSC-0000425

ARTICLE VI

MEMBERS

The corporation shall have one or more classes of members and one or more members in each class. The designation of each class and the number, manner of selection, rights, and qualifications of the members of each class shall be prescribed from time to time in the corporation's Bylaws. The Bylaws may enlarge, limit, or deny the voting rights of members to the extent permitted by statute.

ARTICLE VII

PRINCIPAL OFFICE

The principal office for the transaction of the business of this corporation is to be located in the County of Los Angeles, State of California.

ARTICLE VIII

DIRECTORS

The number of directors of this corporation shall be five (5), which number shall constitute the authorized number of directors until changed by amendment to these Articles of Incorporation or by a bylaw adopted by the members. The names and addresses of the persons who are to act as the initial directors until the selection of their successors are:

ROLAND MAXWELL
ROBERT K. WRIGHT
628 Mutual Savings Bldg.
301 E. Colorado Blvd.
PASADENA, CA 91101
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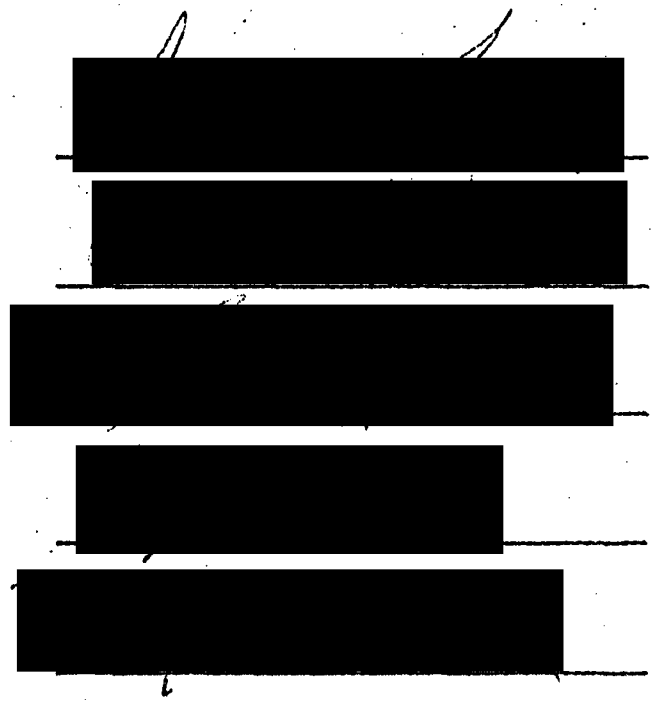
MHSC-0000426

| | |
|---|---|
| Gene E. Gregg | 1210 Rodeo Road<br>Arcadia, California 91006 |
| David A. Thomas | 2045 Elkins Place<br>Arcadia, California 91006 |
| Francis L. Dale | 3634 San Pasqual<br>Pasadena, California 91107 |
| Myron E. Smith | 3800 North Bradford Street, #172<br>La Verne, California 91750 |
| Togo Tanaka | 949 Malcolm Avenue<br>Los Angeles, California 90024 |

IN WITNESS WHEREOF, for the purposes of forming this corporation under the laws of the State of California, we, the undersigned, constituting the incorporators and the persons named herein as the first directors of this corporation, have exeucted these Articles of Incorporation this 26th day of October, 1978.



ROLAND MAXWELL
ROBERT K. WRIGHT
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301 E. Colorado Blvd.
PASADENA, CA 91101
796-2664 681-4609



MHSC-0000427

STATE OF CALIFORNIA )
) ss
COUNTY OF LOS ANGELES )

On this 25th day of October, 1978, before me, the undersigned, a Notary Public in and for said County and State, personally appeared GENE E. GREGG, known to me to be the person whose name is subscribed to the foregoing Articles of Incorporation, and acknowledged to me that he exeucted the same.

WITNESS my hand and official seal.

OFFICIAL SEAL
ROLAND MAXWELL
NOTARY PUBLIC CALIFORNIA
PRINCIPAL OFFICE IN
LOS ANGELES COUNTY
My Commission Expires Jan. 26, 1979

[redacted]
Notary Public in and for said County and State

STATE OF CALIFORNIA )
) ss
COUNTY OF LOS ANGELES )

On this 25th day of October, 1978, before me, the undersigned, a Notary Public in and for said County and State, personally appeared DAVID A. THOMAS, known to me to be the person whose name is subscribed to the foregoing Articles of Incorporation, and acknowledged to me that he executed the same.

WITNESS my hand and official seal.

OFFICIAL SEAL
ROLAND MAXWELL
NOTARY PUBLIC CALIFORNIA
PRINCIPAL OFFICE IN
LOS ANGELES COUNTY
My Commission Expires Jan. 26, 1979

[redacted]
Notary Public in and for said County and State

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ROBERT K. WRIGHT
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PASADENA, CA 91101
796-2664 681-4609



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STATE OF CALIFORNIA )
) ss
COUNTY OF LOS ANGELES )

On this 8TH day of NOV, 1978, before me, the undersigned, a Notary Public in and for said County and State, personally appeared FRANCIS L. DALE, known to me to be the person whose name is subscribed to the foregoing Articles of Incorporation, and acknowledged to me that he executed the same.

WITNESS my hand and official seal.

OFFICIAL SEAL
D. P. WHITTARSH
NOTARY PUBLIC CALIFORNIA
PRINCIPAL OFFICE IN
LOS ANGELES COUNTY
My Commission Expires Sept. 1, 1979

[redacted]
Notary Public in and for said County and State

STATE OF CALIFORNIA )
) ss
COUNTY OF LOS ANGELES )

On this 31st day of November, 1978, before me, the undersigned, a Notary Public in and for said County and State, personally appeared MYRON E. SMITH, known to me to be the person whose name is subscribed to the foregoing Articles of Incorporation, and acknowledged to me that he executed the same.

WITNESS my hand and official seal.

OFFICIAL SEAL
ROLAND MAXWELL
NOTARY PUBLIC CALIFORNIA
PRINCIPAL OFFICE IN
LOS ANGELES COUNTY
My Commission Expires Jan. 26, 1979

[redacted]
Notary Public in and for said County and State.

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PASADENA, CA 91101
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STATE OF CALIFORNIA )
) ss
COUNTY OF LOS ANGELES )

On this 26th day of October, 1978, before me, the undersigned, a Notary Public in and for said County and State, personally appeared TOGO TANAKA, known to me to be the person whose name is subscribed to the foregoing Articles of Incorporation, and acknowledged to me that he executed the same.

WITNESS my hand and official seal.

OFFICIAL SEAL
ROLAND MAXWELL
NOTARY PUBLIC CALIFORNIA
PRINCIPAL OFFICE IN
LOS ANGELES COUNTY
My Commission Expires Jan. 26, 1979

[redacted]
Notary Public in and for said County and State

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BYLAWS

OF

METHODIST HOSPITAL FOUNDATION

## ARTICLE I

## PURPOSE

The Corporation shall have such purposes as are now or may hereafter be set forth in its Articles of Incorporation.

## ARTICLE II

## POWERS

The Corporation shall have such powers as are now or may hereafter be granted by the Nonprofit Corporation Act of the State of California, except as limited by the provisions of its Articles of Incorporation or these Bylaws.

## ARTICLE III

## OFFICES

The Corporation shall have and continuously maintain in the County of Los Angeles, State of California, a principal office, and may have such other offices within or without the State of California as the Board of Directors may from time to time determine.

## ARTICLE IV

## MEMBERSHIP

4.01. Corporate Membership. This Corporation shall have one class of members only, which class shall consist

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of members designated as the Corporate Members. The Corporate Members shall be those persons who are from time to time members of the Board of Directors of the METHODIST HOSPITAL OF SOUTHERN CALIFORNIA. The term "HOSPITAL" as used in the Bylaws shall refer to the hospital operated as said METHODIST HOSPITAL OF SOUTHERN CALIFORNIA.

4.02. Transfer of Membership. Corporate Membership in the Corporation is not transferable or assignable.

## ARTICLE V

## ACTION BY CORPORATE MEMBERS

5.01. Election of Directors. Election of Directors will be annually by the Corporate Members at their annual meeting. The annual meeting of the Corporate Members shall be held not more than thirty (30) days after the annual meeting of the Board of Directors of Hospital.

5.02. Other Action By Corporate Members. The Corporate Members shall, at the time of the election of Directors and at regular intervals at least quarterly thereafter, and at any time at the request of the Chairman or the Board of Directors, or upon its own initiative, review the affairs of the Corporation and take such action as the Corporate Members may deem appropriate with repsect thereto in accordance with these Bylaws.

5.03. Manner of Acting. The Corporate Members

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shall act hereunder by executing and delivering to the Chairman or the Secretary of the Corporation, a written instrument, signed by the Administrator of the HOSPITAL, setting forth the action taken.

## ARTICLE VI

## BOARD OF DIRECTORS

6.01. Definition of Terms. For the purpose of these Bylaws, "Board of Directors" of "Board" refers to the Board of Directors of this Corporation, unless otherwise specifically indicated.

6.02. General Powers. All the business and affairs of the Corporation shall be managed and controlled by the Board of Directors, except that certain of the matters which must be submitted to and receive the approval of the Board of Directors must also be submitted to and receive the approval of the Corporate Members.

The following are the matters which must be submitted to and receive the approval of both the Board of Directors and the Corporate Members:

(a) Annually, audited financial statements and, periodically, unaudited financial statements (which financial statements are to be prepared in such form, with such content, and at such intervals as shall be specified by the Corporate Members);

(b) The amendment or restatement of the Articles of Incorporation, Bylaws, or Operating Procedures;

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(c) The merger, consolidation, or dissolution of the Corporation;

(d) The selection or removal of the Corporation's independent auditor;

(e) Adoption and implementation of personnel policies;

(f) The borrowing of funds by the Corporation;

(g) Any other matter which may be specified by the Corporate Members;

(h) Such other matters as may be required by law to be submitted to the Corporate Members; or

(i) As to which the Board of Directors determines by resolution that such submission is advisable.

6.03. Number, Election and Tenure. The number of Directors shall be five (5). Annually, the Corporate Members shall elect Directors (other than those holding office as ex-officio Members pursuant to Section 6.04 hereof) for terms commencing on November 1st and continuing for one (1) year and until their respective successors shall have been elected and qualified.

Nominees for election to the Board of Directors shall be selected by the Nominating Committee of the Board of Directors of the HOSPITAL.

6.04. Ex-Officio Members of the Board. The Chairman of the Board of Directors of the HOSPITAL, the Treasurer of the HOSPITAL and the Administrator of the

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HOSPITAL shall be ex-officio members of the Board of Directors without voting rights. Each ex-officio membership shall automatically expire at the time the person holding such membership ceases to hold the office which qualifies him therefor. The Members of the Board of Directors, from time to time, and after notice in each case to and with the approval of the Corporate Members, may appoint one or more persons as additional ex-officio Members of the Board. Such persons, while serving as ex-officio Members of the Board of Directors, shall be entitled to all of the rights and privileges of Directors, but shall not vote nor shall they be counted in determining the existence of a quorum.

6.05. Regular Meetings. A regular annual meeting of the Board of Directors shall be held each year within thirty (30) days after the annual meeting of the Corporate Members. Such meeting shall be held at the principal office of the Corporation or at such other time and place as the Board of Directors may from time to time designate. Such meeting shall be for the purpose of electing officers of the Corporation and for the transaction of such other business as may come before the meeting. The Board of Directors shall provide by resolution for the holding of at least three additional regular meeting(s) during the year.

6.06. Special Meetings. Special meetings of

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Directors may be called by, or at the direction of the Chairman, the Corporate Members, or by one-third of the voting Directors then in office, to be held at such time and place as shall be designated in the notice of the meeting.

6.07. Notice of Meeting.

(a) Notice of the time and place of any meeting of the Board of Directors other than the annual meeting shall be given at least three (3) days previous thereto by written notice delivered personally or sent by mail or telegram to each Director at his address as shown on the records of the Corporation. If mailed, such notice shall be deemed to be delivered the next day during which regular mail deliveries are made after the day such notice is deposited in the United States Postal Service in a sealed envelope so addressed, with postage thereon prepaid. If notice be given by telegram, such notice shall be deemed to be delivered when the telegram is delivered to the telegraph company. Any Director may waive notice of any meeting.

(b) The attendance of a Director at any meeting shall constitute a waiver of notice of such meeting, except where a Director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened.

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Neither the business to be transacted at nor the purpose of any regular or special meeting of the Board need be specified in the notice or waiver of notice of such meeting unless required by statute.

6.08. Quorum. A majority of the number of Directors in office shall constitute a quorum for the transaction of business at any meeting of the Board; but if less than such number of Directors are present at such meeting, a majority of the Directors present may adjourn the meeting from time to time without further notice.

6.09. Manner of Acting.

(a) Formal Action By Directors: The act of a majority of the Directors present at a meeting at which a quorum is present shall be the act of the Board of Directors.

(b) Informal Action By Directors: No action of the Board of Directors shall be valid unless taken at a meeting at which a quorum is present except that any action which may be taken at a meeting of the Board may be taken without a meeting if a consent in writing (setting forth the action so taken) shall be signed by each Director entitled to vote.

6.10. Resignation and Removal. Any Director may resign from the Board at any time by giving written notice to the Chairman or the Secretary of the Corporation and,

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unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective. Directors may be removed from office for cause by majority vote of the Board of Directors at any regular meeting of the Board at which a quorum is present, and may also be removed from office at any special meeting at which a quorum is present if appropriate notice of such proposed action has been given. Directors may also be removed from office at any time by the vote of seventy-five percent (75%) of the Corporate Members in attendance at a meeting of such members at which a quorum is present. A Director (other than an ex-officio Member of the Board) shall automatically be removed from office if he fails to attend three consecutive meetings of the Board of Directors without being excused therefrom.

6.11. Vacancies. Any vacancy occurring in the Board of Directors and any Directorship to be filled by reason of an increase in the number of Directors shall be filled by selection of new Directors by the remaining Directors or Director then in office, provided that such selection shall not become effective until submitted to the Corporate Members for approval, which approval shall be presumed if no notification of disapproval is given by the Corporate Members within thirty (30) days thereafter. Proposed nominees for such vacancies may also be submitted for approval to the Corporate Members prior to their selection and if an affirmative notification of approval by the Corporate Members is provided to the remaining Directors,

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the election of such new Directors shall become effective immediately upon their selection by the remaining Directors.

6.12. Compensation. Directors, as such, shall not receive any salaries for their services, but nothing herein contained shall be construed to preclude any Director from serving the Corporation in any other capacity and receiving compensation therefor if the arrangement is submitted to and receives the approval of a majority of the Corporate Members.

6.13. Procedure. The Chairman of the Corporation shall preside at meetings of the Board of Directors. The Board of Directors may adopt its own rules of procedure which shall not be inconsistent with these Bylaws.

6.14. Indemnification. The Board of Directors, subject to the approval of the Corporate Members, shall have the right to pay the expenses incurred by or to satisfy a judgment or fine rendered or levied against an Officer or Director or a former Officer or Director as provided for under Section 830(f) of the California Corporations Code or any successor provision thereto. The Board may also, with the approval of the Corporate Members and to the extent permitted by law, purchase indemnity insurance providing coverage for Officers or Directors (or former Officers or Directors) against:

(a) Liability or loss arising out of the performance of their duties; or

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(b) As a result of any asserted wrongful act committed by such Directors; and

(c) To cover the costs of the defense of actions, proceedings, and appeals in connection with such alleged or actual liabilities or losses.

## ARTICLE VII

## OFFICERS

7.01. Officers. The Officers of the Corporation shall be a Chairman, a Vice Chairman, a Secretary, a Treasurer, and an Executive Director. The Corporation, at the discretion of the Board of Directors, may have additional officers including, without limitation, one or more Vice Chairman, one or more Assistant Secretaries, and one or more Assistant Treasurers. The Executive Director shall be selected from a list of nominees submitted by the Corporate Members. He shall report to, be subject to the direct supervision and authority of, and be subject to removal from office by the Board of the HOSPITAL. One person may hold two or more offices, except that one person may not hold both the offices of Chairman and Secretary. The Executive Director shall not hold any other office.

7.02. Election and Term of Office. The Officers of the Corporation shall be elected annually by the Board of Directors at its annual meeting. If the election of

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officers shall not be held at such meeting, such election shall be held as soon thereafter as may conveniently be scheduled. Vacancies may be filled or new offices created and filled at any meeting of the Board of Directors. Except as provided in the case of officers appointed under Section 8.04, each officer shall hold office for a term of one (1) year and until his successor shall have been elected, unless he shall sooner resign, be removed, or become ineligible to continue to serve in such capacity.

7.03. Removal and Resignation. Any officer elected by the Board of Directors may be removed by majority vote of the members in attendance at a meeting of the Board of Directors at which a quorum is present whenever, in their judgment, the best interests of the Corporation would be served thereby. Any officer may resign at any time by giving written notice to the Chairman or the Secretary of the Corporation, and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

7.04. Vacancies. A vacancy in any office may be filled by the Board of Directors for the unexpired portion of the term.

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7.05. Chairman. The Chairman shall be elected from among the Directors of the Corporation and shall be chairman of and preside at all meetings of the Board of Directors.

The Chairman shall be an ex-officio member of all committees which may be from time to time elected or appointed.

The Chairman may sign, with the Secretary or any other proper officer of the Corporation authorized by the Board of Directors, any deeds, mortgages, bonds, contracts, or other instruments which have been authorized to be executed on behalf of the Corporation, except in cases where the signing thereof shall be expressly delegated by the Board of Directors, or by these Bylaws, or by statute to some other officer or agent of the corporation; and, in general, he shall perform all duties incident to the functions of the Chairman of a corporation and such other duties as may be prescribed by the Board of Directors from time to time.

7.06. Vice Chairman. In the absence of the Chairman, the Vice Chairman shall perform the duties of the Chairman.

7.07. Executive Director. The Executive Director shall be the Chief Administrative Officer of the Corporation and shall have general overall supervision of all the business affairs of the Corporation subject to the policies of the

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Board of Directors. His responsibilities shall include, without limitation, the following:

1. Long-range planning;

2. Making policy proposals to the Board of Directors;

3. Assigning overall responsibility for corporate management;

4. The day-to-day administration of the Corporation;

5. Selection, employment, control, and discharge of employees; and development and maintenance of personnel policies and practices for the Corporation;

6. Supervision of the business affairs of the Corporation so as to insure that funds are collected and expended to the best possible advantage;

7. Acting as a representative of the Corporation to the public as well as to governmental and voluntary organizations;

8. Preparing an annual budget and periodic reporting on the financial affairs of the Corporation to the Board of Directors and to the Board of Directors of the Hospital;

9. Cooperation with the Board of Directors, Executive Officers, and other personnel of the METHODIST HOSPITAL OF SOUTHERN CALIFORNIA;

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10. Maintenance of the physical properties of the Corporation in a good state of repair and good operating condition;

11. Performance of other duties, as specified by the Chairman or by the Board of Directors, that may be necessary or appropriate in the best interests of the Corporation; and

12. Reporting to the Board of Directors on the performance of corporate functions.

The Executive Director shall be bonded for the faithful discharge of his duties in such sum and with such surety as the Board of Directors shall determine.

7.08. Treasurer. The Treasurer, subject to the direction of the President, shall: have charge and custody of and be responsible for all funds and securities of the Corporation; receive and give receipt for moneys due and payable to the Corporation from any source whatsoever; deposit all such moneys in the name of the Corporation in such banks, trust companies, or other depositories as shall be selected in accordance with the provisions of Article X of these Bylaws; and, in general, perform all the duties incident to the office of Treasurer and such other duties as from time to time may be assigned to him by the Chairman of the Corporation or by the Board of Directors. The Treasurer shall give a bond for the faithful discharge of his duties in such sum and with such

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surety as the Board of Directors shall determine.

7.09. Secretary. The Secretary, subject to the direction of the Chairman, shall: keep the minutes of the meetings of the Board of Directors in one or more books provided for that purpose; assure that minutes of all meetings of other committees are prepared and filed with the records of the Corporation; and keep a record of action by the Corporate Members.

7.10. Assistant Treasurers and Assistant Secretaries. The Assistant Treasurers and the Assistant Secretaries shall perform such duties as shall be assigned to them by the Treasurer, the Secretary, or the Board of Directors.

## ARTICLE VIII

## COMMITTEES

8.01. Committees.

The Board of Directors may create by resolution such committees as it deems necessary to carry out the purposes of the Corporation. Such committees shall have the powers granted to them by the Board of Directors, and shall serve at the pleasure of the Board of Directors.

## ARTICLE IX

## CONTRACTS, LOANS, CHECKS, DEPOSITS, AND GIFTS

9.01. Contracts. The Board of Directors, subject to the approval of the Corporate Members, may authorize any officer or agent of the Corporation, in addition to the officers so authorized by these Bylaws, to enter into any contract or

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execute and deliver any instrument in the name of and on behalf of the Corporation, and such authority may be general or confined to specific instances. If (and to the extent) so provided by resolution of the Corporate Members, such authorizations may be approved by the Administrator of the HOSPITAL.

9.02. Borrowing. No loan shall be contracted on behalf of the Corporation and no evidence of indebtedness shall be issued in its name unless authorized by a resolution of the Board of Directors and the Corporate Members. Such authority may be general or confined to specific instances.

9.03. Checks and Drafts. All checks, drafts, or other orders for payment of money, and all notes or other evidences of indebtedness issued in the name of the Corporation shall be signed by such officer or officers, agent or agents of the Corporation and in such manner as, from time to time, shall be determined by resolution of the Board of Directors and approved by the Corporate Members. The Corporate Members may require the submission of certain types or denominations of such instruments to the HOSPITAL's Board of Directors or to its designated representative(s) for approval. In the absence of such determination by the Board of Directors of the Corporation or the Corporate Members, such instruments shall be signed by the Treasurer or the Assistant Treasurer

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and countersigned by the Chairman.

9.04. Deposits. All funds of the Corporation shall be deposited from time to time to the credit of the Corporation in such banks, trust companies, or other depositories as the Board of Directors may select.

9.05. Gifts. The Board of Directors may (but need not) accept on behalf of the corporation any contribution, gift, bequest, or devise for the general purposes or for any specific purpose of the Corporation.

## ARTICLE X

## MISCELLANEOUS

10.01. Fiscal Year. The fiscal year of the Corporation shall provide for thirteen (13) accounting periods, each of four (4) weeks duration, and shall commence on the first day of October in each year, plus or minus one week, allowing for the inherent variation of a 364 day accounting cycle.

10.02. Rules. The Board of Directors may adopt, amend, or repeal rules not inconsistent with these Bylaws for the management of the internal affairs of the Corporation and the governance of its officers, agents, committees and employees.

10.03. Books and Records. The Corporation shall

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keep correct and complete books and records of account and shall also keep records of the actions of the Corporate Members and minutes of the proceedings of the Board of Directors. Copies of the documents evidencing actions of the Corporate Members and the minutes of the Board of Directors shall be regularly distributed to the Corporate Members and to each member of the Board of Directors. The books and records of account, the records of the actions of the Corporate Members, and the minutes of proceedings of the Board of Directors, and all committees shall be open to inspection upon written demand of the Corporate Members at any reasonable time and for any purpose related to its interest as the Corporate Members. Such inspection may be made by any officer, agent, or attorney of the Corporate Members. The right to make such inspection shall include the right to make copies and extracts of all corporate records and documents subject to inspection hereunder.

10.04. Annual Submissions. The Board of Directors shall cause an annual report to be sent to the Corporate Members no later than sixty (60) days after the close of the fiscal year of the Corporation.

10.05. Corporate Seal. The Board of Directors may provide a corporate seal, which shall be in the form of a circle and shall have inscribed thereon the name of the Corporation, the date of its incorporation, and the word "California".

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10.06. Waiver of Notice. Whenever any notices are required to be given under the provisions of the Non-profit Corporation Act of the State of California, or under the provisions of the Articles of Incorporation of the Corporation, or these Bylaws, a waiver thereof in writing signed by the persons entitled to such notice, whether dated before or after the time stated herein, to the extent permitted by law, shall be deemed equivalent to the giving of such notice.

10.07. Loans to Officers and Directors Prohibited. No loans shall be made by the Corporation to its Officers or Directors.

10.08. Additional Organizations. The Board of Directors, with the approval of the Corporate Members, may authorize the formation of such auxiliary organizations as, in the opinion of the Board, would assist in the fulfillment of the purposes of the Corporation.

## ARTICLE XI

## AMENDMENT TO BYLAWS

Subject to any provisions of law applicable to the amendment of the Bylaws of nonprofit corporations, these Bylaws or any of them may be altered, amended, or repaired and new Bylaws may be adopted only by joint action of the Corporate Members and the Board of Directors.

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## 11 Cal. Code Reg. Section 999.5(d)(4)(B)

**Applicant's plan for use of the net proceeds after the close of the proposed transaction together with a statement explaining how the proposed plan is as consistent as possible with existing charitable purposes and complies with all applicable charitable trusts that govern use of applicant's assets. The plan must include any proposed amendments to the articles of incorporation or bylaws of the applicant or any entity related to the applicant that will control any of the proceeds from the proposed transfer**

The Affiliation does not involve any sale, transfer, merger or other disposition of any of the assets of MHSC at Closing, and accordingly, the Affiliation will not result in MHSC's receipt of any net proceeds.

Rather, pursuant to the Affiliation Agreement, USCHS will become the sole member of MHSC, with MHSC retaining its assets (and liabilities) at Closing and continuing its operations in pursuit of MHSC's charitable purposes. Although the Affiliation requires MHSC to amend its governing documents so that USCHS becomes its sole member, MHSC will still be required to operate exclusively for charitable purposes within the meaning of Internal Revenue Code Section 501(c)(3) and MHSC's property will remain irrevocably dedicated to charitable purposes pursuant to its governing documents. In addition, the Affiliation Agreement ensures MHSC continues to retain control over the charitable uses to which its assets can be put and compliance with charitable trust restrictions because MHSC will retain control over the Foundation, which controls and manages all gifts, grants, donations or endowments (collectively, the "Restricted Assets") for MHSC's benefit. In addition, the Affiliation Documents will provide MHSC the right to approve: (1) a change of control of the Foundation; and (2) and the control, management, administration or use of the Restricted Assets that are not used for MHSC and local area purposes.

Title 11, California Code of Regulations, § 999.5(d)(5)

# IMPACTS ON HEALTHCARE SERVICES

**11 Cal. Code Reg. Section 999.5(d)(5)(A)**

**A copy of the two most recent "community needs assessments" prepared by applicant for any health facility or facility that provides similar healthcare that is the subject of the agreement or transaction**

Attached to this Section are the following documents:

- **Exhibit 9**, a copy of the MHSC Community Needs Assessment for Fiscal Year 2016.

- **Exhibit 10**, a copy of the MHSC Community Needs Assessment for Fiscal Year Ending 2019.

# EXHIBIT 9

# MHSC COMMUNITY NEEDS ASSESSMENT
# FY 2016

# Methodist Hospital

## COMMUNITY HEALTH NEEDS ASSESSMENT 2016

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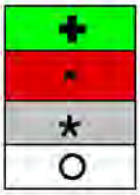
# Section 1: Executive Summary

This section includes:

- Overview of the process and methods used to conduct the 2016 Community Health Needs Assessment
- Summary of how the service area was determined
- Listing of ZIP Codes and communities defined in Methodist Hospital Service Area
- Summary of demographics in Methodist Hospital Service Area
- Summary of demographics of Methodist Hospital Service Area compared to Los Angeles County
- Summary of health access and utilization indicators in Service Planning Area (SPA) 3 benchmarked to Healthy People 2020 targets
- Summary of Health Professional Shortage Areas for Primary Care and Mental Health
- Summary of leading causes of death in Methodist Hospital Service Area
- Summary of age-adjusted death rates in Los Angeles County benchmarked to Healthy People 2020 targets
- Summary of birth demographics of Methodist Hospital Service Area compared to Los Angeles County
- Summary of maternal and infant outcomes in Methodist Hospital Service Area benchmarked to Healthy People 2020 targets
- Summary of child and adolescent health indicators in SPA 3 benchmarked to Healthy People 2020 targets
- Summary of adult health indicators in SPA 3 benchmarked to Healthy People 2020 targets
- Summary of senior health indicators in SPA 3 benchmarked to Healthy People 2020 targets
- Listing of top health issues in the community identified by participants in the community consultation
- Listing of populations most affected by top health issues
- Summary of suggested actions for the community and Methodist Hospital to take to address identified health issues
- Summary of process and criteria used to identify priority health needs
- Summary of significant priority health needs identified in the Community Health Needs Assessment
- Summary of health care facilities and other resources in Methodist Hospital Service Area

Key used to summarize Methodist Hospital Service Area, SPA 3 or Los Angeles County experiences benchmarked to

Healthy People 2020 targets:



Target Met

Target Not Met

Result is Statistically Unstable

No Target Established

# Process and Methods

This community health needs assessment brings together a variety of demographic and health data and information, gathered from both primary and secondary data sources.

The first phase of the community health needs assessment involved collection and analysis of numerous demographic and health status and data and information for Methodist Hospital Service Area and Service Planning Area (SPA) 3 – San Gabriel Valley. The following types of data were analyzed: population, household and family demographics; birth statistics, death statistics, designated Health Professional Shortage Areas, large-scale household telephone surveys designed to measure health access, utilization of health services, and health behaviors. Wherever possible, the service area health experience was benchmarked to Healthy People 2020 targets. In addition, to assist with providing context to the demographics, Methodist Hospital Service Area is compared to Los Angeles County.

The second phase of the needs assessment focused on qualitative primary research. Representatives from Methodist Hospital agreed that telephone interviews with health department contacts and representatives from public and private organizations would be a cost-effective approach to gain an understanding of important health issues and potential opportunities to collaborate with these organizations.

# Service Area Determination

Methodist Hospital used the Stark II definition – the lowest number of contiguous ZIP Codes from which the hospital draws at least 75 percent of its inpatients – to determine its geographic service area for purposes of the 2016 community health needs assessment. Using hospital data, there were 16 ZIP Codes that defined 75 percent of the hospital's admissions.

# Service Area Definition and Description

Note: Findings are based on 2016 demographic estimates

Methodist Hospital defined its service area for purposes of the 2016 Community Health Needs Assessment to include the following 16 ZIP Codes and corresponding communities:

**Service Area Definition**

Methodist Hospital Service Area

*2016*

| ZIP Code | Community |
|---|---|
| 91006 | Arcadia |
| 91007 | Arcadia |
| 91008 | Bradbury |
| 91010 | Duarte |
| 91016 | Monrovia |
| 91024 | Sierra Madre |
| 91107 | Pasadena East |
| 91702 | Azusa |
| 91706 | Baldwin Park |
| 91731 | El Monte |
| 91732 | El Monte |
| 91733 | South El Monte |
| 91770 | Rosemead |
| 91775 | San Gabriel |
| 91776 | San Gabriel |
| 91780 | Temple City |

The service area population (2016) is estimated at 626,952 persons. The population in the service area is forecast to increase 3.5 percent in the next five years, to 648,708 persons. Growth projections for households and families are estimated to increase 3.7 percent and 3.6 percent. The following table summarizes the service area population, households, and families as well as the percent change projected for 2021 (over a five-year period).

**Summary of Population, Households and Families**

Methodist Hospital Service Area

*2016*

| Description | Number | | Percent Change From 2016 to 2021 |
|---|---|---|---|
| | 2016 | 2021 | |
| **Demographics** | | | |
| Population | 626,952 | 648,708 | 3.5% |
| Households | 184,070 | 190,945 | 3.7% |
| Families | 142,653 | 147,825 | 3.6% |

*Source: Nielsen*

To assist with providing context to the service area demographics, key statistics are compared to Los Angeles County for 2016 in the following table. Of note, in comparison to Los Angeles County, Methodist Hospital service area has a ***higher*** proportion of:

- Persons age 45 to 54 years, 55 to 64 years, 65 to 74 years, 75 to 84 years, and 85 years and older
- Persons of Asian/Native Hawaiian or Pacific Islander race
- Persons 5 years and older speaking an Asian or Pacific Island language
- Persons 25 years and older with less than 9$^{th}$ grade education, some high school (no diploma), and high school or GED graduate
- Persons 16 years and older not in the labor force
- Employed persons with blue collar and service and farming occupations
- Households with 3-persons, 4-persons, 5-persons, 6-persons and 7 or more persons
- Households with children under 18 years of age present
- Households with incomes of $15,000 to $34,999; $35,000 to $74,999; $75,000 to $99,999; and $100,000 to $149,999
- Households with head of household age 65 years and older
- Owner occupied households
- Families at or above the poverty level

**Summary of Demographic Highlights**

Methodist Hospital Service Area Compared to Los Angeles County

*2016*

| Indicator | Percent | |
|---|---|---|
| | Service Area | LA County |
| **5-Year Change (2016 to 2021)** | | |
| Population | 3.5% | 4.1% |
| Households | 3.7% | 4.3% |
| Families | 3.6% | 4.1% |
| **Age Group** | | |
| 0 to 4 Years | 6.1% | 6.2% |
| 5 to 14 Years | 12.6% | 12.6% |
| 15 to 20 Years | 8.2% | 8.2% |
| 21 to 24 Years | 5.7% | 5.8% |
| 25 to 34 Years | 13.9% | 15.3% |
| 35 to 44 Years | 13.4% | 14.0% |
| 45 to 54 Years | 13.8% | 13.6% |
| 55 to 64 Years | 12.3% | 11.6% |
| 65 to 74 Years | 7.8% | 7.2% |
| 75 to 84 Years | 4.1% | 3.7% |
| 85 Years and Older | 1.9% | 1.7% |
| **Race/Ethnicity** | | |
| White | 14.8% | 26.3% |
| Black | 1.7% | 8.0% |
| Asian, Native Hawaiian or Pacific Islander | 34.1% | 14.3% |
| Hispanic | 47.7% | 48.7% |
| American Indian/Alaskan Native | 0.2% | 0.2% |
| Some Other Race | 0.1% | 0.3% |
| Two or More Races | 1.4% | 2.2% |
| **Language Spoken at Home by Persons 5 Years and Older** | | |
| English Only | 30.4% | 43.2% |
| Spanish | 37.6% | 39.5% |
| Asian or Pacific Island Language | 29.2% | 10.8% |
| European language | 2.2% | 5.4% |
| Other language | 0.5% | 1.1% |
| **Educational Attainment of Adults 25 Years and Older** | | |
| Less than 9th Grade | 16.1% | 13.6% |

| Indicator | Percent | |
|---|---|---|
| | Service Area | LA County |
| Some High School, no Diploma | 10.0% | 9.6% |
| High School Graduate (or GED) | 23.7% | 20.5% |
| Some College, no Degree | 16.5% | 19.4% |
| Associate Degree | 6.9% | 7.0% |
| Bachelor Degree | 17.8% | 19.6% |
| Graduate or Professional Degree | 9.0% | 10.3% |
| **Employment Status of Persons 16 Years and Older** | | |
| In Armed Forces | <0.1% | <0.1% |
| In Labor Force, Employed | 56.0% | 57.5% |
| In Labor Force, Unemployed | 6.1% | 6.9% |
| Not in Labor Force | 37.9% | 35.5% |
| **Occupation Type for Employed Labor Force** | | |
| Blue Collar | 22.0% | 20.3% |
| White Collar | 57.4% | 60.1% |
| Service and Farming | 20.6% | 19.6% |
| **Household Size** | | |
| 1-Person | 17.3% | 24.4% |
| 2-Persons | 23.6% | 26.1% |
| 3-Persons | 18.0% | 16.4% |
| 4-Persons | 17.1% | 14.8% |
| 5-Persons | 10.7% | 8.8% |
| 6-Persons | 6.1% | 4.6% |
| 7 or more Persons | 7.1% | 4.9% |
| **Households by Presence of Children Under 18 Years of Age** | | |
| No Children Under 18 Years Present | 57.5% | 62.4% |
| Children Under 18 Years Present | 42.5% | 37.6% |
| **Household Income** | | |
| Under $15,000 | 9.9% | 12.3% |
| $15,000 to $34,999 | 21.1% | 20.1% |
| $35,000 to $74,999 | 30.2% | 28.8% |
| $75,000 to $99,999 | 12.2% | 11.6% |
| $100,000 to $149,999 | 14.2% | 13.8% |
| $150,000 to $199,999 | 5.8% | 5.9% |
| $200,000 and over | 6.5% | 7.5% |
| **Age Group of Head of Household** | | |
| 15 to 24 Years | 2.1% | 2.9% |

| Indicator | Percent | |
|---|---|---|
| | Service Area | LA County |
| 25 to 64 Years | 74.3% | 75.4% |
| 65 Years and Older | 23.6% | 21.7% |
| **Owner and Renter Occupied Housing Units** | | |
| Owner Occupied | 55.9% | 47.5% |
| Renter Occupied | 44.1% | 52.5% |
| **Families by Poverty Status** | | |
| Below the Poverty Level | 13.5% | 14.9% |
| At or Above the Poverty Level | 86.5% | 85.1% |

*Source: Nielsen*

# Health Care Access and Utilization

Note: Findings are based on the 2014 California Health Interview Survey for SPA 3 and 2014 designated mental health and primary care Health Professional Shortage Areas in the Medical Service Study Areas approximating the service area

When comparing health access indicators in the SPA to Healthy People 2020 objectives, the SPA did not meet the objectives related to: medical insurance (insured all or part of the year), usual source of ongoing care, delays in getting medical care, and delays in getting prescription medicines. The SPA experience compared to Healthy People 2020 national objectives is summarized in the table below.

**Summary of Health Access and Utilization Indicators**

Los Angeles County Service Planning Area 3 – San Gabriel Valley

*2014*

| Indicator | Age Group | Healthy People 2020 Objective | | SPA 3 San Gabriel Valley | |
|---|---|---|---|---|---|
| | | Good | Target Rate | Rate | Status |
| **Health Access** | | | | | |
| Insured All or Part of Year | 0 to 64 | ↑ | 100% | 89.8% | - |
| Usual Source of Ongoing Care | All Ages | ↑ | 95% | 83.9% | - |
| Delays in Getting Medical Care | All Ages | ↓ | 4.2% | 10.3% | - |
| Delays in Getting Prescription Medicines | All Ages | ↓ | 2.8% | 7.5% | - |

*Notes:*

*↓ Indicates that the Healthy People 2020 objective is to reduce; ↑ indicates that the objective is to increase*

*Source: UCLA Center for Health Policy Research*

The service area includes five Medical Service Study Areas (MSSA). Within these MSSAs, there is one Primary Care Health Professional Shortage Area (in El Monte).

**Health Professional Shortage Areas: Primary Care and Mental Health**

Medical Service Study Areas in Methodist Hospital Service Area

*2014*

| Medical Service Study Area (MSSA) | Health Professional Shortage Area | |
|---|---|---|
| | Primary Care | Mental Health |
| Arcadia Central and Northeast/Bradbury/Monrovia/Sierra Madre (78.2xxx) | | |
| Arcadia Southeast/San Gabriel North (78.2dddd) | | |
| Altadena East/Azusa North/Duarte North/Glendora/Pasadena East (78.2gggg) | | |
| El Monte (78.2oo) | ▲ | |
| Rosemead/San Gabriel South/South El Monte West/Temple City West (78.2qqq) | | |

*Note:*

▲ *Indicates that Medical Service Study Area is a designated shortage area*

*Source: Office of Statewide Planning and Development*

# Mortality

Note: Findings are based on three-year averages of deaths that occurred among residents of Los Angeles County during 2012 through 2014, the top five causes of premature death in SPA 3 in 2012, and a profile of deaths among residents of the service area in 2012

In 2012, the top three leading causes of premature death in SPA 3 – San Gabriel Valley were coronary heart disease, liver disease, and suicide. The ranking and years of potential life lost before age 75 (YPLL) due to selected leading causes of death are summarized in the table below.

**Top Five Leading Causes of Premature Death, Ranked by YPLL**

Service Planning Area 3 (San Gabriel Valley)

*2012*

| Rank | Cause of Death | Years of Potential Life Lost Before Age 75 | |
|---|---|---|---|
| | | Number | Percent |
| 1 | Coronary Heart Disease | 8,022 | 11.4% |
| 2 | Liver Disease | 3,691 | 5.2% |
| 3 | Suicide | 3,654 | 5.2% |
| 4 | Diabetes | 2,978 | 4.2% |
| 5 | Lung Cancer | 2,842 | 4.0% |
| — | All Other | 49,157 | 69.9% |
| — | **Total** | **70,344** | **100.0%** |

*Source: Los Angeles County Department of Public Health*

In 2012, there were 3,759 deaths in the service area. Heart disease and cancer were the top two leading causes of death in the service area, accounting for 51 percent of all deaths. Other leading causes of death in the service area are summarized in the table below.

**Profile of Deaths, Ranked by Select Leading Causes of Death**

Methodist Hospital Service Area

*2012*

| Select Leading Cause of Death | Number | Percent |
|---|---|---|
| Heart Disease | 1,008 | 26.8% |
| Cancer (All Types) | 911 | 24.2% |
| Stroke | 220 | 5.9% |
| Chronic Lower Respiratory Disease | 202 | 5.4% |
| Influenza and Pneumonia | 158 | 4.2% |

| Select Leading Cause of Death | Number | Percent |
|---|---|---|
| Alzheimer's Disease | 157 | 4.2% |
| Diabetes Mellitus | 157 | 4.2% |
| Chronic Liver Disease and Cirrhosis | 104 | 2.8% |
| Unintentional Injuries (All Accidents) | 97 | 2.6% |
| Essential Hypertension & Hypertensive Renal Disease | 66 | 1.8% |
| Nephritis, Nephrotic Syndrome and Nephrosis | 60 | 1.6% |
| Suicide | 52 | 1.4% |
| All Other | 567 | 15.1% |
| **All Causes of Death** | **3,759** | **100.0%** |

*Source: California Department of Public Health*

When comparing age-adjusted death rates in Los Angeles County to Healthy People 2020 objectives, the County did not meet the objectives related to: coronary heart disease and cirrhosis deaths. The County experience compared to Healthy People 2020 national objectives is summarized in the table below.

**Summary of Age-Adjusted Death Rates by Cause of Death**

Los Angeles County

*Three-Year Average (2012 to 2014)*

| Indicator | Healthy People 2020 Objective | | Los Angeles County Rate | |
|---|---|---|---|---|
| | Good | Target Rate | Rate | Status |
| **Age-Adjusted Death Rate (Per 100,000 Population)** | | | | |
| Coronary Heart Disease | ↓ | 103.4 | 113.6 | - |
| Stroke | ↓ | 34.8 | 32.8 | + |
| Cancer (All Sites) | ↓ | 161.4 | 140.8 | + |
| Lung | ↓ | 45.5 | 27.5 | + |
| Colorectal | ↓ | 14.5 | 13.7 | + |
| Prostate | ↓ | 21.8 | 18.6 | + |
| Female Breast | ↓ | 20.7 | 21.0 | * |
| Chronic Pulmonary Diseases | ↓ | None | 28.9 | O |
| Influenza/Pneumonia | ↓ | None | 21.2 | O |
| Diabetes | ↓ | N/A* | 22.3 | O |
| Unintentional Injuries (All Types) | ↓ | 36.4 | 21.0 | + |
| Motor Vehicle Accidents | ↓ | 12.4 | 6.7 | + |
| Homicide | ↓ | 5.5 | 5.6 | * |
| Alzheimer's disease | ↓ | None | 26.0 | O |
| Suicide | ↓ | 10.2 | 7.6 | + |
| Cirrhosis | ↓ | 8.2 | 12.5 | - |

*Notes:*

*↓ Indicates that the Healthy People 2020 objective is to reduce*

** Healthy People 2020 objective for diabetes is based on both underlying and contributing cause of death which requires use of multiple cause of death files; California's data exclude multiple/contributing causes of death*

*Source: California Department of Public Health*

# Maternal and Infant Health

Note: Findings are based on live births that occurred in the service area during 2012

During the three-year period from 2010 through 2012, there were 8,179 births a year in the service area. To assist with providing context to the service area births, key birth demographics are compared to Los Angeles County in the following table. Of note, in comparison to Los Angeles County, the service area has a ***higher*** proportion of births to:

- Mothers of Asian or Pacific Islander race
- Mothers age 30 to 34 years and 35 years and older

**Summary of Birth Demographic Highlights**

Methodist Hospital Service Area Compared to Los Angeles County

*2012*

| Description | Service Area | Los Angeles County |
|---|---|---|
| **Births (Number)** | | |
| 2010 | 7,989 | 133,160 |
| 2011 | 7,901 | 130,312 |
| 2012 | 8,647 | 134,260 |
| **Three-Year Average** | **8,179** | **132,577** |
| **Births by Mother's Race/Ethnicity (Percent)** | | |
| White | 8.4% | 17.8% |
| Black | 1.2% | 7.1% |
| Asian or Pacific Islander | 35.2% | 14.7% |
| Hispanic | 53.8% | 57.1% |
| Native American or Alaskan | 0.1% | 0.1% |
| Other and Unknown | 1.2% | 3.1% |
| **Births by Mother's Age (Percent)** | | |
| Under 20 Years | 5.9% | 6.9% |
| 20 to 29 Years | 42.7% | 44.4% |
| 30 to 34 Years | 29.3% | 27.4% |
| 35 Years and Over | 22.0% | 21.3% |
| Unknown | 0.0% | 0.0% |

*Source: California Department of Public Health*

When comparing maternal and infant health indicators in the service area to Healthy People 2020 objectives, the service area met all of the objectives. The service area experience compared to Healthy People 2020 national objectives is summarized in the table below.

**Summary of Maternal and Infant Health Indicators**

Methodist Hospital Service Area

*2012*

| Indicator | Healthy People 2020 Objective | | Methodist Hospital Service Area | |
|---|---|---|---|---|
| | Good | Target Rate | Rate | Status |
| **Pregnancy/Birth Outcome** | | | | |
| Early Prenatal Care | ↑ | 77.9% | 87.6% | ✚ |
| Low Birth Weight Infants | ↓ | 7.8% | 6.1% | ✚ |
| Very Low Birth Weight Infants | ↓ | 1.4% | 1.0% | ✚ |

*Notes:*

*↑ Indicates that the Healthy People 2020 objective is to increase; ↓ indicates that the objective is to reduce*

*Source: California Department of Public Health*

# Child and Adolescent Health

Note: Findings are based on 2014 California Health Interview Survey for SPA 3

When comparing child and adolescent health indicators in the SPA to Healthy People 2020 objectives, the SPA results were statistically unreliable for all health access and health behaviors. The SPA experience compared to Healthy People 2020 national objectives is summarized in the table below.

**Summary of Child and Adolescent Health Indicators**

Los Angeles County Service Planning Area 3 – San Gabriel Valley

*2014*

| Indicator | Age Group | Healthy People 2020 Objective | | SPA 3 San Gabriel Valley | |
|---|---|---|---|---|---|
| | | Good | Target Rate | Rate | Status |
| **Health Access** | | | | | |
| Insured All or Part of Year | 0 to 17 | ↑ | 100% | 97.5% | * |
| Usual Source of Ongoing Care | 0 to 17 | ↑ | 100% | 91.4% | * |
| **Health Behaviors** | | | | | |
| Obese | 12 to 17 | ↓ | 16.1% | 22.8% | * |
| Currently Smoke Cigarettes | 14 to 17 | ↓ | 16.0% | 0% | * |
| Binge Drinking | 12 to 17 | ↓ | 8.6% | 3.6% | * |

*Notes:*

*↓ Indicates that the Healthy People 2020 objective is to reduce; ↑ indicates that the objective is to increase*

*Source: UCLA Center for Health Policy Research*



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# Adult Health

Note: Findings are based on 2014 California Health Interview Survey for SPA 3 and 2015 Los Angeles County Department of Public Health Survey for SPA 3

When comparing adult health indicators in the SPA to Healthy People 2020 objectives, the SPA did not meet the objectives related to health access for: medical insurance (insured all or part of the year) and usual source of ongoing care. The SPA experience compared to Healthy People 2020 national objectives is summarized in the following table.

**Summary of Adult Health Indicators**

Los Angeles County Service Planning Area 3 – San Gabriel Valley

*2014 and 2015*

| Indicator | Age Group | Healthy People 2020 Objective | | SPA 3 San Gabriel Valley | |
|---|---|---|---|---|---|
| | | Good | Target Rate | Rate | Status |
| **Health Access** | | | | | |
| Insured All or Part of Year | 18 to 64 | ↑ | 100% | 87.1% | - |
| Usual Source of Ongoing Care | 18 to 64 | ↑ | 89.4% | 81.1% | - |
| **Physical Activity (2015)** | | | | | |
| Recommended Aerobic Exercise | 18 + | ↑ | 47.9% | 64.2% | + |
| Recommended Aerobic and Muscle Strengthening | 18 + | ↑ | 20.1% | 31.3% | + |
| **Health Behaviors** | | | | | |
| Healthy Weight | 20 to 64 | ↑ | 33.9% | 38.1% | + |
| Obese | 20 to 64 | ↓ | 30.5% | 25.3% | + |
| Diagnosed with High Blood Pressure | 18 to 64 | ↓ | 26.9% | 22.6% | + |
| Currently Smoke Cigarettes | 18 to 64 | ↓ | 12.0% | 10.8% | + |

*Notes:*

*↓ Indicates that the Healthy People 2020 objective is to reduce; ↑ indicates that the objective is to increase*

*Sources: UCLA Center for Health Policy Research and Los Angeles County Department of Public Health*



MHSC-0000479

# Senior Health

Note: Findings are based on 2014 California Health Interview Survey for SPA 3

When comparing senior health indicators in the SPA to Healthy People 2020 objectives, the SPA did not meet the objectives related to health access for: flu shot received in past year; and related to health behaviors for: healthy weight/obese and diagnosed with high blood pressure. The SPA experience compared to Healthy People 2020 national objectives is summarized in the table below.

**Summary of Senior Health Indicators**

Los Angeles County Service Planning Area 3 – San Gabriel Valley

*2014*

| Indicator | Age Group | Healthy People 2020 Objective | | SPA 3 San Gabriel Valley | |
|---|---|---|---|---|---|
| | | Good | Target Rate | Rate | Status |
| **Health Access** | | | | | |
| Usual Source of Ongoing Care | 65+ | ↑ | 100% | 84.5% | * |
| Flu Shot in Past Year | 65+ | ↑ | 90% | 71.3% | - |
| **Health Behaviors** | | | | | |
| Healthy Weight | 65+ | ↑ | 33.9% | 32.0% | - |
| Obese | 65+ | ↓ | 30.5% | 33.1% | - |
| Diagnosed with High Blood Pressure | 65+ | ↓ | 26.9% | 62.9% | - |
| Currently Smoke Cigarettes | 65+ | ↓ | 12.0% | 10.0% | * |

*Note: ↓ Indicates that the Healthy People 2020 objective is to reduce; ↑ indicates that the objective is to increase*

*Source: UCLA Center for Health Policy Research*



MHSC-0000480

# Community Consultation

Note: Findings are based on surveys with representatives of community and public organizations conducted over a five-week period beginning in mid-November 2016

The following were identified as the community's top health issues (based on frequency of overall mention):

- Access to health care specific to health insurance coverage, availability of providers in the community, language barriers, and lack of transportation
- Disease prevention and health promotion, specific to diabetes, obesity, heart disease, high blood pressure, cancer, Alzheimer's disease, vision care including cataracts and glaucoma, and eye exams and glasses

According to many of those interviewed, the San Gabriel Valley in general and persons of all ages, regardless of income or racial/ethnic and cultural backgrounds are affected by these health issues. For example, many face challenges associated with health care access and Alzheimer's disease affects all age sixty and older. Neighborhood areas specifically mentioned by those participating in the community interviews included:

- Arcadia
- El Monte
- Baldwin Park
- Monrovia
- Temple City

Populations specifically identified by those participating in the interviews:

- Working poor
- Individuals newly covered (with health insurance)
- Seniors
- Chinese immigrant families with limited English proficiency
- Racial and ethnic minorities – Asians, Latinos, and African Americans

Participants in the community consultation identified the following roles for the community to take to address health issues, including:

- More free health education – seminars, workshops, health fairs, and support groups
- More community outreach programs
- Availability of locally-based Chinese-speaking medical specialists

- Community liaison available at community centers
- Engagement of cities and schools
- Working collaboratively with others to address issues, such as transportation
- Culturally and linguistically trained health care personnel
- More bilingual volunteers
- More personnel familiar with government and community programs
- Availability of free screenings at Federally Qualified Health Centers
- Locally based medical specialists

Many of those interviewed complimented Methodist Hospital on its efforts to provide services to the local community, commenting that "the Hospital is doing a great job already," through efforts such as participation in health fairs serving the Asian and Latino communities, partnerships with area community and senior centers, classes for the community, educational conferences for Chinese cancer patients, and having a "clean hospital with a very good reputation."

Participants in the community consultation offered the following Suggestions for collaborative roles or actions for Methodist Hospital:

- Let community residents know which doctors the Hospital contracts with and which medical insurance plans are accepted at the Hospital (knowledge of this information can help residents in deciding on purchases of their health plans)
- Promote hospital services and their accessibility (including insurance plans accepted by Methodist Hospital and physicians)
- Availability of Chinese and Spanish-speaking nurses on every floor 24/7
- More Chinese-speaking physicians on medical staff (so as not to have to refer patients out of the area for care)
- Improved interpreter/translation services for monolingual Chinese-speaking patients, such as interpreters using FaceTime
- Continued health education offerings on topics such as maintaining health, healthy dieting, breast health and early detection
- Support groups for Parkinson's, dementia, and caregivers
- Participate or sponsor health fairs
- Participate in community events
- Coordinate efforts with Federally Qualified Health Centers and community organizations
- Inform community organizations about educational offerings so that staff can inform their clients
- Transportation services for cancer patients

## Process and Criteria Used

In preparing the community health needs assessment, Methodist Hospital combined quantitative data about service area demographics, availability of health insurance, health access to and utilization of key services, health status, and health behaviors with qualitative data on opinions of important health issues in the community.

The following criteria were used to identify and prioritize significant health needs in the community:

- Healthy People 2020 target not met
- Number of persons affected
- Identification and/or validation as an important health issue in the community consultation
- Identified by community organizations as an opportunity to work collaboratively to address health issue

## Significant Priority Health Needs Identified

Note: Findings are based on review of data and information and community input

- Access to health services for adults
- Disease prevention and health promotion addressing diabetes, heart disease, high blood pressure, obesity, cancer, and Alzheimer's disease

## Health Care Facilities and Other Resources

Note: Findings are based on 2015 listings of health care facilities and senior centers located in the service area

The following health care facilities and other resources are located in the ZIP codes of the service area:

- 20 licensed free and community clinics
- 1 licensed rehabilitation clinic (specialty clinic)
- 10 open hospitals (eight general acute care hospitals and two acute psychiatric hospitals)
- 10 senior centers

# Section 2: Process and Methods

This section includes:

- Description of secondary data and information
- Description of analytical methods applied
- Identification of information gaps
- Summary of process for community consultation
- Identification of third party contractor

# Process and Methods

This community health needs assessment brings together a variety of demographic and health information, gathered from both primary and secondary data sources.

The first phase of the community health needs assessment involved collection and analysis of demographic and health status data and information for Methodist Hospital Service Area. The following types of data were analyzed: population, household and family demographics; birth statistics, death statistics, designated Health Professional Shortage Areas, large-scale household telephone surveys designed to measure health access, utilization of health services, and health behaviors.

The second phase of the needs assessment focused on qualitative primary research. Representatives from Methodist Hospital agreed that telephone interviews with academic experts, health department contacts, and representatives from public and private community organizations would be a cost effective approach to gain an understanding of important health issues and potential opportunities to collaborate with these organizations.

## Sources of the Data

The following sources of data and information were used in this community health needs assessment:

- California Department of Education
- California Department of Public Health
- Los Angeles County Department of Public Health
- Los Angeles Homeless Services Authority
- Nielsen
- Office of Statewide Health Planning and Development
- UCLA Center for Health Policy Research
- United States Department of Health and Human Services

## Dates of the Data

All data and information reviewed in the community health needs assessment used the most recent available. The table on the next page summarizes the dates of the data used.

**Dates of the Data Used in the Community Health Needs Assessment**

| Description | Date of Data |
|---|---|
| Demographics | 2016 |
| Homeless Persons | 2016 |
| Primary Care and Mental Health Shortage Areas | 2014 |
| Health Access and Utilization | 2014 |
| Deaths and Death Rates | 2012 – 2014 |
| Years of Potential Life Lost Before Age 75 | 2012 |
| Births and Birth Outcomes | 2012 |
| Health Behaviors | 2014 |
| Students Enrolled in Free or Reduced Price Meals | 2014/2015 School Year |
| High School Dropouts | 2014/2015 School Year |
| Health Care Facilities and Resources | Year End 2015 |

## Analytical Methods Applied

In many instances, health status information is based on multiple years of data and was used to establish three-year averages for the service area. Widely accepted demographics and health measurements – such as persons with average household size and income, health insurance coverage, healthy weight and obesity, age-adjusted death rates, low birth weight infants, and pregnant women with early entry into prenatal care – were used in this community health needs assessment. To assist with prioritization of health issues, secondary data and information is benchmarked to Healthy People 2020 national objectives.[1] In addition, comparisons to local, regional, and state figures are applied.

## Information Gaps

Information gaps were most apparent in two areas:

- Statistically reliable health data by age groups (such as children, adults, and seniors) in the service area
- Statistically reliable health data by race/ethnicity in the service area

[1] Prepared by the U.S. Department of Health and Human Services, Healthy People 2020 outlines a nationwide agenda focused on promoting health and preventing illness, disability, and premature death. Healthy People 2020 builds on initiatives pursued over the past three decades.

# Community Consultation

## Process

Methodist Hospital identified a diversified list of contacts – including public health department contacts, representatives from community organizations, business leaders, and physicians with knowledge of specific race/ethnic groups – for participation in the telephone interviews for the Community Health Needs Assessment. Each person was then invited via phone, mail, and/or email, to participate in the community consultation. Upon agreement to participate, individuals were sent a letter confirming participation, via email. The letter included an overview of the community consultation, the questions to be asked, and a hospital contact for any questions or comments. In the next few weeks, the project consultant scheduled and completed telephone interviews with contacts.

# Third Party Contractor

Methodist Hospital retained Debbie N. Alpers (previously DNA and Company, Inc.) to prepare this Community Health Needs Assessment. Methodist Hospital has worked with Ms. Alpers since 1998 to conduct a triennial community needs assessment, in compliance with California Senate Bill 697, community benefits legislation. Following the enactment of Senate Bill 697 in 1994, Ms. Alpers was endorsed by the Healthcare Association of Southern California (HASC) to assist its member hospitals in the design and completion of service area specific community needs assessments. In the seven cycles of needs assessments that began in 1995, Ms. Alpers has completed over seventy hospital needs assessments, in addition to assessments conducted for health care organizations and clinics.

# Section 3: Service Area Definition and Demographics

This section includes:

- Description of how the service area was determined
- Definition of Methodist Hospital Service Area
- Demographics of Methodist Hospital Service Area, including population, household and family characteristics
- Description of the homeless population in SPA 3
- Comparison of the Methodist Hospital Service Area demographics to Los Angeles County

Detailed information – at the ZIP Code level – can be found in:

- Appendix A: Service Area Description
- Appendix B: Age Group Detail

# Determination of Service Area for Purposes of the Needs Assessment

Methodist Hospital used the Stark II definition – the lowest number of contiguous ZIP Codes from which the hospital draws at least 75 percent of its inpatients – to determine its geographic service area for purposes of the 2016 community health needs assessment. Using hospital data, there were 16 ZIP Codes that defined 75 percent of the hospital's admissions.

# Definition of Service Area for Purposes of the Needs Assessment

For purposes of the 2016 Community Needs Assessment, Methodist Hospital defined its service area to include the following ZIP codes.

**Service Area Definition**

Methodist Hospital Service Area

*2016*

| ZIP Code | Community |
|---|---|
| 91006 | Arcadia |
| 91007 | Arcadia |
| 91008 | Bradbury |
| 91010 | Duarte |
| 91016 | Monrovia |
| 91024 | Sierra Madre |
| 91107 | Pasadena East |
| 91702 | Azusa |
| 91706 | Baldwin Park |
| 91731 | El Monte |
| 91732 | El Monte |
| 91733 | South El Monte |
| 91770 | Rosemead |
| 91775 | San Gabriel |
| 91776 | San Gabriel |
| 91780 | Temple City |

# Population

**What's Being Measured** The service area population for estimated 2016 and projected 2021.

**How the Measure is Defined** The number of persons living in the service area. The change in number of persons is calculated by subtracting the estimated 2016 population from the projected 2021 population. The change in percent is calculated the dividing the change in number of persons by the 2016 population.

## Service Area Experience

**Population**

Methodist Hospital Service Area

*2016 and 2021*

| Year | Population |
|---|---|
| 2016 | 626,952 |
| 2021 | 648,708 |
| Change - Number | 21,756 |
| Change - Percent | 3.5% |

*Source: Nielsen*

## Comparison to Los Angeles County

**Population**

Los Angeles County

*2016 and 2021*

| Year | Population |
|---|---|
| 2016 | 10,237,502 |
| 2021 | 10,656,104 |
| Change - Number | 418,602 |
| Change - Percent | 4.1% |

*Source: Nielsen*

# Age Distribution

**What's Being Measured** Persons according to various age cohorts.

**How the Measure is Defined** Persons are reported for the following 11 age groups: (1) 0 to 4 years, (2) 5 to 14 years, (3) 15 to 20 years, (4) 21 to 24 years, (5) 25 to 34 years, (6) 35 to 44 years, (7) 45 to 54 years, (8) 55 to 64 years, (9) 65 to 74 years, (10) 75 to 84 years, and (11) 85 years and older. The sum of these age groups is the estimated 2016 population of the service area.

**Service Area Experience**

**Age Group Distribution**

Methodist Hospital Service Area

*2016*

| Age Group | Number of Persons | Percent of Total Population |
|---|---|---|
| 0 to 4 Years | 38,504 | 6.1% |
| 5 to 14 Years | 79,134 | 12.6% |
| 15 to 20 Years | 51,652 | 8.2% |
| 21 to 24 Years | 35,859 | 5.7% |
| 25 to 34 Years | 86,959 | 13.9% |
| 35 to 44 Years | 84,222 | 13.4% |
| 45 to 54 Years | 86,693 | 13.8% |
| 55 to 64 Years | 77,389 | 12.3% |
| 65 to 74 Years | 49,067 | 7.8% |
| 75 to 84 Years | 25,454 | 4.1% |
| 85 Years and Older | 12,019 | 1.9% |
| **Total Population** | **626,952** | **100.0%** |

*Source: Nielsen*

## Comparison to Los Angeles County

**Age Group Distribution**

Los Angeles County

*2016*

| Age Group | Number of Persons | Percent of Total Population |
|---|---|---|
| 0 to 4 Years | 638,970 | 6.2% |
| 5 to 14 Years | 1,285,269 | 12.6% |
| 15 to 20 Years | 842,893 | 8.2% |
| 21 to 24 Years | 595,034 | 5.8% |
| 25 to 34 Years | 1,561,554 | 15.3% |
| 35 to 44 Years | 1,434,469 | 14.0% |
| 45 to 54 Years | 1,396,531 | 13.6% |
| 55 to 64 Years | 1,191,539 | 11.6% |
| 65 to 74 Years | 741,361 | 7.2% |
| 75 to 84 Years | 378,700 | 3.7% |
| 85 Years and Older | 171,182 | 1.7% |
| **Total Population** | **10,237,502** | **100.0%** |

*Source: Nielsen*



MHSC-0000492

# Male Population Age Distribution

**What's Being Measured** Males according to various age cohorts.

**How the Measure is Defined** Males are reported for the following 11 age groups: (1) 0 to 4 years, (2) 5 to 14 years, (3) 15 to 20 years, (4) 21 to 24 years, (5) 25 to 34 years, (6) 35 to 44 years, (7) 45 to 54 years, (8) 55 to 64 years, (9) 65 to 74 years, (10) 75 to 84 years, and (11) 85 years and older. The sum of these age groups for males is the estimated 2016 male population of the service area.

**Service Area Experience**

**Male Population Age Group Distribution**

Methodist Hospital Service Area

*2016*

| Age Group | Number of Persons | Percent of Male Population |
|---|---|---|
| 0 to 4 Years | 19,671 | 6.4% |
| 5 to 14 Years | 40,565 | 13.2% |
| 15 to 20 Years | 26,409 | 8.6% |
| 21 to 24 Years | 18,314 | 6.0% |
| 25 to 34 Years | 44,702 | 14.6% |
| 35 to 44 Years | 41,680 | 13.6% |
| 45 to 54 Years | 42,232 | 13.8% |
| 55 to 64 Years | 36,381 | 11.8% |
| 65 to 74 Years | 22,227 | 7.2% |
| 75 to 84 Years | 10,666 | 3.5% |
| 85 Years and Older | 4,242 | 1.4% |
| **Total Male Population** | **307,089** | **100.0%** |

*Source: Nielsen*

## Comparison to Los Angeles County

**Male Population Age Group Distribution**

Los Angeles County

*2016*

| Age Group | Number of Persons | Percent of Male Population |
|---|---|---|
| 0 to 4 Years | 326,416 | 6.5% |
| 5 to 14 Years | 656,935 | 13.0% |
| 15 to 20 Years | 430,215 | 8.5% |
| 21 to 24 Years | 303,249 | 6.0% |
| 25 to 34 Years | 797,466 | 15.8% |
| 35 to 44 Years | 718,517 | 14.2% |
| 45 to 54 Years | 691,167 | 13.7% |
| 55 to 64 Years | 571,480 | 11.3% |
| 65 to 74 Years | 338,249 | 6.7% |
| 75 to 84 Years | 159,101 | 3.1% |
| 85 Years and Older | 59,888 | 1.2% |
| **Total Male Population** | **5,052,683** | **100.0%** |

*Source: Nielsen*



MHSC-0000494

# Female Population Age Distribution

**What's Being Measured** Females according to various age cohorts.

**How the Measure is Defined** Females are reported for the following 11 age groups: (1) 0 to 4 years, (2) 5 to 14 years, (3) 15 to 20 years, (4) 21 to 24 years, (5) 25 to 34 years, (6) 35 to 44 years, (7) 45 to 54 years, (8) 55 to 64 years, (9) 65 to 74 years, (10) 75 to 84 years, and (11) 85 years and older. The sum of these age groups for females is the estimated 2016 female population of the service area.

**Service Area Experience**

**Female Population Age Group Distribution**

Methodist Hospital Service Area

*2016*

| Age Group | Number of Persons | Percent of Female Population |
|---|---|---|
| 0 to 4 Years | 18,833 | 5.9% |
| 5 to 14 Years | 38,569 | 12.1% |
| 15 to 20 Years | 25,243 | 7.9% |
| 21 to 24 Years | 17,545 | 5.5% |
| 25 to 34 Years | 42,257 | 13.2% |
| 35 to 44 Years | 42,542 | 13.3% |
| 45 to 54 Years | 44,461 | 13.9% |
| 55 to 64 Years | 41,008 | 12.8% |
| 65 to 74 Years | 26,840 | 8.4% |
| 75 to 84 Years | 14,788 | 4.6% |
| 85 Years and Older | 7,777 | 2.4% |
| **Total Female Population** | **319,863** | **100.0%** |

*Source: Nielsen*

## Comparison to Los Angeles County

**Female Population Age Group Distribution**

Los Angeles County

*2016*

| Age Group | Number of Persons | Percent of Female Population |
|---|---|---|
| 0 to 4 Years | 312,554 | 6.0% |
| 5 to 14 Years | 628,334 | 12.1% |
| 15 to 20 Years | 412,678 | 8.0% |
| 21 to 24 Years | 291,785 | 5.6% |
| 25 to 34 Years | 764,088 | 14.7% |
| 35 to 44 Years | 715,952 | 13.8% |
| 45 to 54 Years | 705,364 | 13.6% |
| 55 to 64 Years | 620,059 | 12.0% |
| 65 to 74 Years | 403,112 | 7.8% |
| 75 to 84 Years | 219,599 | 4.2% |
| 85 Years and Older | 111,294 | 2.1% |
| **Total Female Population** | **5,184,819** | **100.0%** |

*Source: Nielsen*



MHSC-0000496

# Race/Ethnicity

**What's Being Measured** Race/ethnicity for the population.

**How the Measure is Defined** There are no universally accepted definitions for race and Hispanic ethnicity. The Census currently defines "Hispanic or Latino" as an ethnicity, not a race. In the race question for Census 2010, the option of marking one or more race categories was given. People who marked only one race are referred to as the race alone population. Those who marked more than one race are referred to as the two or more races population. All respondents who marked more than one race are collapsed into this category. The question on Hispanic origin asked respondents if they are Spanish, Hispanic or Latino.

The following seven race/ethnicity groupings are used: (1) White is non-Hispanic White and includes persons having origins in any of the original peoples of Europe, the Middle East, or North Africa. It includes people who indicate their race as "White" or report entries such as Irish, German, Italian, Lebanese, Near Easterner, Arab or Polish. (2) Black is non-Hispanic Black and includes persons having origins in any of the Black racial groups of Africa. It includes people who indicate their race as "Black or African American" or provide written entries such as African American, Kenyan, Nigerian or Haitian. (3) Asian is non-Hispanic Asian and includes persons having origins in any of the original peoples of the Far East, Southeast Asia, or the Indian subcontinent, including, for example, Cambodia, China, India, Japan, Korea, Vietnam, Malaysia, Pakistan, the Philippine Islands, and Thailand. It includes people who provide written entries such as Asian Indian, Chinese, Filipino, Korean, Japanese, Vietnamese, and other Asian. Native Hawaiian/Pacific Islander is non-Hispanic Native Hawaiian/Pacific Islander and includes persons having origins in Hawaii, Guam, Samoa, or other Pacific Islands. (4) Hispanic is Hispanic or Latino and includes the total of all those who identified themselves as Hispanic or Latino. (5) American Indian and Alaskan Native is non-Hispanic American Indian and Alaskan Native and includes persons having origins in any of the original peoples of North and South America (including Central America) and who maintain tribal affiliation or community attachment. (6) Some Other Race is non-Hispanic some other race and includes all other responses not included in the categories above. (7) Two or More Races is non-Hispanic two or more races.

The sum of these seven race/Hispanic ethnicity categories is the 2016 total population.

## Service Area Experience

**Race/Ethnicity**

Methodist Hospital Service Area

*2016*

| Race/Ethnicity | Number of Persons | Percent of Total Population |
|---|---|---|
| White | 92,950 | 14.8% |
| Black | 10,880 | 1.7% |
| Asian/Native Hawaiian/Pacific Islander | 213,882 | 34.1% |
| Hispanic | 298,810 | 47.7% |
| American Indian/Alaskan Native | 971 | 0.2% |
| Some Other Race | 893 | 0.1% |
| Two or More Races | 8,566 | 1.4% |
| **Total Population** | **626,952** | **100.0%** |

*Source: Nielsen*

## Comparison to Los Angeles County

**Race/Ethnicity**

Los Angeles County

*2016*

| Race/Ethnicity | Number of Persons | Percent of Total Population |
|---|---|---|
| White | 2,695,688 | 26.3% |
| Black | 818,212 | 8.0% |
| Asian/Native Hawaiian/Pacific Islander | 1,468,313 | 14.3% |
| Hispanic | 4,986,800 | 48.7% |
| American Indian/Alaskan Native | 19,687 | 0.2% |
| Some Other Race | 25,952 | 0.3% |
| Two or More Races | 222,850 | 2.2% |
| **Total Population** | **10,237,502** | **100.0%** |

*Source: Nielsen*

# Asian Population Detail

**What's Being Measured** Asian Alone population detail.

**How the Measure is Defined** Asian Alone population includes the following 11 categories: (1) Chinese, except Taiwanese, (2) Filipino, (3) Japanese, (4) Asian Indian, (5) Korean, (6) Vietnamese, (7) Cambodian, (8) Hmong, (9) Laotian, (10) Thai, and (11) Other Asian/Two or more Asian Categories. The sum of these 11 categories is the total Asian population (which may be Hispanic or non-Hispanic).

**Service Area Experience**

**Asian Population Detail**

Methodist Hospital Service Area

*2016*

| Asian Population Detail | Number of Persons | Percent of Asian Population |
|---|---|---|
| Chinese, except Taiwanese | 123,107 | 57.2% |
| Filipino | 19,168 | 8.9% |
| Japanese | 6,013 | 2.8% |
| Asian Indian | 4,926 | 2.3% |
| Korean | 6,005 | 2.8% |
| Vietnamese | 31,354 | 14.6% |
| Cambodian | 2,869 | 1.3% |
| Hmong | 206 | 0.1% |
| Laotian | 370 | 0.2% |
| Thai | 2,235 | 1.0% |
| Other Asian/Two or More Asian Categories | 18,788 | 8.7% |
| **Total Asian Population** | **215,041** | **100.0%** |

*Source: Nielsen*



MHSC-0000499

## Comparison to Los Angeles County

**Asian Population Detail**

Los Angeles County

*2016*

| Asian Population Detail | Number of Persons | Percent of Asian Population |
|---|---|---|
| Chinese, except Taiwanese | 411,978 | 28.1% |
| Filipino | 345,576 | 23.6% |
| Japanese | 109,393 | 7.5% |
| Asian Indian | 85,208 | 5.8% |
| Korean | 234,755 | 16.0% |
| Vietnamese | 98,442 | 6.7% |
| Cambodian | 35,631 | 2.4% |
| Hmong | 1,384 | 0.1% |
| Laotian | 3,287 | 0.2% |
| Thai | 28,723 | 2.0% |
| Other Asian/Two or More Asian Categories | 112,923 | 7.7% |
| **Total Asian Population** | **1,467,300** | **100.0%** |

*Source: Nielsen*

# Language Spoken at Home for Persons 5 Years and Older

**What's Being Measured** The language spoken at home by persons five years and older.

**How the Measure is Defined** Languages spoken at home are grouped into the five following categories: (1) speak only English at home, (2) speak Spanish at home, (3) speak an Asian/Pacific Island language at home, (4) speak an European language at home, and (5) speak other language at home. The sum of these five groupings for language spoken at home by persons five years and older is the 2016 population age 5 years and older.

**Service Area Experience**

**Language Spoken at Home**

Methodist Hospital Service Area

*2016*

| Language Spoken at Home | Number of Persons 5+ Years | Percent of Persons 5+ Years |
|---|---|---|
| English Only | 178,979 | 30.4% |
| Spanish | 221,544 | 37.6% |
| Asian or Pacific Island language | 172,091 | 29.2% |
| European language | 12,974 | 2.2% |
| Other language | 2,860 | 0.5% |
| **Persons 5 Years and Older** | **588,448** | **100.0%** |

*Source: Nielsen*

## Comparison to Los Angeles County

**Language Spoken at Home**

Los Angeles County

*2016*

| Language Spoken at Home | Number of Persons 5+ Years | Percent of Persons 5+ Years |
|---|---|---|
| English Only | 4,148,342 | 43.2% |
| Spanish | 3,791,978 | 39.5% |
| Asian or Pacific Island language | 1,033,480 | 10.8% |
| European language | 521,493 | 5.4% |
| Other language | 103,239 | 1.1% |
| **Persons 5 Years and Older** | **9,598,532** | **100.0%** |

*Source: Nielsen*



MHSC-0000502

# Educational Attainment for Persons 25 Years and Older

**What's Being Measured** Highest level of education completed by persons 25 years and older.

**How the Measure is Defined** Highest level of education completed for persons age 25 years and older is reported for the following seven categories: (1) less than 9th grade, (2) some high school, no diploma; (3) high school graduate or its equivalent, (4) some college, no degree; (5) Associate Degree, (6) Bachelor Degree, and (7) Graduate or Professional School Degree (some examples of professional degrees include medicine, dentistry, chiropractic, optometry, osteopathic medicine, pharmacy, podiatry, veterinary medicine, law and theology). The sum of these seven groupings for educational attainment for persons 25 years and older equals the 2016 population age 25 years and older.

**Service Area Experience**

**Educational Attainment of Persons 25 Years and Older**

Methodist Hospital Service Area

*2016*

| Highest Level of Education Completed | Number of Persons 25+ Years | Percent of Persons 25+ Years |
|---|---|---|
| Less than 9th Grade | 67,917 | 16.1% |
| Some High School, no Diploma | 42,328 | 10.0% |
| High School Graduate (or GED) | 99,797 | 23.7% |
| Some College, no Degree | 69,429 | 16.5% |
| Associate Degree | 29,304 | 6.9% |
| Bachelor Degree | 74,880 | 17.8% |
| Graduate or Professional Degree | 38,148 | 9.0% |
| **Persons 25 Years and Older** | **421,803** | **100.0%** |

*Source: Nielsen*

## Comparison to Los Angeles County

**Educational Attainment of Persons 25 Years and Older**

Los Angeles County

*2016*

| Highest Level of Education Completed | Number of Persons 25+ Years | Percent of Persons 25+ Years |
|---|---|---|
| Less than 9th Grade | 932,109 | 13.6% |
| Some High School, no Diploma | 660,103 | 9.6% |
| High School Graduate (or GED) | 1,409,226 | 20.5% |
| Some College, no Degree | 1,336,128 | 19.4% |
| Associate Degree | 479,703 | 7.0% |
| Bachelor's Degree | 1,349,235 | 19.6% |
| Graduate or Professional Degree | 708,832 | 10.3% |
| **Persons 25 Years and Older** | **6,875,336** | **100.0%** |

*Source: Nielsen*



MHSC-0000504

# Employment Status for Persons 16 Years and Older

**What's Being Measured** Employment status for persons age 16 years and older.

**How the Measure is Defined** Employment status is grouped into the following four categories: (1) persons in the armed forces serving active duty with the United States Army, Air Force, Navy, Marine Corps or Coast Guard, (2) persons in the labor force and employed, (3) persons in the labor force and unemployed (e.g., not at work and were looking for work and available to accept a job), and (4) persons who are not classified as members of the labor force (consists mainly of students, housewives, retired workers, seasonal workers enumerated in an off season who were not looking for work, institutionalized persons, and persons doing only incidental unpaid family work). The sum of these four groupings for employment status is the 2016 population age 16 years and older.

**Service Area Experience**

**Employment Status for Persons 16 Years and Older**

Methodist Hospital Service Area

*2016*

| Employment Status | Number of Persons 16+ Years | Percent of Persons 16+ Years |
|---|---|---|
| In Armed Forces | 113 | <0.1% |
| In Labor Force, Employed | 280,639 | 56.0% |
| In Labor Force, Unemployed | 30,319 | 6.1% |
| Not in Labor Force | 189,738 | 37.9% |
| **Persons 16 Years and Older** | **500,809** | **100.0%** |

*Source: Nielsen*

## Comparison to Los Angeles County

**Employment Status for Persons 16 Years and Older**

Los Angeles County

*2016*

| Employment Status | Number of Persons 16+ Years | Percent of Persons 16+ Years |
|---|---|---|
| In Armed Forces | 3,621 | <0.1% |
| In Labor Force, Employed | 4,705,827 | 57.5% |
| In Labor Force, Unemployed | 567,123 | 6.9% |
| Not in Labor Force | 2,900,616 | 35.5% |
| **Persons 16 Years and Older** | **8,177,187** | **100.0%** |

*Source: Nielsen*

# Occupation Type for Employed Labor Force

**What's Being Measured** Occupation classification of employed labor force.

**How the Measure is Defined** Occupations are grouped into the following three types: (1) blue collar (includes occupations of construction and transportation/material moving), (2) white collar (includes occupations of management/business/financial operations, professional and related occupations, sales and office), and (3) service and farming. The sum of these three categories is 2016 employed labor force.

## Service Area Experience

**Occupation Type for Employed Labor Force**

Methodist Hospital Service Area

*2016*

| Occupation Type | Number of Persons | Percent of Employed Labor Force |
|---|---|---|
| Blue Collar | 61,660 | 22.0% |
| White Collar | 160,984 | 57.4% |
| Service and Farming | 57,757 | 20.6% |
| **Employed Labor Force** | **280,401** | **100.0%** |

*Source: Nielsen*

## Comparison to Los Angeles County

**Occupation Type for Employed Labor Force**

Los Angeles County

*2016*

| Occupation Type | Number of Persons | Percent of Employed Labor Force |
|---|---|---|
| Blue Collar | 954,873 | 20.3% |
| White Collar | 2,824,830 | 60.1% |
| Service and Farming | 924,266 | 19.6% |
| **Employed Labor Force** | **4,703,969** | **100.0%** |

*Source: Nielsen*

# Households

**What's Being Measured** Households in the service area for estimated 2016 and projected 2021.

**How the Measure is Defined** A household is considered a housing unit, occupied by either a single person or two or more related or unrelated persons. Units occupied by ten or more unrelated individuals are called group quarters, not households. The change in number of households is calculated by subtracting the estimated 2016 households from the projected 2021 households. The change in percent is calculated the dividing the change in number of households by the 2016 households.

## Service Area Experience

**Households**

Methodist Hospital Service Area

*2016 and 2021*

| Year | Households |
|---|---|
| 2016 | 184,070 |
| 2021 | 190,945 |
| Change - Number | 6,875 |
| Change - Percent | 3.7% |

*Source: Nielsen*

## Comparison to Los Angeles County

**Households**

Los Angeles County

*2016 and 2021*

| Year | Households |
|---|---|
| 2016 | 3,382,269 |
| 2021 | 3,526,466 |
| Change - Number | 144,197 |
| Change - Percent | 4.3% |

*Source: Nielsen*

# Group Quarters Population by Type

**What's Being Measured** The population living in group quarters.

**How the Measure is Defined** Group quarters is a type of residence inhabited by ten or more persons, unrelated to the householder and includes the following six types: (1) correctional institutions, (2) nursing homes, (3) other institutions, (4) college dormitories, (5) military quarters, and (6) other non-institutional group quarters. The sum of these group quarters types is the 2016 population living in group quarters.

**Service Area Experience**

**Group Quarters Population by Type**

Methodist Hospital Service Area

*2016*

| Group Quarters Type | Group Quarters Population | Percent of Group Quarters Population |
|---|---|---|
| Correctional Institutions | 171 | 2.3% |
| Nursing Homes | 3,252 | 44.2% |
| Other Institutions | 1,639 | 22.3% |
| College Dormitories | 2,246 | 30.5% |
| Military Quarters | 0 | 0.0% |
| Other Non-Institutional | 54 | 0.7% |
| **Total Group Quarters Population** | **7,362** | **100.0%** |

*Source: Nielsen*

## Comparison to Los Angeles County

**Group Quarters Population by Type**

Los Angeles County

*2016*

| Group Quarters Type | Group Quarters Population | Percent of Group Quarters Population |
|---|---|---|
| Correctional Institutions | 27,287 | 15.8% |
| Nursing Homes | 36,657 | 21.2% |
| Other Institutions | 53,230 | 30.8% |
| College Dormitories | 53,334 | 30.9% |
| Military Quarters | 23 | 0.0% |
| Other Non-Institutional | 2,274 | 1.3% |
| **Total Group Quarters Population** | **172,805** | **100.0%** |

*Source: Nielsen*



MHSC-0000510

# Persons Per Household and Average Household Size

**What's Being Measured** Persons per household and average household size.

**How the Measure is Defined** The number of households is reported for the following seven categories: 1-person households, 2-person households, 3-person households, 4-person households, 5-person households, 6-person households, and 7 or more person households. The sum of these various person households is the 2016 total households. Average household size is calculated by dividing the total population living in households by the total number of households.

**Service Area Experience**

**Household Size Description**

Methodist Hospital Service Area

*2016*

| Household Size | Number of Households | Percent of Total Households |
|---|---|---|
| 1-Person | 31,907 | 17.3% |
| 2-Persons | 43,528 | 23.6% |
| 3-Persons | 33,053 | 18.0% |
| 4-Persons | 31,540 | 17.1% |
| 5-Persons | 19,734 | 10.7% |
| 6-Persons | 11,197 | 6.1% |
| 7 or more Persons | 13,111 | 7.1% |
| **Total Households** | **184,070** | **100.0%** |
| Average Household Size | 3.37 | — |

*Source: Nielsen*

## Comparison to Los Angeles County

**Household Size Description**

Los Angeles County

*2016*

| Household Size | Number of Households | Percent of Total Households |
|---|---|---|
| 1-Person | 826,416 | 24.4% |
| 2-Persons | 882,952 | 26.1% |
| 3-Persons | 553,350 | 16.4% |
| 4-Persons | 500,058 | 14.8% |
| 5-Persons | 296,623 | 8.8% |
| 6-Persons | 156,147 | 4.6% |
| 7 or more Persons | 166,723 | 4.9% |
| **Total Households** | **3,382,269** | **100.0%** |
| Average Household Size | 2.97 | — |

*Source: Nielsen*

# Households by Presence of Children Under 18 Years of Age

**What's Being Measured** Households are described by the presence of one or more persons under 18 years of age (children) living in the household.

**How the Measure is Defined** Households with children living in the household may include married couple families, families with male householders (no wives), families with female householders (no husbands), and non-family households. The sum of these two household descriptions is the 2016 total households.

## Service Area Experience

**Households by Presence of Children Under 18 Years of Age**

Methodist Hospital Service Area

*2016*

| Household Description | Number of Households | Percent of Total Households |
|---|---|---|
| No Children Under 18 Years Present | 105,906 | 57.5% |
| Children Under 18 Years Present | 78,164 | 42.5% |
| **Total Households** | **184,070** | **100.0%** |

*Source: Nielsen*

## Comparison to Los Angeles County

**Households by Presence of Children Under 18 Years of Age**

Los Angeles County

*2016*

| Household Description | Number of Households | Percent of Total Households |
|---|---|---|
| No Children Under 18 Years Present | 2,111,274 | 62.4% |
| Children Under 18 Years Present | 1,270,995 | 37.6% |
| **Total Households** | **3,382,269** | **100.0%** |

*Source: Nielsen*

# Households by Income Group and Average Household Income

**What's Being Measured** Households in various income groupings.

**How the Measure is Defined** Household income includes the total money received in the stated calendar year by all household members 15 years and older. The income is presented in terms of current dollars for 2016. The number of households with an annual household income is reported for the following seven income groups: (1) under $15,000 (2) $15,000 to $34,999 (3) $35,000 to $74,999 (4) $75,000 to $99,999 (5) $100,000 to $149,999 (6) $150,000 to $199,999, and (7) $200,000 and over. The sum of households with these seven income groupings is the total 2016 households. Average household income is calculated the dividing the total income of an area by the number of households in the area.

**Service Area Experience**

**Households by Income Group**

Methodist Hospital Service Area

*2016*

| Income Group | Number of Households | Percent of Total Households |
|---|---|---|
| Under $15,000 | 18,194 | 9.9% |
| $15,000 to $34,999 | 38,832 | 21.1% |
| $35,000 to $74,999 | 55,645 | 30.2% |
| $75,000 to $99,999 | 22,466 | 12.2% |
| $100,000 to $149,999 | 26,228 | 14.2% |
| $150,000 to $199,999 | 10,764 | 5.8% |
| $200,000 and over | 11,941 | 6.5% |
| **Total Households** | **184,070** | **100.0%** |
| Average Household Income | $81,550 | — |

*Source: Nielsen*

## Comparison to Los Angeles County

**Households by Income Group**

Los Angeles County

*2016*

| Income Group | Number of Households | Percent of Total Households |
|---|---|---|
| Under $15,000 | 417,524 | 12.3% |
| $15,000 to $34,999 | 679,125 | 20.1% |
| $35,000 to $74,999 | 974,807 | 28.8% |
| $75,000 to $99,999 | 391,484 | 11.6% |
| $100,000 to $149,999 | 467,471 | 13.8% |
| $150,000 to $199,999 | 198,649 | 5.9% |
| $200,000 and over | 253,209 | 7.5% |
| **Total Households** | **3,382,269** | **100.0%** |
| Average Household Income | $83,656 | — |

*Source: Nielsen*

# Households by Age of Head of Household

**What's Being Measured** The number of households by age group of the head of household.

**How the Measure is Defined** The head of households is reported for the following three age groups: (1) 15 to 24 years, (2) 25 to 64 years, and (3) 65 years and older. The sum of the households headed by persons in these age groups is the total 2016 households.

## Service Area Experience

**Households by Age Group of Head of Household**

Methodist Hospital Service Area

*2016*

| Age Group of Head of Household | Number of Households | Percent of Total Households |
|---|---|---|
| 15 to 24 Years | 3,859 | 2.1% |
| 25 to 64 Years | 136,705 | 74.3% |
| 65 Years and Older | 43,506 | 23.6% |
| **Total Households** | **184,070** | **100.0%** |

*Source: Nielsen*

## Comparison to Los Angeles County

**Households by Age Group of Head of Household**

Los Angeles County

*2016*

| Age Group of Head of Household | Number of Households | Percent of Total Households |
|---|---|---|
| 15 to 24 Years | 98,692 | 2.9% |
| 25 to 64 Years | 2,550,684 | 75.4% |
| 65 Years and Older | 732,893 | 21.7% |
| **Total Households** | **3,382,269** | **100.0%** |

*Source: Nielsen*

# Owner Occupied and Renter Occupied Housing Units

**What's Being Measured** Owner occupied housing units and renter occupied housing units for estimated 2016.

**How the Measure is Defined** A housing unit is owner occupied if the owner or co-owner lives in the unit. All occupied housing units that are not owner occupied, whether they are rented for cash rent or occupied without payment of cash rent, are classified as renter occupied (units may be provided free of rent by friends or relatives in exchange for services, such as resident manager, caretaker, or tenant farmer). Housing units on military bases are also classified in the "no cash rent" category. The sum of owner occupied housing units and renter occupied housing units is the total occupied housing units.

## Service Area Experience

**Owner Occupied and Renter Occupied Housing Units**

Methodist Hospital Service Area

*2016*

| Occupied Housing Unit | Number | Percent |
|---|---|---|
| Owner Occupied | 102,861 | 55.9% |
| Renter Occupied | 81,209 | 44.1% |
| **Total Occupied Housing Units** | **184,070** | **100.0%** |

*Source: Nielsen*

## Comparison to Los Angeles County

**Owner Occupied and Renter Occupied Housing Units**

Los Angeles County

*2016*

| Occupied Housing Unit | Number | Percent |
|---|---|---|
| Owner Occupied | 1,605,374 | 47.5% |
| Renter Occupied | 1,776,895 | 52.5% |
| **Total Occupied Housing Units** | **3,382,269** | **100.0%** |

*Source: Nielsen*

# Families

**What's Being Measured** The number of families (family households) for estimated 2016 and projected 2021.

**How the Measure is Defined** A family household consists of a householder and one or more other persons living in the same household who are related to the householder by birth, marriage or adoption. All persons who are related to the householder are regarded as members of his or her family. The change in number of families is calculated by subtracting the estimated 2016 families from the projected 2021 families. The change in percent is calculated the dividing the change in number of families by the 2016 families.

## Service Area Experience

**Families**

Methodist Hospital Service Area

*2016 and 2021*

| Year | Families |
|---|---|
| 2016 | 142,653 |
| 2021 | 147,825 |
| Change - Number | 5,172 |
| Change - Percent | 3.6% |

*Source: Nielsen*

## Comparison to Los Angeles County

**Families**

Los Angeles County

*2016 and 2021*

| Year | Families |
|---|---|
| 2016 | 2,284,537 |
| 2021 | 2,378,829 |
| Change - Number | 94,292 |
| Change - Percent | 4.1% |

*Source: Nielsen*

# Families by Poverty Status

**What's Being Measured** Families below the poverty level and at or above the poverty level.

**How the Measure is Defined** The Census Bureau uses the federal government's official poverty definition. Families are reported as either (1) below the federal poverty level or (2) at/above the federal poverty level. The sum of these two groupings is the 2016 families.

## Service Area Experience

**Families by Poverty Status**

Methodist Hospital Service Area

*2016*

| Poverty Status | Number of Families | Percent of Total Families |
|---|---|---|
| Below the Poverty Level | 19,204 | 13.5% |
| At or Above the Poverty Level | 123,449 | 86.5% |
| **Total Families** | **142,653** | **100.0%** |

*Source: Nielsen*

## Comparison to Los Angeles County

**Families by Poverty Status**

Los Angeles County

*2016*

| Poverty Status | Number of Families | Percent of Total Families |
|---|---|---|
| Below the Poverty Level | 341,084 | 14.9% |
| At or Above the Poverty Level | 1,943,453 | 85.1% |
| **Total Families** | **2,284,537** | **100.0%** |

*Source: Nielsen*

# Homeless Population

**What's Being Measured** Count of homeless population.

**How the Measure is Defined** To accurately enumerate the homeless population in Los Angeles County, a point-in-time census was conducted over three nights in January 2016, with the support of more than 7,500 volunteers. In this study, the U.S. Department of Housing and Urban Development's definition of homelessness was used. The definition is an individual who lacks a fixed, regular and adequate nighttime residence and an individual who has a primary nighttime residence that is a supervised publicly or privately operated shelter designed to provide temporary living accommodations or an institution that provides a temporary residence for individuals intended to be institutionalized or a public or private place not designated for, or ordinarily used as, a regular sleeping accommodation for human beings.

**Service Area Experience**

**Homeless Estimates**

Los Angeles County Service Planning Area 3 – San Gabriel Valley Compared to All Service Planning Areas

*2016*

| Description | SPA 3 | All SPAs |
|---|---|---|
| **Number of Homeless** | 3,142 | 46,874 |
| **Homeless by Age Group (Percent)** | | |
| Under 18 Years | 11% | 10% |
| 18 to 24 Years | 7% | 13% |
| 25 to 54 Years | 55% | 65% |
| 55 to 61 Years | 20% | 11% |
| 62 Years and Older | 7% | 2% |
| **Homeless by Household Type (Percent)** | | |
| Single Adults | 81% | |
| Family Members | 19% | |
| Unaccompanied Youth | 0% | |
| **Homeless by Subpopulation (Percent)** | | |
| Chronically Homeless Individuals | 35% | 31% |
| Chronically Homeless Family Members | 0.5% | n/a |
| Veterans | 5% | n/a |
| Survivors of Domestic Violence | 21% | 18% |
| Persons with HIV/AIDS | 1% | 1% |

| Description | SPA 3 | All SPAs |
|---|---|---|
| Persons with Mental Illness | 30% | 30% |
| Persons with Physical Disabilities | 22% | 17% |
| Persons with Substance Abuse Problems | 25% | 23% |

*Note: Los Angeles County total homeless is 46,874 and includes the cities of Los Angeles, Glendale, Long Beach, and Pasadena*

*Source: 2016 Greater Los Angeles Homeless Count*

**Summary of Demographic Indicators**

Methodist Hospital Service Area Compared to Los Angeles County

*2016*

| Indicator | Percent | |
|---|---|---|
| | Service Area | LA County |
| **5-Year Change (2016 to 2021)** | | |
| Population | 3.5% | 4.1% |
| Households | 3.7% | 4.3% |
| Families | 3.6% | 4.1% |
| **Age Group** | | |
| 0 to 4 Years | 6.1% | 6.2% |
| 5 to 14 Years | 12.6% | 12.6% |
| 15 to 20 Years | 8.2% | 8.2% |
| 21 to 24 Years | 5.7% | 5.8% |
| 25 to 34 Years | 13.9% | 15.3% |
| 35 to 44 Years | 13.4% | 14.0% |
| 45 to 54 Years | 13.8% | 13.6% |
| 55 to 64 Years | 12.3% | 11.6% |
| 65 to 74 Years | 7.8% | 7.2% |
| 75 to 84 Years | 4.1% | 3.7% |
| 85 Years and Older | 1.9% | 1.7% |
| **Race/Ethnicity** | | |
| White | 14.8% | 26.3% |
| Black | 1.7% | 8.0% |
| Asian, Native Hawaiian or Pacific Islander | 34.1% | 14.3% |
| Hispanic | 47.7% | 48.7% |
| American Indian/Alaskan Native | 0.2% | 0.2% |
| Some Other Race | 0.1% | 0.3% |
| Two or More Races | 1.4% | 2.2% |
| **Language Spoken at Home by Persons 5 Years and Older** | | |
| English Only | 30.4% | 43.2% |
| Spanish | 29.2% | 10.8% |
| Asian or Pacific Island Language | 2.2% | 5.4% |
| European language | 37.6% | 39.5% |
| Other language | 0.5% | 1.1% |

| Indicator | Percent | |
|---|---|---|
| | Service Area | LA County |
| **Educational Attainment of Adults 25 Years and Older** | | |
| Less than 9th Grade | 16.1% | 13.6% |
| Some High School, no Diploma | 10.0% | 9.6% |
| High School Graduate (or GED) | 23.7% | 20.5% |
| Some College, no Degree | 16.5% | 19.4% |
| Associate Degree | 6.9% | 7.0% |
| Bachelor Degree | 17.8% | 19.6% |
| Graduate or Professional Degree | 9.0% | 10.3% |
| **Employment Status of Persons 16 Years and Older** | | |
| In Armed Forces | <0.1% | <0.1% |
| In Labor Force, Employed | 56.0% | 57.5% |
| In Labor Force, Unemployed | 6.1% | 6.9% |
| Not in Labor Force | 37.9% | 35.5% |
| **Occupation Type for Employed Labor Force** | | |
| Blue Collar | 22.0% | 20.3% |
| White Collar | 57.4% | 60.1% |
| Service and Farming | 20.6% | 19.6% |
| **Household Size** | | |
| 1-Person | 17.3% | 24.4% |
| 2-Persons | 23.6% | 26.1% |
| 3-Persons | 18.0% | 16.4% |
| 4-Persons | 17.1% | 14.8% |
| 5-Persons | 10.7% | 8.8% |
| 6-Persons | 6.1% | 4.6% |
| 7 or more Persons | 7.1% | 4.9% |
| **Households by Presence of Children Under 18 Years of Age** | | |
| No Children Under 18 Years Present | 57.5% | 62.4% |
| Children Under 18 Years Present | 42.5% | 37.6% |
| **Household Income** | | |
| Under $15,000 | 9.9% | 12.3% |
| $15,000 to $34,999 | 21.1% | 20.1% |
| $35,000 to $74,999 | 30.2% | 28.8% |
| $75,000 to $99,999 | 12.2% | 11.6% |
| $100,000 to $149,999 | 14.2% | 13.8% |
| $150,000 to $199,999 | 5.8% | 5.9% |
| $200,000 and over | 6.5% | 7.5% |

| Indicator | Percent | |
|---|---|---|
| | Service Area | LA County |
| **Age Group of Head of Household** | | |
| 15 to 24 Years | 2.1% | 2.9% |
| 25 to 64 Years | 74.3% | 75.4% |
| 65 Years and Older | 23.6% | 21.7% |
| **Owner and Renter Occupied Housing Units** | | |
| Owner Occupied | 55.9% | 47.5% |
| Renter Occupied | 44.1% | 52.5% |
| **Families by Poverty Status** | | |
| Below the Poverty Level | 13.5% | 14.9% |
| At or Above the Poverty Level | 86.5% | 85.1% |

*Source: Nielsen*

# Section 4: Health Access and Utilization

This section includes:

- Identification of Health Professional Shortages Areas for primary care and mental health
- Findings from the 2014 California Health Interview Survey for SPA 3 benchmarked to Healthy People 2020 targets
- Comparison of health access indicators to Los Angeles County and California

Key used to summarize SPA 3 experiences benchmarked to Healthy People 2020 Targets:

Target Met
Target Not Met

Listing of Health Care Facilities located in Methodist Hospital Service Area can be found in:

- Section 12: Health Care Facilities and Other Resources

# Health Professional Shortage Areas

**What's Being Measured** Two different designations are presented here – primary care and mental health professional shortage areas. The federal Health Professional Shortage Area (HPSA) identifies areas having a shortage of health care providers.

**How the Measure is Defined** Primary care HPSA is decided on the basis of availability of primary care physicians. Mental health HPSA is decided on the basis of availability of psychiatrists and mental health professionals. Criteria is based on practitioner ratios and the presence of barriers to access such as travel distance. These designations are established by Medical Service Study Areas (MSSA), geographical areas based upon U.S. Census tracts; MSSAs are reassessed every decade following the U.S. Census.

**Service Area Experience**

**Health Professional Shortage Areas: Primary Care and Mental Health**

Medical Service Study Areas in Service Area

*2014*

| Medical Service Study Area (MSSA) | Health Professional Shortage Area | |
|---|---|---|
| | Primary Care | Mental Health |
| Arcadia Central and Northeast/Bradbury/Monrovia/Sierra Madre (78.2xxx) | | |
| Arcadia Southeast/San Gabriel North (78.2dddd) | | |
| Altadena East/Azusa North/Duarte North/Glendora/Pasadena East (78.2gggg) | | |
| El Monte (78.2oo) | ▲ | |
| Rosemead/San Gabriel South/South El Monte West/Temple City West (78.2qqq) | | |

*Note:*

▲ *Indicates that Medical Service Study Area is a designated shortage area*

*Source: Office of Statewide Planning and Development*

# Medical Insurance

**What's Being Measured** Persons under age 65 years with medical insurance the entire past year or only part of the past year.

**How the Measure is Defined** The percentage of persons with health insurance includes persons with employment-based insurance, Medi-Cal or Healthy Families programs, privately purchased health insurance or other insurance. Insured persons include those with health insurance for all or part of the year. Results are from the 2014 California Health Interview Survey.

**Why the Measurement is Helpful** Health insurance coverage is a key component of access to health care. Studies show that people with health insurance coverage report fewer access problems than those who are uninsured.

**Healthy People 2020 Objective** Increase the proportion of persons under age 65 years with medical insurance to 100%.

**Service Area Experience**

**Measurement Period** 2014

89.8% of persons age 0 to 64 years with medical insurance

**Source of Data** UCLA Center for Health Policy Research

# Source of Ongoing Care

**What's Being Measured** Persons of all ages with a specific source of ongoing care

**How the Measure is Defined** Specific sources of ongoing care may include any of the following: doctor's office/HMO/Kaiser, community, government or hospital clinic, emergency room/urgent care, health center facility, or some other place. Results are from the 2014 California Health Interview Survey.

**Why the Measurement is Helpful** Access to care depends in part on access to an ongoing source of care. People with a usual source of health care are more likely than those without a usual source of care to receive a variety of preventive health care services. An estimated 15 percent of adults in the US lack a usual source of care; an estimated 7 percent of children age 17 years and under lack a specific source of ongoing care. Uninsured persons under age 65 years are more likely to lack a usual source of care than those who have either public or private health insurance.

**Healthy People 2020 Objective** Increase the proportion of persons of all ages who have a specific source of ongoing care to 95.0%
Note: The Healthy People 2020 objective excludes emergency rooms as a usual source of care.

**Service Area Experience**

**Measurement Period** 2014

83.9% with a specific source of ongoing care

**Source of Data** UCLA Center for Health Policy Research

# Delays in Getting Medical Care

**What's Being Measured** Persons of all ages who reported delays in getting needed medical care.

**How the Measure is Defined** Respondents were asked if they experienced any delays or did not get needed medical care (doctor, specialist or other health professional). Results are from the 2014 California Health Interview Survey.

**Why the Measurement is Helpful** Utilizing appropriate clinical and preventive services in a timely fashion can have important implications on the progression and treatment of many diseases. Individuals who receive services in a timely manner have greater opportunity to prevent disease or detect disease during earlier, treatable stages. A delay of necessary care can lead to an increased risk of complications.

**Healthy People 2020 Objective** Reduce the proportion of persons who are unable to obtain or delay in obtaining necessary medical care to 4.2%

**Service Area Experience**

**Measurement Period** 2014

10.3% experienced delays in getting needed medical care

**Source of Data** UCLA Center for Health Policy Research

# Delays in Getting Prescription Medications

**What's Being Measured** The proportion of persons who reported delays or didn't get prescription medicines.

**How the Measure is Defined** Respondents were asked if they experienced any delays or did not get needed medicines that a doctor prescribed. Results are from the 2014 California Health Interview Survey.

**Why the Measurement is Helpful** Utilizing appropriate clinical and preventive services in a timely fashion can have important implications on the progression and treatment of many diseases.

**Healthy People 2020 Objective** Reduce the proportion of all persons of who are unable to obtain or delay in obtaining necessary prescription medicines to 2.8%

**Service Area Experience**

**Measurement Period** 2014

7.5% experienced delays in getting prescription medications

**Source of Data** UCLA Center for Health Policy Research

# Mammogram In Past Two Years

**What's Being Measured** Females age 50 to 74 years who had a mammogram in the past two years.

**How the Measure is Defined** Females were asked "Have you ever had a mammogram?" and if yes, asked "How long ago did you have your most recent mammogram?" Results are from the 2012 California Health Interview Survey.

**Why the Measurement is Helpful** Healthy People 2020 uses the U.S. Preventative Services Task Force (USPSTF) guidelines to measure this objective and the current USPSTF recommendation includes biennial mammography for women aged 50 to 74 years, with an additional recommendation that starting biennial mammography before age 50 should be an individual decision considering patient context, including a patient's beliefs regarding possible benefits and harms. Although mammograms do not detect all cases of breast cancer, mammograms have been shown to increase early detection, thus reducing mortality.

**Healthy People 2020 Objective** Increase the proportion of women age 50 to 74 years who received a mammogram in the past two years to 81.1%.

**Service Area Experience**

**Measurement Period** 2012

82.3% of females age 50 to 74 years had a mammogram in past two years

**Source of Data** UCLA Center for Health Policy Research

# Colon Cancer Screening Tests

**What's Being Measured** Adults age 50 to 75 years who ever had a sigmoidoscopy, colonoscopy or fecal occult blood test (FOBT).

**How the Measure is Defined** Adults over 50 years of age were asked "Have you ever had a sigmoidoscopy, colonoscopy or fecal occult blood test (FOBT)?" Results are from the 2009 California Health Interview Survey (Note: 2009 is the most recent available).

**Why the Measurement is Helpful** Colon cancer is one of the most commonly diagnosed cancers in the United States. Colorectal cancer is the second leading cancer killer, but it doesn't have to be. As many as sixty percent of colorectal cancer deaths could be prevented if adults 50 or older had regular screening tests.

**Healthy People 2020 Objective** Increase the proportion of adults age 50 years to 75 years who receive a colon cancer screening based on the most recent guidelines to 70.5%. These guidelines for persons 50 to 75 years include a blood stool test in the past year, sigmoidoscopy in the past five years and blood stool test in the past three years, or a colonoscopy in the past ten years.

**Service Area Experience**

**Measurement Period** 2009

65.6% of adults age 50 to 75 years had recommended colon cancer screening tests

**Source of Data** UCLA Center for Health Policy Research



MHSC-0000532

**Summary of Health Access and Utilization Indicators**

SPA 3 Compared to Los Angeles County, California and Healthy People 2020 Targets

*2014*

| Indicator | SPA 3 | | County Rate | California Rate | Target Rate |
|---|---|---|---|---|---|
| | Rate | Status | | | |
| **Health Access** | | | | | |
| Insured All or Part of Year<br>Age 0 to 64 Years | 89.8% | - | 87.5% | 89.1% | 100% |
| Usual Source of Ongoing Care<br>All Ages | 83.9% | - | 83.8% | 85.8% | 95% |
| Delays in Getting Medical Care<br>All Ages | 10.3% | - | 11.7% | 11.3% | 4.2% |
| Delays in Getting Medicines<br>All Ages | 7.5% | - | 7.9% | 8.7% | 2.8% |
| **Cancer Screening (2012 and 2009)** | | | | | |
| Mammogram in Past 2 Years<br>Females Age 50 to 74 Years | 82.3% | + | 83.7% | 85.9% | 81.1% |
| Colorectal Cancer Screening<br>Age 50 to 75 Years | 65.6% | - | 65.3% | 67.2% | 70.5% |

*Notes:*

*Target rate is Healthy People 2020 objective*

*Source: UCLA Center for Health Policy Research*



MHSC-0000533

# Section 5: Mortality

This section includes:

- Summary of premature mortality in Los Angeles County and SPA 3
- Profile of deaths in Methodist Hospital Service Area
- Age-adjusted death rates in Los Angeles County benchmarked to Healthy People 2020 targets
- Comparison of Los Angeles County age-adjusted death rates to California

Key used to summarize Los Angeles County experiences benchmarked to Healthy People 2020 targets:

| | |
|---|---|
| + | Target Met |
| - | Target Not Met |
| * | Result is Statistically Unstable |
| O | No Target Established |



MHSC-0000534

# Premature Mortality in Los Angeles County

Years of potential life lost before age 75 years (YPLL-75) is one of the commonly used public health measures to reflect the impact of premature mortality. In 2012, the top three leading causes of premature death in Los Angeles County were coronary heart disease, homicide, and motor vehicle crashes. The ranking, and years of potential life lost before age 75 (YPLL-75) due to selected leading causes of death in Los Angeles County are summarized in the table on the next page.

**Years of Potential Life Lost for Leading Causes of Premature Death, Ranked**

Los Angeles County

*2012*

| Rank | Cause of Death | Years of Potential Life Lost Before Age 75 | |
|---|---|---|---|
| | | Number | Percent |
| 1 | Coronary Heart Disease | 52,263 | 12.1% |
| 2 | Homicide | 21,905 | 5.1% |
| 3 | Motor Vehicle Crash | 22,895 | 5.3% |
| 4 | Liver Disease | 20,788 | 4.8% |
| 5 | Suicide | 20,683 | 4.8% |
| 6 | Drug Overdose | 18,206 | 4.2% |
| 7 | Lung Cancer | 16,858 | 3.9% |
| 8 | Diabetes | 16,041 | 3.7% |
| 9 | Stroke | 14,855 | 3.4% |
| 10 | Breast Cancer | 12,843 | 3.0% |
| — | All Other Causes | 214,197 | 49.6% |
| — | **Total** | **431,534** | **100.0%** |

*Source: Los Angeles County Department of Public Health*

# Premature Mortality in SPA 3

In 2012, the top three leading causes of premature death in SPA 3 – San Gabriel Valley were coronary heart disease, liver disease, and suicide. The ranking and years of potential life lost before age 75 (YPLL) due to selected leading causes of death are summarized in the table below.

**Top Five Leading Causes of Premature Death, Ranked by YPLL**

Service Planning Area 3 (San Gabriel Valley)

*2012*

| Rank | Cause of Death | Years of Potential Life Lost Before Age 75 | |
|---|---|---|---|
| | | Number | Percent |
| 1 | Coronary Heart Disease | 8,022 | 11.4% |
| 2 | Liver Disease | 3,691 | 5.2% |
| 3 | Suicide | 3,654 | 5.2% |
| 4 | Diabetes | 2,978 | 4.2% |
| 5 | Lung Cancer | 2,842 | 4.0% |
| — | All Other | 49,157 | 69.9% |
| — | **Total** | **70,344** | **100.0%** |

*Source: Los Angeles County Department of Public Health*



MHSC-0000536

# Profile of Deaths

**Profile of Deaths, Ranked By Select Leading Causes of Death**

Methodist Hospital Service Area

*2012*

| Select Leading Cause of Death | Number | Percent |
|---|---|---|
| Heart Disease | 1,008 | 26.8% |
| Cancer (All Types) | 911 | 24.2% |
| Stroke | 220 | 5.9% |
| Chronic Lower Respiratory Disease | 202 | 5.4% |
| Influenza and Pneumonia | 158 | 4.2% |
| Alzheimer's Disease | 157 | 4.2% |
| Diabetes Mellitus | 157 | 4.2% |
| Chronic Liver Disease and Cirrhosis | 104 | 2.8% |
| Unintentional Injuries (All Accidents) | 97 | 2.6% |
| Essential Hypertension & Hypertensive Renal Disease | 66 | 1.8% |
| Nephritis, Nephrotic Syndrome and Nephrosis | 60 | 1.6% |
| Suicide | 52 | 1.4% |
| All Other | 567 | 15.1% |
| **All Causes of Death** | **3,759** | **100.0%** |

*Source: California Department of Public Health*

In 2012, approximately 52 percent of the deaths were among females and 48 percent were among males.

**Profile of Deaths, by Gender**

Methodist Hospital Service Area

*2012*

| Gender | Number | Percent |
|---|---|---|
| Male | 1,791 | 47.6% |
| Female | 1,968 | 52.4% |
| **All Deaths** | **3,759** | **100.0%** |

*Source: California Department of Public Health*

**Profile of Deaths, by Age Group of Decedent**

Methodist Hospital Service Area

*2012*

| Age Group | Number | Percent |
|---|---|---|
| Under 1 Year | 29 | 0.8% |
| 1 to 4 Years | 3 | 0.1% |
| 5 to 14 Years | 6 | 0.2% |
| 15 to 24 Years | 38 | 1.0% |
| 25 to 34 Years | 61 | 1.6% |
| 35 to 44 Years | 92 | 2.4% |
| 45 to 54 Years | 244 | 6.5% |
| 55 to 64 Years | 447 | 11.9% |
| 65 to 74 Years | 597 | 15.9% |
| 75 to 84 Years | 917 | 24.4% |
| 85 Years and Over | 1,325 | 35.2% |
| Unknown | 0 | 0.0% |
| **All Deaths** | **3,759** | **100.0%** |

*Source: California Department of Public Health*

# Coronary Heart Disease

**What's Being Measured** The age-adjusted death rate due to coronary heart disease.

**How the Measure is Defined** Coronary heart disease is defined as International Classification of Diseases, Tenth Revision (ICD-10) codes I11 and I20-I25. The rate is per 100,000 persons and is standardized to the 2000 United States Standard Million population.

**Healthy People 2020 Objective** Reduce coronary heart disease deaths to 103.4 deaths per 100,000 population.

**Los Angeles County Experience**

**Measurement Period** 2012 – 2014

113.6 deaths per 100,000 population

**Source of Data** Los Angeles County Department of Public Health



MHSC-0000539

# Stroke

**What's Being Measured** The age-adjusted death rate due to stroke.

**How the Measure is Defined** Stroke is defined as International Classification of Diseases, Tenth Revision (ICD-10) codes I60-I69. The rate is per 100,000 persons and is standardized to the 2000 United States Standard Million population.

**Healthy People 2020 Objective** Reduce stroke deaths to 34.8 deaths per 100,000 population.

**Los Angeles County Experience**

**Measurement Period** 2012 – 2014

32.8 deaths per 100,000 population

**Source of Data** California Department of Public Health

# Cancer (All Sites)

**What's Being Measured** The age-adjusted death rate due to cancer (all sites).

**How the Measure is Defined** Cancer (all sites) is defined as International Classification of Diseases, Tenth Revision (ICD-10) codes C00-C97. The rate is per 100,000 persons and is standardized to the 2000 United States Standard Million population.

**Healthy People 2020 Objective** Reduce cancer deaths to 161.4 deaths per 100,000 population.

**Los Angeles County Experience**

**Measurement Period** 2012 – 2014

140.8 deaths per 100,000 population

**Source of Data** California Department of Public Health

# Lung Cancer

**What's Being Measured** The age-adjusted death rate due to lung cancer.

**How the Measure is Defined** Lung cancer is defined as International Classification of Diseases, Tenth Revision (ICD-10) codes C33-C34. The rate is per 100,000 persons and is standardized to the 2000 United States Standard Million population.

**Healthy People 2020 Objective** Reduce lung cancer deaths to 45.5 deaths per 100,000 population.

**Los Angeles County Experience**

**Measurement Period** 2012 – 2014

27.5 deaths per 100,000 population

**Source of Data** California Department of Public Health



MHSC-0000542

# Colorectal Cancer

**What's Being Measured** The age-adjusted death rate due to colorectal cancer.

**How the Measure is Defined** Colorectal cancer is defined as International Classification of Diseases, Tenth Revision (ICD-10) codes C18-C21. The rate is per 100,000 persons and is standardized to the 2000 United States Standard Million population.

**Healthy People 2020 Objective** Reduce colorectal cancer deaths to 14.5 deaths per 100,000 population.

**Los Angeles County Experience**

**Measurement Period** 2012 – 2014

13.7 deaths per 100,000 population

**Source of Data** California Department of Public Health



MHSC-0000543

# Prostate Cancer no spa 3

**What's Being Measured** The age-adjusted death rate due to prostate cancer.

**How the Measure is Defined** Prostate cancer is defined as International Classification of Diseases, Tenth Revision (ICD-10) code C61. The rate is per 100,000 males and is standardized to the 2000 United States Standard Million population.

**Healthy People 2020 Objective** Reduce prostate cancer deaths to 21.8 deaths per 100,000 males.

**Los Angeles County Experience**

**Measurement Period** 2012 – 2014

18.6 per 100,000 males

**Source of Data** California Department of Public Health



MHSC-0000544

# Female Breast Cancer

**What's Being Measured** The age-adjusted death rate due to breast cancer in females.

**How the Measure is Defined** Breast cancer is defined as International Classification of Diseases, Tenth Revision (ICD-10) code C50. The rate is per 100,000 females and is standardized to the 2000 United States Standard Million population.

**Healthy People 2020 Objective** Reduce breast cancer deaths to 20.7 deaths per 100,000 females.

**Los Angeles County Experience**

**Measurement Period** 2012 – 2014

21.0 deaths per 100,000 females

**Source of Data** California Department of Public Health



MHSC-0000545

# Chronic Obstructive Pulmonary Diseases

**What's Being Measured** The age-adjusted death rate due to chronic obstructive pulmonary diseases. Chronic obstructive pulmonary diseases are a group of diseases that cause airflow blockage and breathing-related problems and include emphysema and chronic bronchitis.

**How the Measure is Defined** Chronic obstructive pulmonary diseases are defined as International Classification of Diseases, Tenth Revision (ICD-10) codes J40-J44, and excludes asthma. The rate is per 100,000 persons and is standardized to the 2000 United States Standard Million population.

**Healthy People 2020 Objective** Reduce chronic obstructive pulmonary disease deaths to 102.6 deaths per 100,000 population age 45 years and older.

**Los Angeles County Experience**

**Measurement Period** 2012 – 2014

| | |
|---|---|
| O | 28.9 deaths per 100,000 population |

**Source of Data** California Department of Public Health

# Influenza/Pneumonia

**What's Being Measured** The age-adjusted death rate due to influenza/pneumonia.

**How the Measure is Defined** Influenza/Pneumonia is defined as International Classification of Diseases, Tenth Revision (ICD-10) codes J09-J18. The rate is per 100,000 persons and is standardized to the 2000 United States Standard Million population.

**Healthy People 2020 Objective** None established.

**Los Angeles County Experience**

**Measurement Period** 2012 – 2014

| |
|---|
| O |

21.2 deaths per 100,000 population

**Source of Data** California Department of Public Health

# Diabetes-Related

**What's Being Measured** The age-adjusted death rate due to diabetes (as both an underlying cause of death and a contributing cause of death).

**How the Measure is Defined** Diabetes is defined as International Classification of Diseases, Tenth Revision (ICD-10) codes E10-E14, as either an underlying or contributing cause of death. The rate is per 100,000 persons and is standardized to the 2000 United States Standard Million population.

**Healthy People 2020 Objective** Reduce the diabetes-related death rate to 65.8 per 100,000 population (includes those with diabetes listed as either an underlying or a contributing cause of death).

**Los Angeles County Experience**

**Measurement Period** 2012 – 2014

| |
|---|
| O |

22.3 deaths per 100,000 population

**Source of Data** California Department of Public Health

# Unintentional Injuries (All Types) NO SPA 3

**What's Being Measured** The age-adjusted death rate due to all unintentional injuries.

**How the Measure is Defined** Unintentional injuries is defined as International Classification of Diseases, Tenth Revision (ICD-10) codes V01-X59 and Y85-Y86. The rate is per 100,000 persons and is standardized to the 2000 United States Standard Million population.

**Healthy People 2020 Objective** Reduce unintentional injury deaths to 36.4 deaths per 100,000 population.

**Los Angeles County Experience**

**Measurement Period** 2012 – 2014

21.0 deaths per 100,000 population

**Source of Data** California Department of Public Health

# Motor Vehicle Crashes (Traffic-Related)

**What's Being Measured** The age-adjusted death rate due to motor vehicle crashes (traffic related).

**How the Measure is Defined** Motor vehicle crashes is defined as International Classification of Diseases, Tenth Revision (ICD-10) codes V02-V04 (.1, .9), V09.2, V12-V14 (.3-.9), V19 (.4-.6), V20-V28 (.3-.9), V29-V79 (.4-.9), V80 (.3-.5), V81.1, V82.1, V83-V86 (.0-.3), V87 (.0-.8), and V89.2. The rate is per 100,000 persons and is standardized to the 2000 United States Standard Million population.

**Healthy People 2020 Objective** Reduce deaths due to motor vehicle crashes to 12.4 deaths per 100,000 population.

**Los Angeles County Experience**

**Measurement Period** 2012 – 2014

6.7 deaths per 100,000 population

**Source of Data** California Department of Public Health



MHSC-0000550

# Homicide

**What's Being Measured** The age-adjusted death rate due to homicide.

**How the Measure is Defined** Homicide is defined as International Classification of Diseases, Tenth Revision (ICD-10) codes U01-U02, X85-Y09 and Y87.1. The rate is per 100,000 persons and is standardized to the 2000 United States Standard Million population.

**Healthy People 2020 Objective** Reduce homicide deaths to 5.5 deaths per 100,000 population.

**Los Angeles County Experience**

**Measurement Period** 2012 – 2014

5.6 deaths per 100,000 population

**Source of Data** California Department of Public Health

# Alzheimer's Disease

**What's Being Measured** The age-adjusted death rate due to Alzheimer's disease.

**How the Measure is Defined** Alzheimer's disease is defined as International Classification of Diseases, Tenth Revision (ICD-10) code G30. The rate is per 100,000 persons and is standardized to the 2000 United States Standard Million population.

**Healthy People 2020 Objective** None established.

**Los Angeles County Experience**

**Measurement Period** 2012 – 2014

| |
|---|
| O |

26.0 deaths per 100,000 population

**Source of Data** California Department of Public Health

# Suicide

**What's Being Measured** The age-adjusted death rate due to suicide.

**How the Measure is Defined** Suicide is defined as International Classification of Diseases, Tenth Revision (ICD-10) codes U03, X60-X84 and Y87.0. The rate is per 100,000 persons and is standardized to the 2000 United States Standard Million population.

**Healthy People 2020 Objective** Reduce suicide deaths to 10.2 deaths per 100,000 population.

**Los Angeles County Experience**

**Measurement Period** 2012 – 2014

7.6 deaths per 100,000 population

**Source of Data** California Department of Public Health



MHSC-0000553

# Cirrhosis

**What's Being Measured** The age-adjusted death rate due to cirrhosis.

**How the Measure is Defined** Cirrhosis is defined as International Classification of Diseases, Tenth Revision (ICD-10) codes K70, K73, and K74. The rate is per 100,000 persons and is standardized to the 2000 United States Standard Million population.

**Healthy People 2020 Objective** Reduce cirrhosis deaths to 8.2 deaths per 100,000 population.

**Los Angeles County Experience**

**Measurement Period** 2012 – 2014

12.5 deaths per 100,000 population

**Source of Data** California Department of Public Health



MHSC-0000554

**Summary of Age-Adjusted Death Rates by Cause of Death**

Los Angeles County compared to California and Healthy People 2020 Targets

*Three-Year Average (2012 to 2014)*

| Indicator | Los Angeles County | | California | Target |
|---|---|---|---|---|
| | Rate | Status | Rate | Rate |
| **Health Status** | | | | |
| Coronary Heart Disease | 113.6 | - | 96.6 | 103.4 |
| Stroke | 32.8 | + | 34.4 | 34.8 |
| Cancer (All Sites) | 140.8 | + | 146.5 | 161.4 |
| Lung | 27.5 | + | 31.7 | 45.5 |
| Colorectal | 13.7 | + | 13.3 | 14.5 |
| Prostate | 18.6 | + | 19.3 | 21.8 |
| Female Breast | 21.0 | * | 20.3 | 20.7 |
| Chronic Pulmonary Diseases | 28.9 | O | 33.7 | None |
| Influenza/Pneumonia | 21.2 | O | 15.3 | None |
| Diabetes | 22.3 | O | 20.4 | N/A |
| Unintentional Injuries (All Types) | 21.0 | + | 28.2 | 36.4 |
| Motor Vehicle Accidents | 6.7 | + | 7.9 | 12.4 |
| Homicide | 5.6 | * | 5.0 | 5.5 |
| Alzheimer's disease | 26.0 | O | 30.1 | None |
| Suicide | 7.6 | + | 10.2 | 10.2 |
| Cirrhosis | 12.5 | - | 11.7 | 8.2 |

*Notes:*

*Target rate is Healthy People 2020 objective*

*Rates are per 100,000 persons and are standardized to the 2000 U.S. Standard Million population*

*Healthy People 2020 Chronic pulmonary disease death rate is for the population age 45 years and older; data for the entire population is not comparable*

*Healthy People 2020 objective is based on both underlying and contributing cause of death which requires use of multiple cause of death files; California's data exclude multiple/contributing causes of death*

*Source: California Department of Public Health*



MHSC-0000555

# Section 6: Maternal and Infant Health

This section includes:

- Demographic overview of females age 15 to 44 years in Methodist Hospital Service Area
- Summary of births in Methodist Hospital Service Area
- Maternal and infant health outcomes in Methodist Hospital benchmarked to Healthy People 2020 targets
- Comparison of Methodist Hospital Service Area maternal and infant outcomes to Los Angeles County and California

Key used to summarize Methodist Hospital Service Area experiences benchmarked to Healthy People 2020 Targets:

Target Met
Target Not Met

Detailed information – at the ZIP Code level – can be found in:

- Appendix D: Maternal and Infant Health

# Females Age 15 to 44 Years

**What's Being Measured** Females 15 to 44 years of age (child bearing age).

**How the Measure is Defined** The percentage of women age 15 to 44 years is calculated by dividing this age group of females by the total population (includes males).

**Service Area Experience**

**Females Age 15 to 44 Years**

Methodist Hospital Service Area

*2016*

| Female Age Group | Number of Persons | Percent of Total Population |
|---|---|---|
| 15 to 20 Years | 25,243 | 4.0% |
| 21 to 24 Years | 17,545 | 2.8% |
| 25 to 34 Years | 42,257 | 6.7% |
| 35 to 44 Years | 42,542 | 6.8% |
| **Total Women 15 to 44 Years** | **127,587** | **20.4%** |
| Total Population | 626,952 | — |

*Note: Percentages rounded*

*Source: Nielsen*



MHSC-0000557

# Number of Births

**What's Being Measured** The number of live births.

**How the Measure is Defined** The three-year average is calculated by dividing the sum of the annual births by three.

## Service Area Experience

**Number of Live Births**

Methodist Hospital Service Area

*Thee-Year Average (2010 to 2012)*

| Year | Number of Births |
|---|---|
| 2010 | 7,989 |
| 2011 | 7,901 |
| 2012 | 8,647 |
| **Three-Year Average** | **8,179** |

*Source: California Department of Public Health*

## Comparison to Los Angeles County

**Number of Live Births**

Los Angeles County

*Thee-Year Average (2010 to 2012)*

| Year | Number of Births |
|---|---|
| 2010 | 133,160 |
| 2011 | 130,312 |
| 2012 | 134,260 |
| **Three-Year Average** | **132,577** |

*Source: California Department of Public Health*

# Births by Race/Ethnicity

**What's Being Measured** Live births by mother's race/ethnicity.

**How the Measure is Defined** Births by mother's race/ethnicity is reported for the following six categories: White, Black, Asian/Pacific Islander, Hispanic, Native American/Alaskan and other/unknown. The sum of these six race/ethnicity categories is the total number of births.

**Service Area Experience**

**Births by Mother's Race/Ethnicity**

Methodist Hospital Service Area

*2012*

| Mother's Race/Ethnicity | Number of Births | Percent of Total Births |
|---|---|---|
| White | 725 | 8.4% |
| Black | 104 | 1.2% |
| Asian or Pacific Islander | 3,048 | 35.2% |
| Hispanic | 4,655 | 53.8% |
| Native American or Alaskan | 9 | 0.1% |
| Other and Unknown | 106 | 1.2% |
| **Total Births** | **8,647** | **100.0%** |

*Source: California Department of Public Health*



MHSC-0000559

## Comparison to Los Angeles County

**Births by Mother's Race/Ethnicity**

Los Angeles County

*2012*

| Mother's Race/Ethnicity | Number of Births | Percent of Total Births |
|---|---|---|
| White | 23,926 | 17.8% |
| Black | 9,598 | 7.1% |
| Asian or Pacific Islander | 19,783 | 14.7% |
| Hispanic | 76,616 | 57.1% |
| Native American or Alaskan | 117 | 0.1% |
| Other and Unknown | 4,220 | 3.1% |
| **Total Births** | **134,260** | 100.0% |

*Source: California Department of Public Health*



MHSC-0000560

# Births by Mother's Age Group

**What's Being Measured** Live births by mother's age group.

**How the Measure is Defined** Births by mother's age group is reported for the following five categories: (1) less than 20 years, (2) 20 to 29 years, (3) 30 to 34 years of age, (4) 35 years and over, and (5) unknown age. The sum of these five age group categories is the total number of births.

**Service Area Experience**

**Births by Mother's Age Group**

Methodist Hospital Service Area

*2012*

| Mother's Age Group | Number of Births | Percent of Total Births |
|---|---|---|
| Less than 20 Years | 511 | 5.9% |
| 20 to 29 Years | 3,696 | 42.7% |
| 30 to 34 Years | 2,534 | 29.3% |
| 35 Years and Over | 1,906 | 22.0% |
| Unknown | 0 | 0.0% |
| **Total Births** | **8,647** | **100.0%** |

*Source: California Department of Public Health*

## Comparison to Los Angeles County

**Births by Mother's Age Group**

Los Angeles County

*2012*

| Mother's Age Group | Number of Births | Percent of Total Births |
|---|---|---|
| Less than 20 Years | 9,305 | 6.9% |
| 20 to 29 Years | 59,558 | 44.4% |
| 30 to 34 Years | 36,749 | 27.4% |
| 35 Years and Over | 28,646 | 21.3% |
| Unknown | 2 | 0.0% |
| **Total Births** | **134,260** | **100.0%** |

*Source: California Department of Public Health*

# Births with Early Entry into Prenatal Care

**What's Being Measured** The rate of live births to mothers with early prenatal care during pregnancy.

**How the Measure is Defined** Early prenatal care is defined as the percentage of mothers who begin prenatal care in the first trimester. The rate is expressed per 100 live births and excludes births with unknown prenatal care.

**Why the Measurement is Helpful** Prenatal care includes three major components: risk assessment, treatment for medical conditions or risk reduction, and education. Each component can contribute to reductions in perinatal illness, disability, and death by identifying and mitigating potential risk and helping women to address behavioral factors – such as smoking and alcohol and drug use – that contribute to poor outcomes. Prenatal care is more likely to be effective if women begin receiving care early in pregnancy.

**Healthy People 2020 Objective** Increase the proportion of pregnant women who receive prenatal care beginning in the first trimester to 77.9% of live births.

**Service Area Experience**

**Measurement Period** 2012

87.6% of births were to mothers with prenatal care beginning in the first trimester

**Source of Data** California Department of Public Health



MHSC-0000563

# Infant Birth Weight

**What's Being Measured** The rate of very low and low birth weight infants.

**How the Measure is Defined** Very low birth weight is defined as live births weighing less than 1,500 grams (3.25 pounds). Low birth weight is defined as live births weighing less than 2,500 grams (5.5 pounds). Normal birth weight is defined as 2,500 grams or more. The rates are expressed per 100 live births and exclude births with unknown birth weight.

**Why the Measurement is Helpful** Low birth weight is associated with long-term disabilities, such as cerebral palsy, autism, mental retardation, vision and hearing impairments and other developmental disabilities and is the risk factor most closely associated with neonatal death. Smoking accounts for 20 to 30 percent of all low birth weight infants in the United States. The effect of smoking on low birth weight rates appears to be attributable to intrauterine growth retardation rather than to preterm delivery. Despite the low proportion of pregnancies resulting in low birth weight infants, expenditures for the care of low birth weight infants total more than half of the costs incurred for all newborns.

**Healthy People 2020 Objectives** Reduce very low birth weight infants to 1.4% and reduce low birth weight infants to 7.8%.

**Service Area Experience**

**Measurement Period** 2012

1.0% of infants were very low birth weight

6.1% of infants were low birth weight

**Source of Data** California Department of Public Health



MHSC-0000564

**Summary of Maternal and Infant Health Indicators**

Methodist Hospital Service Area Compared to Los Angeles County, California and Healthy People 2020 Targets

*2012*

| Indicator | Service Area | | County Rate | California Rate | Target Rate |
|---|---|---|---|---|---|
| | Rate | Status | | | |
| **Pregnancy/Birth Outcome** | | | | | |
| Early Prenatal Care | 87.6% | ✚ | 85.2% | 83.5% | 77.9% |
| Low Birth Weight Infants | 6.1% | ✚ | 6.9% | 6.7% | 7.8% |
| Very Low Birth Weight Infants | 1.0% | ✚ | 1.2% | 1.1% | 1.4% |

*Notes:*

*Target rate is Healthy People 2020 objective*

*Source: California Department of Public Health*

# Section 7: Child and Adolescent Health

This section includes:

- Demographic overview of children and youth age 0 to 20 years in Methodist Hospital Service Area
- Summary of students enrolled in free or reduced fee meals
- Summary of high school dropouts
- Findings from the 2014 California Health Interview Survey for SPA 3 benchmarked to Healthy People 2020 targets
- Summary of child abuse and neglect (Los Angeles County) from Center for Social Sciences Research at University of California at Berkeley
- Comparison of SPA 3 child and adolescent health indicators to Los Angeles County and California

Key used to summarize SPA 3 experiences benchmarked to Healthy People 2020 Targets:

| | |
|---|---|
| + | Target Met |
| - | Target Not Met |
| * | Result is Statistically Unstable |
| O | No Target Established |

Detailed information – at the ZIP Code level – can be found in:

- Appendix C: Age Group Detail

# Children and Youth Age 0 to 20 Years

**What's Being Measured** Children and youth under age 21 years.

**How the Measure is Defined** The percentage of the population 0 to 20 years is calculated by dividing this age group by the total population.

**Service Area Experience**

**Children and Youth Age 0 to 20 Years**

Methodist Hospital Service Area

*2016*

| Age Group | Number of Persons | Percent of Total Population |
|---|---|---|
| 0 to 4 Years | 38,504 | 6.1% |
| 5 to 14 Years | 79,134 | 12.6% |
| 15 to 20 Years | 51,652 | 8.2% |
| **Total 0 to 20 Years** | **169,290** | **27.0%** |
| Total Population | 626,952 | — |

*Note: Percentages rounded*

*Source: Nielsen*

# Students Enrolled in Free or Reduced Price Meals

**What's Being Measured** Students enrolled in the Free or Reduced Price Meal Programs.

**How the Measure is Defined** The Free or Reduced Price Meal Program is a federal program administered by the U.S. Department of Agriculture. Program participation is by application and is based on income of the child's parent or guardian. Students enrolled in the program is defined as a student's family has met eligibility criteria and student is "signed up" to participate. Data is for the 2014/2015 school year and is from the California Department of Education website.

**Why the Measurement is Helpful** Students enrolled in the program provides information regarding the socioeconomic status of families with children attending public schools.

**Healthy People 2020 Objective** None established.

**Service Area Experience**

**Students Enrolled in Free or Reduced Price Meals**

School Districts in Methodist Hospital Service Area

*2014/2015 School Year*

| School District | Free/Reduced Price Meals | |
|---|---|---|
| | Number | Percent |
| Arcadia Unified | 1,865 | 19.5% |
| Azusa Unified | 7,459 | 80.4% |
| Baldwin Park Unified | 16,042 | 87.6% |
| Duarte Unified | 2,812 | 72.2% |
| El Monte City Elementary | 8,180 | 90.6% |
| El Monte Union High | 8,620 | 91.8% |
| Garvey Elementary | 4,271 | 84.6% |
| Monrovia Unified | 3,503 | 59.3% |
| Mountain View Elementary | 6,870 | 93.5% |
| Pasadena Unified | 12,284 | 66.1% |
| Rosemead Elementary | 2,209 | 82.8% |
| San Gabriel Unified | 3,720 | 58.0% |
| Temple City Unified | 2,499 | 42.0% |
| **Comparison Data** | | |
| Los Angeles County | 1,023,956 | 66.5% |

| School District | Free/Reduced Price Meals | |
|---|---|---|
| | Number | Percent |
| California | 3,655,624 | 58.6% |

*Source: California Department of Education*

# High School Dropouts

**What's Being Measured** Dropouts in grade 9 through grade 12 in public schools.

**How the Measure is Defined** The following criteria are used to define a dropout: (1) was enrolled in grades 7, 8, 9, 10, 11 or 12 at some time during the previous school year and left school prior to completing the school year and has not returned to school as of Information Day or (2) did not begin attending the next grade (7, 8, 9, 10, 11, or 12) in the school to which they were assigned or in which they had pre-registered or were expected to attend by Information Day. A 1-year dropout rate (calculated by dividing the grade 9 to 12 dropouts by the grade 9 to 12 enrollment) is used by the National Center for Education Statistics to compare state and school districts. Data is for the 2014/2015 school year and is from the California Department of Education website.

**Why the Measurement is Helpful** High school dropouts are three times as likely to slip into poverty as those who finish high school; they make up nearly half of the heads of households receiving public assistance. Economic prospects for dropouts will be even gloomier as more jobs require advanced skill and technical knowledge. High school dropouts are at risk for other negative outcomes like becoming a teen parent of spending time in prison. The children of dropouts are much less likely to graduate themselves, perpetuating a cycle of diminished opportunities.

**Healthy People 2020 Objective** None established.

**Service Area Experience**

**High School Dropouts**

School Districts in Methodist Hospital Service Area

*2014/2015 School Year*

| School District | High School Dropouts | |
|---|---|---|
| | Number | Percent |
| Arcadia Unified | 1 | 0.0% |
| Azusa Unified | 53 | 1.8% |
| Baldwin Park Unified | 1,269 | 14.8% |

| School District | High School Dropouts | |
|---|---|---|
| | Number | Percent |
| Duarte Unified | 101 | 6.1% |
| El Monte Union High | 120 | 1.3% |
| Monrovia Unified | 10 | 0.5% |
| Pasadena Unified | 264 | 4.7% |
| San Gabriel Unified | 173 | 6.2% |
| Temple City Unified | 19 | 0.9% |
| **Comparison Data** | | |
| Los Angeles County | 16,734 | 3.3% |
| California | 61,600 | 3.1% |

*Source: California Department of Education*

# Medical Insurance

**What's Being Measured** Persons age 0 to 17 years with medical insurance the entire past year or only part of the past year.

**How the Measure is Defined** The percentage of persons with health care coverage includes persons with employment-based insurance, Medi-Cal or Healthy Families programs, privately purchased health insurance or other insurance. Insured persons include those with health insurance for all or part of the year. Results are from the 2014 California Health Interview Survey.

**Why the Measurement is Helpful** Health insurance coverage is a key component of access to health care. Studies show that people with health insurance coverage report fewer access problems than those who are uninsured.

**Healthy People 2020 Objective** Increase the proportion of persons age 0 to 17 years with medical insurance to 100%.

**Service Area Experience**

**Measurement Period** 2014

97.5% of children age 0 to 17 years have medical insurance

**Source of Data** UCLA Center for Health Policy Research

# Source of Ongoing Care

**What's Being Measured** Persons age 0 to 17 years with a specific source of ongoing care

**How the Measure is Defined** Specific sources of ongoing care may include any of the following: doctor's office/HMO/Kaiser, community, government or hospital clinic, emergency room/urgent care, health center facility, or some other place. Results are from the 2014 California Health Interview Survey.

**Why the Measurement is Helpful** Access to care depends in part on access to an ongoing source of care. People with a usual source of health care are more likely than those without a usual source of care to receive a variety of preventive health care services. An estimated 15 percent of adults in the US lack a usual source of care; an estimated 7 percent of children age 17 years and under lack a specific source of ongoing care. Uninsured persons under age 65 years are more likely to lack a usual source of care than those who have either public or private health insurance.

**Healthy People 2020 Objective** Increase the proportion of persons age 0 to 17 years who have a specific source of ongoing care to 100%
Note: The Healthy People 2020 objective excludes emergency rooms as a usual source of care.

**Service Area Experience**

**Measurement Period** 2014

91.4% of children age 0 to 17 years have a specific source of ongoing care

**Source of Data** UCLA Center for Health Policy Research

# Obese Adolescents

**What's Being Measured** The proportion of teens age 12 to 17 years who are obese.

**How the Measure is Defined** Overweight or obese adolescents are defined as those who have a Body Mass Index (or BMI) at or above the gender- and age-specific 95th percentile of BMI based on the revised CDC Growth Charts for the United States. Results are based on self-reported data by adolescents and are from the 2014 California Health Interview Survey.

**Why the Measurement is Helpful** In 1999-2000, 15% of children and adolescents were overweight – triple what the proportion was in 1980. Obese children and adolescents are more likely to become obese adults; overweight adults are at increased risk for heart disease, high blood pressure, stroke, diabetes, some types of cancer, and gallbladder disease.

**Healthy People 2020 Objective** Reduce the proportion of adolescents age 12 to 17 years who are obese to 16.1%.

**Service Area Experience**

**Measurement Period** 2014

22.8% of adolescents age 12 to 17 years are obese

**Source of Data** UCLA Center for Health Policy Research

# Tobacco Use

**What's Being Measured** The proportion of adolescents age 14 to 17 years who reported having smoked on one or more of the past 30 days.

**How the Measure is Defined** Teens were asked if they smoked cigarettes in the past 30 days. Results are from the 2014 California Health Interview Survey.

**Why the Measurement is Helpful** Tobacco use is the leading preventable cause of death in the United States. Tobacco use is a major risk factor for heart disease, stroke, emphysema and cancers of the lung, pharynx, oral cavity, esophagus, pancreas and bladder. These and other illnesses associated with tobacco use result in health care expenditures of more than $53 billion annually in the United States. Currently, estimates of annual smoking-associated economic costs in the United States are more than $167 billion.

**Healthy People 2020 Objective** Reduce cigarette smoking among adolescents (in grades 9 through 12) to 16% or less.

**Service Area Experience**

**Measurement Period** 2014

0% of adolescents age 14 to 17 years smoke cigarettes

**Source of Data** UCLA Center for Health Policy Research

# Binge Drinking

**What's Being Measured** The proportion of adolescents age 12 to 17 years who reported binge drinking in the past 30 days.

**How the Measure is Defined** Teens were asked the number of alcoholic beverages they consumed at the same time or within a couple of hours during the past month. Binge drinking is defined as drinking 5 or more alcoholic beverages for males or 4 or more alcoholic beverages for females at the same time or within a couple of hours of each other during the past 30 days. Results are from the 2014 California Health Interview Survey.

**Why the Measurement is Helpful** Binge drinking is associated with a profound social harm, economic costs as well as increased disease burden. Binge drinking is more common in males, during adolescence and young adulthood. Most binge drinkers are not familiar with the risks associated with binge drinking. Heavy regular binge drinking is associated with adverse effects on neurologic, cardiac, gastrointestinal, hematologic, immune, musculoskeletal organ systems as well as increasing the risk of alcohol induced psychiatric disorders. A US-based review of the literature found that up to one third of adolescents binge drink, with six percent reaching the threshold of having an alcohol-related substance use disorder. Binge drinking during adolescence is associated with traffic accidents and other types of accidents, violent behavior as well as suicide. The more often a child or adolescent binge drinks and the younger they are the more likely that they will develop an alcohol use disorder including alcoholism. A large number of adolescents who binge drink also consume other psychotropic substances.

**Healthy People 2020 Objective** Reduce the proportion of adolescents age 12 to 17 years who reported they engaged in binge drinking during the past month to 8.6%

**Service Area Experience**

**Measurement Period** 2014

3.6% of adolescents age 12 to 17 years reported binge drinking

**Source of Data** UCLA Center for Health Policy Research

# Child Abuse and Neglect

**What's Being Measured** Substantiated cases of child abuse and neglect (child maltreatment) among children age 0 to 17 years.

**How the Measure is Defined** The rate of substantiated child abuse and neglect incidents is determined by the number of child abuse and neglect reports that warrant an in-person investigation and are then substantiated. The rate is expressed per 1,000 children in the population age 0 to 17 years. The source of the data is the Center for Social Sciences Research at University of California at Berkeley.

**Why the Measurement is Helpful** Child abuse and neglect are found in families across the social spectrum, and cases are becoming more complex, with more entrenched risk factors. Social isolation, family disorganization, and financial stress and poverty, can also trigger child abuse. Abused children often experience higher rates of suicide, depression, substance abuse, difficulties in school, and other behavioral problems in later life. Abuse children are also at greater risk of becoming delinquents, mistreating their own children, and becoming involved in violent partner relationships as teens and adults.

**Healthy People 2020 Objective** Reduce the incidence of child maltreatment to no more than 8.5 per 1,000 children aged 18 and younger.

**Los Angeles County Experience**

**Measurement Period** 2015

10.1 cases of child abuse per 1,000 children

**Source of Data** Center for Social Sciences Research at University of California at Berkeley



MHSC-0000576

**Summary of Child and Adolescent Health Indicators**

SPA 3 Compared to Los Angeles County, California and Healthy People 2020 Targets

*2014*

| Indicator | SPA 3 | | County Rate | California Rate | Target Rate |
|---|---|---|---|---|---|
| | Rate | Status | | | |
| **Health Access** | | | | | |
| Insured All or Part of Year<br>Age 0 to 17 Years | 97.5% | * | 98.5% | 97.4% | 100% |
| Usual Source of Ongoing Care<br>Age 0 to 17 Years | 91.4% | * | 90.3% | 91.5% | 100% |
| **Health Behaviors** | | | | | |
| Obese<br>Age 12 to 17 Years | 22.8% | * | 14.9% | 14.6% | 16.1% |
| Currently Smoke Cigarettes<br>Age 14 to 17 Years | 0% | * | *2.8% | *3.0% | 16.0% |
| Binge Drinking in Past Month<br>Age 12 to 17 Years | 3.6% | * | *3.4% | 3.6% | 8.6% |

*Notes:*

*Target rate is Healthy People 2020 objective*

*Sources: UCLA Center for Health Policy Research*



MHSC-0000577

# Section 8: Adult Health

This section includes:

- Demographic overview of adults age 21 to 64 years in Methodist Hospital Service Area
- Findings from the 2014 California Health Interview Survey for SPA 3 benchmarked to Healthy People 2020 targets
- Findings from the 2015 Los Angeles County Department of Public Health Survey for SPA 3 benchmarked to Healthy People 2020 targets
- Comparison of SPA 3 adult health indicators to Los Angeles County and California

Key used to summarize SPA 3 experiences benchmarked to Healthy People 2020 Targets:

Target Met
Target Not Met

Detailed information – at the ZIP Code level – can be found in:

- Appendix C: Age Group Detail

# Adults Age 21 to 64 Years

**What's Being Measured** Adults 21 to 64 years of age.

**How the Measure is Defined** The percentage of the population 21 to 64 years is calculated by dividing this age group by the total population.

**Service Area Experience**

**Adults Age 21 to 64 Years**

Methodist Hospital Service Area

*2016*

| Age Group | Number of Persons | Percent of Total Population |
|---|---|---|
| 21 to 24 Years | 35,859 | 5.7% |
| 25 to 34 Years | 86,959 | 13.9% |
| 35 to 44 Years | 84,222 | 13.4% |
| 45 to 54 Years | 86,693 | 13.8% |
| 55 to 64 Years | 77,389 | 12.3% |
| **Total 21 to 64 Years** | **371,122** | **59.2%** |
| Total Population | 626,952 | — |

*Note: Percentages rounded*

*Source: Nielsen*

# Medical Insurance

**What's Being Measured** Adults age 18 to 64 years with health insurance the entire past year or only part of the past year.

**How the Measure is Defined** The percentage of adults with medical insurance includes persons with employment-based insurance, Medi-Cal or Healthy Families programs, privately purchased health insurance or other insurance. Uninsured persons include those without health insurance for all or part of the year. Results are from the 2014 California Health Interview Survey.

**Why the Measurement is Helpful** Health insurance coverage is a key component of access to health care. Studies show that people with health insurance coverage report fewer access problems than those who are uninsured.

**Healthy People 2020 Objective** Increase the proportion of persons age 18 to 64 years with medical insurance to 100%.

**Service Area Experience**

**Measurement Period** 2014

87.1% of adults age 18 to 64 years have medical insurance

**Source of Data** UCLA Center for Health Policy Research

# Source of Ongoing Care

**What's Being Measured** Adults age 18 to 64 years with a specific source of ongoing care

**How the Measure is Defined** Specific sources of ongoing care may include any of the following: doctor's office/HMO/Kaiser, community, government or hospital clinic, emergency room/urgent care, health center facility, or some other place. Results are from the 2014 California Health Interview Survey.

**Why the Measurement is Helpful** Access to care depends in part on access to an ongoing source of care. People with a usual source of health care are more likely than those without a usual source of care to receive a variety of preventive health care services. An estimated 15 percent of adults in the US lack a usual source of care; an estimated 7 percent of children age 17 years and under lack a specific source of ongoing care. Uninsured persons under age 65 years are more likely to lack a usual source of care than those who have either public or private health insurance.

**Healthy People 2020 Objective** Increase the proportion of persons age 18 to 64 years who have a specific source of ongoing care to 89.4%
Note: The Healthy People 2020 objective excludes emergency rooms as a usual source of care.

**Service Area Experience**

**Measurement Period** 2014

81.1% of adults age 18 to 64 years have a specific source of ongoing care

**Source of Data** UCLA Center for Health Policy Research

# Physical Activity

**What's Being Measured** The proportion of adults age 18 years and older who obtain recommended physical activity each week – aerobic exercise and muscle strengthening.

**How the Measure is Defined** Adults were asked about their physical activity levels (i.e., time spent doing moderate exercise, vigorous exercise and muscle strengthening). Results are from the 2015 Los Angeles County Health Survey.

**Why the Measurement is Helpful** Regular physical activity can improve the health and quality of life of Americans of all ages, regardless of the presence of a chronic disease or disability. Among adults and older adults, physical activity can lower the risk of: early death, coronary heart disease, stroke, high blood pressure, type 2 diabetes, breast and colon cancer, falls, and depression.

**Healthy People 2020 Objectives**

(1) Increase the proportion of adults age 18 years and older who obtain the recommended amount of aerobic exercise each week (at least 150 minutes per week of moderate exercise or at least 75 minutes of vigorous exercise) to 47.9%

(2) Increase the proportion of adults 18 years and older who obtain the recommended amount of aerobic and muscle strengthening exercise each week to 20.1%

**Service Area Experience**

**Measurement Period** 2015

64.2% of adults age 18 years and older obtained recommended aerobic exercise

31.3% of adults age 18 years and older obtained recommended aerobic and muscle strengthening exercise

**Source of Data** Los Angeles County Department of Public Health

# Healthy Weight and Obesity

**What's Being Measured** The proportion of adults age 20 to 64 years who are at a normal, healthy weight and those that are obese.

**How the Measure is Defined** Adults were asked their height and weight. These measures were used to calculate a BMI (or Body Mass Index). BMI is calculated by dividing weight (in kilograms) by height squared (in meters). A BMI from 0 to 18.49 is described as underweight, a BMI from 18.5 to 24.99 is described as normal, healthy weight; a BMI from 25.0 to 29.99 is described as overweight, and a BMI of 30.0 or higher is described as obese. Results are from the 2014 California Health Interview Survey.

**Why the Measurement is Helpful** Overweight and obesity are associated with four of the ten leading causes of death – coronary heart disease, some types of cancer, stroke and type 2 diabetes – as well as a range of other negative health outcomes, such as gallbladder disease, respiratory dysfunction, gout and osteoarthritis. The prevalence of overweight among Americans increased from 1988-1994 to 1999-2002 due to imbalances in caloric intake and energy expenditure. By 1999-2002, nearly one in three adults was obese. The estimated cost of obesity to the United States was $117 billion in 2000.

**Healthy People 2020 Objectives**

Increase the proportion of adults age 20 years and older who are at a healthy weight to 33.9% (BMI of 18.5 to 24.99).

Reduce the proportion of adults age 20 years and older who are obese to 30.5% (BMI of 30 or more).

**Service Area Experience**

**Measurement Period** 2014

38.1% of adults age 20 to 64 years are at a healthy weight

25.3% of adults age 20 to 64 years are obese

**Source of Data** UCLA Center for Health Policy Research

# High Blood Pressure

**What's Being Measured** The proportion of adults age 18 to 64 years who were ever diagnosed with high blood pressure.

**How the Measure is Defined** Adults were asked "Has a doctor ever told you that you have high blood pressure?" Results are from the 2014 California Health Interview Survey.

**Why the Measurement is Helpful** Heart disease is the leading cause of death for all people in the United States and stroke is the third leading cause of death. Heart disease and stroke continue to be major causes of disability and significant contributors to increases in health care costs in the U.S. High blood pressure is known as the "silent killer" and remains a major risk factor for coronary heart disease, stroke and heart failure. About 50 million adults in the United States have high blood pressure with many still unaware that they have this condition. High blood pressure is more common in older persons.

**Healthy People 2020 Objective** Reduce the proportion of adults age 18 years and older with high blood pressure to 26.9%.

**Service Area Experience**

**Measurement Period** 2014

22.6% of adults age 18 to 64 years diagnosed with high blood pressure

**Source of Data** UCLA Center for Health Policy Research

# Tobacco Use

**What's Being Measured** The proportion of adults age 18 to 64 years who currently smoke cigarettes.

**How the Measure is Defined** Adults were asked if they smoked cigarettes in the past 30 days. Results are from the 2014 California Health Interview Survey.

**Why the Measurement is Helpful** Tobacco use is the leading preventable cause of death in the United States. Tobacco use is a major risk factor for heart disease, stroke, emphysema and cancers of the lung, pharynx, oral cavity, esophagus, pancreas and bladder. These and other illnesses associated with tobacco use result in health care expenditures of more than $53 billion annually in the United States. Currently, estimates of annual smoking-associated economic costs in the United States are more than $167 billion.

**Healthy People 2020 Objective** Reduce cigarette smoking among adults age 18 years and older to 12% or less.

**Service Area Experience**

**Measurement Period** 2014

10.8% of adults age 18 to 64 years smoke cigarettes

**Source of Data** UCLA Center for Health Policy Research

**Summary of Adult Health Indicators**

SPA 3 Compared to Los Angeles County, California and Healthy People 2020 Targets

*2014*

| Indicator | SPA 3 | | County Rate | California Rate | Target Rate |
|---|---|---|---|---|---|
| | Rate | Status | | | |
| **Health Access** | | | | | |
| Insured All or Part of Year<br>Age 18 to 64 Years | 87.1% | - | 83.5% | 85.9% | 100% |
| Usual Source of Ongoing Care<br>Age 18 to 64 Years | 81.1% | - | 79.9% | 81.7% | 89.4% |
| **Health Behaviors** | | | | | |
| Recommended Aerobic Exercise/Week<br>Adults 18 Years and Older | 64.2% | + | 65.1% | n/a | 47.9% |
| Recommended Aerobic and Muscle Strengthening<br>Adults 18 Years and Older | 31.3% | + | 34.1% | n/a | 20.1% |
| Healthy Weight<br>Age 20 to 64 Years | 38.1% | + | 33.4% | 34.9% | 33.9% |
| Obese<br>Age 20 to 64 Years | 25.3% | + | 28.1% | 28.2% | 30.5% |
| Diagnosed with High Blood Pressure<br>Age 20 to 64 Years | 22.6% | + | 22.1% | 22.1% | 26.9% |
| Currently Smoke Cigarettes<br>Age 18 to 64 Years | 10.8% | + | 11.7% | 13.0% | 12.0% |

*Note:*

*Target rate is Healthy People 2020 objective*

*Sources: UCLA Center for Health Policy Research and Los Angeles County Department of Public Health*

# Section 9: Senior Health

This section includes:

- Demographic overview of seniors age 65 years and older in Methodist Hospital Service Area
- Findings from the 2014 California Health Interview Survey for SPA 3 benchmarked to Healthy People 2020 targets
- Comparison of SPA 3 senior health indicators to Los Angeles County and California

Key used to summarize SPA 3 experiences benchmarked to Healthy People 2020 Targets:

Target Met
Target Not Met
Result is Statistically Unstable

Detailed information – at the ZIP Code level – can be found in:

- Appendix C: Age Group Detail

Listing of Senior Centers located in Methodist Hospital Service Area can be found in:

- Section 12: Health Care Facilities and Other Resources

# Seniors Age 65 Years and Older

**What's Being Measured** Seniors 65 years of age and older.

**How the Measure is Defined** The percentage of the population 65 years and older is calculated by dividing this age group by the total population.

**Service Area Experience**

**Seniors Age 65 Years and Older**

Methodist Hospital Service Area

*2016*

| Age Group | Number of Persons | Percent of Total Population |
|---|---|---|
| 65 to 74 Years | 49,067 | 7.8% |
| 75 to 84 Years | 25,454 | 4.1% |
| 85 Years and Older | 12,019 | 1.9% |
| **Total 65 Years and Older** | **86,540** | **13.8%** |
| Total Population | 626,952 | — |

*Note: Percentages rounded*

*Source: Nielsen*



MHSC-0000588

# Senior Households by Income Group

**What's Being Measured** Senior households in various income groupings.

**How the Measure is Defined** Household income includes the total money received in the stated calendar year by all household members 65 years and older. The income is presented in terms of current dollars for 2010. The number of households with an annual household income is reported for the following five income groups: (1) under $15,000 (2) $15,000 to $24,999 (3) $25,000 to $49,999 (4) $50,000 to $74,999 and (5) $75,000 and over. The sum of households with these five income groupings is the 2016 senior households.

**Service Area Experience**

**Senior Households by Income Group**

Methodist Hospital Service Area

*2016*

| Seniors Households by Income Group | Number of Senior Households | Percent of Senior Households |
|---|---|---|
| Under $15,000 | 6,914 | 15.9% |
| $15,000 to $24,999 | 7,533 | 17.3% |
| $25,000 to $74,999 | 17,245 | 39.6% |
| $75,000 and Over | 11,814 | 27.2% |
| **Senior Households** | **43,506** | **100.0%** |

*Source: Nielsen*

## Comparison to Los Angeles County

**Senior Households by Income Group**

Los Angeles County

*2016*

| Seniors Households by Income Group | Number of Senior Households | Percent of Senior Households |
|---|---|---|
| Under $15,000 | 135,080 | 18.4% |
| $15,000 to $24,999 | 114,040 | 15.6% |
| $25,000 to $74,999 | 268,144 | 36.6% |
| $75,000 and Over | 215,629 | 29.4% |
| **Senior Households** | **732,893** | **100.0%** |

*Source: Nielsen*



MHSC-0000590

# Source of Ongoing Care

**What's Being Measured** Persons age 65 years and older with a specific source of ongoing care

**How the Measure is Defined** Specific sources of ongoing care may include any of the following: doctor's office/HMO/Kaiser, community, government or hospital clinic, emergency room/urgent care, health center facility, or some other place. Results are from the 2014 California Health Interview Survey.

**Why the Measurement is Helpful** Access to care depends in part on access to an ongoing source of care. People with a usual source of health care are more likely than those without a usual source of care to receive a variety of preventive health care services. An estimated 15 percent of adults in the US lack a usual source of care.

**Healthy People 2020 Objective** Increase the proportion of persons age 65 years and older who have a specific source of ongoing care to 100%
Note: The Healthy People 2020 objective excludes emergency rooms as a usual source of care.

**Service Area Experience**

**Measurement Period** 2014

84.5% of seniors age 65 years and older have a specific source of ongoing care

**Source of Data** UCLA Center for Health Policy Research

# Flu Shot in Past Year

**What's Being Measured** Seniors age 65 years and older who received a flu shot in the past year.

**How the Measure is Defined** Seniors age 65 years and older were asked "During the past 12 months, have you had a flu shot?" Results are from the 2014 California Health Interview Survey.

**Why the Measure is Helpful** Infectious diseases remain a cause of illness, disability and death and impose a tremendous burden on society, both physically and financially. Vaccines are an important defense against influenza and pneumonia.

**Healthy People 2020 Objective** Increase the proportion of noninstitutionalized adults age 65 years and older who are vaccinated annually against influenza to 90%.

**Service Area Experience**

**Measurement Period** 2014

71.3% of seniors age 65 years and older received a flu shot in the past year

**Source of Data** UCLA Center for Health Policy Research

# Healthy Weight and Obesity

**What's Being Measured** The proportion of seniors age 65 years and older who are at a normal, healthy weight and those that are obese.

**How the Measure is Defined** Adults were asked their height and weight. These measures were used to calculate a BMI (or Body Mass Index). BMI is calculated by dividing weight (in kilograms) by height squared (in meters). A BMI from 0 to 18.49 is described as underweight, a BMI from 18.5 to 24.99 is described as normal, healthy weight; a BMI from 25.0 to 29.99 is described as overweight, and a BMI of 30.0 or higher is described as obese. Results are from the 2014 California Health Interview Survey.

**Why the Measurement is Helpful** Overweight and obesity are associated with four of the ten leading causes of death – coronary heart disease, some types of cancer, stroke and type 2 diabetes – as well as a range of other negative health outcomes, such as gallbladder disease, respiratory dysfunction, gout and osteoarthritis. The prevalence of overweight among Americans increased from 1988-1994 to 1999-2002 due to imbalances in caloric intake and energy expenditure. By 1999-2002, nearly one in three adults was obese. The estimated cost of obesity to the United States was $117 billion in 2000.

**Healthy People 2020 Objectives**

Increase the proportion of adults age 20 years and older who are at a healthy weight to 33.9% (BMI of 18.5 to 24.99).

Reduce the proportion of adults age 20 years and older who are obese to 30.5% (BMI of 30 or more).

**Service Area Experience**

**Measurement Period** 2014

32.0% of seniors age 65 years and older are at a healthy weight

33.1% of seniors age 65 years and older are obese

**Source of Data** UCLA Center for Health Policy Research



MHSC-0000593

# High Blood Pressure

**What's Being Measured** The proportion of seniors 65 years and older who were ever diagnosed with high blood pressure or high blood cholesterol.

**How the Measure is Defined** Adults were asked "Has a doctor ever told you that you have high blood pressure?" Results are from the 2014 California Health Interview Survey.

**Why the Measurement is Helpful** Heart disease is the leading cause of death for all people in the United States and stroke is the third leading cause of death. Heart disease and stroke continue to be major causes of disability and significant contributors to increases in health care costs in the U.S. High blood pressure is known as the "silent killer" and remains a major risk factor for coronary heart disease, stroke and heart failure. About 50 million adults in the United States have high blood pressure with many still unaware that they have this condition. High blood pressure is more common in older persons.

**Healthy People 2020 Objective** Reduce the proportion of adults age 20 years and older with high blood pressure to 26.9%

**Service Area Experience**

**Measurement Period** 2014

62.9% of seniors age 65 years and older have high blood pressure

**Source of Data** UCLA Center for Health Policy Research

# Tobacco Use

**What's Being Measured** The proportion of adults age 65 years and older who currently smoke cigarettes.

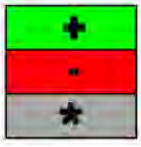
**How the Measure is Defined** Adults were asked if they smoked cigarettes in the past 30 days. Results are from the 2014 California Health Interview Survey.

**Why the Measurement is Helpful** Tobacco use is the leading preventable cause of death in the United States. Tobacco use is a major risk factor for heart disease, stroke, emphysema and cancers of the lung, pharynx, oral cavity, esophagus, pancreas and bladder. These and other illnesses associated with tobacco use result in health care expenditures of more than $53 billion annually in the United States. Currently, estimates of annual smoking-associated economic costs in the United States are more than $167 billion.

**Healthy People 2020 Objective** Reduce cigarette smoking among adults age 18 years and older to 12% or less.

**Service Area Experience**

**Measurement Period** 2014




10.0% of seniors age 65 years and older smoke cigarettes

**Source of Data** UCLA Center for Health Policy Research

**Summary of Senior Health Indicators**

SPA 3 Compared to Los Angeles County, California and Healthy People 2020 Targets

*2014*

| Indicator | SPA 3 | | County Rate | California Rate | Target Rate |
|---|---|---|---|---|---|
| | Rate | Status | | | |
| **Health Access** | | | | | |
| Usual Source of Ongoing Care Age 65 Years and Older | 84.5% | * | 92.3% | 94.9% | 100% |
| Flu Shot Past Year Age 65 Years and Older | 71.3% | - | 69.7% | 72.7% | 90% |
| **Health Behaviors** | | | | | |
| Healthy Weight Age 65 Years and Older | 32.0% | - | 37.7% | 35.5% | 33.9% |
| Obese Age 65 Years and Older | 33.1% | - | 24.8% | 24.4% | 30.5% |
| Diagnosed with High Blood Pressure Age 65 Years and Older | 62.9% | - | 58.7% | 59.9% | 26.9% |
| Currently Smoke Cigarettes Age 65 Years and Older | 10.0% | * | *5.8% | 5.3% | 12.0% |

*Note:*

*Target rate is Healthy People 2020 objective*

*Source: UCLA Center for Health Policy Research*



MHSC-0000596

# Section 10: Community Consultation

This section includes:

- Overview of the community consultation process
- Analysis of the community consultation

Additional information regarding participants in the community consultation can be found in:

- Appendix D: Community Consultation Participants

Additional information regarding Methodist Hospital Service Area can be found in:

- Section 3: Service Area Definition and Demographics
- Section 4: Health Access and Utilization
- Section 5: Mortality
- Section 6: Maternal and Infant Health
- Section 7: Child and Adolescent Health
- Section 8: Adult Health
- Section 9: Senior Health
- Section 12: Existing Health Care Facilities and Resources

# Overview

The project consultant completed 13 telephone interviews during a five-week period beginning in mid-November 2016.

Prior to the interviews, Methodist Hospital identified 16 contacts for interviews. Individuals selected for interviews represented Los Angeles County Department of Public Health, non-profit health community-based health organizations serving the poor and uninsured, centers and organizations serving seniors, organizations with expertise in cancer, physicians with clinical practices in the community serving racial/ethnic communities, and a business owner. Once individuals confirmed interest in participation, a letter – describing the purpose of the phone survey and the questions to be posed in the upcoming telephone interview – was distributed via email or regular mail to all contacts.

Those participating in the community consultation were asked to respond to the following questions:

1. In your opinion, what are our community's top three health issues? (Note: Contacts with expertise in cancer were asked to identify the top three health issues related to cancer services.)

2. What neighborhood areas or populations are most affected by these health issues?

3. Working collaboratively, what specific actions do you think the community should take to address these health issues?

4. What collaborative roles or actions could Methodist Hospital take to address community health issues?

Following completion of the interviews, responses were analyzed and summarized based on general concepts and common themes.

# Community's Top Health Issues

The following were identified as the community's top health issues (based on frequency of overall mention):

- Access to health care specific to health insurance coverage, availability of providers in the community, language barriers, and lack of transportation
- Disease prevention and health promotion, specific to diabetes, obesity, heart disease, high blood pressure, cancer, Alzheimer's disease, vision care including cataracts and glaucoma, and eye exams and glasses

Each issue is discussed briefly below.

## Access to Health Care

With the goal of "getting (medical) help whenever I need it," many of those interviewed discussed the importance of a health care network describing the complicated relationship between:

- Health insurance plans purchased by those living in the local community
- Health insurance plans accepted by area physicians – for both primary and specialty care
- Health insurance plans accepted by hospitals in the local community

To one person interviewed, accessibility to service was described as having "health insurance coverage and a health care network" and to another this was summarized as "going to the right physician through insurance."

According to some of those participating in the interviews, health care access was more complicated for monolingual Chinese-speaking individuals (limited English proficiency). Several health care professionals mentioned circumstances where local medical specialists, fluent in Chinese as well as English, were not available in the immediate geographic area.

In addition, several of those interviewed commented that the Affordable Care Act improved access to primary care for many in the community; however, assistance navigating the health care system is needed by many who now have health insurance for the first time. Some lack awareness of how to find or get "help for their medical problems" and/or government and community resources.

In addition to the issues identified above, those providing input to specific issues related to cancer services, identified the following: being able to see the right physician through one's health insurance coverage, lengthy referrals to see specialists (primarily for those with Covered California insurance), transportation to/from medical appointments, access to all cancer services – from screening to

treatment, and assistance with home care, food preparation and household chores (for those individuals living alone). One individual commented that the goal for cancer patients was a "seamless continuum of care," most often following a cancer diagnosis in a primary care setting such as a Federally Qualified Health Center.

**Disease Prevention and Health Promotion**

Many of those interviewed identified the importance of a focus on health education and disease prevention. This ongoing request for health education is needed so that "we can keep ourselves as healthy as possible." The following health care issues were specifically identified as important by those participating in the interviews:

- Diabetes
- Obesity
- High blood pressure
- Coronary heart disease
- Nutrition
- Cancer
- Mental health issues including dementia, Alzheimer's disease, and anxiety
- Eye issues such as cataracts and glaucoma
- Eye exams and glasses

## Neighborhood Areas or Populations Most Affected by Health Issues

According to many of those interviewed, the San Gabriel Valley in general and persons of all ages, regardless of income or racial/ethnic and cultural backgrounds are affected by these health issues. For example, many face challenges associated with health care access and Alzheimer's disease affects all age sixty and older. Neighborhood areas specifically mentioned by those participating in the community interviews included:

- Arcadia
- El Monte
- Baldwin Park
- Monrovia
- Temple City

Populations specifically identified by those participating in the interviews:

- Working poor

- Individuals newly covered (with health insurance)
- Seniors
- Chinese immigrant families with limited English proficiency
- Racial and ethnic minorities – Asians, Latinos, and African Americans

## Specific Actions Community to Take to Collaboratively Address Health Issues

Participants in the community consultation identified the following roles for the community to take to address health issues, including:

- More free health education – seminars, workshops, health fairs, and support groups
- More community outreach programs
- Availability of locally-based Chinese-speaking medical specialists
- Community liaison available at community centers
- Engagement of cities and schools
- Working collaboratively with others to address issues, such as transportation
- Culturally and linguistically trained health care personnel
- More bilingual volunteers
- More personnel familiar with government and community programs
- Availability of free screenings at Federally Qualified Health Centers
- Locally based medical specialists



MHSC-0000601

# Collaborative Roles or Actions Methodist Hospital Could Take to Address Community Health Issues

Many of those interviewed complimented Methodist Hospital on its efforts to provide services to the local community, commenting that "the Hospital is doing a great job already," through efforts such as participation in health fairs serving the Asian and Latino communities, partnerships with area community and senior centers, classes for the community, educational conferences for Chinese cancer patients, and having a "clean hospital with a very good reputation."

Participants in the community consultation offered the following Suggestions for collaborative roles or actions for Methodist Hospital:

- Let community residents know which doctors the Hospital contracts with and which medical insurance plans are accepted at the Hospital (knowledge of this information can help residents in deciding on purchases of their health plans)
- Promote hospital services and their accessibility (including insurance plans accepted by Methodist Hospital and physicians)
- Availability of Chinese and Spanish-speaking nurses on every floor 24/7
- More Chinese-speaking physicians on medical staff (so as not to have to refer patients out of the area for care)
- Improved interpreter/translation services for monolingual Chinese-speaking patients, such as interpreters using FaceTime
- Continued health education offerings on topics such as maintaining health, healthy dieting, breast health and early detection
- Support groups for Parkinson's, dementia, and caregivers
- Participate or sponsor health fairs
- Participate in community events
- Coordinate efforts with Federally Qualified Health Centers and community organizations
- Inform community organizations about educational offerings so that staff can inform their clients
- Transportation services for cancer patients

# Section 11: Priority Community Health Needs

This section includes:

- Description of the process and criteria used to identify priority community health needs
- Summary and description of priority community health needs

Additional information regarding Methodist Hospital Service Area can be found in:

- Section 3: Service Area Definition and Demographics
- Section 4: Health Access and Utilization
- Section 5: Mortality
- Section 6: Maternal and Infant Health
- Section 7: Child and Adolescent Health
- Section 8: Adult Health
- Section 9: Senior Health
- Section 10: Community Consultation
- Section 12: Existing Health Care Facilities and Resources

# Process and Criteria Used

In preparing the community health needs assessment, Methodist Hospital combined quantitative data about service area demographics, availability of health insurance, health access to and utilization of key services, health status, and health behaviors with qualitative data on opinions of important health issues in the community. Many who provided these opinions – including community health providers and representatives from Los Angeles County Departments of Public Health – have been active locally offered valuable perspectives on health care in the community.

The following criteria were used to identify and prioritize significant health needs in the community:

- Healthy People 2020 target not met
- Number of persons affected
- Identification and/or validation as an important health issue in the community consultation
- Identified by community organizations as an opportunity to work collaboratively to address health issue

# Priority Community Health Needs

The following priority health needs were identified in the community health needs assessment:

- Access to health services for adults
- Disease prevention and health promotion addressing diabetes, obesity, heart disease, high blood pressure, cancer, and Alzheimer's disease

Dimensions of each of these priority health needs are highlighted below.

**Access to Health Care Services**

- Availability of health insurance (0 to 64 years), particularly adults 18 to 64 years
- Health network where insurance plans purchased by community residents are accepted by physicians (primary care and specialty) and hospitals
- Language barriers faced by monolingual Chinese-speaking adults
- Usual source of ongoing care, particularly adults 18 to 64 years
- Delays in getting medical care
- Delays in getting prescription medicines
- Transportation and in-home services for cancer patients living alone

**Disease Prevention and Health Promotion**

- Heart Disease
- Healthy weight and obesity
- Diagnosed with high blood pressure – Seniors 65 years and older
- Diabetes
- Cancer
- Mental health issues including Alzheimer's disease, dementia and anxiety

# Section 12: Health Care Facilities and Other Resources

This section includes:

- Summary and listing of health care facilities and other resources in the hospital Service Area

# Health Care Facilities and Other Resources

In the ZIP codes comprising the hospital service area, there are ten open hospitals (eight general acute care hospitals and two acute psychiatric hospitals), 20 licensed free and community clinics, and one rehabilitation clinic. See page 3 of this section for **Summary of Health Care Facilities, by ZIP Code**.

There are ten senior centers serving various cities in the hospital service area. See page 5 of this section for **Summary of Senior Centers, by ZIP Code**.



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**Summary of Health Care Facilities, by ZIP Code**

Facilities Located in Methodist Hospital Service Area

*2015*

| Facility Name | Address | City | ZIP | Facility License Category | Hospital Detail | | Status |
|---|---|---|---|---|---|---|---|
| | | | | | EMS | Beds | |
| **Hospital** | | | | | | | |
| Methodist Hospital of Southern California | 300 West Huntington Drive | Arcadia | 91007 | General Acute Care Hospital | Basic | 400 | Open |
| City of Hope Helford Clinical Research Hospital | 1500 East Duarte Road | Duarte | 91010 | General Acute Care Hospital | | 217 | Open |
| Monrovia Memorial Hospital | 323 South Heliotrope Avenue | Monrovia | 91016 | General Acute Care Hospital | | 49 | Open |
| Aurora Las Encinas Hospital, LLC | 2900 East Del Mar Blvd. | Pasadena | 91107 | Acute Psychiatric Hospital | | 118 | Open |
| Kaiser Foundation Hospital – Baldwin Park | 1011 Baldwin Park Blvd. | Baldwin Park | 91706 | General Acute Care Hospital | Basic | 272 | Open |
| Kindred Hospital Baldwin Park | 14148 Francisquito Avenue | Baldwin Park | 91706 | General Acute Care Hospital | | 95 | Open |
| Greater El Monte Community Hospital | 1701 Santa Anita Avenue | South El Monte | 91733 | General Acute Care Hospital | Basic | 117 | Open |
| BHC Alhambra Hospital | 4619 Rosemead Blvd. | Rosemead | 91770 | Acute Psychiatric Hospital | | 97 | Open |
| Silver Lake Medical Center – Ingleside Campus | 7500 East Hellman Avenue | Rosemead | 91770 | General Acute Care Hospital | | 118 | Open |
| San Gabriel Valley Medical Center | 438 West Las Tunas Drive | San Gabriel | 91776 | General Acute Care Hospital | Basic | 273 | Open |
| **Clinic** | | | | | | | |
| Foothills Pregnancy Resource Center | 924 Buena Vista St Ste 202 | Duarte | 91010 | Free Clinic | | | Open |
| Mission City Community Network, Inc. – Monrovia | 513 E Lime Avenue | Monrovia | 91016 | Community Clinic | | | Open |
| CHAP – Del Mar | 3160 East Del Mar Blvd. | Pasadena | 91107 | Community Clinic | | | Open |
| Outlook Therapy Center, Inc. | 2560 East Foothill Blvd. | Pasadena | 91107 | Rehabilitation Clinic | | | Open |
| El Proyecto del Barrio – Azusa | 150 North Azusa Avenue | Azusa | 91702 | Community Clinic | | | Open |
| El Proyecto del Barrio – Mobile Unit | 150 North Azusa Avenue | Azusa | 91702 | Community Clinic | | | Open |
| Central City Community Health Center, Inc. | 4126 Maine Avenue | Baldwin Park | 91706 | Community Clinic | | | Open |
| Central City Community Health Center, Inc. | 4160 Maine Avenue | Baldwin Park | 91706 | Community Clinic | | | Open |
| El Proyecto del Barrio – Baldwin Park Comm Clinic | 3942 Maine Avenue | Baldwin Park | 91706 | Community Clinic | | | Open |
| Altamed Medical Group | 10418 East Valley Blvd. | El Monte | 91731 | Community Clinic | | | Open |
| Altamed Senior Buenacare El Monte | 10418 East Valley Blvd. | El Monte | 91731 | Community Clinic | | | Open |
| Asian Pacific Health Care Venture, Inc. – El Monte/ Rosemead | 9960 Baldwin Place | El Monte | 91731 | Community Clinic | | | Open |
| Cleaver Family Wellness Clinic | 4368 Santa Anita Avenue | El Monte | 91731 | Community Clinic | | | Open |
| Planned Parenthood Los Angeles – El Monte Center | 4786 North Peck Road | El Monte | 91732 | Community Clinic | | | Open |
| Southern California Medical Center | 12100 Valley Blvd. | El Monte | 91732 | Community Clinic | | | Open |
| Central City Community Health Center, Inc. | 10050 Garvey Avenue | El Monte | 91733 | Community Clinic | | | Open |
| Chapcare Mobile Medical Center | 10408 Vacco Street | South El Monte | 91733 | Community Clinic | | | Open |

| Facility Name | Address | City | ZIP | Facility License Category | Hospital Detail | | Status |
|---|---|---|---|---|---|---|---|
| | | | | | EMS | Beds | |
| Chapcare Vacco | 10408 Vacco Street | South El Monte | 91733 | Community Clinic | | | Open |
| AMH Comprehensive Medical Centers | 316 East Las Tunas Drive | San Gabriel | 91776 | Community Clinic | | | Open |
| Herald Christian Health Center | 923 South San Gabriel Blvd. | San Gabriel | 91776 | Community Clinic | | | Open |
| Pregnancy Help Center of San Gabriel Valley, Inc. | 5626 North Rosemead Blvd. | Temple City | 91780 | Community Clinic | | | Open |

*Notes:*

*Data is as of December 2015*

*EMS = Emergency Medical Services available at hospital facility; designation may be basic or comprehensive (noted as COMP)*

*Beds = Total number of beds*

*A **free clinic** is defined as a clinic operated by a tax-exempt, nonprofit corporation supported in whole or in part by voluntary donations, bequests, gifts, grants, government funds or contributions, that may in the form of money, goods, or services. Patients are not charged for services rendered or for drugs, medicines, appliances, or apparatuses furnished.*

*A **community clinic** is defined as a clinic operated by a tax-exempt corporation that is supported and maintained in whole or in part by donations, bequests, gifts, grants, government funds or contributions, that may be in the form of money, goods, or services. Any charges to the patient shall be based on the patient's ability to pay, utilizing a sliding fee scale.*

*A **rehabilitation clinic** is defined as a clinic that, in addition to providing medical services directly, also provides physical rehabilitation services for patients who remain less than 24 hours. Rehabilitation clinics shall provide at least two of the following rehabilitation services: physical therapy, occupational therapy, social, speech pathology, and audiology services.*

*Source: Office of Statewide Health Planning and Development*

**Summary of Senior Centers, by ZIP Code**

Facilities Located in Methodist Hospital Service Area

*2016*

| Name | Address | City | ZIP | Area Served |
|---|---|---|---|---|
| **Senior Center** | | | | |
| Arcadia Senior Services | 365 Campus Drive | Arcadia | 91006 | City of Arcadia |
| Duarte Senior Center | 1610 Huntington Drive | Duarte | 91010 | City of Duarte |
| Monrovia Santa Anita Family Service | 603 South Myrtle Avenue | Monrovia | 91016 | City of Monrovia |
| Sierra Madre Multipurpose Senior Center | 222 Sierra Madre Blvd. | Sierra Madre | 91024 | City of Sierra Madre |
| Pasadena Senior Multipurpose Senior Center | 85 East Holly Street | Pasadena | 91103 | City of Pasadena |
| Azusa Senior Center | 740 North Dalton Avenue | Azusa | 91702 | City of Azusa |
| El Monte Jack Crippen Multipurpose Senior Center | 3120 North Tyler Avenue | El Monte | 91731 | City of El Monte |
| South El Monte Peter Schabarum MSC | 1556 Central Avenue | South El Monte | 91733 | City of El Monte |
| Rosemead Community Center | 3936 North Muscatel Avenue | Rosemead | 91770 | City of Rosemead |
| San Gabriel Senior Services | 324 South Mission Drive | San Gabriel | 91776 | City of San Gabriel |

*Source: LA4Seniors.com*

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# Methodist Hospital

## COMMUNITY HEALTH NEEDS ASSESSMENT

2016

## APPENDIX

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# Appendix A: Service Area Description

**Table 1: Population (2016 and 2021)**

| Community | ZIP Code | Population 2016 | Population 2021 | 5-Year Change (2016 to 2021) | |
|---|---|---|---|---|---|
| | | | | Number | Percent |
| Arcadia | 91006 | 33,302 | 34,776 | 1,474 | 4.4% |
| Arcadia | 91007 | 34,250 | 35,541 | 1,291 | 3.8% |
| Bradbury | 91008 | 1,278 | 1,317 | 39 | 3.1% |
| Duarte | 91010 | 27,058 | 27,922 | 864 | 3.2% |
| Monrovia | 91016 | 42,078 | 43,705 | 1,627 | 3.9% |
| Sierra Madre | 91024 | 11,451 | 11,882 | 431 | 3.8% |
| Pasadena East | 91107 | 33,967 | 35,278 | 1,311 | 3.9% |
| Azusa | 91702 | 62,119 | 64,603 | 2,484 | 4.0% |
| Baldwin Park | 91706 | 78,269 | 80,574 | 2,305 | 2.9% |
| El Monte | 91731 | 30,100 | 31,187 | 1,087 | 3.6% |
| El Monte | 91732 | 63,525 | 65,284 | 1,759 | 2.8% |
| South El Monte | 91733 | 44,798 | 46,213 | 1,415 | 3.2% |
| Rosemead | 91770 | 63,958 | 65,982 | 2,024 | 3.2% |
| San Gabriel | 91775 | 25,536 | 26,470 | 934 | 3.7% |
| San Gabriel | 91776 | 39,535 | 40,843 | 1,308 | 3.3% |
| Temple City | 91780 | 35,728 | 37,131 | 1,403 | 3.9% |
| **MH Service Area** | **-** | **626,952** | **648,708** | **21,756** | **3.5%** |

*Source: Nielsen*



MHSC-0000616

**Table 2A: Race/Ethnicity (2016)**

| Community | ZIP Code | Total Population | White | Black | Asian/Pacific Islander | Hispanic | Am. Indian/ Alaska Native | Some Other Race | Two or More Races |
|---|---|---|---|---|---|---|---|---|---|
| Arcadia | 91006 | 33,302 | 7,490 | 345 | 19,998 | 4,656 | 60 | 29 | 724 |
| Arcadia | 91007 | 34,250 | 6,679 | 459 | 21,719 | 4,632 | 53 | 64 | 644 |
| Bradbury | 91008 | 1,278 | 626 | 32 | 300 | 277 | 0 | 2 | 41 |
| Duarte | 91010 | 27,058 | 5,826 | 1,792 | 3,969 | 14,726 | 67 | 71 | 607 |
| Monrovia | 91016 | 42,078 | 15,620 | 2,364 | 5,772 | 16,907 | 95 | 99 | 1,221 |
| Sierra Madre | 91024 | 11,451 | 7,863 | 248 | 1,012 | 1,888 | 36 | 36 | 368 |
| Pasadena East | 91107 | 33,967 | 15,177 | 1,701 | 7,246 | 8,592 | 59 | 104 | 1,088 |
| Azusa | 91702 | 62,119 | 9,458 | 1,456 | 5,302 | 44,895 | 152 | 68 | 788 |
| Baldwin Park | 91706 | 78,269 | 2,704 | 632 | 11,618 | 62,723 | 96 | 105 | 391 |
| El Monte | 91731 | 30,100 | 1,586 | 179 | 9,060 | 19,060 | 48 | 15 | 152 |
| El Monte | 91732 | 63,525 | 2,628 | 333 | 17,373 | 42,733 | 69 | 61 | 328 |
| South El Monte | 91733 | 44,798 | 1,268 | 89 | 8,769 | 34,387 | 47 | 96 | 142 |
| Rosemead | 91770 | 63,958 | 2,471 | 289 | 40,333 | 20,269 | 68 | 30 | 498 |
| San Gabriel | 91775 | 25,536 | 5,337 | 351 | 13,059 | 6,135 | 30 | 36 | 588 |
| San Gabriel | 91776 | 39,535 | 2,046 | 349 | 26,759 | 9,864 | 55 | 39 | 423 |
| Temple City | 91780 | 35,728 | 6,171 | 261 | 21,593 | 7,066 | 36 | 38 | 563 |
| **MH Service Area** | **–** | **626,952** | **92,950** | **10,880** | **213,882** | **298,810** | **971** | **893** | **8,566** |

*Source: Nielsen*

**Table 2B: Percent Race/Ethnicity (2016)**

| Community | ZIP Code | Total Population | White | Black | Asian/Pacific Islander | Hispanic | Am. Indian/ Alaska Native | Some Other Race | Two or More Races |
|---|---|---|---|---|---|---|---|---|---|
| Arcadia | 91006 | 33,302 | 22.5% | 1.0% | 60.1% | 14.0% | 0.2% | 0.1% | 2.2% |
| Arcadia | 91007 | 34,250 | 19.5% | 1.3% | 63.4% | 13.5% | 0.2% | 0.2% | 1.9% |
| Bradbury | 91008 | 1,278 | 49.0% | 2.5% | 23.5% | 21.7% | 0.0% | 0.2% | 3.2% |
| Duarte | 91010 | 27,058 | 21.5% | 6.6% | 14.7% | 54.4% | 0.2% | 0.3% | 2.2% |
| Monrovia | 91016 | 42,078 | 37.1% | 5.6% | 13.7% | 40.2% | 0.2% | 0.2% | 2.9% |
| Sierra Madre | 91024 | 11,451 | 68.7% | 2.2% | 8.8% | 16.5% | 0.3% | 0.3% | 3.2% |
| Pasadena East | 91107 | 33,967 | 44.7% | 5.0% | 21.3% | 25.3% | 0.2% | 0.3% | 3.2% |
| Azusa | 91702 | 62,119 | 15.2% | 2.3% | 8.5% | 72.3% | 0.2% | 0.1% | 1.3% |
| Baldwin Park | 91706 | 78,269 | 3.5% | 0.8% | 14.8% | 80.1% | 0.1% | 0.1% | 0.5% |
| El Monte | 91731 | 30,100 | 5.3% | 0.6% | 30.1% | 63.3% | 0.2% | 0.0% | 0.5% |
| El Monte | 91732 | 63,525 | 4.1% | 0.5% | 27.3% | 67.3% | 0.1% | 0.1% | 0.5% |
| South El Monte | 91733 | 44,798 | 2.8% | 0.2% | 19.6% | 76.8% | 0.1% | 0.2% | 0.3% |
| Rosemead | 91770 | 63,958 | 3.9% | 0.5% | 63.1% | 31.7% | 0.1% | 0.0% | 0.8% |
| San Gabriel | 91775 | 25,536 | 20.9% | 1.4% | 51.1% | 24.0% | 0.1% | 0.1% | 2.3% |
| San Gabriel | 91776 | 39,535 | 5.2% | 0.9% | 67.7% | 25.0% | 0.1% | 0.1% | 1.1% |
| Temple City | 91780 | 35,728 | 17.3% | 0.7% | 60.4% | 19.8% | 0.1% | 0.1% | 1.6% |
| **MH Service Area** | **-** | **626,952** | **14.8%** | **1.7%** | **34.1%** | **47.7%** | **0.2%** | **0.1%** | **1.4%** |

*Source: Nielsen*

**Table 3A: Asian Population Detail (2016)**

| Community | ZIP Code | Asian Population | Chinese | Filipino | Japanese | Asian Indian | Korean | Vietnamese |
|---|---|---|---|---|---|---|---|---|
| Arcadia | 91006 | 20,050 | 13,524 | 1,149 | 646 | 722 | 1,225 | 589 |
| Arcadia | 91007 | 21,804 | 15,163 | 879 | 595 | 829 | 1,226 | 776 |
| Bradbury | 91008 | 307 | 124 | 64 | 27 | 8 | 40 | 7 |
| Duarte | 91010 | 4,023 | 1,094 | 1,787 | 242 | 542 | 94 | 145 |
| Monrovia | 91016 | 5,828 | 2,365 | 1,996 | 223 | 219 | 137 | 126 |
| Sierra Madre | 91024 | 1,029 | 511 | 166 | 109 | 14 | 41 | 47 |
| Pasadena East | 91107 | 7,330 | 2,617 | 1,473 | 648 | 439 | 676 | 583 |
| Azusa | 91702 | 5,418 | 691 | 2,171 | 411 | 416 | 526 | 371 |
| Baldwin Park | 91706 | 11,752 | 4,041 | 3,930 | 113 | 244 | 256 | 1,464 |
| El Monte | 91731 | 9,071 | 5,148 | 277 | 36 | 42 | 14 | 2,478 |
| El Monte | 91732 | 17,475 | 9,198 | 1,498 | 111 | 123 | 134 | 4,457 |
| South El Monte | 91733 | 8,813 | 4,891 | 39 | 69 | 25 | 275 | 2,785 |
| Rosemead | 91770 | 40,514 | 22,047 | 1,123 | 1,220 | 287 | 299 | 10,698 |
| San Gabriel | 91775 | 13,120 | 9,431 | 482 | 495 | 270 | 292 | 981 |
| San Gabriel | 91776 | 26,828 | 16,969 | 1,444 | 542 | 442 | 342 | 3,985 |
| Temple City | 91780 | 21,679 | 15,293 | 690 | 526 | 304 | 428 | 1,862 |
| **MH Service Area** | **–** | **215,041** | **123,107** | **19,168** | **6,013** | **4,926** | **6,005** | **31,354** |

*Source: Nielsen*

**Table 3A: Asian Population Detail - continued (2016)**

| Community | ZIP Code | Asian Population | Cambodian | Hmong | Laotian | Thai | Other/Two or More Asian |
|---|---|---|---|---|---|---|---|
| Arcadia | 91006 | 20,050 | 1 | 0 | 26 | 201 | 1,967 |
| Arcadia | 91007 | 21,804 | 43 | 0 | 0 | 41 | 2,252 |
| Bradbury | 91008 | 307 | 1 | 0 | 0 | 0 | 36 |
| Duarte | 91010 | 4,023 | 0 | 0 | 1 | 0 | 118 |
| Monrovia | 91016 | 5,828 | 103 | 0 | 11 | 306 | 342 |
| Sierra Madre | 91024 | 1,029 | 0 | 0 | 0 | 2 | 139 |
| Pasadena East | 91107 | 7,330 | 0 | 1 | 0 | 135 | 758 |
| Azusa | 91702 | 5,418 | 38 | 5 | 13 | 233 | 543 |
| Baldwin Park | 91706 | 11,752 | 302 | 1 | 250 | 181 | 970 |
| El Monte | 91731 | 9,071 | 0 | 12 | 8 | 78 | 978 |
| El Monte | 91732 | 17,475 | 592 | 63 | 60 | 36 | 1,203 |
| South El Monte | 91733 | 8,813 | 169 | 8 | 0 | 7 | 545 |
| Rosemead | 91770 | 40,514 | 1,204 | 13 | 0 | 158 | 3,465 |
| San Gabriel | 91775 | 13,120 | 13 | 0 | 0 | 102 | 1,054 |
| San Gabriel | 91776 | 26,828 | 310 | 102 | 1 | 625 | 2,066 |
| Temple City | 91780 | 21,679 | 93 | 1 | 0 | 130 | 2,352 |
| **MH Service Area** | **-** | **215,041** | **2,869** | **206** | **370** | **2,235** | **18,788** |

*Source: Nielsen*

**Table 3B: Percent Asian Population Detail (2016)**

| Community | ZIP Code | Asian Population | Chinese | Filipino | Japanese | Asian Indian | Korean | Vietnamese |
|---|---|---|---|---|---|---|---|---|
| Arcadia | 91006 | 20,050 | 67.5% | 5.7% | 3.2% | 3.6% | 6.1% | 2.9% |
| Arcadia | 91007 | 21,804 | 69.5% | 4.0% | 2.7% | 3.8% | 5.6% | 3.6% |
| Bradbury | 91008 | 307 | 40.4% | 20.8% | 8.8% | 2.6% | 13.0% | 2.3% |
| Duarte | 91010 | 4,023 | 27.2% | 44.4% | 6.0% | 13.5% | 2.3% | 3.6% |
| Monrovia | 91016 | 5,828 | 40.6% | 34.2% | 3.8% | 3.8% | 2.4% | 2.2% |
| Sierra Madre | 91024 | 1,029 | 49.7% | 16.1% | 10.6% | 1.4% | 4.0% | 4.6% |
| Pasadena East | 91107 | 7,330 | 35.7% | 20.1% | 8.8% | 6.0% | 9.2% | 8.0% |
| Azusa | 91702 | 5,418 | 12.8% | 40.1% | 7.6% | 7.7% | 9.7% | 6.8% |
| Baldwin Park | 91706 | 11,752 | 34.4% | 33.4% | 1.0% | 2.1% | 2.2% | 12.5% |
| El Monte | 91731 | 9,071 | 56.8% | 3.1% | 0.4% | 0.5% | 0.2% | 27.3% |
| El Monte | 91732 | 17,475 | 52.6% | 8.6% | 0.6% | 0.7% | 0.8% | 25.5% |
| South El Monte | 91733 | 8,813 | 55.5% | 0.4% | 0.8% | 0.3% | 3.1% | 31.6% |
| Rosemead | 91770 | 40,514 | 54.4% | 2.8% | 3.0% | 0.7% | 0.7% | 26.4% |
| San Gabriel | 91775 | 13,120 | 71.9% | 3.7% | 3.8% | 2.1% | 2.2% | 7.5% |
| San Gabriel | 91776 | 26,828 | 63.3% | 5.4% | 2.0% | 1.6% | 1.3% | 14.9% |
| Temple City | 91780 | 21,679 | 70.5% | 3.2% | 2.4% | 1.4% | 2.0% | 8.6% |
| **MH Service Area** | **–** | **215,041** | **57.2%** | **8.9%** | **2.8%** | **2.3%** | **2.8%** | **14.6%** |

*Source: Nielsen*

**Table 3B: Percent Asian Population Detail - continued (2016)**

| Community | ZIP Code | Asian Population | Cambodian | Hmong | Laotian | Thai | Other/Two or More Asian |
|---|---|---|---|---|---|---|---|
| Arcadia | 91006 | 20,050 | 0.0% | 0.0% | 0.1% | 1.0% | 9.8% |
| Arcadia | 91007 | 21,804 | 0.2% | 0.0% | 0.0% | 0.2% | 10.3% |
| Bradbury | 91008 | 307 | 0.3% | 0.0% | 0.0% | 0.0% | 11.7% |
| Duarte | 91010 | 4,023 | 0.0% | 0.0% | 0.0% | 0.0% | 2.9% |
| Monrovia | 91016 | 5,828 | 1.8% | 0.0% | 0.2% | 5.3% | 5.9% |
| Sierra Madre | 91024 | 1,029 | 0.0% | 0.0% | 0.0% | 0.2% | 13.5% |
| Pasadena East | 91107 | 7,330 | 0.0% | 0.0% | 0.0% | 1.8% | 10.3% |
| Azusa | 91702 | 5,418 | 0.7% | 0.1% | 0.2% | 4.3% | 10.0% |
| Baldwin Park | 91706 | 11,752 | 2.6% | 0.0% | 2.1% | 1.5% | 8.3% |
| El Monte | 91731 | 9,071 | 0.0% | 0.1% | 0.1% | 0.9% | 10.8% |
| El Monte | 91732 | 17,475 | 3.4% | 0.4% | 0.3% | 0.2% | 6.9% |
| South El Monte | 91733 | 8,813 | 1.9% | 0.1% | 0.0% | 0.1% | 6.2% |
| Rosemead | 91770 | 40,514 | 3.0% | 0.0% | 0.0% | 0.4% | 8.6% |
| San Gabriel | 91775 | 13,120 | 0.1% | 0.0% | 0.0% | 0.8% | 8.0% |
| San Gabriel | 91776 | 26,828 | 1.2% | 0.4% | 0.0% | 2.3% | 7.7% |
| Temple City | 91780 | 21,679 | 0.4% | 0.0% | 0.0% | 0.6% | 10.8% |
| **MH Service Area** | **-** | **215,041** | **1.3%** | **0.1%** | **0.2%** | **1.0%** | **8.7%** |

*Source: Nielsen*



MHSC-0000622

**Table 4A: Language Spoken at Home for Persons Five Years and Older (2016)**

| Community | ZIP Code | Population 5+ Years | English Only | Spanish | Asian or Pacific Island Language | European Language | Other Language |
|---|---|---|---|---|---|---|---|
| Arcadia | 91006 | 31,817 | 13,328 | 3,127 | 14,165 | 864 | 333 |
| Arcadia | 91007 | 32,869 | 11,485 | 1,930 | 17,710 | 1,432 | 312 |
| Bradbury | 91008 | 1,238 | 771 | 166 | 221 | 76 | 4 |
| Duarte | 91010 | 25,463 | 11,140 | 9,615 | 2,813 | 1,518 | 377 |
| Monrovia | 91016 | 39,561 | 23,340 | 11,013 | 3,853 | 1,020 | 335 |
| Sierra Madre | 91024 | 10,948 | 8,708 | 842 | 848 | 511 | 39 |
| Pasadena East | 91107 | 32,210 | 17,936 | 6,114 | 4,151 | 3,660 | 349 |
| Azusa | 91702 | 57,607 | 21,670 | 31,366 | 3,451 | 797 | 323 |
| Baldwin Park | 91706 | 72,340 | 12,212 | 50,276 | 9,437 | 341 | 74 |
| El Monte | 91731 | 27,942 | 3,493 | 15,924 | 8,299 | 166 | 60 |
| El Monte | 91732 | 58,705 | 8,757 | 33,618 | 16,092 | 238 | 0 |
| South El Monte | 91733 | 41,143 | 4,970 | 28,315 | 7,758 | 100 | 0 |
| Rosemead | 91770 | 60,638 | 11,136 | 15,153 | 33,927 | 343 | 79 |
| San Gabriel | 91775 | 24,249 | 10,206 | 3,322 | 9,755 | 757 | 209 |
| San Gabriel | 91776 | 37,603 | 7,972 | 6,429 | 22,567 | 525 | 110 |
| Temple City | 91780 | 34,115 | 11,855 | 4,334 | 17,044 | 626 | 256 |
| **MH Service Area** | **-** | **588,448** | **178,979** | **221,544** | **172,091** | **12,974** | **2,860** |

*Source: Nielsen*

**Table 4B: Percent Language Spoken at Home for Persons Five Years and Older (2016)**

| Community | ZIP Code | Population 5+ Years | English Only | Spanish | Asian or Pacific Island Language | European Language | Other Language |
|---|---|---|---|---|---|---|---|
| Arcadia | 91006 | 31,817 | 41.9% | 9.8% | 44.5% | 2.7% | 1.0% |
| Arcadia | 91007 | 32,869 | 34.9% | 5.9% | 53.9% | 4.4% | 0.9% |
| Bradbury | 91008 | 1,238 | 62.3% | 13.4% | 17.9% | 6.1% | 0.3% |
| Duarte | 91010 | 25,463 | 43.7% | 37.8% | 11.0% | 6.0% | 1.5% |
| Monrovia | 91016 | 39,561 | 59.0% | 27.8% | 9.7% | 2.6% | 0.8% |
| Sierra Madre | 91024 | 10,948 | 79.5% | 7.7% | 7.7% | 4.7% | 0.4% |
| Pasadena East | 91107 | 32,210 | 55.7% | 19.0% | 12.9% | 11.4% | 1.1% |
| Azusa | 91702 | 57,607 | 37.6% | 54.4% | 6.0% | 1.4% | 0.6% |
| Baldwin Park | 91706 | 72,340 | 16.9% | 69.5% | 13.0% | 0.5% | 0.1% |
| El Monte | 91731 | 27,942 | 12.5% | 57.0% | 29.7% | 0.6% | 0.2% |
| El Monte | 91732 | 58,705 | 14.9% | 57.3% | 27.4% | 0.4% | 0.0% |
| South El Monte | 91733 | 41,143 | 12.1% | 68.8% | 18.9% | 0.2% | 0.0% |
| Rosemead | 91770 | 60,638 | 18.4% | 25.0% | 56.0% | 0.6% | 0.1% |
| San Gabriel | 91775 | 24,249 | 42.1% | 13.7% | 40.2% | 3.1% | 0.9% |
| San Gabriel | 91776 | 37,603 | 21.2% | 17.1% | 60.0% | 1.4% | 0.3% |
| Temple City | 91780 | 34,115 | 34.8% | 12.7% | 50.0% | 1.8% | 0.8% |
| **MH Service Area** | **-** | **588,448** | **30.4%** | **37.6%** | **29.2%** | **2.2%** | **0.5%** |

*Source: Nielsen*



MHSC-0000624

**Table 5A: Highest Level of Education Completed for Persons 25 Years and Older (2016)**

| Community | ZIP Code | Population 25+ Years | Less than 9th Grade | Some HS, No Diploma | High School Graduate | Some College | Associate Degree | Bachelor's Degree | Graduate or Prof Degree |
|---|---|---|---|---|---|---|---|---|---|
| Arcadia | 91006 | 23,755 | 1,405 | 868 | 3,569 | 4,222 | 2,057 | 6,746 | 4,888 |
| Arcadia | 91007 | 25,229 | 1,359 | 1,013 | 4,211 | 3,797 | 2,244 | 8,012 | 4,593 |
| Bradbury | 91008 | 1,027 | 32 | 58 | 129 | 243 | 92 | 272 | 201 |
| Duarte | 91010 | 18,673 | 2,206 | 1,476 | 4,857 | 3,544 | 1,646 | 3,231 | 1,713 |
| Monrovia | 91016 | 29,066 | 2,111 | 1,429 | 6,579 | 6,101 | 2,907 | 6,338 | 3,601 |
| Sierra Madre | 91024 | 8,587 | 181 | 123 | 772 | 1,666 | 774 | 2,650 | 2,421 |
| Pasadena East | 91107 | 25,116 | 1,057 | 941 | 3,385 | 4,349 | 2,121 | 7,912 | 5,351 |
| Azusa | 91702 | 37,436 | 5,683 | 3,804 | 11,383 | 7,128 | 2,659 | 4,722 | 2,057 |
| Baldwin Park | 91706 | 48,026 | 11,928 | 7,658 | 13,696 | 7,336 | 1,906 | 4,303 | 1,199 |
| El Monte | 91731 | 19,455 | 5,190 | 2,871 | 5,293 | 2,641 | 877 | 2,111 | 472 |
| El Monte | 91732 | 39,819 | 9,337 | 6,716 | 11,081 | 5,734 | 1,796 | 4,201 | 954 |
| South El Monte | 91733 | 27,348 | 9,018 | 4,639 | 7,021 | 2,993 | 961 | 2,181 | 535 |
| Rosemead | 91770 | 45,124 | 10,504 | 5,334 | 11,483 | 7,450 | 2,957 | 5,487 | 1,909 |
| San Gabriel | 91775 | 18,210 | 1,135 | 825 | 3,252 | 3,010 | 1,684 | 5,196 | 3,108 |
| San Gabriel | 91776 | 29,089 | 4,475 | 2,995 | 7,831 | 4,538 | 1,984 | 5,264 | 2,002 |
| Temple City | 91780 | 25,843 | 2,296 | 1,578 | 5,255 | 4,677 | 2,639 | 6,254 | 3,144 |
| **MH Service Area** | **-** | **421,803** | **67,917** | **42,328** | **99,797** | **69,429** | **29,304** | **74,880** | **38,148** |

*Source: Nielsen*

**Table 5B: Percent Highest Level of Education Completed for Persons 25 Years and Older (2016)**

| Community | ZIP Code | Population 25+ Years | Less than 9th Grade | Some HS, No Diploma | High School Graduate | Some College | Associate Degree | Bachelor's Degree | Graduate or Prof Degree |
|---|---|---|---|---|---|---|---|---|---|
| Arcadia | 91006 | 23,755 | 5.9% | 3.7% | 15.0% | 17.8% | 8.7% | 28.4% | 20.6% |
| Arcadia | 91007 | 25,229 | 5.4% | 4.0% | 16.7% | 15.1% | 8.9% | 31.8% | 18.2% |
| Bradbury | 91008 | 1,027 | 3.1% | 5.6% | 12.6% | 23.7% | 9.0% | 26.5% | 19.6% |
| Duarte | 91010 | 18,673 | 11.8% | 7.9% | 26.0% | 19.0% | 8.8% | 17.3% | 9.2% |
| Monrovia | 91016 | 29,066 | 7.3% | 4.9% | 22.6% | 21.0% | 10.0% | 21.8% | 12.4% |
| Sierra Madre | 91024 | 8,587 | 2.1% | 1.4% | 9.0% | 19.4% | 9.0% | 30.9% | 28.2% |
| Pasadena East | 91107 | 25,116 | 4.2% | 3.7% | 13.5% | 17.3% | 8.4% | 31.5% | 21.3% |
| Azusa | 91702 | 37,436 | 15.2% | 10.2% | 30.4% | 19.0% | 7.1% | 12.6% | 5.5% |
| Baldwin Park | 91706 | 48,026 | 24.8% | 15.9% | 28.5% | 15.3% | 4.0% | 9.0% | 2.5% |
| El Monte | 91731 | 19,455 | 26.7% | 14.8% | 27.2% | 13.6% | 4.5% | 10.9% | 2.4% |
| El Monte | 91732 | 39,819 | 23.4% | 16.9% | 27.8% | 14.4% | 4.5% | 10.6% | 2.4% |
| South El Monte | 91733 | 27,348 | 33.0% | 17.0% | 25.7% | 10.9% | 3.5% | 8.0% | 2.0% |
| Rosemead | 91770 | 45,124 | 23.3% | 11.8% | 25.4% | 16.5% | 6.6% | 12.2% | 4.2% |
| San Gabriel | 91775 | 18,210 | 6.2% | 4.5% | 17.9% | 16.5% | 9.2% | 28.5% | 17.1% |
| San Gabriel | 91776 | 29,089 | 15.4% | 10.3% | 26.9% | 15.6% | 6.8% | 18.1% | 6.9% |
| Temple City | 91780 | 25,843 | 8.9% | 6.1% | 20.3% | 18.1% | 10.2% | 24.2% | 12.2% |
| **MH Service Area** | **-** | **421,803** | **16.1%** | **10.0%** | **23.7%** | **16.5%** | **6.9%** | **17.8%** | **9.0%** |

*Source: Nielsen*

**Table 6A: Employment Status for Persons 16 Years and Older (2016)**

| Community | ZIP Code | Population 16+ Years | In Armed Forces | In Labor Force, Employed | In Labor Force, Unemployed | Not In Labor Force |
|---|---|---|---|---|---|---|
| Arcadia | 91006 | 27,882 | 1 | 16,044 | 1,163 | 10,674 |
| Arcadia | 91007 | 29,163 | 0 | 16,399 | 1,215 | 11,549 |
| Bradbury | 91008 | 1,135 | 1 | 495 | 46 | 593 |
| Duarte | 91010 | 21,878 | 14 | 11,995 | 1,253 | 8,616 |
| Monrovia | 91016 | 33,863 | 4 | 21,888 | 1,926 | 10,045 |
| Sierra Madre | 91024 | 9,628 | 0 | 5,907 | 460 | 3,261 |
| Pasadena East | 91107 | 28,149 | 0 | 17,239 | 1,768 | 9,142 |
| Azusa | 91702 | 47,808 | 21 | 27,825 | 2,609 | 17,353 |
| Baldwin Park | 91706 | 59,394 | 21 | 32,039 | 5,298 | 22,036 |
| El Monte | 91731 | 23,339 | 4 | 11,941 | 2,022 | 9,372 |
| El Monte | 91732 | 48,390 | 8 | 25,358 | 4,035 | 18,989 |
| South El Monte | 91733 | 33,530 | 5 | 18,279 | 1,482 | 13,764 |
| Rosemead | 91770 | 52,581 | 25 | 26,760 | 3,721 | 22,075 |
| San Gabriel | 91775 | 20,951 | 0 | 12,870 | 566 | 7,515 |
| San Gabriel | 91776 | 33,139 | 8 | 19,079 | 1,437 | 12,615 |
| Temple City | 91780 | 29,979 | 1 | 16,521 | 1,318 | 12,139 |
| **MH Service Area** | **-** | **500,809** | **113** | **280,639** | **30,319** | **189,738** |

*Source: Nielsen*

**Table 6B: Percent Employment Status for Persons 16 Years and Older (2016)**

| Community | ZIP Code | Population 16+ Years | In Armed Forces | In Labor Force, Employed | In Labor Force, Unemployed | Not In Labor Force |
|---|---|---|---|---|---|---|
| Arcadia | 91006 | 27,882 | 0.0% | 57.5% | 4.2% | 38.3% |
| Arcadia | 91007 | 29,163 | 0.0% | 56.2% | 4.2% | 39.6% |
| Bradbury | 91008 | 1,135 | 0.1% | 43.6% | 4.1% | 52.2% |
| Duarte | 91010 | 21,878 | 0.1% | 54.8% | 5.7% | 39.4% |
| Monrovia | 91016 | 33,863 | 0.0% | 64.6% | 5.7% | 29.7% |
| Sierra Madre | 91024 | 9,628 | 0.0% | 61.4% | 4.8% | 33.9% |
| Pasadena East | 91107 | 28,149 | 0.0% | 61.2% | 6.3% | 32.5% |
| Azusa | 91702 | 47,808 | 0.0% | 58.2% | 5.5% | 36.3% |
| Baldwin Park | 91706 | 59,394 | 0.0% | 53.9% | 8.9% | 37.1% |
| El Monte | 91731 | 23,339 | 0.0% | 51.2% | 8.7% | 40.2% |
| El Monte | 91732 | 48,390 | 0.0% | 52.4% | 8.3% | 39.2% |
| South El Monte | 91733 | 33,530 | 0.0% | 54.5% | 4.4% | 41.0% |
| Rosemead | 91770 | 52,581 | 0.0% | 50.9% | 7.1% | 42.0% |
| San Gabriel | 91775 | 20,951 | 0.0% | 61.4% | 2.7% | 35.9% |
| San Gabriel | 91776 | 33,139 | 0.0% | 57.6% | 4.3% | 38.1% |
| Temple City | 91780 | 29,979 | 0.0% | 55.1% | 4.4% | 40.5% |
| **MH Service Area** | **-** | **500,809** | **0.0%** | **56.0%** | **6.1%** | **37.9%** |

*Source: Nielsen*

**Table 7: Occupation Type for Labor Force (2016)**

| Community | ZIP Code | Persons in Labor Force | Number of Persons in Labor Force | | | Percent of Labor Force | | |
|---|---|---|---|---|---|---|---|---|
| | | | Blue Collar | White Collar | Service | Blue Collar | White Collar | Service |
| Arcadia | 91006 | 16,079 | 1,529 | 12,793 | 1,757 | 9.5% | 79.6% | 10.9% |
| Arcadia | 91007 | 16,374 | 1,292 | 12,983 | 2,099 | 7.9% | 79.3% | 12.8% |
| Bradbury | 91008 | 496 | 52 | 405 | 39 | 10.5% | 81.7% | 7.9% |
| Duarte | 91010 | 11,963 | 2,407 | 7,132 | 2,424 | 20.1% | 59.6% | 20.3% |
| Monrovia | 91016 | 21,836 | 2,931 | 15,057 | 3,848 | 13.4% | 69.0% | 17.6% |
| Sierra Madre | 91024 | 5,910 | 401 | 4,998 | 511 | 6.8% | 84.6% | 8.6% |
| Pasadena East | 91107 | 17,223 | 1,482 | 13,334 | 2,407 | 8.6% | 77.4% | 14.0% |
| Azusa | 91702 | 27,859 | 7,175 | 13,493 | 7,191 | 25.8% | 48.4% | 25.8% |
| Baldwin Park | 91706 | 31,922 | 11,757 | 12,879 | 7,286 | 36.8% | 40.3% | 22.8% |
| El Monte | 91731 | 12,026 | 4,028 | 4,778 | 3,220 | 33.5% | 39.7% | 26.8% |
| El Monte | 91732 | 25,264 | 8,410 | 10,719 | 6,135 | 33.3% | 42.4% | 24.3% |
| South El Monte | 91733 | 18,214 | 7,575 | 6,120 | 4,519 | 41.6% | 33.6% | 24.8% |
| Rosemead | 91770 | 26,678 | 5,850 | 13,994 | 6,834 | 21.9% | 52.5% | 25.6% |
| San Gabriel | 91775 | 12,946 | 1,370 | 9,641 | 1,935 | 10.6% | 74.5% | 14.9% |
| San Gabriel | 91776 | 19,100 | 3,281 | 10,787 | 5,032 | 17.2% | 56.5% | 26.3% |
| Temple City | 91780 | 16,511 | 2,120 | 11,871 | 2,520 | 12.8% | 71.9% | 15.3% |
| **MH Service Area** | **-** | **280,401** | **61,660** | **160,984** | **57,757** | **22.0%** | **57.4%** | **20.6%** |

*Source: Nielsen*

**Table 8: Households (2016 and 2021)**

| Community | ZIP Code | Households 2016 | Households 2021 | 5-Year Change (2016 to 2021) | |
|---|---|---|---|---|---|
| | | | | Number | Percent |
| Arcadia | 91006 | 11,211 | 11,698 | 487 | 4.3% |
| Arcadia | 91007 | 12,002 | 12,409 | 407 | 3.4% |
| Bradbury | 91008 | 490 | 504 | 14 | 2.9% |
| Duarte | 91010 | 8,365 | 8,673 | 308 | 3.7% |
| Monrovia | 91016 | 15,650 | 16,327 | 677 | 4.3% |
| Sierra Madre | 91024 | 5,049 | 5,234 | 185 | 3.7% |
| Pasadena East | 91107 | 13,473 | 14,018 | 545 | 4.0% |
| Azusa | 91702 | 16,374 | 17,102 | 728 | 4.4% |
| Baldwin Park | 91706 | 17,925 | 18,503 | 578 | 3.2% |
| El Monte | 91731 | 8,203 | 8,580 | 377 | 4.6% |
| El Monte | 91732 | 15,343 | 15,802 | 459 | 3.0% |
| South El Monte | 91733 | 10,199 | 10,555 | 356 | 3.5% |
| Rosemead | 91770 | 17,169 | 17,758 | 589 | 3.4% |
| San Gabriel | 91775 | 8,790 | 9,115 | 325 | 3.7% |
| San Gabriel | 91776 | 12,126 | 12,531 | 405 | 3.3% |
| Temple City | 91780 | 11,701 | 12,136 | 435 | 3.7% |
| **MH Service Area** | **-** | **184,070** | **190,945** | **6,875** | **3.7%** |

*Source: Nielsen*



MHSC-0000630

**Table 9A: Group Quarters Population (2016)**

| Community | ZIP Code | Group Quarters Population | Correctional Institutions | Nursing Homes | Other Institutions | College Dormitories | Military Quarters | Other Non-Institutional |
|---|---|---|---|---|---|---|---|---|
| Arcadia | 91006 | 13 | 0 | 4 | 9 | 0 | 0 | 0 |
| Arcadia | 91007 | 1,112 | 0 | 448 | 661 | 0 | 0 | 3 |
| Bradbury | 91008 | 33 | 0 | 33 | 0 | 0 | 0 | 0 |
| Duarte | 91010 | 622 | 0 | 565 | 57 | 0 | 0 | 0 |
| Monrovia | 91016 | 165 | 16 | 81 | 68 | 0 | 0 | 0 |
| Sierra Madre | 91024 | 1 | 0 | 0 | 1 | 0 | 0 | 0 |
| Pasadena East | 91107 | 194 | 0 | 51 | 120 | 0 | 0 | 23 |
| Azusa | 91702 | 2,472 | 93 | 99 | 95 | 2,185 | 0 | 0 |
| Baldwin Park | 91706 | 387 | 0 | 281 | 106 | 0 | 0 | 0 |
| El Monte | 91731 | 164 | 0 | 102 | 62 | 0 | 0 | 0 |
| El Monte | 91732 | 610 | 62 | 335 | 213 | 0 | 0 | 0 |
| South El Monte | 91733 | 230 | 0 | 115 | 105 | 0 | 0 | 10 |
| Rosemead | 91770 | 641 | 0 | 501 | 79 | 61 | 0 | 0 |
| San Gabriel | 91775 | 161 | 0 | 157 | 4 | 0 | 0 | 0 |
| San Gabriel | 91776 | 303 | 0 | 251 | 34 | 0 | 0 | 18 |
| Temple City | 91780 | 254 | 0 | 229 | 25 | 0 | 0 | 0 |
| **MH Service Area** | **-** | **7,362** | **171** | **3,252** | **1,639** | **2,246** | **0** | **54** |

*Source: Nielsen*

**Table 9B: Percent Group Quarters Population (2016)**

| Community | ZIP Code | Group Quarters Population | Correctional Institutions | Nursing Homes | Other Institutions | College Dormitories | Military Quarters | Other Non-Institutional |
|---|---|---|---|---|---|---|---|---|
| Arcadia | 91006 | 13 | 0.0% | 30.8% | 69.2% | 0.0% | 0.0% | 0.0% |
| Arcadia | 91007 | 1,112 | 0.0% | 40.3% | 59.4% | 0.0% | 0.0% | 0.3% |
| Bradbury | 91008 | 33 | 0.0% | 100.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| Duarte | 91010 | 622 | 0.0% | 90.8% | 9.2% | 0.0% | 0.0% | 0.0% |
| Monrovia | 91016 | 165 | 9.7% | 49.1% | 41.2% | 0.0% | 0.0% | 0.0% |
| Sierra Madre | 91024 | 1 | 0.0% | 0.0% | 100.0% | 0.0% | 0.0% | 0.0% |
| Pasadena East | 91107 | 194 | 0.0% | 26.3% | 61.9% | 0.0% | 0.0% | 11.9% |
| Azusa | 91702 | 2,472 | 3.8% | 4.0% | 3.8% | 88.4% | 0.0% | 0.0% |
| Baldwin Park | 91706 | 387 | 0.0% | 72.6% | 27.4% | 0.0% | 0.0% | 0.0% |
| El Monte | 91731 | 164 | 0.0% | 62.2% | 37.8% | 0.0% | 0.0% | 0.0% |
| El Monte | 91732 | 610 | 10.2% | 54.9% | 34.9% | 0.0% | 0.0% | 0.0% |
| South El Monte | 91733 | 230 | 0.0% | 50.0% | 45.7% | 0.0% | 0.0% | 4.3% |
| Rosemead | 91770 | 641 | 0.0% | 78.2% | 12.3% | 9.5% | 0.0% | 0.0% |
| San Gabriel | 91775 | 161 | 0.0% | 97.5% | 2.5% | 0.0% | 0.0% | 0.0% |
| San Gabriel | 91776 | 303 | 0.0% | 82.8% | 11.2% | 0.0% | 0.0% | 5.9% |
| Temple City | 91780 | 254 | 0.0% | 90.2% | 9.8% | 0.0% | 0.0% | 0.0% |
| **MH Service Area** | **-** | **7,362** | **2.3%** | **44.2%** | **22.3%** | **30.5%** | **0.0%** | **0.7%** |

*Source: Nielsen*

**Table 10A: Household Size (2016)**

| Community | ZIP Code | Total Households | 1-Person | 2-Persons | 3-Persons | 4-Persons | 5-Persons | 6-Persons | 7 or more Persons |
|---|---|---|---|---|---|---|---|---|---|
| Arcadia | 91006 | 11,211 | 1,802 | 3,233 | 2,389 | 2,165 | 969 | 416 | 237 |
| Arcadia | 91007 | 12,002 | 2,692 | 3,408 | 2,402 | 2,058 | 874 | 346 | 222 |
| Bradbury | 91008 | 490 | 154 | 152 | 64 | 60 | 31 | 15 | 14 |
| Duarte | 91010 | 8,365 | 1,887 | 2,106 | 1,353 | 1,209 | 792 | 440 | 578 |
| Monrovia | 91016 | 15,650 | 4,103 | 4,622 | 2,712 | 2,239 | 1,107 | 492 | 375 |
| Sierra Madre | 91024 | 5,049 | 1,660 | 1,752 | 757 | 563 | 223 | 62 | 32 |
| Pasadena East | 91107 | 13,473 | 3,777 | 4,320 | 2,299 | 1,806 | 751 | 326 | 194 |
| Azusa | 91702 | 16,374 | 2,622 | 3,477 | 2,693 | 2,733 | 1,990 | 1,227 | 1,632 |
| Baldwin Park | 91706 | 17,925 | 1,570 | 2,656 | 2,877 | 3,408 | 2,799 | 1,859 | 2,756 |
| El Monte | 91731 | 8,203 | 1,346 | 1,746 | 1,266 | 1,351 | 1,023 | 616 | 855 |
| El Monte | 91732 | 15,343 | 1,548 | 2,522 | 2,556 | 2,924 | 2,406 | 1,450 | 1,937 |
| South El Monte | 91733 | 10,199 | 801 | 1,429 | 1,620 | 2,021 | 1,696 | 1,122 | 1,510 |
| Rosemead | 91770 | 17,169 | 2,176 | 3,466 | 3,293 | 3,214 | 2,184 | 1,326 | 1,510 |
| San Gabriel | 91775 | 8,790 | 1,704 | 2,510 | 1,760 | 1,603 | 706 | 309 | 198 |
| San Gabriel | 91776 | 12,126 | 2,000 | 3,001 | 2,536 | 2,076 | 1,154 | 693 | 666 |
| Temple City | 91780 | 11,701 | 2,065 | 3,128 | 2,476 | 2,110 | 1,029 | 498 | 395 |
| **MH Service Area** | **-** | **184,070** | **31,907** | **43,528** | **33,053** | **31,540** | **19,734** | **11,197** | **13,111** |

*Source: Nielsen*



MHSC-0000633

**Table 10B: Percent Household Size (2016)**

| Community | ZIP Code | Total Households | 1-Person | 2-Persons | 3-Persons | 4-Persons | 5-Persons | 6-Persons | 7 or more Persons |
|---|---|---|---|---|---|---|---|---|---|
| Arcadia | 91006 | 11,211 | 16.1% | 28.8% | 21.3% | 19.3% | 8.6% | 3.7% | 2.1% |
| Arcadia | 91007 | 12,002 | 22.4% | 28.4% | 20.0% | 17.1% | 7.3% | 2.9% | 1.8% |
| Bradbury | 91008 | 490 | 31.4% | 31.0% | 13.1% | 12.2% | 6.3% | 3.1% | 2.9% |
| Duarte | 91010 | 8,365 | 22.6% | 25.2% | 16.2% | 14.5% | 9.5% | 5.3% | 6.9% |
| Monrovia | 91016 | 15,650 | 26.2% | 29.5% | 17.3% | 14.3% | 7.1% | 3.1% | 2.4% |
| Sierra Madre | 91024 | 5,049 | 32.9% | 34.7% | 15.0% | 11.2% | 4.4% | 1.2% | 0.6% |
| Pasadena East | 91107 | 13,473 | 28.0% | 32.1% | 17.1% | 13.4% | 5.6% | 2.4% | 1.4% |
| Azusa | 91702 | 16,374 | 16.0% | 21.2% | 16.4% | 16.7% | 12.2% | 7.5% | 10.0% |
| Baldwin Park | 91706 | 17,925 | 8.8% | 14.8% | 16.1% | 19.0% | 15.6% | 10.4% | 15.4% |
| El Monte | 91731 | 8,203 | 16.4% | 21.3% | 15.4% | 16.5% | 12.5% | 7.5% | 10.4% |
| El Monte | 91732 | 15,343 | 10.1% | 16.4% | 16.7% | 19.1% | 15.7% | 9.5% | 12.6% |
| South El Monte | 91733 | 10,199 | 7.9% | 14.0% | 15.9% | 19.8% | 16.6% | 11.0% | 14.8% |
| Rosemead | 91770 | 17,169 | 12.7% | 20.2% | 19.2% | 18.7% | 12.7% | 7.7% | 8.8% |
| San Gabriel | 91775 | 8,790 | 19.4% | 28.6% | 20.0% | 18.2% | 8.0% | 3.5% | 2.3% |
| San Gabriel | 91776 | 12,126 | 16.5% | 24.7% | 20.9% | 17.1% | 9.5% | 5.7% | 5.5% |
| Temple City | 91780 | 11,701 | 17.6% | 26.7% | 21.2% | 18.0% | 8.8% | 4.3% | 3.4% |
| **MH Service Area** | **-** | **184,070** | **17.3%** | **23.6%** | **18.0%** | **17.1%** | **10.7%** | **6.1%** | **7.1%** |

*Source: Nielsen*

**Table 11: Households by Presence of Children Under 18 Years (2016)**

| Community | ZIP Code | Total Households | Number | | Percent | |
|---|---|---|---|---|---|---|
| | | | No Children Present | Children Present | No Children Present | Children Present |
| Arcadia | 91006 | 11,211 | 6,853 | 4,358 | 61.1% | 38.9% |
| Arcadia | 91007 | 12,002 | 7,789 | 4,213 | 64.9% | 35.1% |
| Bradbury | 91008 | 490 | 387 | 103 | 79.0% | 21.0% |
| Duarte | 91010 | 8,365 | 5,216 | 3,149 | 62.4% | 37.6% |
| Monrovia | 91016 | 15,650 | 10,188 | 5,462 | 65.1% | 34.9% |
| Sierra Madre | 91024 | 5,049 | 3,784 | 1,265 | 74.9% | 25.1% |
| Pasadena East | 91107 | 13,473 | 9,658 | 3,815 | 71.7% | 28.3% |
| Azusa | 91702 | 16,374 | 8,413 | 7,961 | 51.4% | 48.6% |
| Baldwin Park | 91706 | 17,925 | 7,527 | 10,398 | 42.0% | 58.0% |
| El Monte | 91731 | 8,203 | 4,455 | 3,748 | 54.3% | 45.7% |
| El Monte | 91732 | 15,343 | 7,103 | 8,240 | 46.3% | 53.7% |
| South El Monte | 91733 | 10,199 | 4,237 | 5,962 | 41.5% | 58.5% |
| Rosemead | 91770 | 17,169 | 9,770 | 7,399 | 56.9% | 43.1% |
| San Gabriel | 91775 | 8,790 | 5,528 | 3,262 | 62.9% | 37.1% |
| San Gabriel | 91776 | 12,126 | 7,685 | 4,441 | 63.4% | 36.6% |
| Temple City | 91780 | 11,701 | 7,313 | 4,388 | 62.5% | 37.5% |
| **MH Service Area** | **-** | **184,070** | **105,906** | **78,164** | **57.5%** | **42.5%** |

*Source: Nielsen*

**Table 12A: Households by Income Group (2016)**

| Community | ZIP Code | Total Households | Under $15,000 | $15,000 to $34,999 | $35,000 to $74,999 | $75,000 to $99,999 |
|---|---|---|---|---|---|---|
| Arcadia | 91006 | 11,211 | 888 | 1,586 | 2,721 | 1,444 |
| Arcadia | 91007 | 12,002 | 1,428 | 1,883 | 2,888 | 1,295 |
| Bradbury | 91008 | 490 | 36 | 46 | 119 | 83 |
| Duarte | 91010 | 8,365 | 846 | 1,692 | 2,563 | 1,136 |
| Monrovia | 91016 | 15,650 | 1,389 | 2,594 | 4,089 | 2,045 |
| Sierra Madre | 91024 | 5,049 | 365 | 546 | 1,101 | 732 |
| Pasadena East | 91107 | 13,473 | 1,038 | 1,682 | 3,397 | 1,530 |
| Azusa | 91702 | 16,374 | 1,585 | 3,177 | 5,596 | 2,413 |
| Baldwin Park | 91706 | 17,925 | 1,570 | 4,067 | 6,546 | 2,674 |
| El Monte | 91731 | 8,203 | 1,264 | 2,552 | 2,604 | 801 |
| El Monte | 91732 | 15,343 | 1,856 | 4,767 | 4,949 | 1,493 |
| South El Monte | 91733 | 10,199 | 984 | 3,256 | 3,689 | 1,063 |
| Rosemead | 91770 | 17,169 | 1,906 | 4,560 | 5,787 | 1,875 |
| San Gabriel | 91775 | 8,790 | 595 | 1,215 | 2,160 | 1,112 |
| San Gabriel | 91776 | 12,126 | 1,315 | 3,076 | 3,921 | 1,359 |
| Temple City | 91780 | 11,701 | 1,129 | 2,133 | 3,515 | 1,411 |
| **MH Service Area** | **–** | **184,070** | **18,194** | **38,832** | **55,645** | **22,466** |

*Source: Nielsen*

**Table 12A: Households by Income Group - continued (2016)**

| Community | ZIP Code | Total Households | $100,000 to $149,999 | $150,000 to $199,999 | $200,000 and Over |
|---|---|---|---|---|---|
| Arcadia | 91006 | 11,211 | 1,889 | 1,017 | 1,666 |
| Arcadia | 91007 | 12,002 | 2,076 | 1,130 | 1,302 |
| Bradbury | 91008 | 490 | 69 | 39 | 98 |
| Duarte | 91010 | 8,365 | 1,340 | 416 | 372 |
| Monrovia | 91016 | 15,650 | 3,034 | 1,157 | 1,342 |
| Sierra Madre | 91024 | 5,049 | 977 | 454 | 874 |
| Pasadena East | 91107 | 13,473 | 2,578 | 1,282 | 1,966 |
| Azusa | 91702 | 16,374 | 2,196 | 839 | 568 |
| Baldwin Park | 91706 | 17,925 | 2,069 | 581 | 418 |
| El Monte | 91731 | 8,203 | 670 | 181 | 131 |
| El Monte | 91732 | 15,343 | 1,564 | 468 | 246 |
| South El Monte | 91733 | 10,199 | 888 | 195 | 124 |
| Rosemead | 91770 | 17,169 | 1,748 | 776 | 517 |
| San Gabriel | 91775 | 8,790 | 1,596 | 955 | 1,157 |
| San Gabriel | 91776 | 12,126 | 1,571 | 515 | 369 |
| Temple City | 91780 | 11,701 | 1,963 | 759 | 791 |
| **MH Service Area** | **-** | **184,070** | **26,228** | **10,764** | **11,941** |

*Source: Nielsen*



MHSC-0000637

**Table 12B: Percent Households by Income Group (2016)**

| Community | ZIP Code | Total Households | Under $15,000 | $15,000 to $34,999 | $35,000 to $74,999 | $75,000 to $99,999 |
|---|---|---|---|---|---|---|
| Arcadia | 91006 | 11,211 | 7.9% | 14.1% | 24.3% | 12.9% |
| Arcadia | 91007 | 12,002 | 11.9% | 15.7% | 24.1% | 10.8% |
| Bradbury | 91008 | 490 | 7.3% | 9.4% | 24.3% | 16.9% |
| Duarte | 91010 | 8,365 | 10.1% | 20.2% | 30.6% | 13.6% |
| Monrovia | 91016 | 15,650 | 8.9% | 16.6% | 26.1% | 13.1% |
| Sierra Madre | 91024 | 5,049 | 7.2% | 10.8% | 21.8% | 14.5% |
| Pasadena East | 91107 | 13,473 | 7.7% | 12.5% | 25.2% | 11.4% |
| Azusa | 91702 | 16,374 | 9.7% | 19.4% | 34.2% | 14.7% |
| Baldwin Park | 91706 | 17,925 | 8.8% | 22.7% | 36.5% | 14.9% |
| El Monte | 91731 | 8,203 | 15.4% | 31.1% | 31.7% | 9.8% |
| El Monte | 91732 | 15,343 | 12.1% | 31.1% | 32.3% | 9.7% |
| South El Monte | 91733 | 10,199 | 9.6% | 31.9% | 36.2% | 10.4% |
| Rosemead | 91770 | 17,169 | 11.1% | 26.6% | 33.7% | 10.9% |
| San Gabriel | 91775 | 8,790 | 6.8% | 13.8% | 24.6% | 12.7% |
| San Gabriel | 91776 | 12,126 | 10.8% | 25.4% | 32.3% | 11.2% |
| Temple City | 91780 | 11,701 | 9.6% | 18.2% | 30.0% | 12.1% |
| **MH Service Area** | **-** | **184,070** | **9.9%** | **21.1%** | **30.2%** | **12.2%** |

*Source: Nielsen*

**Table 12B: Percent Households by Income Group - continued (2016)**

| Community | ZIP Code | Total Households | $100,000 to $149,999 | $150,000 to $199,999 | $200,000 and Over |
|---|---|---|---|---|---|
| Arcadia | 91006 | 11,211 | 16.8% | 9.1% | 14.9% |
| Arcadia | 91007 | 12,002 | 17.3% | 9.4% | 10.8% |
| Bradbury | 91008 | 490 | 14.1% | 8.0% | 20.0% |
| Duarte | 91010 | 8,365 | 16.0% | 5.0% | 4.4% |
| Monrovia | 91016 | 15,650 | 19.4% | 7.4% | 8.6% |
| Sierra Madre | 91024 | 5,049 | 19.4% | 9.0% | 17.3% |
| Pasadena East | 91107 | 13,473 | 19.1% | 9.5% | 14.6% |
| Azusa | 91702 | 16,374 | 13.4% | 5.1% | 3.5% |
| Baldwin Park | 91706 | 17,925 | 11.5% | 3.2% | 2.3% |
| El Monte | 91731 | 8,203 | 8.2% | 2.2% | 1.6% |
| El Monte | 91732 | 15,343 | 10.2% | 3.1% | 1.6% |
| South El Monte | 91733 | 10,199 | 8.7% | 1.9% | 1.2% |
| Rosemead | 91770 | 17,169 | 10.2% | 4.5% | 3.0% |
| San Gabriel | 91775 | 8,790 | 18.2% | 10.9% | 13.2% |
| San Gabriel | 91776 | 12,126 | 13.0% | 4.2% | 3.0% |
| Temple City | 91780 | 11,701 | 16.8% | 6.5% | 6.8% |
| **MH Service Area** | **-** | **184,070** | **14.2%** | **5.8%** | **6.5%** |

*Source: Nielsen*

**Table 13: Average Household Size and Average Household Income (2016)**

| Community | ZIP Code | Total Households | Average Household Size | Average Household Income |
|---|---|---|---|---|
| Arcadia | 91006 | 11,211 | 2.97 | $117,645 |
| Arcadia | 91007 | 12,002 | 2.76 | $99,840 |
| Bradbury | 91008 | 490 | 2.54 | $137,704 |
| Duarte | 91010 | 8,365 | 3.16 | $76,189 |
| Monrovia | 91016 | 15,650 | 2.68 | $94,589 |
| Sierra Madre | 91024 | 5,049 | 2.27 | $129,617 |
| Pasadena East | 91107 | 13,473 | 2.51 | $116,459 |
| Azusa | 91702 | 16,374 | 3.64 | $72,033 |
| Baldwin Park | 91706 | 17,925 | 4.34 | $65,922 |
| El Monte | 91731 | 8,203 | 3.65 | $52,613 |
| El Monte | 91732 | 15,343 | 4.10 | $56,685 |
| South El Monte | 91733 | 10,199 | 4.37 | $54,288 |
| Rosemead | 91770 | 17,169 | 3.69 | $64,254 |
| San Gabriel | 91775 | 8,790 | 2.89 | $110,724 |
| San Gabriel | 91776 | 12,126 | 3.24 | $66,253 |
| Temple City | 91780 | 11,701 | 3.03 | $84,544 |
| **MH Service Area** | **–** | **184,070** | **3.37** | **$81,550** |

*Source: Nielsen*



MHSC-0000640

**Table 14: Age of Head of Household (2016)**

| Community | ZIP Code | Total Households | Number | | | Percent | | |
|---|---|---|---|---|---|---|---|---|
| | | | 15 to 24 Years | 25 to 64 Years | 65+ Years | 15 to 24 Years | 25 to 64 Years | 65+ Years |
| Arcadia | 91006 | 11,211 | 167 | 8,005 | 3,039 | 1.5% | 71.4% | 27.1% |
| Arcadia | 91007 | 12,002 | 239 | 8,259 | 3,504 | 2.0% | 68.8% | 29.2% |
| Bradbury | 91008 | 490 | 1 | 238 | 251 | 0.2% | 48.6% | 51.2% |
| Duarte | 91010 | 8,365 | 83 | 5,692 | 2,590 | 1.0% | 68.0% | 31.0% |
| Monrovia | 91016 | 15,650 | 295 | 11,710 | 3,645 | 1.9% | 74.8% | 23.3% |
| Sierra Madre | 91024 | 5,049 | 82 | 3,342 | 1,625 | 1.6% | 66.2% | 32.2% |
| Pasadena East | 91107 | 13,473 | 278 | 9,487 | 3,708 | 2.1% | 70.4% | 27.5% |
| Azusa | 91702 | 16,374 | 536 | 12,757 | 3,081 | 3.3% | 77.9% | 18.8% |
| Baldwin Park | 91706 | 17,925 | 351 | 14,192 | 3,382 | 2.0% | 79.2% | 18.9% |
| El Monte | 91731 | 8,203 | 219 | 5,930 | 2,054 | 2.7% | 72.3% | 25.0% |
| El Monte | 91732 | 15,343 | 407 | 12,207 | 2,729 | 2.7% | 79.6% | 17.8% |
| South El Monte | 91733 | 10,199 | 300 | 8,044 | 1,855 | 2.9% | 78.9% | 18.2% |
| Rosemead | 91770 | 17,169 | 278 | 12,707 | 4,184 | 1.6% | 74.0% | 24.4% |
| San Gabriel | 91775 | 8,790 | 157 | 6,353 | 2,280 | 1.8% | 72.3% | 25.9% |
| San Gabriel | 91776 | 12,126 | 291 | 9,253 | 2,582 | 2.4% | 76.3% | 21.3% |
| Temple City | 91780 | 11,701 | 175 | 8,529 | 2,997 | 1.5% | 72.9% | 25.6% |
| **MH Service Area** | **-** | **184,070** | **3,859** | **136,705** | **43,506** | **2.1%** | **74.3%** | **23.6%** |

*Source: Nielsen*

**Table 15: Owner and Renter Occupied Housing Units (2016)**

| Community | ZIP Code | Total Households | Number | | Percent | |
|---|---|---|---|---|---|---|
| | | | Owner Occupied | Renter Occupied | Owner Occupied | Renter Occupied |
| Arcadia | 91006 | 11,211 | 8,361 | 2,850 | 74.6% | 25.4% |
| Arcadia | 91007 | 12,002 | 6,733 | 5,269 | 56.1% | 43.9% |
| Bradbury | 91008 | 490 | 337 | 153 | 68.8% | 31.2% |
| Duarte | 91010 | 8,365 | 5,621 | 2,744 | 67.2% | 32.8% |
| Monrovia | 91016 | 15,650 | 8,068 | 7,582 | 51.6% | 48.4% |
| Sierra Madre | 91024 | 5,049 | 3,135 | 1,914 | 62.1% | 37.9% |
| Pasadena East | 91107 | 13,473 | 8,311 | 5,162 | 61.7% | 38.3% |
| Azusa | 91702 | 16,374 | 9,638 | 6,736 | 58.9% | 41.1% |
| Baldwin Park | 91706 | 17,925 | 10,956 | 6,969 | 61.1% | 38.9% |
| El Monte | 91731 | 8,203 | 3,275 | 4,928 | 39.9% | 60.1% |
| El Monte | 91732 | 15,343 | 6,958 | 8,385 | 45.3% | 54.7% |
| South El Monte | 91733 | 10,199 | 4,292 | 5,907 | 42.1% | 57.9% |
| Rosemead | 91770 | 17,169 | 8,936 | 8,233 | 52.0% | 48.0% |
| San Gabriel | 91775 | 8,790 | 5,724 | 3,066 | 65.1% | 34.9% |
| San Gabriel | 91776 | 12,126 | 5,047 | 7,079 | 41.6% | 58.4% |
| Temple City | 91780 | 11,701 | 7,469 | 4,232 | 63.8% | 36.2% |
| **MH Service Area** | **-** | **184,070** | **102,861** | **81,209** | **55.9%** | **44.1%** |

*Source: Nielsen*



MHSC-0000642

**Table 16: Families (2016 and 2021)**

| Community | ZIP Code | Families 2016 | Families 2021 | 5-Year Change (2016 to 2021) | |
|---|---|---|---|---|---|
| | | | | Number | Percent |
| Arcadia | 91006 | 8,992 | 9,382 | 390 | 4.3% |
| Arcadia | 91007 | 8,693 | 8,978 | 285 | 3.3% |
| Bradbury | 91008 | 312 | 321 | 9 | 2.9% |
| Duarte | 91010 | 6,052 | 6,265 | 213 | 3.5% |
| Monrovia | 91016 | 10,544 | 10,985 | 441 | 4.2% |
| Sierra Madre | 91024 | 3,010 | 3,122 | 112 | 3.7% |
| Pasadena East | 91107 | 8,663 | 8,998 | 335 | 3.9% |
| Azusa | 91702 | 12,745 | 13,296 | 551 | 4.3% |
| Baldwin Park | 91706 | 15,784 | 16,288 | 504 | 3.2% |
| El Monte | 91731 | 6,475 | 6,747 | 272 | 4.2% |
| El Monte | 91732 | 13,077 | 13,463 | 386 | 3.0% |
| South El Monte | 91733 | 8,988 | 9,302 | 314 | 3.5% |
| Rosemead | 91770 | 14,284 | 14,765 | 481 | 3.4% |
| San Gabriel | 91775 | 6,700 | 6,944 | 244 | 3.6% |
| San Gabriel | 91776 | 9,274 | 9,589 | 315 | 3.4% |
| Temple City | 91780 | 9,060 | 9,380 | 320 | 3.5% |
| **MH Service Area** | **-** | **142,653** | **147,825** | **5,172** | **3.6%** |

*Source: Nielsen*



MHSC-0000643

**Table 17: Families by Poverty Status (2016)**

| Community | ZIP Code | Total Families | Number | | Percent | |
|---|---|---|---|---|---|---|
| | | | Below the Poverty Level | At/Above Poverty Level | Below the Poverty Level | At/Above Poverty Level |
| Arcadia | 91006 | 8,992 | 611 | 8,381 | 6.8% | 93.2% |
| Arcadia | 91007 | 8,693 | 920 | 7,773 | 10.6% | 89.4% |
| Bradbury | 91008 | 312 | 22 | 290 | 7.1% | 92.9% |
| Duarte | 91010 | 6,052 | 600 | 5,452 | 9.9% | 90.1% |
| Monrovia | 91016 | 10,544 | 865 | 9,679 | 8.2% | 91.8% |
| Sierra Madre | 91024 | 3,010 | 131 | 2,879 | 4.4% | 95.6% |
| Pasadena East | 91107 | 8,663 | 587 | 8,076 | 6.8% | 93.2% |
| Azusa | 91702 | 12,745 | 1,788 | 10,957 | 14.0% | 86.0% |
| Baldwin Park | 91706 | 15,784 | 2,480 | 13,304 | 15.7% | 84.3% |
| El Monte | 91731 | 6,475 | 1,339 | 5,136 | 20.7% | 79.3% |
| El Monte | 91732 | 13,077 | 2,960 | 10,117 | 22.6% | 77.4% |
| South El Monte | 91733 | 8,988 | 1,988 | 7,000 | 22.1% | 77.9% |
| Rosemead | 91770 | 14,284 | 2,302 | 11,982 | 16.1% | 83.9% |
| San Gabriel | 91775 | 6,700 | 402 | 6,298 | 6.0% | 94.0% |
| San Gabriel | 91776 | 9,274 | 1,314 | 7,960 | 14.2% | 85.8% |
| Temple City | 91780 | 9,060 | 895 | 8,165 | 9.9% | 90.1% |
| **MH Service Area** | **-** | **142,653** | **19,204** | **123,449** | **13.5%** | **86.5%** |

*Source: Nielsen*



MHSC-0000644

# Appendix B: Age Group Detail

**Table 1: Total Population Age Group 0 to 20 Years (2016)**

| Community | ZIP Code | Number | | | Percent | | |
|---|---|---|---|---|---|---|---|
| | | 0 to 4 Years | 5 to 14 Years | 15 to 20 Years | 0 to 4 Years | 5 to 14 Years | 15 to 20 Years |
| Arcadia | 91006 | 1,485 | 3,478 | 2,712 | 4.5% | 10.4% | 8.1% |
| Arcadia | 91007 | 1,381 | 3,285 | 2,511 | 4.0% | 9.6% | 7.3% |
| Bradbury | 91008 | 40 | 92 | 66 | 3.1% | 7.2% | 5.2% |
| Duarte | 91010 | 1,595 | 3,231 | 2,087 | 5.9% | 11.9% | 7.7% |
| Monrovia | 91016 | 2,517 | 5,177 | 3,101 | 6.0% | 12.3% | 7.4% |
| Sierra Madre | 91024 | 503 | 1,196 | 729 | 4.4% | 10.4% | 6.4% |
| Pasadena East | 91107 | 1,757 | 3,702 | 2,042 | 5.2% | 10.9% | 6.0% |
| Azusa | 91702 | 4,512 | 8,875 | 6,817 | 7.3% | 14.3% | 11.0% |
| Baldwin Park | 91706 | 5,929 | 11,667 | 7,510 | 7.6% | 14.9% | 9.6% |
| El Monte | 91731 | 2,158 | 4,185 | 2,519 | 7.2% | 13.9% | 8.4% |
| El Monte | 91732 | 4,820 | 9,362 | 5,629 | 7.6% | 14.7% | 8.9% |
| South El Monte | 91733 | 3,655 | 6,923 | 4,073 | 8.2% | 15.5% | 9.1% |
| Rosemead | 91770 | 3,320 | 7,259 | 4,775 | 5.2% | 11.3% | 7.5% |
| San Gabriel | 91775 | 1,287 | 2,975 | 1,858 | 5.0% | 11.7% | 7.3% |
| San Gabriel | 91776 | 1,932 | 4,049 | 2,537 | 4.9% | 10.2% | 6.4% |
| Temple City | 91780 | 1,613 | 3,678 | 2,686 | 4.5% | 10.3% | 7.5% |
| **MH Service Area** | **–** | **38,504** | **79,134** | **51,652** | **6.1%** | **12.6%** | **8.2%** |

*Note: Percentages rounded*

*Source: Nielsen*

**Table 2: Total Population Age Group 21 to 44 Years (2016)**

| Community | ZIP Code | Number | | | Percent | | |
|---|---|---|---|---|---|---|---|
| | | 21 to 24 Years | 25 to 34 Years | 35 to 44 Years | 21 to 24 Years | 25 to 34 Years | 35 to 44 Years |
| Arcadia | 91006 | 1,872 | 3,621 | 3,680 | 5.6% | 10.9% | 11.1% |
| Arcadia | 91007 | 1,844 | 3,789 | 4,021 | 5.4% | 11.1% | 11.7% |
| Bradbury | 91008 | 53 | 133 | 98 | 4.1% | 10.4% | 7.7% |
| Duarte | 91010 | 1,472 | 3,482 | 3,567 | 5.4% | 12.9% | 13.2% |
| Monrovia | 91016 | 2,217 | 5,468 | 5,978 | 5.3% | 13.0% | 14.2% |
| Sierra Madre | 91024 | 436 | 947 | 1,338 | 3.8% | 8.3% | 11.7% |
| Pasadena East | 91107 | 1,350 | 4,416 | 4,801 | 4.0% | 13.0% | 14.1% |
| Azusa | 91702 | 4,479 | 9,459 | 8,392 | 7.2% | 15.2% | 13.5% |
| Baldwin Park | 91706 | 5,137 | 12,072 | 10,664 | 6.6% | 15.4% | 13.6% |
| El Monte | 91731 | 1,783 | 4,528 | 4,110 | 5.9% | 15.0% | 13.7% |
| El Monte | 91732 | 3,895 | 9,845 | 8,879 | 6.1% | 15.5% | 14.0% |
| South El Monte | 91733 | 2,799 | 6,935 | 6,474 | 6.2% | 15.5% | 14.5% |
| Rosemead | 91770 | 3,480 | 9,018 | 8,709 | 5.4% | 14.1% | 13.6% |
| San Gabriel | 91775 | 1,206 | 2,837 | 3,354 | 4.7% | 11.1% | 13.1% |
| San Gabriel | 91776 | 1,928 | 6,080 | 5,672 | 4.9% | 15.4% | 14.3% |
| Temple City | 91780 | 1,908 | 4,329 | 4,485 | 5.3% | 12.1% | 12.6% |
| **MH Service Area** | **-** | **35,859** | **86,959** | **84,222** | **5.7%** | **13.9%** | **13.4%** |

*Note: Percentages rounded*

*Source: Nielsen*

**Table 3: Total Population Age Group 45 to 64 Years (2016)**

| Community | ZIP Code | Number | | Percent | |
|---|---|---|---|---|---|
| | | 45 to 54 Years | 55 to 64 Years | 45 to 54 Years | 55 to 64 Years |
| Arcadia | 91006 | 5,318 | 5,252 | 16.0% | 15.8% |
| Arcadia | 91007 | 5,409 | 5,119 | 15.8% | 14.9% |
| Bradbury | 91008 | 159 | 205 | 12.4% | 16.0% |
| Duarte | 91010 | 3,600 | 3,428 | 13.3% | 12.7% |
| Monrovia | 91016 | 6,174 | 5,628 | 14.7% | 13.4% |
| Sierra Madre | 91024 | 1,790 | 2,124 | 15.6% | 18.5% |
| Pasadena East | 91107 | 4,999 | 4,763 | 14.7% | 14.0% |
| Azusa | 91702 | 7,717 | 6,112 | 12.4% | 9.8% |
| Baldwin Park | 91706 | 9,723 | 7,900 | 12.4% | 10.1% |
| El Monte | 91731 | 3,694 | 3,190 | 12.3% | 10.6% |
| El Monte | 91732 | 8,043 | 6,527 | 12.7% | 10.3% |
| South El Monte | 91733 | 5,512 | 4,302 | 12.3% | 9.6% |
| Rosemead | 91770 | 9,075 | 8,455 | 14.2% | 13.2% |
| San Gabriel | 91775 | 4,046 | 3,578 | 15.8% | 14.0% |
| San Gabriel | 91776 | 5,980 | 5,396 | 15.1% | 13.6% |
| Temple City | 91780 | 5,454 | 5,410 | 15.3% | 15.1% |
| **MH Service Area** | **–** | **86,693** | **77,389** | **13.8%** | **12.3%** |

*Note: Percentages rounded*

*Source: Nielsen*



MHSC-0000647

**Table 4: Total Population Age Group 65 Years and Older (2016)**

| Community | ZIP Code | Number | | | Percent | | |
|---|---|---|---|---|---|---|---|
| | | 65 to 74 Years | 75 to 84 Years | 85+ Years | 65 to 74 Years | 75 to 84 Years | 85+ Years |
| Arcadia | 91006 | 3,395 | 1,763 | 726 | 10.2% | 5.3% | 2.2% |
| Arcadia | 91007 | 3,355 | 2,115 | 1,421 | 9.8% | 6.2% | 4.1% |
| Bradbury | 91008 | 151 | 106 | 175 | 11.8% | 8.3% | 13.7% |
| Duarte | 91010 | 2,450 | 1,353 | 793 | 9.1% | 5.0% | 2.9% |
| Monrovia | 91016 | 3,508 | 1,571 | 739 | 8.3% | 3.7% | 1.8% |
| Sierra Madre | 91024 | 1,391 | 686 | 311 | 12.1% | 6.0% | 2.7% |
| Pasadena East | 91107 | 3,390 | 1,827 | 920 | 10.0% | 5.4% | 2.7% |
| Azusa | 91702 | 3,506 | 1,650 | 600 | 5.6% | 2.7% | 1.0% |
| Baldwin Park | 91706 | 4,735 | 2,167 | 765 | 6.0% | 2.8% | 1.0% |
| El Monte | 91731 | 2,209 | 1,217 | 507 | 7.3% | 4.0% | 1.7% |
| El Monte | 91732 | 3,824 | 1,929 | 772 | 6.0% | 3.0% | 1.2% |
| South El Monte | 91733 | 2,414 | 1,246 | 465 | 5.4% | 2.8% | 1.0% |
| Rosemead | 91770 | 5,389 | 3,093 | 1,385 | 8.4% | 4.8% | 2.2% |
| San Gabriel | 91775 | 2,470 | 1,281 | 644 | 9.7% | 5.0% | 2.5% |
| San Gabriel | 91776 | 3,319 | 1,698 | 944 | 8.4% | 4.3% | 2.4% |
| Temple City | 91780 | 3,561 | 1,752 | 852 | 10.0% | 4.9% | 2.4% |
| **MH Service Area** | **-** | **49,067** | **25,454** | **12,019** | **7.8%** | **4.1%** | **1.9%** |

*Note: Percentages rounded*

*Source: Nielsen*

**Table 5: Male Population Age Group 0 to 20 Years (2016)**

| Community | ZIP Code | Number | | | Percent | | |
|---|---|---|---|---|---|---|---|
| | | 0 to 4 Years | 5 to 14 Years | 15 to 20 Years | 0 to 4 Years | 5 to 14 Years | 15 to 20 Years |
| Arcadia | 91006 | 757 | 1,762 | 1,387 | 4.7% | 11.0% | 8.7% |
| Arcadia | 91007 | 705 | 1,679 | 1,302 | 4.3% | 10.4% | 8.0% |
| Bradbury | 91008 | 21 | 47 | 35 | 3.7% | 8.2% | 6.1% |
| Duarte | 91010 | 813 | 1,671 | 1,034 | 6.3% | 12.9% | 8.0% |
| Monrovia | 91016 | 1,286 | 2,681 | 1,624 | 6.4% | 13.2% | 8.0% |
| Sierra Madre | 91024 | 255 | 592 | 387 | 4.7% | 10.9% | 7.1% |
| Pasadena East | 91107 | 897 | 1,925 | 1,022 | 5.4% | 11.7% | 6.2% |
| Azusa | 91702 | 2,310 | 4,588 | 3,261 | 7.5% | 14.9% | 10.6% |
| Baldwin Park | 91706 | 3,017 | 5,995 | 3,865 | 7.8% | 15.4% | 9.9% |
| El Monte | 91731 | 1,108 | 2,157 | 1,351 | 7.3% | 14.3% | 8.9% |
| El Monte | 91732 | 2,473 | 4,786 | 2,907 | 7.8% | 15.0% | 9.1% |
| South El Monte | 91733 | 1,864 | 3,495 | 2,117 | 8.2% | 15.4% | 9.4% |
| Rosemead | 91770 | 1,697 | 3,741 | 2,464 | 5.4% | 11.9% | 7.8% |
| San Gabriel | 91775 | 656 | 1,527 | 954 | 5.4% | 12.5% | 7.8% |
| San Gabriel | 91776 | 987 | 2,067 | 1,316 | 5.1% | 10.7% | 6.8% |
| Temple City | 91780 | 825 | 1,852 | 1,383 | 4.8% | 10.9% | 8.1% |
| **MH Service Area** | **-** | **19,671** | **40,565** | **26,409** | **6.4%** | **13.2%** | **8.6%** |

*Note: Percentages rounded*

*Source: Nielsen*

**Table 6: Male Population Age Group 21 to 44 Years (2016)**

| Community | ZIP Code | Number | | | Percent | | |
|---|---|---|---|---|---|---|---|
| | | 21 to 24 Years | 25 to 34 Years | 35 to 44 Years | 21 to 24 Years | 25 to 34 Years | 35 to 44 Years |
| Arcadia | 91006 | 974 | 1,856 | 1,689 | 6.1% | 11.6% | 10.5% |
| Arcadia | 91007 | 957 | 1,888 | 1,877 | 5.9% | 11.6% | 11.6% |
| Bradbury | 91008 | 25 | 73 | 48 | 4.4% | 12.7% | 8.4% |
| Duarte | 91010 | 756 | 1,769 | 1,742 | 5.8% | 13.7% | 13.5% |
| Monrovia | 91016 | 1,129 | 2,744 | 2,878 | 5.6% | 13.6% | 14.2% |
| Sierra Madre | 91024 | 235 | 474 | 615 | 4.3% | 8.7% | 11.3% |
| Pasadena East | 91107 | 692 | 2,243 | 2,366 | 4.2% | 13.6% | 14.3% |
| Azusa | 91702 | 2,201 | 4,906 | 4,292 | 7.2% | 15.9% | 13.9% |
| Baldwin Park | 91706 | 2,611 | 6,175 | 5,320 | 6.7% | 15.9% | 13.7% |
| El Monte | 91731 | 914 | 2,351 | 2,095 | 6.1% | 15.6% | 13.9% |
| El Monte | 91732 | 2,008 | 5,139 | 4,532 | 6.3% | 16.1% | 14.2% |
| South El Monte | 91733 | 1,442 | 3,686 | 3,364 | 6.4% | 16.3% | 14.9% |
| Rosemead | 91770 | 1,771 | 4,698 | 4,324 | 5.6% | 14.9% | 13.8% |
| San Gabriel | 91775 | 624 | 1,448 | 1,574 | 5.1% | 11.8% | 12.9% |
| San Gabriel | 91776 | 988 | 3,078 | 2,857 | 5.1% | 16.0% | 14.8% |
| Temple City | 91780 | 987 | 2,174 | 2,107 | 5.8% | 12.8% | 12.4% |
| **MH Service Area** | **-** | **18,314** | **44,702** | **41,680** | **6.0%** | **14.6%** | **13.6%** |

*Note: Percentages rounded*

*Source: Nielsen*



MHSC-0000650

**Table 7: Male Population Age Group 45 to 64 Years (2016)**

| Community | ZIP Code | Number | | Percent | |
|---|---|---|---|---|---|
| | | 45 to 54 Years | 55 to 64 Years | 45 to 54 Years | 55 to 64 Years |
| Arcadia | 91006 | 2,432 | 2,514 | 15.2% | 15.7% |
| Arcadia | 91007 | 2,475 | 2,454 | 15.3% | 15.1% |
| Bradbury | 91008 | 70 | 94 | 12.2% | 16.4% |
| Duarte | 91010 | 1,765 | 1,567 | 13.7% | 12.1% |
| Monrovia | 91016 | 2,939 | 2,565 | 14.5% | 12.7% |
| Sierra Madre | 91024 | 833 | 996 | 15.3% | 18.4% |
| Pasadena East | 91107 | 2,424 | 2,288 | 14.7% | 13.9% |
| Azusa | 91702 | 3,870 | 2,918 | 12.6% | 9.5% |
| Baldwin Park | 91706 | 4,865 | 3,710 | 12.5% | 9.5% |
| El Monte | 91731 | 1,880 | 1,501 | 12.4% | 9.9% |
| El Monte | 91732 | 4,006 | 3,068 | 12.6% | 9.6% |
| South El Monte | 91733 | 2,781 | 2,066 | 12.3% | 9.1% |
| Rosemead | 91770 | 4,548 | 3,927 | 14.5% | 12.5% |
| San Gabriel | 91775 | 1,912 | 1,650 | 15.6% | 13.5% |
| San Gabriel | 91776 | 2,907 | 2,527 | 15.1% | 13.1% |
| Temple City | 91780 | 2,525 | 2,536 | 14.8% | 14.9% |
| **MH Service Area** | **–** | **42,232** | **36,381** | **13.8%** | **11.8%** |

*Note: Percentages rounded*

*Source: Nielsen*



MHSC-0000651

**Table 8: Male Population Age Group 65 Years and Older (2016)**

| Community | ZIP Code | Number | | | Percent | | |
|---|---|---|---|---|---|---|---|
| | | 65 to 74 Years | 75 to 84 Years | 85+ Years | 65 to 74 Years | 75 to 84 Years | 85+ Years |
| Arcadia | 91006 | 1,589 | 779 | 278 | 9.9% | 4.9% | 1.7% |
| Arcadia | 91007 | 1,522 | 870 | 485 | 9.4% | 5.4% | 3.0% |
| Bradbury | 91008 | 72 | 41 | 48 | 12.5% | 7.1% | 8.4% |
| Duarte | 91010 | 1,076 | 514 | 223 | 8.3% | 4.0% | 1.7% |
| Monrovia | 91016 | 1,535 | 622 | 240 | 7.6% | 3.1% | 1.2% |
| Sierra Madre | 91024 | 636 | 292 | 112 | 11.7% | 5.4% | 2.1% |
| Pasadena East | 91107 | 1,518 | 788 | 331 | 9.2% | 4.8% | 2.0% |
| Azusa | 91702 | 1,548 | 656 | 221 | 5.0% | 2.1% | 0.7% |
| Baldwin Park | 91706 | 2,161 | 878 | 267 | 5.6% | 2.3% | 0.7% |
| El Monte | 91731 | 1,000 | 552 | 194 | 6.6% | 3.7% | 1.3% |
| El Monte | 91732 | 1,824 | 807 | 288 | 5.7% | 2.5% | 0.9% |
| South El Monte | 91733 | 1,090 | 540 | 180 | 4.8% | 2.4% | 0.8% |
| Rosemead | 91770 | 2,447 | 1,306 | 509 | 7.8% | 4.2% | 1.6% |
| San Gabriel | 91775 | 1,100 | 560 | 221 | 9.0% | 4.6% | 1.8% |
| San Gabriel | 91776 | 1,501 | 709 | 348 | 7.8% | 3.7% | 1.8% |
| Temple City | 91780 | 1,608 | 752 | 297 | 9.4% | 4.4% | 1.7% |
| **MH Service Area** | **-** | **22,227** | **10,666** | **4,242** | **7.2%** | **3.5%** | **1.4%** |

*Note: Percentages rounded*

*Source: Nielsen*

**Table 9: Female Population Age Group 0 to 20 Years (2016)**

| Community | ZIP Code | Number | | | Percent | | |
|---|---|---|---|---|---|---|---|
| | | 0 to 4 Years | 5 to 14 Years | 15 to 20 Years | 0 to 4 Years | 5 to 14 Years | 15 to 20 Years |
| Arcadia | 91006 | 728 | 1,716 | 1,325 | 4.2% | 9.9% | 7.7% |
| Arcadia | 91007 | 676 | 1,606 | 1,209 | 3.7% | 8.9% | 6.7% |
| Bradbury | 91008 | 19 | 45 | 31 | 2.7% | 6.4% | 4.4% |
| Duarte | 91010 | 782 | 1,560 | 1,053 | 5.5% | 11.0% | 7.5% |
| Monrovia | 91016 | 1,231 | 2,496 | 1,477 | 5.6% | 11.4% | 6.8% |
| Sierra Madre | 91024 | 248 | 604 | 342 | 4.1% | 10.0% | 5.7% |
| Pasadena East | 91107 | 860 | 1,777 | 1,020 | 4.9% | 10.2% | 5.8% |
| Azusa | 91702 | 2,202 | 4,287 | 3,556 | 7.0% | 13.7% | 11.3% |
| Baldwin Park | 91706 | 2,912 | 5,672 | 3,645 | 7.4% | 14.4% | 9.3% |
| El Monte | 91731 | 1,050 | 2,028 | 1,168 | 7.0% | 13.5% | 7.8% |
| El Monte | 91732 | 2,347 | 4,576 | 2,722 | 7.4% | 14.4% | 8.6% |
| South El Monte | 91733 | 1,791 | 3,428 | 1,956 | 8.1% | 15.5% | 8.8% |
| Rosemead | 91770 | 1,623 | 3,518 | 2,311 | 5.0% | 10.8% | 7.1% |
| San Gabriel | 91775 | 631 | 1,448 | 904 | 4.7% | 10.9% | 6.8% |
| San Gabriel | 91776 | 945 | 1,982 | 1,221 | 4.7% | 9.8% | 6.0% |
| Temple City | 91780 | 788 | 1,826 | 1,303 | 4.2% | 9.8% | 7.0% |
| **MH Service Area** | **-** | **18,833** | **38,569** | **25,243** | **5.9%** | **12.1%** | **7.9%** |

*Note: Percentages rounded*

*Source: Nielsen*

**Table 10: Female Population Age Group 21 to 44 Years (2016)**

| Community | ZIP Code | Number | | | Percent | | |
|---|---|---|---|---|---|---|---|
| | | 21 to 24 Years | 25 to 34 Years | 35 to 44 Years | 21 to 24 Years | 25 to 34 Years | 35 to 44 Years |
| Arcadia | 91006 | 898 | 1,765 | 1,991 | 5.2% | 10.2% | 11.5% |
| Arcadia | 91007 | 887 | 1,901 | 2,144 | 4.9% | 10.5% | 11.9% |
| Bradbury | 91008 | 28 | 60 | 50 | 4.0% | 8.5% | 7.1% |
| Duarte | 91010 | 716 | 1,713 | 1,825 | 5.1% | 12.1% | 12.9% |
| Monrovia | 91016 | 1,088 | 2,724 | 3,100 | 5.0% | 12.5% | 14.2% |
| Sierra Madre | 91024 | 201 | 473 | 723 | 3.3% | 7.9% | 12.0% |
| Pasadena East | 91107 | 658 | 2,173 | 2,435 | 3.8% | 12.4% | 13.9% |
| Azusa | 91702 | 2,278 | 4,553 | 4,100 | 7.3% | 14.5% | 13.1% |
| Baldwin Park | 91706 | 2,526 | 5,897 | 5,344 | 6.4% | 15.0% | 13.6% |
| El Monte | 91731 | 869 | 2,177 | 2,015 | 5.8% | 14.5% | 13.4% |
| El Monte | 91732 | 1,887 | 4,706 | 4,347 | 6.0% | 14.9% | 13.7% |
| South El Monte | 91733 | 1,357 | 3,249 | 3,110 | 6.1% | 14.7% | 14.0% |
| Rosemead | 91770 | 1,709 | 4,320 | 4,385 | 5.3% | 13.3% | 13.5% |
| San Gabriel | 91775 | 582 | 1,389 | 1,780 | 4.4% | 10.4% | 13.4% |
| San Gabriel | 91776 | 940 | 3,002 | 2,815 | 4.6% | 14.8% | 13.9% |
| Temple City | 91780 | 921 | 2,155 | 2,378 | 4.9% | 11.5% | 12.7% |
| **MH Service Area** | **-** | **17,545** | **42,257** | **42,542** | **5.5%** | **13.2%** | **13.3%** |

*Note: Percentages rounded*

*Source: Nielsen*



MHSC-0000654

**Table 11: Female Population Age Group 45 to 64 Years (2016)**

| Community | ZIP Code | Number | | Percent | |
|---|---|---|---|---|---|
| | | 45 to 54 Years | 55 to 64 Years | 45 to 54 Years | 55 to 64 Years |
| Arcadia | 91006 | 2,886 | 2,738 | 16.7% | 15.8% |
| Arcadia | 91007 | 2,934 | 2,665 | 16.3% | 14.8% |
| Bradbury | 91008 | 89 | 111 | 12.6% | 15.8% |
| Duarte | 91010 | 1,835 | 1,861 | 13.0% | 13.2% |
| Monrovia | 91016 | 3,235 | 3,063 | 14.8% | 14.0% |
| Sierra Madre | 91024 | 957 | 1,128 | 15.9% | 18.7% |
| Pasadena East | 91107 | 2,575 | 2,475 | 14.7% | 14.2% |
| Azusa | 91702 | 3,847 | 3,194 | 12.3% | 10.2% |
| Baldwin Park | 91706 | 4,858 | 4,190 | 12.3% | 10.6% |
| El Monte | 91731 | 1,814 | 1,689 | 12.1% | 11.3% |
| El Monte | 91732 | 4,037 | 3,459 | 12.7% | 10.9% |
| South El Monte | 91733 | 2,731 | 2,236 | 12.3% | 10.1% |
| Rosemead | 91770 | 4,527 | 4,528 | 13.9% | 13.9% |
| San Gabriel | 91775 | 2,134 | 1,928 | 16.0% | 14.5% |
| San Gabriel | 91776 | 3,073 | 2,869 | 15.2% | 14.2% |
| Temple City | 91780 | 2,929 | 2,874 | 15.7% | 15.4% |
| **MH Service Area** | **–** | **44,461** | **41,008** | **13.9%** | **12.8%** |

*Note: Percentages rounded*

*Source: Nielsen*



MHSC-0000655

**Table 12: Female Population Age Group 65 Years and Older (2016)**

| Community | ZIP Code | Number | | | Percent | | |
|---|---|---|---|---|---|---|---|
| | | 65 to 74 Years | 75 to 84 Years | 85+ Years | 65 to 74 Years | 75 to 84 Years | 85+ Years |
| Arcadia | 91006 | 1,806 | 984 | 448 | 10.4% | 5.7% | 2.6% |
| Arcadia | 91007 | 1,833 | 1,245 | 936 | 10.2% | 6.9% | 5.2% |
| Bradbury | 91008 | 79 | 65 | 127 | 11.2% | 9.2% | 18.0% |
| Duarte | 91010 | 1,374 | 839 | 570 | 9.7% | 5.9% | 4.0% |
| Monrovia | 91016 | 1,973 | 949 | 499 | 9.0% | 4.3% | 2.3% |
| Sierra Madre | 91024 | 755 | 394 | 199 | 12.5% | 6.5% | 3.3% |
| Pasadena East | 91107 | 1,872 | 1,039 | 589 | 10.7% | 5.9% | 3.4% |
| Azusa | 91702 | 1,958 | 994 | 379 | 6.2% | 3.2% | 1.2% |
| Baldwin Park | 91706 | 2,574 | 1,289 | 498 | 6.5% | 3.3% | 1.3% |
| El Monte | 91731 | 1,209 | 665 | 313 | 8.1% | 4.4% | 2.1% |
| El Monte | 91732 | 2,000 | 1,122 | 484 | 6.3% | 3.5% | 1.5% |
| South El Monte | 91733 | 1,324 | 706 | 285 | 6.0% | 3.2% | 1.3% |
| Rosemead | 91770 | 2,942 | 1,787 | 876 | 9.0% | 5.5% | 2.7% |
| San Gabriel | 91775 | 1,370 | 721 | 423 | 10.3% | 5.4% | 3.2% |
| San Gabriel | 91776 | 1,818 | 989 | 596 | 9.0% | 4.9% | 2.9% |
| Temple City | 91780 | 1,953 | 1,000 | 555 | 10.5% | 5.4% | 3.0% |
| **MH Service Area** | **-** | **26,840** | **14,788** | **7,777** | 10.4% | 5.7% | 2.6% |

*Note: Percentages rounded*

*Source: Nielsen*



MHSC-0000656

# Appendix C: Maternal and Infant Health

**Table 1: Births (2012)**

| Community | ZIP Code | Births 2012 |
|---|---|---|
| Arcadia | 91006 | 376 |
| Arcadia | 91007 | 562 |
| Duarte | 91010 | 352 |
| Monrovia | 91016 | 513 |
| Sierra Madre | 91024 | 95 |
| Pasadena East | 91107 | 424 |
| Azusa | 91702 | 856 |
| Baldwin Park | 91706 | 1,145 |
| El Monte | 91731 | 446 |
| El Monte | 91732 | 996 |
| South El Monte | 91733 | 703 |
| Rosemead | 91770 | 932 |
| San Gabriel | 91775 | 311 |
| San Gabriel | 91776 | 556 |
| Temple City | 91780 | 380 |
| **MH Service Area** | **-** | **8,647** |

*Note: There were no births reported for ZIP Code 91008*

*Source: California Department of Public Health*

**Table 2A: Births by Mother's Race/Ethnicity (2012)**

| Community | ZIP Code | Total Births | White | Black | Asian/PI | Hispanic | Native American | Other/ Unknown |
|---|---|---|---|---|---|---|---|---|
| Arcadia | 91006 | 376 | 52 | 7 | 262 | 49 | 1 | 5 |
| Arcadia | 91007 | 562 | 28 | 5 | 483 | 40 | 0 | 6 |
| Duarte | 91010 | 352 | 48 | 24 | 56 | 216 | 1 | 7 |
| Monrovia | 91016 | 513 | 118 | 20 | 92 | 257 | 0 | 26 |
| Sierra Madre | 91024 | 95 | 57 | 1 | 17 | 11 | 0 | 9 |
| Pasadena East | 91107 | 424 | 171 | 8 | 116 | 114 | 1 | 14 |
| Azusa | 91702 | 856 | 76 | 15 | 84 | 671 | 1 | 9 |
| Baldwin Park | 91706 | 1,145 | 24 | 5 | 143 | 970 | 1 | 2 |
| El Monte | 91731 | 446 | 8 | 1 | 99 | 337 | 0 | 1 |
| El Monte | 91732 | 996 | 27 | 6 | 207 | 750 | 1 | 5 |
| South El Monte | 91733 | 703 | 4 | 2 | 107 | 586 | 2 | 2 |
| Rosemead | 91770 | 932 | 21 | 1 | 580 | 327 | 0 | 3 |
| San Gabriel | 91775 | 311 | 39 | 5 | 184 | 74 | 0 | 9 |
| San Gabriel | 91776 | 556 | 20 | 3 | 358 | 169 | 0 | 6 |
| Temple City | 91780 | 380 | 32 | 1 | 260 | 84 | 1 | 2 |
| **MH Service Area** | **–** | **8,647** | **725** | **104** | **3,048** | **4,655** | **9** | **106** |

*Source: California Department of Public Health*

**Table 2B: Percent Births by Mother's Race/Ethnicity (2012)**

| Community | ZIP Code | Total Births | White | Black | Asian/PI | Hispanic | Native American | Other/ Unknown |
|---|---|---|---|---|---|---|---|---|
| Arcadia | 91006 | 376 | 13.8% | 1.9% | 69.7% | 13.0% | 0.3% | 1.3% |
| Arcadia | 91007 | 562 | 5.0% | 0.9% | 85.9% | 7.1% | 0.0% | 1.1% |
| Duarte | 91010 | 352 | 13.6% | 6.8% | 15.9% | 61.4% | 0.3% | 2.0% |
| Monrovia | 91016 | 513 | 23.0% | 3.9% | 17.9% | 50.1% | 0.0% | 5.1% |
| Sierra Madre | 91024 | 95 | 60.0% | 1.1% | 17.9% | 11.6% | 0.0% | 9.5% |
| Pasadena East | 91107 | 424 | 40.3% | 1.9% | 27.4% | 26.9% | 0.2% | 3.3% |
| Azusa | 91702 | 856 | 8.9% | 1.8% | 9.8% | 78.4% | 0.1% | 1.1% |
| Baldwin Park | 91706 | 1,145 | 2.1% | 0.4% | 12.5% | 84.7% | 0.1% | 0.2% |
| El Monte | 91731 | 446 | 1.8% | 0.2% | 22.2% | 75.6% | 0.0% | 0.2% |
| El Monte | 91732 | 996 | 2.7% | 0.6% | 20.8% | 75.3% | 0.1% | 0.5% |
| South El Monte | 91733 | 703 | 0.6% | 0.3% | 15.2% | 83.4% | 0.3% | 0.3% |
| Rosemead | 91770 | 932 | 2.3% | 0.1% | 62.2% | 35.1% | 0.0% | 0.3% |
| San Gabriel | 91775 | 311 | 12.5% | 1.6% | 59.2% | 23.8% | 0.0% | 2.9% |
| San Gabriel | 91776 | 556 | 3.6% | 0.5% | 64.4% | 30.4% | 0.0% | 1.1% |
| Temple City | 91780 | 380 | 8.4% | 0.3% | 68.4% | 22.1% | 0.3% | 0.5% |
| **MH Service Area** | **–** | **8,647** | **8.4%** | **1.2%** | **35.2%** | **53.8%** | **0.1%** | **1.2%** |

*Source: California Department of Public Health*

**Table 3A: Births by Mother's Age Group (2012)**

| Community | ZIP Code | Total Births | Under 20 Years | 20 to 29 Years | 30 to 34 Years | 35 Years and Over | Age Unknown |
|---|---|---|---|---|---|---|---|
| Arcadia | 91006 | 376 | 4 | 91 | 150 | 131 | 0 |
| Arcadia | 91007 | 562 | 3 | 162 | 215 | 182 | 0 |
| Duarte | 91010 | 352 | 30 | 171 | 90 | 61 | 0 |
| Monrovia | 91016 | 513 | 29 | 191 | 170 | 123 | 0 |
| Sierra Madre | 91024 | 95 | | 14 | 36 | 45 | 0 |
| Pasadena East | 91107 | 424 | 5 | 115 | 160 | 144 | 0 |
| Azusa | 91702 | 856 | 76 | 457 | 201 | 122 | 0 |
| Baldwin Park | 91706 | 1,145 | 88 | 610 | 278 | 169 | 0 |
| El Monte | 91731 | 446 | 41 | 220 | 104 | 81 | 0 |
| El Monte | 91732 | 996 | 99 | 508 | 248 | 141 | 0 |
| South El Monte | 91733 | 703 | 69 | 374 | 150 | 110 | 0 |
| Rosemead | 91770 | 932 | 37 | 361 | 294 | 240 | 0 |
| San Gabriel | 91775 | 311 | 8 | 89 | 105 | 109 | 0 |
| San Gabriel | 91776 | 556 | 13 | 223 | 187 | 133 | 0 |
| Temple City | 91780 | 380 | 9 | 110 | 146 | 115 | 0 |
| **MH Service Area** | **–** | **8,647** | **511** | **3,696** | **2,534** | **1,906** | **0** |

*Source: California Department of Public Health*

**Table 3B: Percent Births by Mother's Age Group (2012)**

| Community | ZIP Code | Total Births | Under 20 Years | 20 to 29 Years | 30 to 34 Years | 35 Years and Over | Age Unknown |
|---|---|---|---|---|---|---|---|
| Arcadia | 91006 | 376 | 1.1% | 24.2% | 39.9% | 34.8% | 0.0% |
| Arcadia | 91007 | 562 | 0.5% | 28.8% | 38.3% | 32.4% | 0.0% |
| Duarte | 91010 | 352 | 8.5% | 48.6% | 25.6% | 17.3% | 0.0% |
| Monrovia | 91016 | 513 | 5.7% | 37.2% | 33.1% | 24.0% | 0.0% |
| Sierra Madre | 91024 | 95 | 0.0% | 14.7% | 37.9% | 47.4% | 0.0% |
| Pasadena East | 91107 | 424 | 1.2% | 27.1% | 37.7% | 34.0% | 0.0% |
| Azusa | 91702 | 856 | 8.9% | 53.4% | 23.5% | 14.3% | 0.0% |
| Baldwin Park | 91706 | 1,145 | 7.7% | 53.3% | 24.3% | 14.8% | 0.0% |
| El Monte | 91731 | 446 | 9.2% | 49.3% | 23.3% | 18.2% | 0.0% |
| El Monte | 91732 | 996 | 9.9% | 51.0% | 24.9% | 14.2% | 0.0% |
| South El Monte | 91733 | 703 | 9.8% | 53.2% | 21.3% | 15.6% | 0.0% |
| Rosemead | 91770 | 932 | 4.0% | 38.7% | 31.5% | 25.8% | 0.0% |
| San Gabriel | 91775 | 311 | 2.6% | 28.6% | 33.8% | 35.0% | 0.0% |
| San Gabriel | 91776 | 556 | 2.3% | 40.1% | 33.6% | 23.9% | 0.0% |
| Temple City | 91780 | 380 | 2.4% | 28.9% | 38.4% | 30.3% | 0.0% |
| **MH Service Area** | **-** | **8,647** | **5.9%** | **42.7%** | **29.3%** | **22.0%** | **0.0%** |

*Source: California Department of Public Health*



MHSC-0000661

**Table 4: Births by Prenatal Care Access (2012)**

| Community | ZIP Code | Total Births | 1st Trimester | 2nd Trimester | 3rd Trimester | No Care | Unknown Care | Percent Early Prenatal Care |
|---|---|---|---|---|---|---|---|---|
| Arcadia | 91006 | 376 | 313 | 30 | 7 | 0 | 26 | 89.4% |
| Arcadia | 91007 | 562 | 469 | 33 | 13 | 0 | 47 | 91.1% |
| Duarte | 91010 | 352 | 294 | 47 | 7 | 1 | 3 | 84.2% |
| Monrovia | 91016 | 513 | 442 | 49 | 16 | 1 | 5 | 87.0% |
| Sierra Madre | 91024 | 95 | 92 | 2 | 0 | 0 | 1 | 97.9% |
| Pasadena East | 91107 | 424 | 388 | 27 | 4 | 1 | 4 | 92.4% |
| Azusa | 91702 | 856 | 695 | 97 | 27 | 3 | 34 | 84.5% |
| Baldwin Park | 91706 | 1,145 | 990 | 108 | 15 | 2 | 30 | 88.8% |
| El Monte | 91731 | 446 | 354 | 50 | 8 | 0 | 34 | 85.9% |
| El Monte | 91732 | 996 | 781 | 113 | 28 | 8 | 66 | 84.0% |
| South El Monte | 91733 | 703 | 561 | 73 | 12 | 6 | 51 | 86.0% |
| Rosemead | 91770 | 932 | 711 | 79 | 12 | 2 | 128 | 88.4% |
| San Gabriel | 91775 | 311 | 257 | 26 | 5 | 0 | 23 | 89.2% |
| San Gabriel | 91776 | 556 | 454 | 56 | 14 | 0 | 32 | 86.6% |
| Temple City | 91780 | 380 | 333 | 25 | 6 | 1 | 15 | 91.2% |
| **MH Service Area** | **-** | **8,647** | **7,134** | **815** | **174** | **25** | **499** | **87.6%** |

*Note: Percent early prenatal care excludes births to mothers with unknown prenatal care*

*Source: California Department of Public Health*

**Table 5: Births by Infant Birth Weight (2012)**

| Community | ZIP Code | Total Births | Under 1,500 Grams | | 1,500 to 2,499 Grams | | 2,500 Grams and Over | |
|---|---|---|---|---|---|---|---|---|
| | | | Number | Percent | Number | Percent | Number | Percent |
| Arcadia | 91006 | 376 | 8 | 2.1% | 17 | 4.5% | 351 | 93.4% |
| Arcadia | 91007 | 562 | 3 | 0.5% | 29 | 5.2% | 530 | 94.3% |
| Duarte | 91010 | 352 | 3 | 0.9% | 18 | 5.1% | 331 | 94.0% |
| Monrovia | 91016 | 513 | 6 | 1.2% | 23 | 4.5% | 484 | 94.3% |
| Sierra Madre | 91024 | 95 | 3 | 3.2% | 3 | 3.2% | 89 | 93.7% |
| Pasadena East | 91107 | 424 | 4 | 0.9% | 18 | 4.2% | 402 | 94.8% |
| Azusa | 91702 | 856 | 7 | 0.8% | 47 | 5.5% | 802 | 93.7% |
| Baldwin Park | 91706 | 1,145 | 9 | 0.8% | 70 | 6.1% | 1,066 | 93.1% |
| El Monte | 91731 | 446 | 5 | 1.1% | 24 | 5.4% | 417 | 93.5% |
| El Monte | 91732 | 996 | 10 | 1.0% | 55 | 5.5% | 931 | 93.5% |
| South El Monte | 91733 | 703 | 6 | 0.9% | 36 | 5.1% | 661 | 94.0% |
| Rosemead | 91770 | 932 | 9 | 1.0% | 40 | 4.3% | 883 | 94.7% |
| San Gabriel | 91775 | 311 | 2 | 0.6% | 11 | 3.5% | 298 | 95.8% |
| San Gabriel | 91776 | 556 | 11 | 2.0% | 26 | 4.7% | 519 | 93.3% |
| Temple City | 91780 | 380 | 4 | 1.1% | 23 | 6.1% | 353 | 92.9% |
| **MH Service Area** | **–** | **8,647** | **90** | **1.0%** | **440** | **5.1%** | **8,117** | **93.9%** |

*Source: California Department of Public Health*

# Appendix D: Community Consultation

Representatives from the following organizations participated in the community consultation:

- American Cancer Society, Inc. — California Division*
- Arcadia Community Center
- Arcadia Family Therapy
- Buddha's Light — Arcadia Chapter
- Center of Community Alliance for Research and Education*
- Duarte Senior Center
- Foothill Unity Center
- Herald Cancer Association*
- Los Angeles County Department of Public Health — Service Planning Area 3 (San Gabriel Valley)
- Methodist Hospital — Board Member/Business Owner
- Private Physicians
- Santa Anita Family Service
- Southern California Presbyterian Homes — The be.group
- United Methodist Church (Temple City)

* Note: Focus on cancer



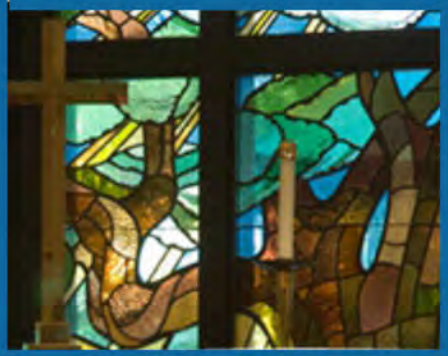
MHSC-0000664

# EXHIBIT 10

# MHSC COMMUNITY NEEDS ASSESSMENT
# FY 2019

# Methodist Hospital

## COMMUNITY HEALTH NEEDS ASSESSMENT 2019



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Appendix D: Community Consultation Participants



MHSC-0000672

# Section 1: Executive Summary

## Process and Methods

This community health needs assessment brings together a variety of demographic and health data and information, gathered from both primary and secondary data sources.

The first phase of the community health needs assessment involved collection and analysis of numerous demographic and health status and data and information for Methodist Hospital Service Area and Service Planning Area (SPA) 3 – San Gabriel Valley. The following types of data were analyzed: population, household and family demographics; birth statistics, death statistics, designated Health Professional Shortage Areas, large-scale household telephone surveys designed to measure health access, utilization of health services, and health behaviors. Wherever possible, the SPA 3 or Los Angeles County health experience was benchmarked to Healthy People 2020 objectives. In addition, to assist with providing context to the demographics, Methodist Hospital Service Area is compared to Los Angeles County.

The second phase of the needs assessment focused on qualitative primary research. Representatives from Methodist Hospital agreed that telephone interviews with health department contacts and representatives from public and private organizations would be a cost-effective approach to gain an understanding of important health issues and potential opportunities to collaborate with these organizations.

## Service Area Determination

Note: Determination of service area updated based on 2018 inpatient origin analysis

Methodist Hospital used the Stark II definition – the lowest number of contiguous ZIP Codes from which the hospital draws at least 75 percent of its inpatients – to determine its geographic service area for purposes of the 2019 community health needs assessment. Using hospital data, there were 20 ZIP Codes from which the hospital drew 75 percent its admissions.



MHSC-0000673

# Service Area Definition and Description

Note: Findings are based on 2019 demographic estimates

**Service Area Definition**

Methodist Hospital Service Area

*2019*

| ZIP Code | Community |
|---|---|
| 91006 | Arcadia |
| 91007 | Arcadia |
| 91008 | Bradbury |
| 91010 | Duarte |
| 91016 | Monrovia |
| 91024 | Sierra Madre |
| 91001 | Altadena |
| 91104 | Pasadena |
| 91107 | Pasadena |
| 91702 | Azusa |
| 91706 | Baldwin Park |
| 91731 | El Monte |
| 91732 | El Monte |
| 91733 | South El Monte |
| 91741 | Glendora |
| 91770 | Rosemead |
| 91775 | San Gabriel |
| 91776 | San Gabriel |
| 91780 | Temple City |
| 91801 | Alhambra |

*Source: Methodist Hospital 2018 inpatient data analysis.*
*Note: Methodist Hospital is located in Arcadia ZIP Code 91007*

The service area population (2019) is estimated at 783,391. The population in the service area is forecast to increase 2.5 percent in the next five years, to 803,197. Growth projections for households and families are estimated to increase 2.7 percent and 2.6 percent, respectively. The following table summarizes the service area population, households, and families as well as the percent change projected for 2024 (over a five-year period).

**Summary of Population, Households and Families**

Methodist Hospital Service Area

*2019*

| Description | Number | | Percent Change From 2019 to 2024 |
|---|---|---|---|
| | 2019 | 2024 | |
| **Demographics** | | | |
| Population | 783,391 | 803,197 | 2.5% |
| Households | 239,799 | 246,228 | 2.7% |
| Families | 181,375 | 186,090 | 2.6% |

*Source: Claritas*

To assist with providing context to the service area demographics, key statistics are compared to Los Angeles County for 2019 in the following table. Of note, in comparison to Los Angeles County, Methodist Hospital service area has a ***higher*** proportion of:

- Persons age 55 years and older
- Persons of Asian race
- Persons speaking an Asian or Pacific Island language
- Persons 16 years and older not in the labor force
- Households with 3 or more persons
- Households with children under 18 years of age
- Owner-occupied households

**Summary of Demographic Highlights**

Methodist Hospital Service Area Compared to Los Angeles County

*2019*

| Indicator | Percent | |
|---|---|---|
| | Service Area | LA County |
| **5-Year Change (2019 to 2024)** | | |
| Population | 2.5% | 3.0% |
| Households | 2.7% | 3.1% |
| Families | 2.6% | 3.0% |
| **Age Group** | | |
| 0 to 4 Years | 5.8% | 6.1% |
| 5 to 9 Years | 5.9% | 6.1% |
| 10 to 14 Years | 5.9% | 6.0% |
| 15 to 17 Years | 3.8% | 3.8% |
| 18 to 20 Years | 3.8% | 3.9% |
| 21 to 24 Years | 5.2% | 5.4% |
| 25 to 34 Years | 14.3% | 15.5% |
| 35 to 44 Years | 13.1% | 13.9% |
| 45 to 54 Years | 13.6% | 13.4% |
| 55 to 64 Years | 13.0% | 12.0% |
| 65 to 74 Years | 9.0% | 8.0% |
| 75 to 84 Years | 4.4% | 3.9% |
| 85 Years and Older | 2.1% | 1.8% |
| **Race/Ethnicity** | | |
| White | 17.7% | 25.7% |
| Black | 2.9% | 7.8% |
| American Indian/Alaskan Native | 0.1% | 0.2% |
| Asian | 33.0% | 14.7% |
| Native Hawaiian/Pacific Islander | 0.1% | 0.2% |
| Hispanic | 44.3% | 48.9% |
| Some Other Race | 0.2% | 0.3% |
| Two or More Races | 1.7% | 2.3% |
| **Language Spoken at Home by Persons 5 Years and Older** | | |
| English Only | 35.0% | 43.1% |
| Spanish | 33.9% | 39.4% |
| Asian or Pacific Island language | 28.1% | 10.9% |
| European language | 2.5% | 5.4% |

| Indicator | Percent | |
|---|---|---|
| | Service Area | LA County |
| Other language | 0.5% | 1.1% |
| **Employment Status of Persons 16 Years and Older** | | |
| In Labor Force, Employed | 58.1% | 59.6% |
| In Labor Force, Unemployed | 3.8% | 4.5% |
| In Armed Forces | 0.0% | 0.0% |
| Not in Labor Force | 38.1% | 35.8% |
| **Household Size** | | |
| 1-Person | 18.7% | 24.5% |
| 2-Persons | 25.1% | 26.2% |
| 3-Persons | 18.1% | 16.3% |
| 4-Persons | 16.7% | 14.8% |
| 5-Persons | 9.9% | 8.8% |
| 6-Persons | 5.4% | 4.6% |
| 7 or more Persons | 6.1% | 5.0% |
| **Households by Presence of Children Under 18 Years of Age** | | |
| No Children Under 18 Years Present | 59.7% | 62.4% |
| Children Under 18 Years Present | 40.3% | 37.6% |
| **Household Income** | | |
| Under $15,000 | 8.5% | 10.2% |
| $15,000 to $24,999 | 9.1% | 9.0% |
| $25,000 to $34,999 | 8.1% | 8.3% |
| $35,000 to $49,999 | 11.5% | 11.6% |
| $50,000 to $74,999 | 15.9% | 15.4% |
| $75,000 to $99,999 | 12.1% | 11.7% |
| $100,000 to $124,999 | 9.5% | 9.1% |
| $125,000 to $149,999 | 7.0% | 6.6% |
| $150,000 to $199,999 | 7.6% | 7.3% |
| $200,000 to $249,999 | 3.9% | 3.8% |
| $250,000 to $499,999 | 4.4% | 4.4% |
| $500,000 and over | 2.1% | 2.5% |
| **Owner-Occupied and Renter-Occupied Housing Units** | | |
| Owner-Occupied | 55.8% | 47.4% |
| Renter-Occupied | 44.2% | 52.6% |

*Source: Claritas*

# Health Access and Utilization

Note: Findings are based on the 2017 California Health Interview Survey for SPA 3

When comparing health access and utilization indicators in SPA 3 to Healthy People 2020 objectives, SPA 3 did not meet the objectives related to: medical insurance for persons under age 65 (insured all of part of the year), usual source of ongoing care, and delays in getting medical care.

**Summary of Health Access and Utilization Indicators**

SPA 3 Compared to Healthy People 2020 Objectives

*2017*

| Indicator | Healthy People 2020 Objective | SPA 3 San Gabriel Valley |
|---|---|---|
| **Health Access** | | |
| Insured All or Part of Year<br>Age 0 to 64 Years | 100% | 94% |
| Usual Source of Ongoing Care<br>All Ages | 95% | 87% |
| Delays in Getting Medical Care<br>All Ages | 4.2% | 9.1% |

*Source: UCLA Center for Health Policy Research*



MHSC-0000678

# Mortality

Note: Findings are based on deaths among residents of the service area in 2016 and three-year averages of deaths that occurred among residents of Los Angeles County during 2015 through 2017

In 2016, there were 4,910 deaths in Methodist Hospital service area. Heart disease and cancer were the top two leading causes of death in the service area, accounting for 50 percent of all deaths. Of note, coronary heart disease is not only the leading cause of death in Methodist Hospital Service Area (2016) but was also the leading cause of premature death in Service Planning Area 3 (2013). Other leading causes of death in the service area are summarized in the table below.

**Profile of Deaths, Ranked By Select Leading Causes of Death**

Methodist Hospital Service Area

*2016*

| Select Leading Cause of Death | Number | Percent |
|---|---|---|
| Heart Disease | 1,237 | 25.2% |
| Cancer (All Types) | 1,214 | 24.7% |
| Stroke | 291 | 5.9% |
| Alzheimer's disease | 285 | 5.8% |
| Chronic Lower Respiratory Disease | 268 | 5.5% |
| Influenza and Pneumonia | 203 | 4.1% |
| Diabetes | 197 | 4.0% |
| Unintentional Injuries (All Types) | 178 | 3.6% |
| Chronic Liver Disease and Cirrhosis | 106 | 2.2% |
| Essential Hypertension & Hypertensive Renal Disease | 101 | 2.1% |
| Nephritis, Nephrotic Syndrome and Nephrosis | 70 | 1.4% |
| Suicide | 49 | 1.0% |
| All Other | 711 | 14.5% |
| **All Causes of Death** | **4,910** | **100.0%** |

*Source: California Department of Public Health*

When comparing age-adjusted death rates in Los Angeles County to Healthy People 2020 objectives, Los Angeles County experienced lower death rates in all leading causes of death than the stated target rates, with the exceptions of homicide and chronic liver disease and cirrhosis.

**Summary of Age-Adjusted Death Rates by Cause of Death**

Los Angeles County Compared to Healthy People 2020 Objectives

*Three-Year Average (2015 to 2017)*

| Indicator | Healthy People 2020 Objective | Los Angeles County |
|---|---|---|
| **Health Status** | | |
| Coronary Heart Disease | 103.4 | 101.7 |
| Stroke | 34.8 | 34.0 |
| Cancer (All Sites) | 161.4 | 132.8 |
| Lung | 45.5 | 24.8 |
| Colorectal | 14.5 | 13.1 |
| Prostate | 21.8 | 19.2 |
| Female Breast | 20.7 | 18.5 |
| Chronic Pulmonary Diseases | None | 28.2 |
| Influenza/Pneumonia | None | 18.7 |
| Diabetes | N/A | 22.9 |
| Unintentional Injuries (All Types) | 36.4 | 23.7 |
| Motor Vehicle Accidents | 12.4 | 7.9 |
| Homicide | 5.5 | 6.1 |
| Alzheimer's disease | None | 35.6 |
| Suicide | 10.2 | 8.0 |
| Chronic Liver Disease and Cirrhosis | 8.2 | 13.2 |

*Notes:*

*Rates are per 100,000 persons and are standardized to the 2000 U.S. Standard Million population*

*Healthy People 2020 Chronic pulmonary disease death rate is for the population age 45 years and older; data for the entire population is not comparable*

*Healthy People 2020 objective is based on both underlying and contributing cause of death which requires use of multiple cause of death files; California's data exclude multiple/contributing causes of death*

*Source: California Department of Public Health*



MHSC-0000680

# Maternal and Infant Health

Note: Findings are based on live births that occurred in Methodist Hospital service area during 2015 to 2017, three-year averages of pregnancy and birth outcomes that occurred among residents of Los Angeles County during 2015 to 2017, and three-year averages of infant mortality during 2014 to 2016

On average, there were 9,352 live births a year in Methodist Hospital's service area during the three-year period from 2015 through 2017.

**Number of Live Births**

Methodist Hospital Service Area

*Thee-Year Average (2015 to 2017)*

| Year | Number of Births |
|---|---|
| 2015 | 9,563 |
| 2016 | 9,506 |
| 2017 | 8,986 |
| **Three-Year Average** | **9,352** |

*Source: California Department of Public Health*

When comparing maternal and infant health indicators in Los Angeles County to Healthy People 2020 objectives, Los Angeles County met all of the objectives.

**Summary of Maternal and Infant Health Indicators**

Los Angeles County Compared to Healthy People 2020 Objectives

*Three-Year Averages (2015 to 2017) and (2014 to 2016)*

| | Healthy People 2020 Objective | Los Angeles County |
|---|---|---|
| **Pregnancy/Birth Outcomes** | | |
| Early Prenatal Care | 77.9% | 84.8% |
| Low Birth Weight Infants | 7.8% | 7.2% |
| **Infant Outcomes (2014 to 2016)** | | |
| Infant Mortality | 6.0 | 4.3 |

*Source: California Department of Public Health*

# Adult Health

Note: Findings are based on 2017 California Health Interview Survey for SPA 3

When comparing adult health indicators in SPA 3 to Healthy People 2020 objectives, though SPA 3 did not meet the health access objectives related to medical insurance (insured all or part of the year) and usual source of ongoing care, SPA 3 did meet the objectives for all stated targets regarding health behaviors.

**Summary of Adult Health Indicators**

SPA 3 Compared to Healthy People 2020 Objectives

*2017*

| Indicator | Healthy People 2020 Objective | SPA 3 San Gabriel Valley |
|---|---|---|
| **Health Access** | | |
| Insured All or Part of Year | 100% | 91% |
| Usual Source of Ongoing Care | 89.4% | 83.3% |
| **Health Behaviors** | | |
| Healthy Weight | 33.9% | 42.9% |
| Obese | 30.5% | 22.3% |
| Diagnosed with High Blood Pressure | 26.9% | 21.7% |
| Currently Smoke Cigarettes | 12.0% | 9.3% |

*Source: UCLA Center for Health Policy Research*



MHSC-0000682

# Senior Health

Note: Findings are based on 2017 and 2016 California Health Interview Survey for SPA 3

When comparing senior health indicators in SPA 3 to Healthy People 2020 objectives, SPA 3 did not meet the objectives related to flu shot received in past year, healthy weight, and diagnosed with high blood pressure.

**Summary of Senior Health Indicators**

SPA 3 Compared to Healthy People 2020 Objectives

*2017 and 2016*

| Indicator | Healthy People 2020 Objective | SPA 3 San Gabriel Valley |
|---|---|---|
| **Health Access (2016)** | | |
| Flu Shot in Past Year | 90% | 67% |
| **Health Behaviors** | | |
| Healthy Weight | 33.9% | 35.8% |
| Diagnosed with High Blood Pressure | 26.9% | 67.9% |

*Source: UCLA Center for Health Policy Research*



MHSC-0000683

# Community Consultation

Note: Findings are based on surveys and interviews with community leaders and representatives of public organizations in the San Gabriel Valley conducted over a five-week period beginning in mid-September 2019.
See Section 10: Community Consultation for detailed findings.

Several of those interviewed complimented Methodist Hospital on its efforts to provide healthcare services to the community, commenting that "the Hospital is doing a lot now" and "doing a great job with community outreach and cancer awareness programs" through efforts such as participation in health fairs and partnerships with area community and senior centers.

The following were identified as the community's top health issues (based on frequency of overall mention):

- Access to health services and continuity of care

    - Lack of health insurance and cost of care
    - Insurance plans accepted by providers
    - Cost and timeliness of obtaining services and medications
    - Use of 911 and hospital emergency rooms
    - Difficulties receiving ongoing care due to lack of transportation, language barriers, costs of services and medications, and long wait times
    - Difficulties navigating the healthcare system
    - Lack of awareness of availability of needed health services
    - Shortage of specialty physicians

- Health conditions and disability

    Many of those interviewed identified the importance of health awareness, education, disease prevention, and medications management. In addition, several of those interviewed during the community consultation highlighted challenges related to age (older adults), gender, race/ethnicity, and cultural and generational differences in managing health conditions and disabilities. The following health conditions were specifically identified as particularly prevalent across the community:

    - Diabetes
    - High blood pressure
    - Heart disease and stroke
    - Cancer

- Mental health and dementia
- Influenza and pneumonia (seasonal emphasis)

According to many of those interviewed, persons of all ages across the greater San Gabriel Valley, regardless of income or racial/ethnic and cultural backgrounds are affected by these health issues.

Specific demographic sectors most affected and identified by the interviewees:

- Lower socioeconomic status
- Lower educational attainment
- Chinese immigrant families with limited English proficiency
- Spanish-speaking persons
- Racial and ethnic minorities – Asians, Latinos, and African Americans

Participants in the community consultation identified specific actions that could be undertaken to address health issues, including:

*Access to Health Services and Continuity of Care*

- Financial assistance (including reduced costs)
- Reduced paperwork and duplication
- More effective and efficient coordination of community resources for vulnerable communities
- Reduce defensive medicine that is practiced in response to medical liability issues
- Use of health navigators
- Improve access to care e.g., transportation and language services
- Public education on topics such as financial assistance and insurance copayments/deductibles

*Health Conditions and Disability*

- Additional partnering of healthcare organizations with community organizations to bring needed programs and services to community places
- Identify and address root causes of health conditions and disability
- Promote awareness of healthy lifestyles, including staying physically active, eating properly, flu shots, stress management, and when to go to the doctor
- Provide communication on when and what cancer sites to be screened for
- Increase awareness of supplemental food programs for school-age children
- Reach out to underserved geographic areas in the San Gabriel Valley
- More information, education, health fairs, and events in Chinese (e.g., speaking engagements, seminars, workshops, health newsletters, and websites)
- Outreach and materials that are culturally sensitive to the Asian community

- Additional community outreach to PTAs, work places, and churches/temples
- Conduct more activities consistent with healthcare awareness calendar
- More opportunities in the community to check blood pressure
- Additional psychosocial support for cancer patients, families, and caregivers
- Provide mental health services that address prevention, healing, and stress management

Participants in the community consultation offered the following suggestions for collaborative roles or actions for Methodist Hospital:

- Recruit more staff, liaisons, and volunteers that speak Mandarin
- Offer assistance with health insurance plan signups
- Increase outreach to women
- Offer comprehensive women's health services to include physical, mental, dental, and preventive care (e.g., mammograms, osteoporosis, pap smears)
- Continue outreach to senior centers to address health conditions and disability
- Partner more with government, non-profits, and community organizations
- Increase efforts to identify individuals with high blood pressure
- Offer diabetes clinics
- Provide education and awareness programs to prepare patients for physician visits, use of emergency rooms, and paramedics (911)
- Better electronic communication with other healthcare entities to reduce unnecessary efforts
- Offer telemedicine services
- Provide in-home post hospital follow-up services (by nurse practitioners and physician assistants)

*Specific to Cancer:*

- Transportation services
- Resources in various languages
- Interpreters
- Patient navigators, nurses, MDs, and social workers to address full spectrum of care
- Education and awareness programs for various cancer sites, such as breast, colorectal, gynecological
- Low cost or free cancer screenings for a limited number of people (such as first 100 people)
- Cancer Resource Center to provide information about financial assistance programs and foundations

## Process and Criteria Used

In preparing the community health needs assessment, Methodist Hospital combined quantitative data about service area demographics, availability of health insurance, health access to and utilization of key services, health status, and health behaviors with qualitative data, including opinions from community leaders regarding important health issues.

The following criteria were used to identify and prioritize significant health needs in the community:

- Healthy People 2020 metrics
- Number of persons affected
- Identification and/or validation as an important health issue by community leaders
- Identified by community organizations as an opportunity to work collaboratively to address health issue

## Significant Priority Health Needs Identified

- Access to health services and continuity of care
- Disease prevention and health promotion

## Health Facilities and Other Resources

The following health facilities and other resources are located in the ZIP codes of Methodist Hospital's service area:

- 12 open hospitals (ten general acute care hospitals and two acute psychiatric hospitals)
- 29 licensed free and community clinics
- 2 licensed rehabilitation centers (specialty clinics)
- 12 senior centers

# Section 2: Process and Methods

This section includes:

- Description of secondary data and information
- Description of analytical methods applied
- Identification of information gaps
- Summary of process for community consultation
- Identification of third party contractor



MHSC-0000688

# Demographics and Health Data and Information

This community health needs assessment brings together a variety of demographic and health information, gathered from both primary and secondary data sources.

The first phase of the community health needs assessment involved collection and analysis of numerous demographic and health status and data and information for Methodist Hospital Service Area and Service Planning Area (SPA) 3 – San Gabriel Valley. The following types of data were analyzed: population, household and family demographics; birth statistics, death statistics, designated Health Professional Shortage Areas, large-scale household telephone surveys designed to measure health access, utilization of health services, and health behaviors. Wherever possible, the SPA 3 or Los Angeles County health experience was benchmarked to Healthy People 2020 objectives. In addition, to assist with providing context to the demographics, Methodist Hospital Service Area is compared to Los Angeles County.

The second phase of the needs assessment focused on qualitative primary research. Representatives from Methodist Hospital agreed that telephone interviews with health department contacts and representatives from public and private community organizations would be a cost effective approach to gain an understanding of important health issues and potential opportunities to collaborate with these organizations.

## Sources of the Data

The following sources of data and information were used in this community health needs assessment:

- California Department of Education
- California Department of Public Health
- Center for Social Sciences Research at University of California at Berkeley
- Los Angeles County Department of Public Health
- Los Angeles Homeless Services Authority
- Los Angeles County 211.com
- Claritas
- Office of Statewide Health Planning and Development
- UCLA Center for Health Policy Research
- United States Department of Health and Human Services

## Dates of the Data

All data and information reviewed in the community health needs assessment used the most recent available. The table on the next page summarizes the dates of the data used.

**Dates of the Data Used in the Community Health Needs Assessment**

| Description | Date of Data |
|---|---|
| Demographics | 2019 |
| Homeless Persons | 2019 |
| Primary Care and Mental Health Shortage Areas | 2018 |
| Health Access and Utilization | 2017 |
| Deaths and Death Rates | 2015 – 2017 |
| Years of Potential Life Lost Before Age 75 | 2013 |
| Births and Birth Outcomes | 2015 – 2017 |
| Health Behaviors | 2017 |
| Students Enrolled in Free or Reduced Price Meals | 2017/2018 School Year |
| High School Dropouts | 2017/2018 School Year |
| Child Abuse and Neglect | 2018 |
| Health Care Facilities and Resources | Year End 2018 |

## Analytical Methods Applied

In many instances, health status information is based on multiple years of data and was used to establish three-year averages for the service area. Widely accepted demographics and health measurements – such as persons with average household size and income, health insurance coverage, healthy weight and obesity, age-adjusted death rates, low birth weight infants, and pregnant women with early entry into prenatal care – were used in this community health needs assessment. To assist with prioritization of health issues, secondary data and information is benchmarked to Healthy People 2020 national objectives.[1] In addition, comparisons to local, regional, and state figures are applied.

## Information Gaps

Information gaps were most apparent in the following areas:

- Availability of local (ZIP Code) data on maternal births (e.g., age group of mother, race/ethnicity of mother), birth outcomes (e.g., early prenatal care and infant birth weights), and infant outcomes (e.g., infant mortality)

[1] Prepared by the U.S. Department of Health and Human Services, Healthy People 2020 outlines a nationwide agenda focused on promoting health and preventing illness, disability, and premature death. Healthy People 2020 builds on initiatives pursued over the past three decades.

- Availability of local (ZIP Code) data on mortality (e.g., number of deaths by age group for leading causes of death such as coronary heart disease, stroke and cancer)
- Statistically reliable health data by age groups (such as children, adults, and seniors) in the service area
- Statistically reliable health data by race/ethnicity in the service area
- Comprehensive data validating mental health and substance abuse issues identified in the community consultation

# Community Consultation

## Process

Methodist Hospital identified a diversified list of contacts – including public health department contacts, representatives from community organizations, business leaders, and physicians with knowledge of specific race/ethnic groups – for participation in the telephone interviews for the Community Health Needs Assessment. Each person was then invited via phone, mail, and/or email, to participate in the community consultation. Upon agreement to participate, individuals were sent a letter confirming participation, via email. The letter included an overview of the community consultation, the questions to be asked, and a hospital contact for any questions or comments. In the next few weeks, the project consultant scheduled and completed telephone interviews with contacts.

# Third Party Contractor

Methodist Hospital retained Debbie N. Alpers (previously DNA and Company, Inc.) to prepare this Community Health Needs Assessment. Methodist Hospital has worked with Ms. Alpers since 1998 to conduct a triennial community needs assessment, in compliance with California Senate Bill 697, community benefits legislation. Following the enactment of Senate Bill 697 in 1994, Ms. Alpers was endorsed by the Healthcare Association of Southern California (HASC) to assist its member hospitals in the design and completion of service area specific community needs assessments. In the seven cycles of needs assessments that began in 1995, Ms. Alpers has completed over seventy hospital needs assessments, in addition to assessments conducted for health care organizations and clinics.

# Section 3: Service Area Definition and Demographics

This section includes:

- Description of how the service area was determined
- Definition of Methodist Hospital Service Area
- Demographics of Methodist Hospital Service Area, including population, household and family characteristics
- Description of the homeless population in SPA 3
- Comparison of the Methodist Hospital Service Area demographics to Los Angeles County

Detailed information – at the ZIP Code level – can be found in:

- Appendix A: Service Area Description
- Appendix B: Age Group Detail



MHSC-0000692

# Determination of Service Area for Purposes of the Needs Assessment

Methodist Hospital used the Stark II definition – the lowest number of contiguous ZIP Codes from which the hospital draws at least 75 percent of its inpatients – to determine its geographic service area for purposes of the 2019 community health needs assessment. Using hospital data, there were 20 ZIP Codes from which the hospital drew 75 percent its admissions.

# Definition of Service Area for Purposes of the Needs Assessment

For purposes of the 2019 Community Needs Assessment, Methodist Hospital defined its service area to include the following ZIP codes/communities.

**Service Area Definition**

Methodist Hospital Service Area

*2019*

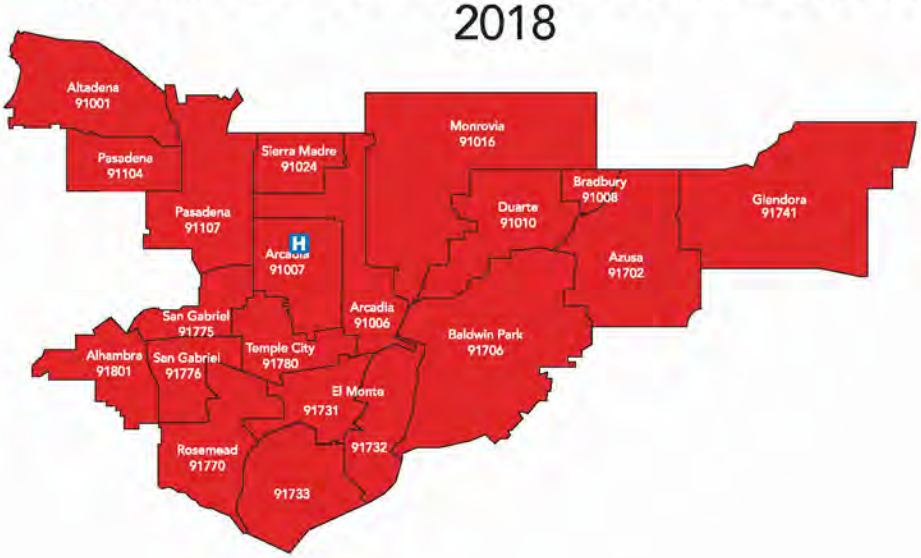
| ZIP Code | Community |
|---|---|
| 91006 | Arcadia |
| 91007 | Arcadia |
| 91008 | Bradbury |
| 91010 | Duarte |
| 91016 | Monrovia |
| 91024 | Sierra Madre |
| 91001 | Altadena |
| 91104 | Pasadena |
| 91107 | Pasadena |
| 91702 | Azusa |
| 91706 | Baldwin Park |
| 91731 | El Monte |
| 91732 | El Monte |
| 91733 | South El Monte |
| 91741 | Glendora |
| 91770 | Rosemead |
| 91775 | San Gabriel |
| 91776 | San Gabriel |
| 91780 | Temple City |
| 91801 | Alhambra |

*Source: Methodist Hospital 2018 inpatient data analysis.*
*Note: Methodist Hospital is located in Arcadia ZIP Code 91007*



MHSC-0000693

# METHODIST HOSPITAL SERVICE AREA
## 2018




Primary Service Area

MHH-0230

# Population

**What's Being Measured** The service area population for estimated 2019 and projected 2024.

**How the Measure is Defined** The number of persons living in the service area. The change in number of persons is calculated by subtracting the estimated 2019 population from the projected 2024 population. The change in percent is calculated the dividing the change in number of persons by the 2019 population.

## Service Area Experience

**Population**

Methodist Hospital Service Area

*2019 and 2024*

| Year | Population |
|---|---|
| 2019 | 783,391 |
| 2024 | 803,197 |
| Change - Number | 19,806 |
| Change - Percent | 2.5% |

*Source: Claritas*

## Comparison to Los Angeles County

**Population**

Los Angeles County

*2019 and 2024*

| Year | Population |
|---|---|
| 2019 | 10,255,707 |
| 2024 | 10,565,342 |
| Change - Number | 309,635 |
| Change - Percent | 3.0% |

*Source: Claritas*

# Age Distribution

**What's Being Measured** Persons according to various age cohorts.

**How the Measure is Defined** Persons are reported for the following 13 age groups: (1) 0 to 4 years, (2) 5 to 9 years, (3) 10 to 14 years, (4) 15 to 17 years, (5) 18 to 20 years, (6) 21 to 24 years, (7) 25 to 34 years, (8) 35 to 44 years, (9) 45 to 54 years, (10) 55 to 64 years, and (11) 65 to 74 years, (12) 75 to 84 years, and (13) 85 years and older. The sum of these age groups is the estimated 2019 population of the service area.

**Service Area Experience**

**Age Group Distribution**

Methodist Hospital Service Area

*2019*

| Age Group | Number of Persons | Percent of Total Population |
|---|---|---|
| 0 to 4 Years | 45,359 | 5.8% |
| 5 to 9 Years | 46,266 | 5.9% |
| 10 to 14 Years | 46,365 | 5.9% |
| 15 to 17 Years | 29,470 | 3.8% |
| 18 to 20 Years | 29,550 | 3.8% |
| 21 to 24 Years | 41,098 | 5.2% |
| 25 to 34 Years | 112,297 | 14.3% |
| 35 to 44 Years | 102,919 | 13.1% |
| 45 to 54 Years | 106,665 | 13.6% |
| 55 to 64 Years | 101,619 | 13.0% |
| 65 to 74 Years | 70,444 | 9.0% |
| 75 to 84 Years | 34,779 | 4.4% |
| 85 Years and Older | 16,560 | 2.1% |
| **Total Population** | **783,391** | **100.0%** |

*Source: Claritas*

## Comparison to Los Angeles County

**Age Group Distribution**

Los Angeles County

*2019*

| Age Group | Number of Persons | Percent of Total Population |
|---|---|---|
| 0 to 4 Years | 623,008 | 6.1% |
| 5 to 9 Years | 626,133 | 6.1% |
| 10 to 14 Years | 619,708 | 6.0% |
| 15 to 17 Years | 390,939 | 3.8% |
| 18 to 20 Years | 402,294 | 3.9% |
| 21 to 24 Years | 554,803 | 5.4% |
| 25 to 34 Years | 1,591,560 | 15.5% |
| 35 to 44 Years | 1,424,374 | 13.9% |
| 45 to 54 Years | 1,375,686 | 13.4% |
| 55 to 64 Years | 1,234,717 | 12.0% |
| 65 to 74 Years | 825,550 | 8.0% |
| 75 to 84 Years | 404,862 | 3.9% |
| 85 Years and Older | 182,073 | 1.8% |
| **Total Population** | **10,255,707** | **100.0%** |

*Source: Claritas*



MHSC-0000697

# Male Population Age Distribution

**What's Being Measured** Males according to various age cohorts.

**How the Measure is Defined** Males are reported for the following 13 age groups: (1) 0 to 4 years, (2) 5 to 9 years, (3) 10 to 14 years, (4) 15 to 17 years, (5) 18 to 20 years, (6) 21 to 24 years, (7) 25 to 34 years, (8) 35 to 44 years, (9) 45 to 54 years, (10) 55 to 64 years, and (11) 65 to 74 years, (12) 75 to 84 years, and (13) 85 years and older. The sum of these age groups for males is the estimated 2019 male population of the service area.

**Service Area Experience**

**Male Population Age Group Distribution**

Methodist Hospital Service Area

*2019*

| Age Group | Number of Persons | Percent of Male Population |
|---|---|---|
| 0 to 4 Years | 1,239 | 4.8% |
| 5 to 9 Years | 1,361 | 5.3% |
| 10 to 14 Years | 1,385 | 5.4% |
| 15 to 17 Years | 776 | 3.0% |
| 18 to 20 Years | 753 | 2.9% |
| 21 to 24 Years | 1,096 | 4.2% |
| 25 to 34 Years | 4,048 | 15.7% |
| 35 to 44 Years | 4,131 | 16.0% |
| 45 to 54 Years | 3,701 | 14.3% |
| 55 to 64 Years | 3,390 | 13.1% |
| 65 to 74 Years | 2,260 | 8.8% |
| 75 to 84 Years | 1,113 | 4.3% |
| 85 Years and Older | 539 | 2.1% |
| **Total Male Population** | **25,792** | **100.0%** |

*Source: Claritas*

## Comparison to Los Angeles County

**Male Population Age Group Distribution**

Los Angeles County

*2019*

| Age Group | Number of Persons | Percent of Male Population |
|---|---|---|
| 0 to 4 Years | 318,651 | 6.3% |
| 5 to 9 Years | 320,563 | 6.3% |
| 10 to 14 Years | 316,566 | 6.3% |
| 15 to 17 Years | 198,730 | 3.9% |
| 18 to 20 Years | 204,837 | 4.1% |
| 21 to 24 Years | 281,812 | 5.6% |
| 25 to 34 Years | 808,591 | 16.0% |
| 35 to 44 Years | 714,996 | 14.1% |
| 45 to 54 Years | 680,109 | 13.5% |
| 55 to 64 Years | 595,684 | 11.8% |
| 65 to 74 Years | 376,999 | 7.5% |
| 75 to 84 Years | 170,996 | 3.4% |
| 85 Years and Older | 64,607 | 1.3% |
| **Total Male Population** | **5,053,141** | **100.0%** |

*Source: Claritas*



MHSC-0000699

# Female Population Age Distribution

**What's Being Measured** Females according to various age cohorts.

**How the Measure is Defined** Females Males are reported for the following 13 age groups: (1) 0 to 4 years, (2) 5 to 9 years, (3) 10 to 14 years, (4) 15 to 17 years, (5) 18 to 20 years, (6) 21 to 24 years, (7) 25 to 34 years, (8) 35 to 44 years, (9) 45 to 54 years, (10) 55 to 64 years, and (11) 65 to 74 years, and (12) 75 to 84 years, and (13) 85 years and older. The sum of these age groups for females is the estimated 2019 female population of the service area.

**Service Area Experience**

**Female Population Age Group Distribution**

Methodist Hospital Service Area

*2019*

| Age Group | Number of Persons | Percent of Female Population |
|---|---|---|
| 0 to 4 Years | 22,143 | 5.5% |
| 5 to 9 Years | 22,528 | 5.6% |
| 10 to 14 Years | 22,596 | 5.6% |
| 15 to 17 Years | 14,401 | 3.6% |
| 18 to 20 Years | 14,512 | 3.6% |
| 21 to 24 Years | 20,285 | 5.0% |
| 25 to 34 Years | 55,171 | 13.7% |
| 35 to 44 Years | 51,954 | 12.9% |
| 45 to 54 Years | 54,888 | 13.7% |
| 55 to 64 Years | 53,698 | 13.4% |
| 65 to 74 Years | 38,715 | 9.6% |
| 75 to 84 Years | 20,183 | 5.0% |
| 85 Years and Older | 10,731 | 2.7% |
| **Total Female Population** | **401,805** | **100.0%** |

*Source: Claritas*

## Comparison to Los Angeles County

**Female Population Age Group Distribution**

Los Angeles County

*2019*

| Age Group | Number of Persons | Percent of Female Population |
|---|---|---|
| 0 to 4 Years | 304,357 | 5.9% |
| 5 to 9 Years | 305,570 | 5.9% |
| 10 to 14 Years | 303,142 | 5.8% |
| 15 to 17 Years | 192,209 | 3.7% |
| 18 to 20 Years | 197,457 | 3.8% |
| 21 to 24 Years | 272,991 | 5.2% |
| 25 to 34 Years | 782,969 | 15.0% |
| 35 to 44 Years | 709,378 | 13.6% |
| 45 to 54 Years | 695,577 | 13.4% |
| 55 to 64 Years | 639,033 | 12.3% |
| 65 to 74 Years | 448,551 | 8.6% |
| 75 to 84 Years | 233,866 | 4.5% |
| 85 Years and Older | 117,466 | 2.3% |
| **Total Female Population** | **5,202,566** | **100.0%** |

*Source: Claritas*



MHSC-0000701

# Race/Ethnicity

**What's Being Measured** Race/ethnicity for the population.

**How the Measure is Defined** There are no universally accepted definitions for race and Hispanic ethnicity. The Census currently defines "Hispanic or Latino" as an ethnicity, not a race. In the race question for Census 2010, the option of marking one or more race categories was given. People who marked only one race are referred to as the race alone population. Those who marked more than one race are referred to as the two or more races population. All respondents who marked more than one race are collapsed into this category. The question on Hispanic origin asked respondents if they are Spanish, Hispanic or Latino.

The following eight race/ethnicity groupings are used: (1) White is non-Hispanic White and includes persons having origins in any of the original peoples of Europe, the Middle East, or North Africa. It includes people who indicate their race as "White" or report entries such as Irish, German, Italian, Lebanese, Near Easterner, Arab or Polish. (2) Black is non-Hispanic Black and includes persons having origins in any of the Black racial groups of Africa. It includes people who indicate their race as "Black or African American" or provide written entries such as African American, Kenyan, Nigerian or Haitian. (3) American Indian and Alaskan Native is non-Hispanic American Indian and Alaskan Native and includes persons having origins in any of the original peoples of North and South America (including Central America) and who maintain tribal affiliation or community attachment. (4) Asian is non-Hispanic Asian and includes persons having origins in any of the original peoples of the Far East, Southeast Asia, or the Indian subcontinent, including, for example, Cambodia, China, India, Japan, Korea, Vietnam, Malaysia, Pakistan, the Philippine Islands, and Thailand. It includes people who provide written entries such as Asian Indian, Chinese, Filipino, Korean, Japanese, Vietnamese, and other Asian. (5) Native Hawaiian/Pacific Islander is non-Hispanic Native Hawaiian/Pacific Islander and includes persons having origins in Hawaii, Guam, Samoa, or other Pacific Islands. (6) Hispanic is Hispanic or Latino and includes the total of all those who identified themselves as Hispanic or Latino. (7) Some Other Race is non-Hispanic some other race and includes all other responses not included in the categories above. (8) Two or More Races is non-Hispanic two or more races.

The sum of these eight race/Hispanic ethnicity categories is the 2019 total population.



MHSC-0000702

## Service Area Experience

**Race/Ethnicity**

Methodist Hospital Service Area

*2019*

| Race/Ethnicity | Number of Persons | Percent of Total Population |
|---|---|---|
| White | 138,406 | 17.7% |
| Black | 22,599 | 2.9% |
| American Indian/Alaskan Native | 1,125 | 0.1% |
| Asian | 258,448 | 33.0% |
| Native Hawaiian/Pacific Islander | 709 | 0.1% |
| Hispanic | 347,150 | 44.3% |
| Some Other Race | 1,310 | 0.2% |
| Two or More Races | 13,644 | 1.7% |
| **Total Population** | **783,391** | **100.0%** |

*Source: Claritas*

## Comparison to Los Angeles County

**Race/Ethnicity**

Los Angeles County

*2019*

| Race/Ethnicity | Number of Persons | Percent of Total Population |
|---|---|---|
| White | 2,632,928 | 25.7% |
| Black | 801,175 | 7.8% |
| American Indian/Alaskan Native | 18,963 | 0.2% |
| Asian | 1,505,394 | 14.7% |
| Native Hawaiian/Pacific Islander | 23,301 | 0.2% |
| Hispanic | 5,011,585 | 48.9% |
| Some Other Race | 25,916 | 0.3% |
| Two or More Races | 236,445 | 2.3% |
| **Total Population** | **10,255,707** | **100.0%** |

*Source: Claritas*

# Asian Population Detail

**What's Being Measured** Asian Alone population detail.

**How the Measure is Defined** Asian Alone population includes the following 11 categories: (1) Chinese, except Taiwanese, (2) Filipino, (3) Japanese, (4) Asian Indian, (5) Korean, (6) Vietnamese, (7) Cambodian, (8) Hmong, (9) Laotian, (10) Thai, and (11) Other Asian/Two or more Asian Categories. The sum of these 11 categories is the total Asian population (which may be Hispanic or non-Hispanic).

**Service Area Experience**

**Asian Population Detail**

Methodist Hospital Service Area

*2019*

| Asian Population Detail | Number of Persons | Percent of Asian Population |
|---|---|---|
| Chinese, except Taiwanese | 158,201 | 60.7% |
| Filipino | 20,580 | 7.9% |
| Japanese | 7,285 | 2.8% |
| Asian Indian | 5,026 | 1.9% |
| Korean | 7,127 | 2.7% |
| Vietnamese | 32,188 | 12.4% |
| Cambodian | 2,756 | 1.1% |
| Hmong | 63 | 0.0% |
| Laotian | 635 | 0.2% |
| Thai | 1,793 | 0.7% |
| Other Asian/Two or More Asian Categories | 24,964 | 9.6% |
| **Total Asian Population** | **260,618** | **100.0%** |

*Source: Claritas*



MHSC-0000704

## Comparison to Los Angeles County

**Asian Population Detail**

Los Angeles County

*2019*

| Asian Population Detail | Number of Persons | Percent of Asian Population |
|---|---|---|
| Chinese, except Taiwanese | 455,091 | 29.8% |
| Filipino | 353,599 | 23.1% |
| Japanese | 103,322 | 6.8% |
| Asian Indian | 97,868 | 6.4% |
| Korean | 224,805 | 14.7% |
| Vietnamese | 102,121 | 6.7% |
| Cambodian | 36,140 | 2.4% |
| Hmong | 1,743 | 0.1% |
| Laotian | 3,310 | 0.2% |
| Thai | 25,740 | 1.7% |
| Other Asian/Two or More Asian Categories | 124,310 | 8.1% |
| **Total Asian Population** | **1,528,049** | **100.0%** |

*Source: Claritas*

# Language Spoken at Home for Persons 5 Years and Older

**What's Being Measured** The language spoken at home by persons five years and older.

**How the Measure is Defined** Languages spoken at home are grouped into the five following categories: (1) speak only English at home, (2) speak Spanish at home, (3) speak an Asian/Pacific Island language at home, (4) speak a European language at home, and (5) speak other language at home. The sum of these five groupings for language spoken at home by persons five years and older is the 2019 population age 5 years and older.

**Service Area Experience**

**Language Spoken at Home**

Methodist Hospital Service Area

*2019*

| Language Spoken at Home | Number of Persons 5+ Years | Percent of Persons 5+ Years |
|---|---|---|
| English Only | 258,192 | 35.0% |
| Spanish | 250,234 | 33.9% |
| Asian or Pacific Island language | 207,264 | 28.1% |
| European language | 18,306 | 2.5% |
| Other language | 4,036 | 0.5% |
| **Persons 5 Years and Older** | **738,032** | **100.0%** |

*Source: Claritas*



MHSC-0000706

## Comparison to Los Angeles County

**Language Spoken at Home**

Los Angeles County

*2019*

| Language Spoken at Home | Number of Persons 5+ Years | Percent of Persons 5+ Years |
|---|---|---|
| English Only | 4,153,400 | 43.1% |
| Spanish | 3,795,666 | 39.4% |
| Asian or Pacific Island language | 1,054,433 | 10.9% |
| European language | 524,388 | 5.4% |
| Other language | 104,812 | 1.1% |
| **Persons 5 Years and Older** | **9,632,699** | **100.0%** |

*Source: Claritas*



MHSC-0000707

# Educational Attainment for Persons 25 Years and Older

**What's Being Measured** Highest level of education completed by persons 25 years and older.

**How the Measure is Defined** Highest level of education completed for persons age 25 years and older is reported for the following nine categories: (1) less than 9th grade, (2) some high school, no diploma; (3) high school graduate or its equivalent, (4) some college, no degree; (5) Associate's Degree, (6) Bachelor's Degree, (7) Master's Degree, (8) Professional Degree, and (9) Professional Degree. The sum of these nine groupings for educational attainment for persons 25 years and older equals the 2019 population age 25 years and older.

**Service Area Experience**

**Educational Attainment of Persons 25 Years and Older**

Methodist Hospital Service Area

*2019*

| Highest Level of Education Completed | Number of Persons 25+ Years | Percent of Persons 25+ Years |
|---|---|---|
| Less than 9th Grade | 75,301 | 13.8% |
| Some High School, no Diploma | 44,777 | 8.2% |
| High School Graduate (or GED) | 127,798 | 23.4% |
| Some College, no Degree | 91,986 | 16.9% |
| Associate's Degree | 40,254 | 7.4% |
| Bachelor's Degree | 108,957 | 20.0% |
| Master's Degree | 38,705 | 7.1% |
| Professional Degree | 9,789 | 1.8% |
| Doctorate Degree | 7,716 | 1.4% |
| **Persons 25 Years and Older** | **545,283** | **100.0%** |

*Source: Claritas*

## Comparison to Los Angeles County

**Educational Attainment of Persons 25 Years and Older**

Los Angeles County

*2019*

| Highest Level of Education Completed | Number of Persons 25+ Years | Percent of Persons 25+ Years |
|---|---|---|
| Less than 9th Grade | 912,165 | 13.0% |
| Some High School, no Diploma | 624,852 | 8.9% |
| High School Graduate (or GED) | 1,471,381 | 20.9% |
| Some College, no Degree | 1,345,127 | 19.1% |
| Associate's Degree | 488,129 | 6.9% |
| Bachelor's Degree | 1,434,109 | 20.4% |
| Master's Degree | 513,789 | 7.3% |
| Professional Degree | 162,791 | 2.3% |
| Doctorate Degree | 86,479 | 1.2% |
| **Persons 25 Years and Older** | **7,038,822** | **100.0%** |

*Source: Claritas*



MHSC-0000709

# Employment Status for Persons 16 Years and Older

**What's Being Measured** Employment status for persons age 16 years and older.

**How the Measure is Defined** Employment status is grouped into the following four categories: (1) persons in the labor force and employed, (2) persons in the labor force and unemployed (e.g., not at work and were looking for work and available to accept a job), (3) persons in the armed forces serving active duty with the United States Army, Air Force, Navy, Marine Corps or Coast Guard, and (4) persons who are not classified as members of the labor force (consists mainly of students, housewives, retired workers, seasonal workers enumerated in an off season who were not looking for work, institutionalized persons, and persons doing only incidental unpaid family work). The sum of these four groupings for employment status is the 2019 population age 16 years and older.

**Service Area Experience**

**Employment Status for Persons 16 Years and Older**

Methodist Hospital Service Area

*2019*

| Employment Status | Number of Persons 16+ Years | Percent of Persons 16+ Years |
|---|---|---|
| In Labor Force, Employed | 369,470 | 58.1% |
| In Labor Force, Unemployed | 24,074 | 3.8% |
| In Armed Forces | 191 | 0.0% |
| Not in Labor Force | 242,000 | 38.1% |
| **Persons 16 Years and Older** | **635,735** | **100.0%** |

*Source: Claritas*

## Comparison to Los Angeles County

**Employment Status for Persons 16 Years and Older**

Los Angeles County

*2019*

| Employment Status | Number of Persons 16+ Years | Percent of Persons 16+ Years |
|---|---|---|
| In Labor Force, Employed | 4,924,921 | 59.6% |
| In Labor Force, Unemployed | 371,441 | 4.5% |
| In Armed Forces | 3,472 | 0.0% |
| Not in Labor Force | 2,958,819 | 35.8% |
| **Persons 16 Years and Older** | **8,258,653** | **100.0%** |

*Source: Claritas*

# Occupation Type for Employed Labor Force

**What's Being Measured** Occupation classification of employed labor force.

**How the Measure is Defined** Occupations are grouped into the following three types: (1) white collar (includes occupations of management/business/financial operations, professional and related occupations, sales and office), (2) blue collar (includes occupations of construction and transportation/material moving), and (3) service and farming. The sum of these three categories is 2019 employed labor force.

## Service Area Experience

**Occupation Type for Employed Labor Force**

Methodist Hospital Service Area

*2019*

| Occupation Type | Number of Persons | Percent of Employed Labor Force |
|---|---|---|
| White Collar | 216,151 | 59.5% |
| Blue Collar | 74,446 | 20.5% |
| Service and Farming | 72,682 | 20.0% |
| **Employed Labor Force** | **363,279** | **100.0%** |

*Source: Claritas*

## Comparison to Los Angeles County

**Occupation Type for Employed Labor Force**

Los Angeles County

*2019*

| Occupation Type | Number of Persons | Percent of Employed Labor Force |
|---|---|---|
| White Collar | 2,913,675 | 60.2% |
| Blue Collar | 979,680 | 20.2% |
| Service and Farming | 946,336 | 19.6% |
| **Employed Labor Force** | **4,839,691** | **100.0%** |

*Source: Claritas*

# Households

**What's Being Measured** Households in the service area for estimated 2019 and projected 2024.

**How the Measure is Defined** A household is considered a housing unit, occupied by either a single person or two or more related or unrelated persons. Units occupied by ten or more unrelated individuals are called group quarters, not households. The change in number of households is calculated by subtracting the estimated 2019 households from the projected 2024 households. The change in percent is calculated the dividing the change in number of households by the 2019 households.

## Service Area Experience

**Households**

Methodist Hospital Service Area

*2019 and 2024*

| Year | Households |
|---|---|
| 2019 | 239,799 |
| 2024 | 246,228 |
| Change - Number | 6,429 |
| Change - Percent | 2.7% |

*Source: Claritas*

## Comparison to Los Angeles County

**Households**

Los Angeles County

*2019 and 2024*

| Year | Households |
|---|---|
| 2019 | 3,389,819 |
| 2024 | 3,494,694 |
| Change - Number | 104,875 |
| Change - Percent | 3.1% |

*Source: Claritas*

# Group Quarters Population by Type

**What's Being Measured** The population living in group quarters.

**How the Measure is Defined** Group quarters is a type of residence inhabited by ten or more persons, unrelated to the householder and includes the following seven types: (1) college/university student housing, (2) military quarters, (3) other non-institutional facilities, (4) correctional facilities for adults, (5) juvenile facilities, (6) nursing home, and (7) other institutional facilities. The sum of these group quarters types is the 2019 population living in group quarters.

**Service Area Experience**

**Group Quarters Population by Type**

Methodist Hospital Service Area

*2019*

| Group Quarters Type | Group Quarters Population | Percent of Group Quarters Population |
|---|---|---|
| College/University Student Housing | 3,052 | 31.3% |
| Military Quarters | 0 | 0.0% |
| Other Non-Institutional Facilities | 2,431 | 24.9% |
| Correctional Facilities for Adults | 198 | 2.0% |
| Juvenile Facilities | 403 | 4.1% |
| Nursing Home | 3,621 | 37.1% |
| Other Institutional Facilities | 54 | 0.6% |
| **Total Group Quarters Population** | **9,759** | **100.0%** |

*Source: Claritas*

## Comparison to Los Angeles County

**Group Quarters Population by Type**

Los Angeles County

*2019*

| Group Quarters Type | Group Quarters Population | Percent of Group Quarters Population |
|---|---|---|
| College/University Student Housing | 53,118 | 30.0% |
| Military Quarters | 23 | <0.1% |
| Other Non-Institutional Facilities | 53,074 | 30.0% |
| Correctional Facilities for Adults | 27,250 | 15.4% |
| Juvenile Facilities | 4,882 | 2.8% |
| Nursing Home | 36,504 | 20.6% |
| Other Institutional Facilities | 2,263 | 1.3% |
| **Total Group Quarters Population** | **177,114** | **100.0%** |

*Source: Claritas*

# Persons Per Household and Average Household Size

**What's Being Measured** Persons per household and average household size.

**How the Measure is Defined** The number of households is reported for the following seven categories: 1-person households, 2-person households, 3-person households, 4-person households, 5-person households, 6-person households, and 7 or more person households. The sum of these various person households is the 2019 total households. Average household size is calculated by dividing the total population living in households by the total number of households.

**Service Area Experience**

**Household Size Description**

Methodist Hospital Service Area

*2019*

| Household Size | Number of Households | Percent of Total Households |
|---|---|---|
| 1-Person | 44,941 | 18.7% |
| 2-Persons | 60,166 | 25.1% |
| 3-Persons | 43,316 | 18.1% |
| 4-Persons | 40,003 | 16.7% |
| 5-Persons | 23,741 | 9.9% |
| 6-Persons | 12,972 | 5.4% |
| 7 or more Persons | 14,660 | 6.1% |
| **Total Households** | **239,799** | **100.0%** |
| Average Household Size | 3.23 | — |

*Source: Claritas*

## Comparison to Los Angeles County

**Household Size Description**

Los Angeles County

*2019*

| Household Size | Number of Households | Percent of Total Households |
|---|---|---|
| 1-Person | 829,009 | 24.5% |
| 2-Persons | 886,527 | 26.2% |
| 3-Persons | 552,876 | 16.3% |
| 4-Persons | 501,515 | 14.8% |
| 5-Persons | 296,861 | 8.8% |
| 6-Persons | 155,209 | 4.6% |
| 7 or more Persons | 167,822 | 5.0% |
| **Total Households** | **3,389,819** | **100.0%** |
| Average Household Size | 2.97 | — |

*Source: Claritas*



MHSC-0000717

# Households by Presence of Children Under 18 Years of Age

**What's Being Measured** Households are described by the presence of one or more persons under 18 years of age (children) living in the household.

**How the Measure is Defined** Households with children living in the household may include married couple families, families with male householders (no wives), families with female householders (no husbands), and non-family households. The sum of these two household descriptions is the 2019 total households.

## Service Area Experience

**Households by Presence of Children Under 18 Years of Age**

Methodist Hospital Service Area

*2019*

| Household Description | Number of Households | Percent of Total Households |
|---|---|---|
| No Children Under 18 Years Present | 143,211 | 59.7% |
| Children Under 18 Years Present | 96,588 | 40.3% |
| **Total Households** | **239,799** | **100.0%** |

*Source: Claritas*

## Comparison to Los Angeles County

**Households by Presence of Children Under 18 Years of Age**

Los Angeles County

*2019*

| Household Description | Number of Households | Percent of Total Households |
|---|---|---|
| No Children Under 18 Years Present | 2,118,446 | 62.5% |
| Children Under 18 Years Present | 1,271,373 | 37.5% |
| **Total Households** | **3,389,819** | **100.0%** |

*Source: Claritas*

# Households by Income Group and Average Household Income

**What's Being Measured** Households in various income groupings.

**How the Measure is Defined** Household income includes the total money received in the stated calendar year by all household members 15 years and older. The income is presented in terms of current dollars for 2019. The number of households with an annual household income is reported for the following 12 income groups: (1) under $15,000 (2) $15,000 to $24,999 (3) $25,000 to $34,999 (4) $35,000 to $49,999 (5) $50,000 to $74,999 (6) $75,000 to $99,999 (7) $100,000 to $124,999 (8) $125,000 to $149,999 (9) $150,000 to $199,999 and (10) $200,000 to $249,999 (11) ) $250,000 to $499,999 and (12) $500,000 and over. The sum of households with these 12 income groupings is the 2019 households. Average household income is calculated the dividing the total income of an area by the number of households in the area.

**Service Area Experience**

**Households by Income Group**

Methodist Hospital Service Area

*2019*

| Income Group | Number of Households | Percent of Total Households |
|---|---|---|
| Under $15,000 | 20,340 | 8.5% |
| $15,000 to $24,999 | 21,938 | 9.1% |
| $25,000 to $34,999 | 19,495 | 8.1% |
| $35,000 to $49,999 | 27,618 | 11.5% |
| $50,000 to $74,999 | 38,239 | 15.9% |
| $75,000 to $99,999 | 29,114 | 12.1% |
| $100,000 to $124,999 | 22,871 | 9.5% |
| $125,000 to $149,999 | 16,894 | 7.0% |
| $150,000 to $199,999 | 18,344 | 7.6% |
| $200,000 to $249,999 | 9,441 | 3.9% |
| $250,000 to $499,999 | 10,438 | 4.4% |
| $500,000 and over | 5,067 | 2.1% |
| **Total Households** | **239,799** | **100.0%** |
| Average Household Income | $99,905 | — |

*Source: Claritas*

## Comparison to Los Angeles County

**Households by Income Group**

Los Angeles County

*2019*

| Income Group | Number of Households | Percent of Total Households |
|---|---|---|
| Under $15,000 | 345,885 | 10.2% |
| $15,000 to $24,999 | 306,219 | 9.0% |
| $25,000 to $34,999 | 279,976 | 8.3% |
| $35,000 to $49,999 | 393,374 | 11.6% |
| $50,000 to $74,999 | 523,158 | 15.4% |
| $75,000 to $99,999 | 398,043 | 11.7% |
| $100,000 to $124,999 | 307,663 | 9.1% |
| $125,000 to $149,999 | 223,848 | 6.6% |
| $150,000 to $199,999 | 247,029 | 7.3% |
| $200,000 to $249,999 | 129,728 | 3.8% |
| $250,000 to $499,999 | 149,096 | 4.4% |
| $500,000 and over | 85,800 | 2.5% |
| **Total Households** | **3,389,819** | **100.0%** |
| Average Household Income | $99,923 | — |

*Source: Claritas*

# Households by Age of Head of Household

**What's Being Measured** The number of households by age group of the head of household.

**How the Measure is Defined** The head of households is reported for the following eight age groups: (1) 15 to 24 years, (2) 25 to 34 years, (3) 35 to 44 years, (4) 45 to 54 years, (5) 55 to 64 years, (6) 65 to 74 years, (7) 75 to 84 years, and (8) 85 years and older. The sum of the households headed by persons in these age groups is the total 2019 households.

**Service Area Experience**

**Households by Age Group of Head of Household**

Methodist Hospital Service Area

*2019*

| Age Group of Head of Household | Number of Households | Percent of Total Households |
|---|---|---|
| 15 to 24 Years | 4,656 | 1.9% |
| 25 to 34 Years | 29,318 | 12.2% |
| 35 to 44 Years | 43,049 | 18.0% |
| 45 to 54 Years | 50,653 | 21.1% |
| 55 to 64 Years | 50,000 | 20.9% |
| 65 to 74 Years | 35,284 | 14.7% |
| 75 to 84 Years | 18,021 | 7.5% |
| 85 Years and Older | 8,818 | 3.7% |
| **Total Households** | **239,799** | **100.0%** |

*Source: Claritas*



MHSC-0000721

## Comparison to Los Angeles County

**Households by Age Group of Head of Household**

Los Angeles County

*2019*

| Age Group of Head of Household | Number of Households | Percent of Total Households |
|---|---|---|
| 15 to 24 Years | 92,760 | 2.7% |
| 25 to 34 Years | 510,138 | 15.0% |
| 35 to 44 Years | 659,123 | 19.4% |
| 45 to 54 Years | 695,030 | 20.5% |
| 55 to 64 Years | 646,204 | 19.1% |
| 65 to 74 Years | 448,298 | 13.2% |
| 75 to 84 Years | 231,577 | 6.8% |
| 85 Years and Older | 106,689 | 3.1% |
| **Total Households** | **3,389,819** | **100.0%** |

*Source: Claritas*



MHSC-0000722

# Owner-Occupied and Renter-Occupied Housing Units

**What's Being Measured** Owner-occupied housing units and renter-occupied housing units for estimated 2019.

**How the Measure is Defined** A housing unit is owner-occupied if the owner or co-owner lives in the unit. All occupied housing units that are not owner-occupied, whether they are rented for cash rent or occupied without payment of cash rent, are classified as renter-occupied (units may be provided free of rent by friends or relatives in exchange for services, such as resident manager, caretaker, or tenant farmer). Housing units on military bases are also classified in the "no cash rent" category. The sum of owner-occupied housing units and renter-occupied housing units is the total occupied housing units.

## Service Area Experience

**Owner-Occupied and Renter-Occupied Housing Units**

Methodist Hospital Service Area

*2019*

| Occupied Housing Unit | Number | Percent |
|---|---|---|
| Owner-Occupied | 133,781 | 55.8% |
| Renter-Occupied | 106,018 | 44.2% |
| **Total Occupied Housing Units** | **239,799** | **100.0%** |

*Source: Claritas*

## Comparison to Los Angeles County

**Owner-Occupied and Renter-Occupied Housing Units**

Los Angeles County

*2019*

| Occupied Housing Unit | Number | Percent |
|---|---|---|
| Owner-Occupied | 1,606,036 | 47.4% |
| Renter-Occupied | 1,783,783 | 52.6% |
| **Total Occupied Housing Units** | **3,389,819** | **100.0%** |

*Source: Claritas*

# Families

**What's Being Measured** The number of families (family households) for estimated 2019 and projected 2024.

**How the Measure is Defined** A family household consists of a householder and one or more other persons living in the same household who are related to the householder by birth, marriage or adoption. All persons who are related to the householder are regarded as members of his or her family. The change in number of families is calculated by subtracting the estimated 2019 families from the projected 2024 families. The change in percent is calculated the dividing the change in number of families by the 2019 families.

## Service Area Experience

**Families**

Methodist Hospital Service Area

*2019 and 2024*

| Year | Families |
|---|---|
| 2019 | 181,375 |
| 2024 | 186,090 |
| Change - Number | 4,715 |
| Change - Percent | 2.6% |

*Source: Claritas*

## Comparison to Los Angeles County

**Families**

Los Angeles County

*2019 and 2024*

| Year | Families |
|---|---|
| 2019 | 2,286,075 |
| 2024 | 2,354,216 |
| Change - Number | 68,141 |
| Change - Percent | 3.0% |

*Source: Claritas*

# Families by Poverty Status

**What's Being Measured** Families below the poverty level and at or above the poverty level.

**How the Measure is Defined** the Census Bureau uses the federal government's official poverty definition. Families are reported as either (1) below the federal poverty level or (2) at/above the federal poverty level. The sum of these two groupings is the 2019 families.

**Service Area Experience**

**Families by Poverty Status**

Methodist Hospital Service Area

*2019*

| Poverty Status | Number of Families | Percent of Total Families |
|---|---|---|
| Below the Poverty Level | 20,592 | 11.4% |
| At or Above the Poverty Level | 160,783 | 88.6% |
| **Total Families** | **181,375** | **100.0%** |

*Source: Claritas*

**Comparison to Los Angeles County**

**Families by Poverty Status**

Los Angeles County

*2019*

| Poverty Status | Number of Families | Percent of Total Families |
|---|---|---|
| Below the Poverty Level | 301,675 | 13.2% |
| At or Above the Poverty Level | 1,984,400 | 86.8% |
| **Total Families** | **2,286,075** | **100.0%** |

*Source: Claritas*

# Homeless Population

**What's Being Measured** Count of homeless population.

**How the Measure is Defined** To accurately enumerate the homeless population in Los Angeles County, a point-in-time census was conducted during the last ten days of January 2019, with the support of volunteers, partners and community service providers. In this study, the U.S. Department of Housing and Urban Development's definition of homelessness was used. The definition is an individual who lacks a fixed, regular and adequate nighttime residence and an individual who has a primary nighttime residence that is a supervised publicly or privately operated shelter designed to provide temporary living accommodations or an institution that provides a temporary residence for individuals intended to be institutionalized or a public or private place not designated for, or ordinarily used as, a regular sleeping accommodation for human beings.

According to Los Angeles Homeless Service Authority (LAHSA), rising homelessness is a statewide challenge, with the affordable housing crisis driving a regional increase in homelessness.

**Service Area Experience**

**Homeless Estimates**

Los Angeles County Service Planning Area 3 – San Gabriel Valley Compared to Los Angeles County

*2019*

| Description | SPA 3 | Los Angeles County |
|---|---|---|
| Number of Homeless – Sheltered and Unsheltered | 5,021 | 58,936 |
| Percent Change from Prior Year (2018) | 17% | 12% |

*Note: Los Angeles County total homeless includes the cities of Los Angeles, Glendale, Long Beach, and Pasadena*

*Source: 2019 Greater Los Angeles Homeless Count*



MHSC-0000726

# Summary of Demographic Indicators and Comparison to Los Angeles County

Note: Findings are based on 2019 demographic estimates

The service area population (2019) is estimated at 783,391. The population in the service area is forecast to increase 2.5 percent in the next five years, to 803,197. Growth projections for households and families are estimated to increase 2.7 percent and 2.6 percent, respectively. The following table summarizes the service area population, households, and families as well as the percent change projected for 2024 (over a five-year period).

**Summary of Population, Households and Families**

Methodist Hospital Service Area

*2019*

| Description | Number | | Percent Change From 2019 to 2024 |
|---|---|---|---|
| | 2019 | 2024 | |
| **Demographics** | | | |
| Population | 783,391 | 803,197 | 2.5% |
| Households | 239,799 | 246,228 | 2.7% |
| Families | 181,375 | 186,090 | 2.6% |

*Source: Claritas*

To assist with providing context to the service area demographics, key statistics are compared to Los Angeles County for 2019 in the following table. Of note, in comparison to Los Angeles County, Methodist Hospital service area has a ***higher*** proportion of:

- Persons age 55 to 64 years, 65 to 74 years, 75 to 84 years, and 85 years and older
- Persons of Asian race
- Persons 5 years and older speaking an Asian or Pacific Island language
- Persons 25 years and older with less than 9th grade education, high school or GED graduate, Associate's Degree, and Doctorate Degree
- Persons 16 years and older not in the labor force
- Employed persons with blue collar and service and farming occupations
- Households with 3-persons, 4-persons, 5-persons, 6-persons and 7 or more persons
- Households with children under 18 years of age present
- Households with incomes of $15,000 to $24,999; $50,000 to $74,999; $75,000 to $99,999; and $100,000 to $124,999, $125,000 to $149,999, $150,000 to $199,999, and $200,000 to $249,999

- Households with heads of household age 45 to 54 years, 55 to 64 years, 65 to 74 years, 75 to 84 years, and 85 years and older
- Owner-occupied households
- Families at or above the poverty level

**Summary of Demographic Indicators**

Methodist Hospital Service Area Compared to Los Angeles County

*2019*

| Indicator | Percent | |
|---|---|---|
| | Service Area | LA County |
| **5-Year Change (2019 to 2024)** | | |
| Population | 2.5% | 3.0% |
| Households | 2.7% | 3.1% |
| Families | 2.6% | 3.0% |
| **Age Group** | | |
| 0 to 4 Years | 5.8% | 6.1% |
| 5 to 9 Years | 5.9% | 6.1% |
| 10 to 14 Years | 5.9% | 6.0% |
| 15 to 17 Years | 3.8% | 3.8% |
| 18 to 20 Years | 3.8% | 3.9% |
| 21 to 24 Years | 5.2% | 5.4% |
| 25 to 34 Years | 14.3% | 15.5% |
| 35 to 44 Years | 13.1% | 13.9% |
| 45 to 54 Years | 13.6% | 13.4% |
| 55 to 64 Years | 13.0% | 12.0% |
| 65 to 74 Years | 9.0% | 8.0% |
| 75 to 84 Years | 4.4% | 3.9% |
| 85 Years and Older | 2.1% | 1.8% |
| **Race/Ethnicity** | | |
| White | 17.7% | 25.7% |
| Black | 2.9% | 7.8% |
| American Indian/Alaskan Native | 0.1% | 0.2% |
| Asian | 33.0% | 14.7% |
| Native Hawaiian/Pacific Islander | 0.1% | 0.2% |
| Hispanic | 44.3% | 48.9% |
| Some Other Race | 0.2% | 0.3% |
| Two or More Races | 1.7% | 2.3% |

| Indicator | Percent | |
|---|---|---|
| | Service Area | LA County |
| **Language Spoken at Home by Persons 5 Years and Older** | | |
| English Only | 35.0% | 43.1% |
| Spanish | 33.9% | 39.4% |
| Asian or Pacific Island language | 28.1% | 10.9% |
| European language | 2.5% | 5.4% |
| Other language | 0.5% | 1.1% |
| **Educational Attainment of Adults 25 Years and Older** | | |
| Less than 9th Grade | 13.8% | 13.0% |
| Some High School, no Diploma | 8.2% | 8.9% |
| High School Graduate (or GED) | 23.4% | 20.9% |
| Some College, no Degree | 16.9% | 19.1% |
| Associate's Degree | 7.4% | 6.9% |
| Bachelor's Degree | 20.0% | 20.4% |
| Master's Degree | 7.1% | 7.3% |
| Professional Degree | 1.8% | 2.3% |
| Doctorate Degree | 1.4% | 1.2% |
| **Employment Status of Persons 16 Years and Older** | | |
| In Labor Force, Employed | 58.1% | 59.6% |
| In Labor Force, Unemployed | 3.8% | 4.5% |
| In Armed Forces | 0.0% | 0.0% |
| Not in Labor Force | 38.1% | 35.8% |
| **Occupation Type for Employed Labor Force** | | |
| White Collar | 59.5% | 60.2% |
| Blue Collar | 20.5% | 20.2% |
| Service and Farming | 20.0% | 19.6% |
| **Household Size** | | |
| 1-Person | 18.7% | 24.5% |
| 2-Persons | 25.1% | 26.2% |
| 3-Persons | 18.1% | 16.3% |
| 4-Persons | 16.7% | 14.8% |
| 5-Persons | 9.9% | 8.8% |
| 6-Persons | 5.4% | 4.6% |
| 7 or more Persons | 6.1% | 5.0% |
| **Households by Presence of Children Under 18 Years of Age** | | |
| No Children Under 18 Years Present | 59.7% | 62.4% |
| Children Under 18 Years Present | 40.3% | 37.6% |



MHSC-0000729

| Indicator | Percent | |
|---|---|---|
| | Service Area | LA County |
| **Household Income** | | |
| Under $15,000 | 8.5% | 10.2% |
| $15,000 to $24,999 | 9.1% | 9.0% |
| $25,000 to $34,999 | 8.1% | 8.3% |
| $35,000 to $49,999 | 11.5% | 11.6% |
| $50,000 to $74,999 | 15.9% | 15.4% |
| $75,000 to $99,999 | 12.1% | 11.7% |
| $100,000 to $124,999 | 9.5% | 9.1% |
| $125,000 to $149,999 | 7.0% | 6.6% |
| $150,000 to $199,999 | 7.6% | 7.3% |
| $200,000 to $249,999 | 3.9% | 3.8% |
| $250,000 to $499,999 | 4.4% | 4.4% |
| $500,000 and over | 2.1% | 2.5% |
| **Age Group of Head of Household** | | |
| 15 to 24 Years | 1.9% | 2.7% |
| 25 to 34 Years | 12.2% | 15.0% |
| 35 to 44 Years | 18.0% | 19.4% |
| 45 to 54 Years | 21.1% | 20.5% |
| 55 to 64 Years | 20.9% | 19.1% |
| 65 to 74 Years | 14.7% | 13.2% |
| 75 to 84 Years | 7.5% | 6.8% |
| 85 Years and Older | 3.7% | 3.1% |
| **Owner-Occupied and Renter-Occupied Housing Units** | | |
| Owner-Occupied | 55.8% | 47.4% |
| Renter-Occupied | 44.2% | 52.6% |
| **Families by Poverty Status** | | |
| Below the Poverty Level | 11.4% | 13.2% |
| At or Above the Poverty Level | 88.6% | 86.8% |

*Source: Claritas*

# Section 4: Health Access and Utilization

This section includes:

- Identification of Health Professional Shortages Areas for primary care
- Findings from the 2017 California Health Interview Survey for SPA 3 benchmarked to Healthy People 2020 targets
- Comparison of health access indicators to Los Angeles County and California

Key used to summarize SPA 3 experiences benchmarked to Healthy People 2020 Targets:

Target Met
Target Not Met
Result is Statistically Unstable

Listing of Health Care Facilities located in Methodist Hospital Service Area can be found in:

- Section 12: Health Facilities and Other Resources

# Health Professional Shortage Areas

**What's Being Measured** The federal Health Professional Shortage Area (HPSA) identifies areas having a shortage of primary care health care providers.

**How the Measure is Defined** Primary care HPSA is decided on the basis of availability of primary care physicians. Criteria is based on practitioner ratios and the presence of barriers to access such as travel distance. These designations are established by Medical Service Study Areas (MSSA), geographical areas based upon U.S. Census tracts; MSSAs are reassessed every decade following the U.S. Census.

**Service Area Experience**

**Primary Care Health Professional Shortage Areas**

Medical Service Study Areas in Service Area

*2019*

| Medical Service Study Area (MSSA) | Primary Care Health Professional Shortage Area |
|---|---|
| Arcadia Central and Northeast/Bradbury/Monrovia/Sierra Madre (78.2xxx) | |
| Arcadia Southeast/San Gabriel North (78.2dddd) | |
| Altadena East/Azusa North/Duarte North/Glendora/Pasadena East (78.2gggg) | |
| El Monte (78.2oo) | ▲ |
| Rosemead/San Gabriel South/South El Monte West/Temple City West (78.2qqq) | |
| Baldwin Park/Irwindale (78.2zzz) | ▲ |

*Note:*

▲ *Indicates that Medical Service Study Area is a designated shortage area*

*Source: Office of Statewide Planning and Development*

# Medical Insurance

**What's Being Measured** Persons under age 65 years with medical insurance the entire past year or only part of the past year.

**How the Measure is Defined** The percentage of persons with health insurance includes persons with employment-based insurance, Medi-Cal or Healthy Families programs, privately purchased health insurance or other insurance. Insured persons include those with health insurance for all or part of the year. Results are from the 2017 California Health Interview Survey.

**Why the Measurement is Helpful** Health insurance coverage is a key component of access to health care. Studies show that people with health insurance coverage report fewer access problems than those who are uninsured.

**Healthy People 2020 Objective** Increase the proportion of persons under age 65 years with medical insurance to 100%.

**Service Area Experience**

**Measurement Period** 2017

94% of persons age 0 to 64 years with medical insurance

**Source of Data** UCLA Center for Health Policy Research

# Source of Ongoing Care

**What's Being Measured** Persons of all ages with a specific source of ongoing care

**How the Measure is Defined** Specific sources of ongoing care may include any of the following: doctor's office/HMO/Kaiser, community, government or hospital clinic, emergency room/urgent care, health center facility, or some other place. Results are from the 2017 California Health Interview Survey.

**Why the Measurement is Helpful** Access to care depends in part on access to an ongoing source of care. People with a usual source of health care are more likely than those without a usual source of care to receive a variety of preventive health care services. An estimated 15 percent of adults in the US lack a usual source of care; an estimated 7 percent of children age 17 years and under lack a specific source of ongoing care. Uninsured persons under age 65 years are more likely to lack a usual source of care than those who have either public or private health insurance.

**Healthy People 2020 Objective** Increase the proportion of persons of all ages who have a specific source of ongoing care to 95.0%
Note: The Healthy People 2020 objective excludes emergency rooms as a usual source of care.

**Service Area Experience**

**Measurement Period** 2017

87% with a specific source of ongoing care

**Source of Data** UCLA Center for Health Policy Research

# Delays in Getting Medical Care

**What's Being Measured** Persons of all ages who reported delays in getting needed medical care.

**How the Measure is Defined** Respondents were asked if they experienced any delays or did not get needed medical care (doctor, specialist or other health professional). Results are from the 2017 California Health Interview Survey.

**Why the Measurement is Helpful** Utilizing appropriate clinical and preventive services in a timely fashion can have important implications on the progression and treatment of many diseases. Individuals who receive services in a timely manner have greater opportunity to prevent disease or detect disease during earlier, treatable stages. A delay of necessary care can lead to an increased risk of complications.

**Healthy People 2020 Objective** Reduce the proportion of persons who are unable to obtain or delay in obtaining necessary medical care to 4.2%

**Service Area Experience**

**Measurement Period** 2017

9.1% experienced delays in getting needed medical care

**Source of Data** UCLA Center for Health Policy Research

# Delays in Getting Prescription Medications

**What's Being Measured** The proportion of persons who reported delays or didn't get prescription medicines.

**How the Measure is Defined** Respondents were asked if they experienced any delays or did not get needed medicines that a doctor prescribed. Results are from the 2017 California Health Interview Survey.

**Why the Measurement is Helpful** Utilizing appropriate clinical and preventive services in a timely fashion can have important implications on the progression and treatment of many diseases.

**Healthy People 2020 Objective** Reduce the proportion of all persons of who are unable to obtain or delay in obtaining necessary prescription medicines to 2.8%

**Service Area Experience**

**Measurement Period** 2017

5.2% experienced delays in getting prescription medications

**Source of Data** UCLA Center for Health Policy Research

# Mammogram In Past Two Years

**What's Being Measured** Females age 50 to 74 years who had a mammogram in the past two years.

**How the Measure is Defined** Females were asked "Have you ever had a mammogram?" and if yes, asked "How long ago did you have your most recent mammogram?" Results are from the 2016 California Health Interview Survey.

**Why the Measurement is Helpful** Healthy People 2020 uses the U.S. Preventative Services Task Force (USPSTF) guidelines to measure this objective and the current USPSTF recommendation includes biennial mammography for women aged 50 to 74 years, with an additional recommendation that starting biennial mammography before age 50 should be an individual decision considering patient context, including a patient's beliefs regarding possible benefits and harms. Although mammograms do not detect all cases of breast cancer, mammograms have been shown to increase early detection, thus reducing mortality.

**Healthy People 2020 Objective** Increase the proportion of women age 50 to 74 years who received a mammogram in the past two years to 81.1%.

**Service Area Experience**

**Measurement Period** 2016

88.2% of females age 50 to 74 years had a mammogram in past two years

**Source of Data** UCLA Center for Health Policy Research

# Summary of Health Access and Utilization Indicators and Comparison to Healthy People 2020 Targets

Note: Findings are based on 2017 California Health Interview Survey for SPA 3 (health access) and 2016 California Health Interview Survey for SPA 3 (health utilization)

When comparing health access and utilization indicators in SPA 3 to Healthy People 2020 objectives, SPA 3 did not meet the objectives related to: medical insurance for persons under age 65 (insured all of part of the year), usual source of ongoing care, and delays in getting medical care. The SPA experience compared to Healthy People 2020 objectives as well as Los Angeles County and California rates is summarized in the following table.

**Summary of Health Access and Utilization Indicators**

SPA 3 Compared to Los Angeles County, California and Healthy People 2020 Targets

*2017 and 2016*

| Indicator | SPA 3 | | County Rate | California Rate | Target Rate |
|---|---|---|---|---|---|
| | Rate | Status | | | |
| **Health Access (2017)** | | | | | |
| Insured All or Part of Year<br>Age 0 to 64 Years | 94% | - | 94% | 94% | 100% |
| Usual Source of Ongoing Care<br>All Ages | 87% | - | 85% | 87% | 95% |
| Delays in Getting Medical Care<br>All Ages | 9.1% | - | 9.5% | 10.3% | 4.2% |
| Delays in Getting Medicines<br>All Ages | 5.2% | * | 8.2% | 8.5% | 2.8% |
| **Health Utilization (2016)** | | | | | |
| Mammogram in Past Two Years<br>Females 50 to 74 Years | 88.2% | * | 84.7% | 83.2% | 81.1% |

*Note:*
*Target rate is Healthy People 2020 objective*
*Source: UCLA Center for Health Policy Research*



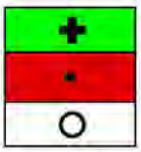
MHSC-0000738

# Section 5: Mortality

This section includes:

- Summary of premature mortality in Los Angeles County and SPA 3
- Profile of deaths in Methodist Hospital Service Area
- Age-adjusted death rates in Los Angeles County benchmarked to Healthy People 2020 targets
- Comparison of Los Angeles County age-adjusted death rates to California

Key used to summarize Los Angeles County experiences benchmarked to Healthy People 2020 targets:



Target Met
Target Not Met
No Target Established



MHSC-0000739

# Premature Mortality in Los Angeles County

Years of potential life lost before age 75 years (YPLL-75) is one of the commonly used public health measures to reflect the impact of premature mortality. In 2013, the top three leading causes of premature death in Los Angeles County were coronary heart disease, homicide, and motor vehicle crashes. The ranking, and years of potential life lost before age 75 (YPLL-75) due to selected leading causes of death in Los Angeles County are summarized in the table on the next page.

**Years of Potential Life Lost for Leading Causes of Premature Death, Ranked**

Los Angeles County

*2013*

| Rank | Cause of Death | Years of Potential Life Lost Before Age 75 | |
|---|---|---|---|
| | | Number | Percent |
| 1 | Coronary Heart Disease | 53,380 | 12.2% |
| 2 | Homicide | 23,993 | 5.5% |
| 3 | Motor Vehicle Crash | 23,660 | 5.4% |
| 4 | Drug Overdose | 22,412 | 5.1% |
| 5 | Suicide | 21,641 | 5.0% |
| 6 | Liver Disease/Cirrhosis | 21,064 | 4.8% |
| 7 | Lung Cancer | 15,707 | 3.6% |
| 8 | Diabetes | 14,625 | 3.4% |
| 9 | Stroke | 14,146 | 3.2% |
| 10 | Breast Cancer | 13,098 | 3.0% |
| — | All Other | 212,321 | 48.7% |
| — | **Total** | **436,047** | **100.0%** |

*Source: Los Angeles County Department of Public Health*



MHSC-0000740

# Premature Mortality in Service Planning Area 3

In 2013, the top three leading causes of premature death in SPA 3 – San Gabriel Valley were coronary heart disease, liver disease, and lung cancer. The ranking and years of potential life lost before age 75 (YPLL) due to selected leading causes of death are summarized in the table below.

**Top Five Leading Causes of Premature Death, Ranked by YPLL**

Service Planning Area 3 (San Gabriel Valley)

*2013*

| Rank | Cause of Death | Years of Potential Life Lost Before Age 75 | |
|---|---|---|---|
| | | Number | Percent |
| 1 | Coronary Heart Disease | 8,556 | 11.8% |
| 2 | Liver Disease/Cirrhosis | 3,518 | 4.9% |
| 3 | Lung Cancer | 3,449 | 4.8% |
| 4 | Suicide | 3,407 | 4.7% |
| 5 | Homicide | 3,330 | 4.6% |
| — | All Other | 50,233 | 69.3% |
| — | **Total** | **72,493** | **100.0%** |

*Source: Los Angeles County Department of Public Health*



MHSC-0000741

# Profile of Deaths in Methodist Hospital Service Area

In 2016, there were 4,910 deaths in Methodist Hospital service area. Heart disease and cancer were the top two leading causes of death in the service area, accounting for 50 percent of all deaths. Of note, coronary heart disease is the leading cause of death in Methodist Hospital Service Area (2016) and the leading cause of premature death in Service Planning Area 3 (2013). Other leading causes of death in the service area are summarized in the table below.

**Profile of Deaths, Ranked By Select Leading Causes of Death**

Methodist Hospital Service Area

*2016*

| Select Leading Cause of Death | Number | Percent |
|---|---|---|
| Heart Disease | 1,237 | 25.2% |
| Cancer (All Types) | 1,214 | 24.7% |
| Stroke | 291 | 5.9% |
| Alzheimer's disease | 285 | 5.8% |
| Chronic Lower Respiratory Disease | 268 | 5.5% |
| Influenza and Pneumonia | 203 | 4.1% |
| Diabetes | 197 | 4.0% |
| Unintentional Injuries (All Types) | 178 | 3.6% |
| Chronic Liver Disease and Cirrhosis | 106 | 2.2% |
| Essential Hypertension & Hypertensive Renal Disease | 101 | 2.1% |
| Nephritis, Nephrotic Syndrome and Nephrosis | 70 | 1.4% |
| Suicide | 49 | 1.0% |
| All Other | 711 | 14.5% |
| **All Causes of Death** | **4,910** | **100.0%** |

*Source: California Department of Public Health*



MHSC-0000742

# Coronary Heart Disease

**What's Being Measured** The age-adjusted death rate due to coronary heart disease.

**How the Measure is Defined** Coronary heart disease is defined as International Classification of Diseases, Tenth Revision (ICD-10) codes I11 and I20-I25. The rate is per 100,000 persons and is standardized to the 2000 United States Standard Million population.

**Healthy People 2020 Objective** Reduce coronary heart disease deaths to 103.4 deaths per 100,000 population.

**Methodist Hospital Service Area Experience (2016)** 1st cause of death

**Service Planning Area 3 – San Gabriel Valley Experience (2013)** 1st cause of premature death

**Los Angeles County Experience**

**Measurement Period** 2015 – 2017

101.7 deaths per 100,000 population

**Source of Data** California Department of Public Health



MHSC-0000743

# Stroke

**What's Being Measured** The age-adjusted death rate due to stroke.

**How the Measure is Defined** Stroke is defined as International Classification of Diseases, Tenth Revision (ICD-10) codes I60-I69. The rate is per 100,000 persons and is standardized to the 2000 United States Standard Million population.

**Healthy People 2020 Objective** Reduce stroke deaths to 34.8 deaths per 100,000 population.

**Methodist Hospital Service Area Experience (2016)** 3rd cause of death

**Los Angeles County Experience**

**Measurement Period** 2015 – 2017

34.0 deaths per 100,000 population

**Source of Data** California Department of Public Health

# Cancer (All Sites)

**What's Being Measured** The age-adjusted death rate due to cancer (all sites).

**How the Measure is Defined** Cancer (all sites) is defined as International Classification of Diseases, Tenth Revision (ICD-10) codes C00-C97. The rate is per 100,000 persons and is standardized to the 2000 United States Standard Million population.

**Healthy People 2020 Objective** Reduce cancer deaths to 161.4 deaths per 100,000 population.

**Methodist Hospital Service Area Experience (2016)** 2nd cause of death

**Los Angeles County Experience**

**Measurement Period** 2015 – 2017

132.8 deaths per 100,000 population

**Source of Data** California Department of Public Health

# Lung Cancer

**What's Being Measured** The age-adjusted death rate due to lung cancer.

**How the Measure is Defined** Lung cancer is defined as International Classification of Diseases, Tenth Revision (ICD-10) codes C33-C34. The rate is per 100,000 persons and is standardized to the 2000 United States Standard Million population.

**Healthy People 2020 Objective** Reduce lung cancer deaths to 45.5 deaths per 100,000 population.

**Service Planning Area 3 – San Gabriel Valley Experience (2013)** 3rd cause of premature death

**Los Angeles County Experience**

**Measurement Period** 2015 – 2017

24.8 deaths per 100,000 population

**Source of Data** California Department of Public Health



MHSC-0000746

# Colorectal Cancer

**What's Being Measured** The age-adjusted death rate due to colorectal cancer.

**How the Measure is Defined** Colorectal cancer is defined as International Classification of Diseases, Tenth Revision (ICD-10) codes C18-C21. The rate is per 100,000 persons and is standardized to the 2000 United States Standard Million population.

**Healthy People 2020 Objective** Reduce colorectal cancer deaths to 14.5 deaths per 100,000 population.

**Los Angeles County Experience**

**Measurement Period** 2015 – 2017

13.1 deaths per 100,000 population

**Source of Data** California Department of Public Health



MHSC-0000747

# Prostate Cancer

**What's Being Measured** The age-adjusted death rate due to prostate cancer.

**How the Measure is Defined** Prostate cancer is defined as International Classification of Diseases, Tenth Revision (ICD-10) code C61. The rate is per 100,000 males and is standardized to the 2000 United States Standard Million population.

**Healthy People 2020 Objective** Reduce prostate cancer deaths to 21.8 deaths per 100,000 males.

**Los Angeles County Experience**

**Measurement Period** 2015 – 2017

19.2 per 100,000 males

**Source of Data** California Department of Public Health



MHSC-0000748

# Female Breast Cancer

**What's Being Measured** The age-adjusted death rate due to breast cancer in females.

**How the Measure is Defined** Breast cancer is defined as International Classification of Diseases, Tenth Revision (ICD-10) code C50. The rate is per 100,000 females and is standardized to the 2000 United States Standard Million population.

**Healthy People 2020 Objective** Reduce breast cancer deaths to 20.7 deaths per 100,000 females.

**Los Angeles County Experience**

**Measurement Period** 2015 – 2017

18.5 deaths per 100,000 females

**Source of Data** California Department of Public Health



MHSC-0000749

# Chronic Obstructive Pulmonary Diseases

**What's Being Measured** The age-adjusted death rate due to chronic obstructive pulmonary diseases. Chronic obstructive pulmonary diseases are a group of diseases that cause airflow blockage and breathing-related problems and include emphysema and chronic bronchitis.

**How the Measure is Defined** Chronic obstructive pulmonary diseases are defined as International Classification of Diseases, Tenth Revision (ICD-10) codes J40-J44, and excludes asthma. The rate is per 100,000 persons and is standardized to the 2000 United States Standard Million population.

**Methodist Hospital Service Area Experience (2016)** 5th cause of death

**Healthy People 2020 Objective** Reduce chronic obstructive pulmonary disease deaths to 102.6 deaths per 100,000 population age 45 years and older.

**Los Angeles County Experience**

**Measurement Period** 2015 – 2017

| |
|---|
| O |

28.2 deaths per 100,000 population

**Source of Data** California Department of Public Health

# Influenza/Pneumonia

**What's Being Measured** The age-adjusted death rate due to influenza/pneumonia.

**How the Measure is Defined** Influenza/Pneumonia is defined as International Classification of Diseases, Tenth Revision (ICD-10) codes J09-J18. The rate is per 100,000 persons and is standardized to the 2000 United States Standard Million population.

**Methodist Hospital Service Area Experience (2016)** 6th cause of death

**Healthy People 2020 Objective** None established.

**Los Angeles County Experience**

**Measurement Period** 2015 – 2017

| |
|---|
| O |

18.7 deaths per 100,000 population

**Source of Data** California Department of Public Health

# Diabetes-Related

**What's Being Measured** The age-adjusted death rate due to diabetes (as both an underlying cause of death and a contributing cause of death).

**How the Measure is Defined** Diabetes is defined as International Classification of Diseases, Tenth Revision (ICD-10) codes E10-E14, as either an underlying or contributing cause of death. The rate is per 100,000 persons and is standardized to the 2000 United States Standard Million population.

**Methodist Hospital Service Area Experience (2016)** 7th cause of death

**Healthy People 2020 Objective** Reduce the diabetes-related death rate to 65.8 per 100,000 population (includes those with diabetes listed as either an underlying or a contributing cause of death).

**Los Angeles County Experience**

**Measurement Period** 2015 – 2017

| |
|---|
| O |

22.9 deaths per 100,000 population

**Source of Data** California Department of Public Health

# Unintentional Injuries (All Types)

**What's Being Measured** The age-adjusted death rate due to all unintentional injuries.

**How the Measure is Defined** Unintentional injuries is defined as International Classification of Diseases, Tenth Revision (ICD-10) codes V01-X59 and Y85-Y86. The rate is per 100,000 persons and is standardized to the 2000 United States Standard Million population.

**Healthy People 2020 Objective** Reduce unintentional injury deaths to 36.4 deaths per 100,000 population.

**Methodist Hospital Service Area Experience (2016)** 8th cause of death

**Los Angeles County Experience**

**Measurement Period** 2015 – 2017

23.7 deaths per 100,000 population

**Source of Data** California Department of Public Health

# Motor Vehicle Crashes (Traffic-Related)

**What's Being Measured** The age-adjusted death rate due to motor vehicle crashes (traffic related).

**How the Measure is Defined** Motor vehicle crashes is defined as International Classification of Diseases, Tenth Revision (ICD-10) codes V02-V04 (.1, .9), V09.2, V12-V14 (.3-.9), V19 (.4-.6), V20-V28 (.3-.9), V29-V79 (.4-.9), V80 (.3-.5), V81.1, V82.1, V83-V86 (.0-.3), V87 (.0-.8), and V89.2. The rate is per 100,000 persons and is standardized to the 2000 United States Standard Million population.

**Healthy People 2020 Objective** Reduce deaths due to motor vehicle crashes to 12.4 deaths per 100,000 population.

**Los Angeles County Experience**

**Measurement Period** 2015 – 2017

7.9 deaths per 100,000 population

**Source of Data** California Department of Public Health

# Homicide

**What's Being Measured** The age-adjusted death rate due to homicide.

**How the Measure is Defined** Homicide is defined as International Classification of Diseases, Tenth Revision (ICD-10) codes U01-U02, X85-Y09 and Y87.1. The rate is per 100,000 persons and is standardized to the 2000 United States Standard Million population.

**Healthy People 2020 Objective** Reduce homicide deaths to 5.5 deaths per 100,000 population.

**Service Planning Area 3 – San Gabriel Valley Experience (2013)** 5th cause of premature death

**Los Angeles County Experience**

**Measurement Period** 2015 – 2017

6.1 deaths per 100,000 population

**Source of Data** California Department of Public Health

# Alzheimer's Disease

**What's Being Measured** The age-adjusted death rate due to Alzheimer's disease.

**How the Measure is Defined** Alzheimer's disease is defined as International Classification of Diseases, Tenth Revision (ICD-10) code G30. The rate is per 100,000 persons and is standardized to the 2000 United States Standard Million population.

**Healthy People 2020 Objective** None established.

**Methodist Hospital Service Area Experience (2016)** 4th cause of death

**Los Angeles County Experience**

**Measurement Period** 2015 – 2017

| |
|---|
| O |

35.6 deaths per 100,000 population

**Source of Data** California Department of Public Health

# Suicide

**What's Being Measured** The age-adjusted death rate due to suicide.

**How the Measure is Defined** Suicide is defined as International Classification of Diseases, Tenth Revision (ICD-10) codes U03, X60-X84 and Y87.0. The rate is per 100,000 persons and is standardized to the 2000 United States Standard Million population.

**Healthy People 2020 Objective** Reduce suicide deaths to 10.2 deaths per 100,000 population.

**Methodist Hospital Service Area Experience (2016)** 12th cause of death

**Service Planning Area 3 – San Gabriel Valley Experience (2013)** 4th cause of premature death

**Los Angeles County Experience**

**Measurement Period** 2015 – 2017

8.0 deaths per 100,000 population

**Source of Data** California Department of Public Health

# Chronic Liver Disease and Cirrhosis

**What's Being Measured** The age-adjusted death rate due to cirrhosis.

**How the Measure is Defined** Cirrhosis is defined as International Classification of Diseases, Tenth Revision (ICD-10) codes K70, K73, and K74. The rate is per 100,000 persons and is standardized to the 2000 United States Standard Million population.

**Healthy People 2020 Objective** Reduce cirrhosis deaths to 8.2 deaths per 100,000 population.

**Methodist Hospital Service Area Experience (2016)** 9th cause of death

**Service Planning Area 3 – San Gabriel Valley Experience (2013)** 2nd cause of premature death

**Los Angeles County Experience**

**Measurement Period** 2015 – 2017

13.2 deaths per 100,000 population

**Source of Data** California Department of Public Health



MHSC-0000758

# Summary of Mortality and Comparison to Healthy People 2020 Targets

Note: Findings are based on the top five causes of premature death in SPA 3 in 2013, a profile of deaths among residents of the service area in 2016, and three-year averages of deaths that occurred among residents of Los Angeles County during 2015 through 2017

In 2013, the top three leading causes of premature death in SPA 3 – San Gabriel Valley were coronary heart disease, liver disease, and suicide. The ranking and years of potential life lost before age 75 (YPLL) due to selected leading causes of death are summarized in the table below.

**Top Five Leading Causes of Premature Death, Ranked by YPLL**

Service Planning Area 3 (San Gabriel Valley)

*2013*

| Rank | Cause of Death | Years of Potential Life Lost Before Age 75 | |
|---|---|---|---|
| | | Number | Percent |
| 1 | Coronary Heart Disease | 8,556 | 11.8% |
| 2 | Liver Disease/Cirrhosis | 3,518 | 4.9% |
| 3 | Lung Cancer | 3,449 | 4.8% |
| 4 | Suicide | 3,407 | 4.7% |
| 5 | Homicide | 3,330 | 4.6% |
| — | All Other | 50,233 | 69.3% |
| — | **Total** | **72,493** | **100.0%** |

*Source: Los Angeles County Department of Public Health*

In 2016, there were 4,910 deaths in the service area. Heart disease and cancer were the top two leading causes of death in the service area, accounting for 50 percent of all deaths. Of note, coronary heart disease is the leading cause of death in Methodist Hospital Service Area (2016) and the leading cause of premature death in Service Planning Area 3 (2013). Other leading causes of death in the service area are summarized in the following table.



MHSC-0000759

**Profile of Deaths, Ranked By Select Leading Causes of Death**

Methodist Hospital Service Area

*2016*

| Select Leading Cause of Death | Number | Percent |
|---|---|---|
| Heart Disease | 1,237 | 25.2% |
| Cancer (All Types) | 1,214 | 24.7% |
| Stroke | 291 | 5.9% |
| Alzheimer's disease | 285 | 5.8% |
| Chronic Lower Respiratory Disease | 268 | 5.5% |
| Influenza and Pneumonia | 203 | 4.1% |
| Diabetes | 197 | 4.0% |
| Unintentional Injuries (All Types) | 178 | 3.6% |
| Chronic Liver Disease and Cirrhosis | 106 | 2.2% |
| Essential Hypertension & Hypertensive Renal Disease | 101 | 2.1% |
| Nephritis, Nephrotic Syndrome and Nephrosis | 70 | 1.4% |
| Suicide | 49 | 1.0% |
| All Other | 711 | 14.5% |
| **All Causes of Death** | **4,910** | **100.0%** |

*Source: California Department of Public Health*

When comparing age-adjusted death rates in Los Angeles County to Healthy People 2020 objectives, Los Angeles County experienced lower death rates in all leading causes of death than the stated target rates, with the exceptions of homicide and chronic liver disease and cirrhosis. The County experience compared to Healthy People 2020 national objectives and California experience is summarized in the table below.

**Summary of Age-Adjusted Death Rates by Cause of Death**

Los Angeles County compared to California and Healthy People 2020 Targets

*Three-Year Average (2015 to 2017)*

| Indicator | Los Angeles County | | California | Target |
|---|---|---|---|---|
| | Rate | Status | Rate | Rate |
| **Health Status** | | | | |
| Coronary Heart Disease | 101.7 | + | 87.4 | 103.4 |
| Stroke | 34.0 | + | 36.3 | 34.8 |
| Cancer (All Sites) | 132.8 | + | 137.4 | 161.4 |
| Lung | 24.8 | + | 27.5 | 45.5 |

| Indicator | Los Angeles County | | California | Target |
|---|---|---|---|---|
| | Rate | Status | Rate | Rate |
| Colorectal | 13.1 | + | 12.5 | 14.5 |
| Prostate | 19.2 | + | 19.4 | 21.8 |
| Female Breast | 18.5 | + | 18.9 | 20.7 |
| Chronic Pulmonary Diseases | 28.2 | O | 32.0 | None |
| Influenza/Pneumonia | 18.7 | O | 14.2 | None |
| Diabetes | 22.9 | O | 21.2 | N/A |
| Unintentional Injuries (All Types) | 23.7 | + | 32.2 | 36.4 |
| Motor Vehicle Accidents | 7.9 | + | 9.5 | 12.4 |
| Homicide | 6.1 | - | 5.2 | 5.5 |
| Alzheimer's disease | 35.6 | O | 35.7 | None |
| Suicide | 8.0 | + | 10.4 | 10.2 |
| Chronic Liver Disease and Cirrhosis | 13.2 | - | 12.2 | 8.2 |

*Notes:*

*Target rate is Healthy People 2020 objective*

*Rates are per 100,000 persons and are standardized to the 2000 U.S. Standard Million population*

*Healthy People 2020 Chronic pulmonary disease death rate is for the population age 45 years and older; data for the entire population is not comparable*

*Healthy People 2020 objective is based on both underlying and contributing cause of death which requires use of multiple cause of death files; California's data exclude multiple/contributing causes of death*

*Source: California Department of Public Health*



MHSC-0000761

# Section 6: Maternal and Infant Health

This section includes:

- Demographic overview of females age 15 to 44 years in Methodist Hospital Service Area
- Summary of births in Methodist Hospital Service Area
- Maternal and infant health outcomes in Los Angeles County benchmarked to Healthy People 2020 targets
- Comparison of Los Angeles County maternal and infant outcomes to California

Key used to summarize Methodist Hospital Service Area experiences benchmarked to Healthy People 2020 Targets:

Target Met
Target Not Met

Detailed information – at the ZIP Code level – can be found in:

- Appendix D: Maternal Health

# Females Age 15 to 44 Years

**What's Being Measured** Females 15 to 44 years of age (child bearing age).

**How the Measure is Defined** The percentage of women age 15 to 44 years is calculated by dividing this age group of females by the total population (includes males).

**Service Area Experience**

**Females Age 15 to 44 Years**

Methodist Hospital Service Area

*2019*

| Female Age Group | Number of Persons | Percent of Total Population |
|---|---|---|
| 15 to 17 Years | 14,401 | 1.8% |
| 18 to 20 Years | 14,512 | 1.9% |
| 21 to 24 Years | 20,285 | 2.6% |
| 25 to 34 Years | 55,171 | 7.0% |
| 35 to 44 Years | 51,954 | 6.6% |
| **Total Women 15 to 44 Years** | **156,323** | **20.0%** |
| Total Population | 783,391 | — |

*Note: Percentages rounded*

*Source: Claritas*



MHSC-0000763

# Number of Births

**What's Being Measured** The number of live births.

**How the Measure is Defined** The three-year average is calculated by dividing the sum of the annual births by three.

**Service Area Experience**

**Number of Live Births**

Methodist Hospital Service Area

*Thee-Year Average (2015 to 2017)*

| Year | Number of Births |
|---|---|
| 2015 | 9,563 |
| 2016 | 9,506 |
| 2017 | 8,986 |
| **Three-Year Average** | **9,352** |

*Source: California Department of Public Health*

# Births with Early Entry into Prenatal Care

**What's Being Measured** The rate of live births to mothers with early prenatal care during pregnancy.

**How the Measure is Defined** Early prenatal care is defined as the percentage of mothers who begin prenatal care in the first trimester. The rate is expressed per 100 live births and excludes births with unknown prenatal care.

**Why the Measurement is Helpful** Prenatal care includes three major components: risk assessment, treatment for medical conditions or risk reduction, and education. Each component can contribute to reductions in perinatal illness, disability, and death by identifying and mitigating potential risk and helping women to address behavioral factors – such as smoking and alcohol and drug use – that contribute to poor outcomes. Prenatal care is more likely to be effective if women begin receiving care early in pregnancy.

**Healthy People 2020 Objective** Increase the proportion of pregnant women who receive prenatal care beginning in the first trimester to 77.9% of live births.

**Los Angeles County Experience**

**Measurement Period** 2015 to 2017 (Three-Year Average)

84.8% of births were to mothers with prenatal care beginning in the first trimester

**Source of Data** California Department of Public Health



MHSC-0000765

# Infant Birth Weight

**What's Being Measured** The rate of low birth weight infants.

**How the Measure is Defined** Low birth weight is defined as live births weighing less than 2,500 grams (5.5 pounds). Normal birth weight is defined as 2,500 grams or more. The rates are expressed per 100 live births and exclude births with unknown birth weight.

**Why the Measurement is Helpful** Low birth weight is associated with long-term disabilities, such as cerebral palsy, autism, mental retardation, vision and hearing impairments and other developmental disabilities and is the risk factor most closely associated with neonatal death. Smoking accounts for 20 to 30 percent of all low birth weight infants in the United States. The effect of smoking on low birth weight rates appears to be attributable to intrauterine growth retardation rather than to preterm delivery. Despite the low proportion of pregnancies resulting in low birth weight infants, expenditures for the care of low birth weight infants total more than half of the costs incurred for all newborns.

**Healthy People 2020 Objectives** Reduce low birth weight infants to 7.8%.

**Los Angeles County Experience**

**Measurement Period** 2015 to 2017 (Three-Year Average)

7.2% of infants were low birth weight

**Source of Data** California Department of Public Health



MHSC-0000766

# Infant Mortality

**What's Being Measured** The rate of infant deaths.

**How the Measure is Defined** Infant mortality is the number of deaths among infants under one year of age. The rate is expressed per 1,000 live births.

**Why the Measurement is Helpful** The infant mortality rate is made up to two components: neonatal mortality (death in the first 28 days of life) and postneonatal mortality (death from the infants' 29th days but within the first year). The leading causes of neonatal death include birth defects, disorders related to short gestation and low birth weight, and pregnancy complications. Postneonatal death reflects events experienced in infancy, including SIDS, birth defects, injuries and homicide.

**Healthy People 2020 Objective** Reduce the rate of all infant deaths to no more than 6.0 per 1,000 live births.

**Service Area Experience**

**Measurement Period** 2014 – 2016

4.3 infant deaths per 1,000 live births

**Source of Data** California Department of Public Health



MHSC-0000767

# Summary of Maternal and Infant Health Indicators and Comparison to Healthy People 2020 Targets

Note: Findings are based on live births that occurred in the service area during 2015 to 2017, three-year averages of pregnancy and birth outcomes that occurred among residents of Los Angeles County during 2015 to 2017, and three-year averages of infant mortality during 2014 to 2016

During the three-year period from 2015 through 2017, there were 9,352 births a year in the service area.

**Number of Live Births**

Methodist Hospital Service Area

*Thee-Year Average (2015 to 2017)*

| Year | Number of Births |
|---|---|
| 2015 | 9,563 |
| 2016 | 9,506 |
| 2017 | 8,986 |
| **Three-Year Average** | **9,352** |

*Source: California Department of Public Health*

When comparing maternal and infant health indicators in Los Angeles County to Healthy People 2020 objectives, Los Angeles County met all of the objectives. The county experience compared to Healthy People 2020 national objectives is summarized in the table below.

**Summary of Maternal and Infant Health Indicators**

Los Angeles County, California and Healthy People 2020 Targets

*Three-Year Averages (2015 to 2017) and (2014 to 2016)*

| Indicator | Los Angeles County | | California Rate | Target Rate |
|---|---|---|---|---|
| | Rate | Status | | |
| **Pregnancy/Birth Outcomes (2015 to 2017)** | | | | |
| Early Prenatal Care | 84.8% | ✚ | 83.5% | 77.9% |
| Low Birth Weight Infants | 7.2% | ✚ | 6.9% | 7.8% |
| **Infant Outcomes (2014 to 2016)** | | | | |
| Infant Mortality | 4.3 | ✚ | 4.4 | 6.0 |

*Note: Target rate is Healthy People 2020 objective*

*Source: California Department of Public Health*



MHSC-0000768

# Section 7: Child and Adolescent Health

This section includes:

- Demographic overview of children and youth age 0 to 20 years in Methodist Hospital Service Area
- Summary of students enrolled in free or reduced fee meals
- Summary of high school dropouts
- Findings from the 2017 California Health Interview Survey for SPA 3 benchmarked to Healthy People 2020 targets
- Summary of child abuse and neglect (Los Angeles County) from Center for Social Sciences Research at University of California at Berkeley
- Comparison of SPA 3 child and adolescent health indicators to Los Angeles County and California

Key used to summarize SPA 3 experiences benchmarked to Healthy People 2020 Targets:

Target Met
Target Not Met
Result is Statistically Unstable

Detailed information – at the ZIP Code level – can be found in:

- Appendix C: Age Group Detail

# Children and Youth Age 0 to 20 Years

**What's Being Measured** Children and youth under age 21 years.

**How the Measure is Defined** The percentage of the population 0 to 20 years is calculated by dividing this age group by the total population.

**Service Area Experience**

**Children and Youth Age 0 to 20 Years**

Methodist Hospital Service Area

*2019*

| Age Group | Number of Persons | Percent of Total Population |
|---|---|---|
| 0 to 4 Years | 45,359 | 5.8% |
| 5 to 9 Years | 46,266 | 5.9% |
| 10 to 14 Years | 46,365 | 5.9% |
| 15 to 17 Years | 29,470 | 3.8% |
| 18 to 20 Years | 29,550 | 3.8% |
| **Total 0 to 20 Years** | **197,010** | **25.1%** |
| Total Population | 783,391 | — |

*Note: Percentages rounded*

*Source: Claritas*

# Students Enrolled in Free or Reduced Price Meals

**What's Being Measured** Students enrolled in the Free or Reduced Price Meal Programs.

**How the Measure is Defined** The Free or Reduced Price Meal Program is a federal program administered by the U.S. Department of Agriculture. Program participation is by application and is based on income of the child's parent or guardian. Students enrolled in the program is defined as a student's family has met eligibility criteria and student is "signed up" to participate. Data is for the 2017/2018 school year and is from the California Department of Education website.

**Why the Measurement is Helpful** Students enrolled in the program provides information regarding the socioeconomic status of families with children attending public schools.

**Healthy People 2020 Objective** None established.

**Service Area Experience**

**Students Enrolled in Free or Reduced Price Meals**

School Districts in Methodist Hospital Service Area

*2017/2018 School Year*

| School District | Free/Reduced Price Meals | |
|---|---|---|
| | Number | Percent |
| Alhambra Unified | 11,324 | 67.2% |
| Arcadia Unified | 2,498 | 26.4% |
| Azusa Unified | 6,824 | 82.5% |
| Baldwin Park Unified | 14,449 | 86.5% |
| Duarte Unified | 2,888 | 66.9% |
| El Monte City Elementary | 7,579 | 92.1% |
| El Monte Union High | 7,835 | 88.2% |
| Garvey Elementary | 3,818 | 81.8% |
| Glendora Unified | 2,225 | 29.9% |
| Monrovia Unified | 3,309 | 59.5% |
| Mountain View Elementary | 6,188 | 91.4% |
| Pasadena Unified | 10,764 | 59.3% |
| Rosemead Elementary | 1,944 | 79.7% |
| San Gabriel Unified | 4,635 | 64.0% |
| Temple City Unified | 2,551 | 43.7% |

| School District | Free/Reduced Price Meals | |
|---|---|---|
| | Number | Percent |
| **Comparison Data** | | |
| Los Angeles County | 1,034,525 | 69.3% |
| California | 3,739,347 | 60.1% |

*Source: California Department of Education*

# High School Dropouts

**What's Being Measured** Dropouts in grade 9 through grade 12 in public schools.

**How the Measure is Defined** The following criteria are used to define a dropout: (1) was enrolled in grades 7, 8, 9, 10, 11 or 12 at some time during the previous school year and left school prior to completing the school year and has not returned to school as of Information Day or (2) did not begin attending the next grade (7, 8, 9, 10, 11, or 12) in the school to which they were assigned or in which they had pre-registered or were expected to attend by Information Day. A 1-year dropout rate (calculated by dividing the grade 9 to 12 dropouts by the grade 9 to 12 enrollment) is used by the National Center for Education Statistics to compare state and school districts. Data is for the 2017/2018 school year and is from the California Department of Education website.

**Why the Measurement is Helpful** High school dropouts are three times as likely to slip into poverty as those who finish high school; they make up nearly half of the heads of households receiving public assistance. Economic prospects for dropouts will be even gloomier as more jobs require advanced skill and technical knowledge. High school dropouts are at risk for other negative outcomes like becoming a teen parent of spending time in prison. The children of dropouts are much less likely to graduate themselves, perpetuating a cycle of diminished opportunities.

**Healthy People 2020 Objective** None established.

**Service Area Experience**

**High School Dropouts**

School Districts in Methodist Hospital Service Area

*2017/2018 School Year*

| School District | High School Dropouts | |
|---|---|---|
| | Number | Rate |
| Alhambra Unified | 35 | 0.5 |
| Arcadia Unified | 4 | 0.1 |

| School District | High School Dropouts | |
|---|---|---|
| | Number | Rate |
| Azusa Unified | 37 | 1.4 |
| Baldwin Park Unified* | 22 | 3.4 |
| Duarte Unified | 67 | 5.2 |
| El Monte Union High | 90 | 1 |
| Glendora Unified | 5 | 0.2 |
| Monrovia Unified | 14 | 0.8 |
| Pasadena Unified | 196 | 3.7 |
| San Gabriel Unified | 167 | 5.9 |
| Temple City Unified | 8 | 0.4 |
| **Comparison Data** | | |
| Los Angeles County | 15,094 | 3.2 |
| California | 47,249 | 2.4 |

*Note: District data excludes Opportunities for Learning – Baldwin Park I and II with 1,202 high school dropouts.*

*Source: California Department of Education*



MHSC-0000773

# Medical Insurance

**What's Being Measured** Persons age 0 to 17 years with medical insurance the entire past year or only part of the past year.

**How the Measure is Defined** The percentage of persons with health care coverage includes persons with employment-based insurance, Medi-Cal or Healthy Families programs, privately purchased health insurance or other insurance. Insured persons include those with health insurance for all or part of the year. Results are from the 2017 California Health Interview Survey.

**Why the Measurement is Helpful** Health insurance coverage is a key component of access to health care. Studies show that people with health insurance coverage report fewer access problems than those who are uninsured.

**Healthy People 2020 Objective** Increase the proportion of persons age 0 to 17 years with medical insurance to 100%.

**Service Area Experience**

**Measurement Period** 2017

96% of children age 0 to 17 years have medical insurance

**Source of Data** UCLA Center for Health Policy Research

# Source of Ongoing Care

**What's Being Measured** Persons age 0 to 17 years with a specific source of ongoing care

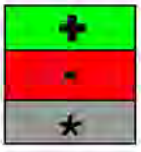
**How the Measure is Defined** Specific sources of ongoing care may include any of the following: doctor's office/HMO/Kaiser, community, government or hospital clinic, emergency room/urgent care, health center facility, or some other place. Results are from the 2017 California Health Interview Survey.

**Why the Measurement is Helpful** Access to care depends in part on access to an ongoing source of care. People with a usual source of health care are more likely than those without a usual source of care to receive a variety of preventive health care services. An estimated 15 percent of adults in the US lack a usual source of care; an estimated 7 percent of children age 17 years and under lack a specific source of ongoing care. Uninsured persons under age 65 years are more likely to lack a usual source of care than those who have either public or private health insurance.

**Healthy People 2020 Objective** Increase the proportion of persons age 0 to 17 years who have a specific source of ongoing care to 100%
Note: The Healthy People 2020 objective excludes emergency rooms as a usual source of care.

**Service Area Experience**

**Measurement Period** 2017




91% of children age 0 to 17 years have a specific source of ongoing care

**Source of Data** UCLA Center for Health Policy Research

# Obese Adolescents

**What's Being Measured** The proportion of teens age 12 to 17 years who are obese.

**How the Measure is Defined** Overweight or obese adolescents are defined as those who have a Body Mass Index (or BMI) at or above the gender- and age-specific 95th percentile of BMI based on the revised CDC Growth Charts for the United States. Results are based on self-reported data by adolescents and are from the 2017 California Health Interview Survey.

**Why the Measurement is Helpful** In 1999-2000, 15% of children and adolescents were overweight – triple what the proportion was in 1980. Obese children and adolescents are more likely to become obese adults; overweight adults are at increased risk for heart disease, high blood pressure, stroke, diabetes, some types of cancer, and gallbladder disease.

**Healthy People 2020 Objective** Reduce the proportion of adolescents age 12 to 17 years who are obese to 16.1%.

**Service Area Experience**

**Measurement Period** 2017

25.5% of adolescents age 12 to 17 years are obese

**Source of Data** UCLA Center for Health Policy Research

# Tobacco Use

**What's Being Measured** The proportion of adolescents age 14 to 17 years who reported having smoked on one or more of the past 30 days.

**How the Measure is Defined** Teens were asked if they smoked cigarettes in the past 30 days. Results are from the 2017 California Health Interview Survey.

**Why the Measurement is Helpful** Tobacco use is the leading preventable cause of death in the United States. Tobacco use is a major risk factor for heart disease, stroke, emphysema and cancers of the lung, pharynx, oral cavity, esophagus, pancreas and bladder. These and other illnesses associated with tobacco use result in health care expenditures of more than $53 billion annually in the United States. Currently, estimates of annual smoking-associated economic costs in the United States are more than $167 billion.

**Healthy People 2020 Objective** Reduce cigarette smoking among adolescents (in grades 9 through 12) to 16% or less.

**Service Area Experience**

**Measurement Period** 2017

0% of adolescents age 14 to 17 years smoke cigarettes

**Source of Data** UCLA Center for Health Policy Research

# Binge Drinking

**What's Being Measured** The proportion of adolescents age 12 to 17 years who reported binge drinking in the past 30 days.

**How the Measure is Defined** Teens were asked the number of alcoholic beverages they consumed at the same time or within a couple of hours during the past month. Binge drinking is defined as drinking 5 or more alcoholic beverages for males or 4 or more alcoholic beverages for females at the same time or within a couple of hours of each other during the past 30 days. Results are from the 2017 California Health Interview Survey.

**Why the Measurement is Helpful** Binge drinking is associated with a profound social harm, economic costs as well as increased disease burden. Binge drinking is more common in males, during adolescence and young adulthood. Most binge drinkers are not familiar with the risks associated with binge drinking. Heavy regular binge drinking is associated with adverse effects on neurologic, cardiac, gastrointestinal, hematologic, immune, musculoskeletal organ systems as well as increasing the risk of alcohol induced psychiatric disorders. A US-based review of the literature found that up to one third of adolescents binge drink, with six percent reaching the threshold of having an alcohol-related substance use disorder. Binge drinking during adolescence is associated with traffic accidents and other types of accidents, violent behavior as well as suicide. The more often a child or adolescent binge drinks and the younger they are the more likely that they will develop an alcohol use disorder including alcoholism. A large number of adolescents who binge drink also consume other psychotropic substances.

**Healthy People 2020 Objective** Reduce the proportion of adolescents age 12 to 17 years who reported they engaged in binge drinking during the past month to 8.6%

**Service Area Experience**

**Measurement Period** 2017

2.9% of adolescents age 12 to 17 years reported binge drinking

**Source of Data** UCLA Center for Health Policy Research

# Child Abuse and Neglect

**What's Being Measured** Substantiated cases of child abuse and neglect (child maltreatment) among children age 0 to 17 years.

**How the Measure is Defined** The rate of substantiated child abuse and neglect incidents is determined by the number of child abuse and neglect reports that warrant an in-person investigation and are then substantiated. The rate is expressed per 1,000 children in the population age 0 to 17 years. The source of the data is the Center for Social Sciences Research at University of California at Berkeley. The data covers January 1 to December 31, 2018.

**Why the Measurement is Helpful** Child abuse and neglect are found in families across the social spectrum, and cases are becoming more complex, with more entrenched risk factors. Social isolation, family disorganization, and financial stress and poverty, can also trigger child abuse. Abused children often experience higher rates of suicide, depression, substance abuse, difficulties in school, and other behavioral problems in later life. Abuse children are also at greater risk of becoming delinquents, mistreating their own children, and becoming involved in violent partner relationships as teens and adults.

**Healthy People 2020 Objective** Reduce the incidence of child maltreatment to no more than 8.5 per 1,000 children aged 18 and younger.

**Los Angeles County Experience**

**Measurement Period** 2018

10.0 cases of child abuse per 1,000 children

**Source of Data** Center for Social Sciences Research at University of California at Berkeley

# Summary of Child and Adolescent Health and Comparison to Healthy People 2020 Targets

Note: Findings are based on 2017 California Health Interview Survey for SPA 3

When comparing child and adolescent health indicators in SPA 3 to Healthy People 2020 objectives, results in SPA 3 were statistically unreliable for all health access and health behaviors. The SPA 3 experience compared to Healthy People 2020 national objectives is summarized in the table below.

**Summary of Child and Adolescent Health Indicators**

SPA 3 Compared to Los Angeles County, California and Healthy People 2020 Targets

*2017*

| Indicator | SPA 3 | | County Rate | California Rate | Target Rate |
|---|---|---|---|---|---|
| | Rate | Status | | | |
| **Health Access** | | | | | |
| Insured All or Part of Year<br>Age 0 to 17 Years | 96% | * | 99% | 99% | 100% |
| Usual Source of Ongoing Care<br>Age 0 to 17 Years | 91% | * | 89% | 90% | 100% |
| **Health Behaviors** | | | | | |
| Obese<br>Age 12 to 17 Years | 25.5% | * | *14.0% | *14.6% | 16.1% |
| Currently Smoke Cigarettes<br>Age 14 to 17 Years | 0% | * | *1.6% | *0.8% | 16.0% |
| Binge Drinking in Past Month<br>Age 12 to 17 Years | 2.9% | * | *7.3% | *5.8% | 8.6% |

*Notes:*
*Target rate is Healthy People 2020 objective*
*Sources: UCLA Center for Health Policy Research*



MHSC-0000780

# Section 8: Adult Health

This section includes:

- Demographic overview of adults age 21 to 64 years in Methodist Hospital Service Area
- Findings from the 2017 California Health Interview Survey for SPA 3 benchmarked to Healthy People 2020 targets
- Comparison of SPA 3 adult health indicators to Los Angeles County and California

Key used to summarize SPA 3 experiences benchmarked to Healthy People 2020 Targets:

Target Met
Target Not Met

Detailed information – at the ZIP Code level – can be found in:

- Appendix C: Age Group Detail

# Adults Age 21 to 64 Years

What's Being Measured Adults 21 to 64 years of age.

How the Measure is Defined The percentage of the population 21 to 64 years is calculated by dividing this age group by the total population.

Service Area Experience

**Adults Age 21 to 64 Years**

Methodist Hospital Service Area

*2019*

| Age Group | Number of Persons | Percent of Total Population |
|---|---|---|
| 21 to 24 Years | 41,098 | 5.2% |
| 25 to 34 Years | 112,297 | 14.3% |
| 35 to 44 Years | 102,919 | 13.1% |
| 45 to 54 Years | 106,665 | 13.6% |
| 55 to 64 Years | 101,619 | 13.0% |
| **Total 21 to 64 Years** | **464,598** | **59.3%** |
| Total Population | 783,391 | — |

*Note: Percentages rounded*
*Source: Claritas*



MHSC-0000782

# Medical Insurance

**What's Being Measured** Adults age 18 to 64 years with health insurance the entire past year or only part of the past year.

**How the Measure is Defined** The percentage of adults with medical insurance includes persons with employment-based insurance, Medi-Cal or Healthy Families programs, privately purchased health insurance or other insurance. Uninsured persons include those without health insurance for all or part of the year. Results are from the 2017 California Health Interview Survey.

**Why the Measurement is Helpful** Health insurance coverage is a key component of access to health care. Studies show that people with health insurance coverage report fewer access problems than those who are uninsured.

**Healthy People 2020 Objective** Increase the proportion of persons age 18 to 64 years with medical insurance to 100%.

**Service Area Experience**

**Measurement Period** 2017

91% of adults age 18 to 64 years have medical insurance

**Source of Data** UCLA Center for Health Policy Research

# Source of Ongoing Care

**What's Being Measured** Adults age 18 to 64 years with a specific source of ongoing care

**How the Measure is Defined** Specific sources of ongoing care may include any of the following: doctor's office/HMO/Kaiser, community, government or hospital clinic, emergency room/urgent care, health center facility, or some other place. Results are from the 2017 California Health Interview Survey.

**Why the Measurement is Helpful** Access to care depends in part on access to an ongoing source of care. People with a usual source of health care are more likely than those without a usual source of care to receive a variety of preventive health care services. An estimated 15 percent of adults in the US lack a usual source of care; an estimated 7 percent of children age 17 years and under lack a specific source of ongoing care. Uninsured persons under age 65 years are more likely to lack a usual source of care than those who have either public or private health insurance.

**Healthy People 2020 Objective** Increase the proportion of persons age 18 to 64 years who have a specific source of ongoing care to 89.4%
Note: The Healthy People 2020 objective excludes emergency rooms as a usual source of care.

**Service Area Experience**

**Measurement Period** 2017

83.3% of adults age 18 to 64 years have a specific source of ongoing care

**Source of Data** UCLA Center for Health Policy Research

# Healthy Weight and Obesity

**What's Being Measured** The proportion of adults age 20 to 64 years who are at a normal, healthy weight and those that are obese.

**How the Measure is Defined** Adults were asked their height and weight. These measures were used to calculate a BMI (or Body Mass Index). BMI is calculated by dividing weight (in kilograms) by height squared (in meters). A BMI from 0 to 18.49 is described as underweight, a BMI from 18.5 to 24.99 is described as normal, healthy weight; a BMI from 25.0 to 29.99 is described as overweight, and a BMI of 30.0 or higher is described as obese. Results are from the 2017 California Health Interview Survey.

**Why the Measurement is Helpful** Overweight and obesity are associated with four of the ten leading causes of death – coronary heart disease, some types of cancer, stroke and type 2 diabetes – as well as a range of other negative health outcomes, such as gallbladder disease, respiratory dysfunction, gout and osteoarthritis. The prevalence of overweight among Americans increased from 1988-1994 to 1999-2002 due to imbalances in caloric intake and energy expenditure. By 1999-2002, nearly one in three adults was obese. The estimated cost of obesity to the United States was $117 billion in 2000.

**Healthy People 2020 Objectives**

Increase the proportion of adults age 20 years and older who are at a healthy weight to 33.9% (BMI of 18.5 to 24.99).

Reduce the proportion of adults age 20 years and older who are obese to 30.5% (BMI of 30 or more).

**Service Area Experience**

**Measurement Period** 2017

42.9% of adults age 20 to 64 years are at a healthy weight

22.3% of adults age 20 to 64 years are obese

**Source of Data** UCLA Center for Health Policy Research



MHSC-0000785

# High Blood Pressure

**What's Being Measured** The proportion of adults age 18 to 64 years who were ever diagnosed with high blood pressure.

**How the Measure is Defined** Adults were asked "Has a doctor ever told you that you have high blood pressure?" Results are from the 2017 California Health Interview Survey.

**Why the Measurement is Helpful** Heart disease is the leading cause of death for all people in the United States and stroke is the third leading cause of death. Heart disease and stroke continue to be major causes of disability and significant contributors to increases in health care costs in the U.S. High blood pressure is known as the "silent killer" and remains a major risk factor for coronary heart disease, stroke and heart failure. About 50 million adults in the United States have high blood pressure with many still unaware that they have this condition. High blood pressure is more common in older persons.

**Healthy People 2020 Objective** Reduce the proportion of adults age 18 years and older with high blood pressure to 26.9%.

**Service Area Experience**

**Measurement Period** 2017

21.7% of adults age 18 to 64 years diagnosed with high blood pressure

**Source of Data** UCLA Center for Health Policy Research

# Tobacco Use

**What's Being Measured** The proportion of adults age 18 to 64 years who currently smoke cigarettes.

**How the Measure is Defined** Adults were asked if they smoked cigarettes in the past 30 days. Results are from the 2017 California Health Interview Survey.

**Why the Measurement is Helpful** Tobacco use is the leading preventable cause of death in the United States. Tobacco use is a major risk factor for heart disease, stroke, emphysema and cancers of the lung, pharynx, oral cavity, esophagus, pancreas and bladder. These and other illnesses associated with tobacco use result in health care expenditures of more than $53 billion annually in the United States. Currently, estimates of annual smoking-associated economic costs in the United States are more than $167 billion.

**Healthy People 2020 Objective** Reduce cigarette smoking among adults age 18 years and older to 12% or less.

**Service Area Experience**

**Measurement Period** 2017

9.3% of adults age 18 to 64 years smoke cigarettes

**Source of Data** UCLA Center for Health Policy Research

# Summary of Adult Health and Comparison to Healthy People 2020 Targets

Note: Findings are based on 2017 California Health Interview Survey for SPA 3

When comparing adult health indicators in SPA 3 to Healthy People 2020 objectives, though SPA 3 did not meet the health access objectives related to medical insurance (insured all or part of the year) and usual source of ongoing care, SPA 3 did meet the objectives for all stated targets regarding health behaviors. The SPA experience compared to Healthy People 2020 national objectives is summarized in the following table.

**Summary of Adult Health Indicators**

SPA 3 Compared to Los Angeles County, California and Healthy People 2020 Targets

*2017*

| Indicator | SPA 3 | | County Rate | California Rate | Target Rate |
|---|---|---|---|---|---|
| | Rate | Status | | | |
| **Health Access** | | | | | |
| Insured All or Part of Year<br>Age 18 to 64 Years | 91% | - | 92% | 92% | 100% |
| Usual Source of Ongoing Care<br>Age 18 to 64 Years | 83.3% | - | 81.6% | 83.7% | 89.4% |
| **Health Behaviors** | | | | | |
| Healthy Weight<br>Age 20 to 64 Years | 42.9% | + | 36.1% | 36.6% | 33.9% |
| Obese<br>Age 20 to 64 Years | 22.3% | + | 30.3% | 27.8% | 30.5% |
| Diagnosed with High Blood Pressure<br>Age 18 to 64 Years | 21.7% | + | 23.0% | 22.2% | 26.9% |
| Currently Smoke Cigarettes<br>Age 18 to 64 Years | 9.3% | + | 9.5% | 10.9% | 12.0% |

*Note:*
*Target rate is Healthy People 2020 objective*
*Source: UCLA Center for Health Policy Research*



MHSC-0000788

# Section 9: Senior Health

This section includes:

- Demographic overview of seniors age 65 years and older in Methodist Hospital Service Area
- Findings from the 2017 California Health Interview Survey for SPA 3 benchmarked to Healthy People 2020 targets
- Comparison of SPA 3 senior health indicators to Los Angeles County and California

Key used to summarize SPA 3 experiences benchmarked to Healthy People 2020 Targets:

Target Met
Target Not Met
Result is Statistically Unstable

Detailed information – at the ZIP Code level – can be found in:

- Appendix C: Age Group Detail

Listing of Senior Centers located in Methodist Hospital Service Area can be found in:

- Section 12: Health Facilities and Other Resources

# Seniors Age 65 Years and Older

**What's Being Measured** Seniors 65 years of age and older.

**How the Measure is Defined** The percentage of the population 65 years and older is calculated by dividing this age group by the total population.

**Service Area Experience**

**Seniors Age 65 Years and Older**

Methodist Hospital Service Area

*2019*

| Age Group | Number of Persons | Percent of Total Population |
|---|---|---|
| 65 to 74 Years | 70,444 | 9.0% |
| 75 to 84 Years | 34,779 | 4.4% |
| 85 Years and Older | 16,560 | 2.1% |
| **Total 65 Years and Older** | **121,783** | **15.5%** |
| Total Population | 783,391 | — |

*Note: Percentages rounded*
*Source: Claritas*

# Senior Households by Income Group

**What's Being Measured** Senior households in various income groupings.

**How the Measure is Defined** Household income includes the total money received in the stated calendar year by all household members 65 years and older. The number of households with an annual household income is reported for the following ten income groups: (1) under $15,000 (2) $15,000 to $24,999 (3) $25,000 to $34,999 (4) $35,000 to $49,999 (5) $50,000 to $74,999 (6) $75,000 to $99,999 (7) $100,000 to $124,999 (8) $125,000 to $149,999 (9) $150,000 to $199,999 and (10) $200,000 and over. The sum of households with these ten income groupings is the 2019 senior households.

**Service Area Experience**

**Senior Households by Income Group**

Methodist Hospital Service Area

*2019*

| Seniors Households by Income Group | Number of Senior Households | Percent of Senior Households |
|---|---|---|
| Under $15,000 | 8,814 | 14.2% |
| $15,000 to $24,999 | 8,768 | 14.1% |
| $25,000 to $34,999 | 6,249 | 10.1% |
| $35,000 to $49,999 | 7,346 | 11.8% |
| $50,000 to $74,999 | 9,202 | 14.8% |
| $75,000 to $99,999 | 6,158 | 9.9% |
| $100,000 to $124,999 | 4,487 | 7.2% |
| $125,000 to $149,999 | 3,135 | 5.0% |
| $150,000 to $199,999 | 3,114 | 5.0% |
| $200,000 and over | 4,850 | 7.8% |
| **Senior Households** | **62,123** | **100.0%** |

*Source: Claritas*

## Comparison to Los Angeles County

**Senior Households by Income Group**

Los Angeles County

*2019*

| Seniors Households by Income Group | Number of Senior Households | Percent of Senior Households |
|---|---|---|
| Under $15,000 | 124,076 | 15.8% |
| $15,000 to $24,999 | 105,948 | 13.5% |
| $25,000 to $34,999 | 78,127 | 9.9% |
| $35,000 to $49,999 | 91,577 | 11.6% |
| $50,000 to $74,999 | 111,260 | 14.1% |
| $75,000 to $99,999 | 74,793 | 9.5% |
| $100,000 to $124,999 | 52,421 | 6.7% |
| $125,000 to $149,999 | 39,813 | 5.1% |
| $150,000 to $199,999 | 40,550 | 5.2% |
| $200,000 and over | 67,999 | 8.6% |
| **Senior Households** | **786,564** | **100.0%** |

*Source: Claritas*



MHSC-0000792

# Source of Ongoing Care

**What's Being Measured** Persons age 65 years and older with a specific source of ongoing care

**How the Measure is Defined** Specific sources of ongoing care may include any of the following: doctor's office/HMO/Kaiser, community, government or hospital clinic, emergency room/urgent care, health center facility, or some other place. Results are from the 2017 California Health Interview Survey.

**Why the Measurement is Helpful** Access to care depends in part on access to an ongoing source of care. People with a usual source of health care are more likely than those without a usual source of care to receive a variety of preventive health care services. An estimated 15 percent of adults in the US lack a usual source of care.

**Healthy People 2020 Objective** Increase the proportion of persons age 65 years and older who have a specific source of ongoing care to 100%
Note: The Healthy People 2020 objective excludes emergency rooms as a usual source of care.

**Service Area Experience**

**Measurement Period** 2017

95% of seniors age 65 years and older have a specific source of ongoing care

**Source of Data** UCLA Center for Health Policy Research

# Flu Shot in Past Year

**What's Being Measured** Seniors age 65 years and older who received a flu shot in the past year.

**How the Measure is Defined** Seniors age 65 years and older were asked "During the past 12 months, have you had a flu shot?" Results are from the 2016 California Health Interview Survey.

**Why the Measure is Helpful** Infectious diseases remain a cause of illness, disability and death and impose a tremendous burden on society, both physically and financially. Vaccines are an important defense against influenza and pneumonia.

**Healthy People 2020 Objective** Increase the proportion of noninstitutionalized adults age 65 years and older who are vaccinated annually against influenza to 90%.

**Service Area Experience**

**Measurement Period** 2016

67% of seniors age 65 years and older received a flu shot in the past year

**Source of Data** UCLA Center for Health Policy Research

# Healthy Weight and Obesity

**What's Being Measured** The proportion of seniors age 65 years and older who are at a normal, healthy weight and those that are obese.

**How the Measure is Defined** Adults were asked their height and weight. These measures were used to calculate a BMI (or Body Mass Index). BMI is calculated by dividing weight (in kilograms) by height squared (in meters). A BMI from 0 to 18.49 is described as underweight, a BMI from 18.5 to 24.99 is described as normal, healthy weight; a BMI from 25.0 to 29.99 is described as overweight, and a BMI of 30.0 or higher is described as obese. Results are from the 2017 California Health Interview Survey.

**Why the Measurement is Helpful** Overweight and obesity are associated with four of the ten leading causes of death – coronary heart disease, some types of cancer, stroke and type 2 diabetes – as well as a range of other negative health outcomes, such as gallbladder disease, respiratory dysfunction, gout and osteoarthritis. The prevalence of overweight among Americans increased from 1988-1994 to 1999-2002 due to imbalances in caloric intake and energy expenditure. By 1999-2002, nearly one in three adults was obese. The estimated cost of obesity to the United States was $117 billion in 2000.

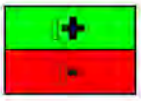
**Healthy People 2020 Objectives**

Increase the proportion of adults age 20 years and older who are at a healthy weight to 33.9% (BMI of 18.5 to 24.99).

Reduce the proportion of adults age 20 years and older who are obese to 30.5% (BMI of 30 or more).

**Service Area Experience**

**Measurement Period** 2017



35.8% of seniors age 65 years and older are at a healthy weight

22.1% of seniors age 65 years and older are obese

**Source of Data** UCLA Center for Health Policy Research

# High Blood Pressure

**What's Being Measured** The proportion of seniors 65 years and older who were ever diagnosed with high blood pressure or high blood cholesterol.

**How the Measure is Defined** Adults were asked "Has a doctor ever told you that you have high blood pressure?" Results are from the 2017 California Health Interview Survey.

**Why the Measurement is Helpful** Heart disease is the leading cause of death for all people in the United States and stroke is the third leading cause of death. Heart disease and stroke continue to be major causes of disability and significant contributors to increases in health care costs in the U.S. High blood pressure is known as the "silent killer" and remains a major risk factor for coronary heart disease, stroke and heart failure. About 50 million adults in the United States have high blood pressure with many still unaware that they have this condition. High blood pressure is more common in older persons.

**Healthy People 2020 Objective** Reduce the proportion of adults age 18 years and older with high blood pressure to 26.9%

**Service Area Experience**

**Measurement Period** 2017

67.9% of seniors age 65 years and older have high blood pressure

**Source of Data** UCLA Center for Health Policy Research



MHSC-0000796

# Tobacco Use

**What's Being Measured** The proportion of adults age 65 years and older who currently smoke cigarettes.

**How the Measure is Defined** Adults were asked if they smoked cigarettes in the past 30 days. Results are from the 2017 California Health Interview Survey.

**Why the Measurement is Helpful** Tobacco use is the leading preventable cause of death in the United States. Tobacco use is a major risk factor for heart disease, stroke, emphysema and cancers of the lung, pharynx, oral cavity, esophagus, pancreas and bladder. These and other illnesses associated with tobacco use result in health care expenditures of more than $53 billion annually in the United States. Currently, estimates of annual smoking-associated economic costs in the United States are more than $167 billion.

**Healthy People 2020 Objective** Reduce cigarette smoking among adults age 18 years and older to 12% or less.

**Service Area Experience**

**Measurement Period** 2017

8.2% of seniors age 65 years and older smoke cigarettes

**Source of Data** UCLA Center for Health Policy Research

# Summary of Senior Health Indicators and Comparison to Healthy People 2020 Targets

Note: Findings are based on 2017 and 2016 California Health Interview Survey for SPA 3

When comparing senior health indicators in the SPA to Healthy People 2020 objectives, the SPA did not meet the objectives related to health access for: flu shot received in past year; and related to health behaviors for: healthy weight and diagnosed with high blood pressure. The SPA experience compared to Healthy People 2020 national objectives is summarized in the table below.

**Summary of Senior Health Indicators**

SPA 3 Compared to Los Angeles County, California and Healthy People 2020 Targets

*2017 and 2016*

| Indicator | SPA 3 | | County Rate | California Rate | Target Rate |
|---|---|---|---|---|---|
| | Rate | Status | | | |
| **Health Access (2017 and 2016)** | | | | | |
| Usual Source of Ongoing Care Age 65 Years and Older | 95% | * | *94% | *96% | 100% |
| Flu Shot Past Year (2016) Age 65 Years and Older | 67% | - | 67% | 69% | 90% |
| **Health Behaviors** | | | | | |
| Healthy Weight Age 65 Years and Older | 35.8% | - | 35.8% | 36.7% | 33.9% |
| Obese Age 65 Years and Older | 22.1% | * | 22.9% | 23.3% | 30.5% |
| Diagnosed with High Blood Pressure Age 65 Years and Older | 67.9% | - | 62.9% | 58.9% | 26.9% |
| Currently Smoke Cigarettes Age 65 Years and Older | 8.2% | * | 6.4% | 6.4% | 12.0% |

*Note:*
*Target rate is Healthy People 2020 objective*
*Source: UCLA Center for Health Policy Research*



MHSC-0000798

# Section 10: Community Consultation

This section includes:

- Overview of the community consultation process
- Analysis of the community consultation

Additional information regarding participants in the community consultation can be found in:

- Appendix D: Community Consultation Participants

Additional information regarding Methodist Hospital Service Area can be found in:

- Section 3: Service Area Definition and Demographics
- Section 4: Health Access and Utilization
- Section 5: Mortality
- Section 6: Maternal and Infant Health
- Section 7: Child and Adolescent Health
- Section 8: Adult Health
- Section 9: Senior Health
- Section 12: Existing Health Facilities and Resources

# Overview

The project consultant completed twenty telephone interviews (80 percent response rate) during a five-week period beginning in mid-September 2019.

Prior to conducting the interviews, Methodist Hospital leadership and staff identified 25 contacts for interviews. Individuals selected for interviews represented Los Angeles County Department of Public Health, representatives of cities/departments in the hospital services area, non-profit health community-based health organizations serving populations such as the poor and Chinese-speaking residents, centers and organizations serving seniors, area specialists of organizations with expertise in heart disease and cancer, physicians with clinical practices in the community, and a business owner. Once individuals confirmed interest in participation, a letter – describing the purpose of the phone survey and the questions to be posed in the upcoming telephone interview – was distributed electronically (via email or facsimile) to all contacts.

Those participating in the community consultation were asked to respond to the following questions:

1. In your opinion, what are the top three health issues in the San Gabriel Valley?
   (Note: Contacts with expertise in cancer were asked to identify the top three health issues related to cancer services.)

2. Are there specific neighborhood areas or populations affected by these health issues?

3. What specific actions should be undertaken to address these health issues?

4. What specific actions or collaborations could Methodist Hospital undertake to address these community health issues?

Following completion of the interviews, responses were analyzed and summarized based on general concepts and common themes.

# Community's Top Health Issues

The following were identified as the community's top health issues (based on frequency of overall mention):

- Access to health services and continuity of care
- Health conditions and disability

Each issue is discussed below.

## Access to Health Services and Continuity of Care

Several challenges related to access and continuity of care were identified during the community consultation, including:

- Lack of health insurance and cost of care
- Insurance plans accepted by providers
- Cost and timeliness of obtaining services and medications
- Use of 911 and hospital emergency rooms
- Difficulties receiving ongoing care due to lack of transportation, language barriers, costs of services and medications, and long wait times
- Difficulties navigating the healthcare system
- Lack of awareness of availability of needed health services
- Shortage of specialty physicians

Among the highlights:

- Clients need help signing up for appropriate health insurance plans (rather than relying on sources such as friends, insurance brokers, and/or the internet)
- High out-of-pocket expenditures for services – for office visits, prescriptions, and procedures – rather than having health insurance coverage
- Poor acceptance of "Obamacare cards" by community providers due to poor reimbursements results in limited care for some
- Improper use of 911 due to lack of insurance system (e.g., contact 911 for non-emergent situations primary care type visits)
- Improper use of hospital emergency rooms ("used like a clinic") with no apparent financial obligations to those who do so
- Services received at urgent care centers are costly and may not result in needed continuity of care

- Some patients may experience long waits for care as they try to find a provider that meets their needs
- "Stigma or fear of going to the doctor," particularly among some Asians/Pacific Islanders
- Lack of transportation may present access issues or difficulties keeping appointments for some Medi-Cal patients that require access to specialists in the surrounding communities
- Difficulties in continuity of care – such as annual exams – for transient clinic patients who cannot be reached by telephone or mail due to outdated or incorrect contact information
- Shortage of specialty physicians (due to retirements) and increasing costs of medical practices. Specific physician shortages in the community were identified for cardiology, orthopedics, ENT, and gynecology

Access to healthcare was identified as an important issue across for many age-related population groups, including: children, teens (specific to sexual health and sexually transmitted diseases), adults, and seniors. Comprehensive healthcare was identified as challenging for some children and seniors. According to a study mentioned by a contact, sixty percent of children have periodic and/or regular food insecurity. In the case of seniors, some cannot obtain health appointments in a timely manner, navigate the system's complexity (including who seniors need to talk to and/or who will pay for needed services and items), face challenges associated with sight, hearing, mobility and access to transportation; and experience difficulties obtaining some needed items, such as in-home toilet and shower accommodations, in a timely manner. In addition, access to healthcare was mentioned as an important issue regarding women's health and homelessness.

Those contacted for responses to healthcare issues related *specifically to cancer* provided similar comments related to access to care and continuity of care. Among the highlights:

- Lack of health insurance and/or cost of care
- Health insurance coverage for some specialty care services at certain facilities
- Limitations with some health insurance plans (i.e., HMO) in obtaining second opinions
- Physicians spend less time with patients because of reimbursement pressures
- Some clients of community organizations are not familiar with what's available and what's offered related to cancer services
- Mono-lingual Chinese-speaking patients would benefit from Chinese speaking providers as well as print/electronic materials in Chinese
- Some patients do not have transportation from their homes to cancer-related services and/or lodging near where they travel to receive care
- Some patients would benefit from support groups in multiple locations across the San Gabriel Valley
- Some patients and families require psychosocial and other support as families struggle with care at home (e.g., maintaining a job, paying rent, cooking, childcare)

## Health Conditions and Disability

Many of those interviewed identified the importance of health awareness, education, disease prevention, and medications management. In addition, several of those interviewed during the community consultation highlighted challenges related to age (older adults), gender, race/ethnicity, and cultural and generational differences in managing health conditions and disabilities. The following health conditions were specifically identified as particularly prevalent across the community:

- Diabetes
- High blood pressure
- Heart disease and stroke
- Cancer – breast, prostate, lung, colorectal, and liver
- Social isolation and lack of social networks
- Depression and suicide
- Memory, dementia, and Alzheimer's disease
- Parkinson's Disease
- Sexual health and sexually transmitted diseases
- Mental health associated with homelessness
- Influenza and pneumonia (seasonal emphasis)
- Falls
- Obesity and malnutrition
- Smoking and vaping



MHSC-0000803

# Neighborhood Areas or Populations Most Affected by Health Issues

According to many of those interviewed, persons of all ages across the greater San Gabriel Valley, regardless of income or racial/ethnic and cultural backgrounds are affected by these health issues. Neighborhood areas in Methodist Hospital's service area specifically mentioned as most affected by the identified health issues include:

- Arcadia
- Alhambra
- Duarte
- El Monte
- Monrovia
- San Gabriel
- Temple City

Specific demographic sectors most affected and identified by interviewees:

- Lower socioeconomic status
- Lower educational attainment
- Chinese immigrant families with limited English proficiency
- Spanish-speaking persons
- Racial and ethnic minorities – Asians, Latinos, and African Americans
    - Chinese persons with lung, colorectal and liver cancers
    - Chinese women with breast cancer diagnosis
    - African American women with breast cancer
    - African American men with prostate cancer
    - Latinos with diabetes
- Children and adolescents
- Women
- Seniors
- Homeless persons

# Specific Actions to Take to Address Health Issues

Participants in the community consultation identified specific actions that could be undertaken to address health issues, including:

**Access to Health Services and Continuity of Care**

- Financial assistance (including reduced costs)
- Reduced paperwork and duplication
- More effective and efficient coordination of community resources for vulnerable communities
- Reduce defensive medicine that is practiced in response to medical liability issues
- Use of health navigators
- Improve access to care e.g., transportation and language services
- Public education on topics such as financial assistance and insurance copayments/deductibles
- Make housing arrangements for homeless people

**Health Conditions and Disability**

- Additional partnering of healthcare organizations with community organizations to bring needed programs and services to community places
- Identify and address root causes of health conditions and disability
- Promote awareness of healthy lifestyles, including staying physically active, eating properly, flu shots, stress management, and when to go to the doctor
- Provide communication on when and what cancer sites to be screened for
- Increase awareness of supplemental food programs for school-age children
- Reach out to underserved geographic areas in the San Gabriel Valley
- More information, education, health fairs, and events in Chinese (e.g., speaking engagements, seminars, workshops, health newsletters, and websites)
- Outreach and materials that are culturally sensitive to the Asian community
- Additional community outreach to PTAs, work places, and churches/temples
- Conduct more activities that are consistent with healthcare awareness calendar
- More opportunities in the community to check blood pressure
- Additional psychosocial support for cancer patients, families, and caregivers
- Provide mental health services that address prevention, healing, and stress management

# Collaborative Roles or Actions Methodist Hospital Could Take to Address Community Health Issues

Several of those interviewed complimented Methodist Hospital on its efforts to provide healthcare services to the community, commenting that "the Hospital is doing a lot now" and "doing a great job with community outreach and cancer awareness programs" through efforts such as participation in health fairs and partnerships with area community and senior centers.

Participants in the community consultation offered the following suggestions for collaborative roles or actions for Methodist Hospital:

- Recruit more staff, liaisons, and volunteers that speak Mandarin
- Offer assistance with health insurance plan signups
- Increase outreach to women
- Offer comprehensive women's health services to include physical, mental, dental, and preventive care (e.g., mammograms, osteoporosis, pap smears)
- Continue outreach to senior centers to address health conditions and disability
- Partner more with government, non-profits, and community organizations
- Increase efforts to identify individuals with high blood pressure
- Offer diabetes clinics
- Provide education and awareness programs to prepare patients for physician visits, use of emergency rooms, and paramedics (911)
- Better electronic communication with other healthcare entities to reduce unnecessary efforts
- Offer telemedicine services
- Provide in-home post hospital follow-up services (by nurse practitioners and physician assistants)

*Specific to Cancer:*

- Transportation services
- Resources in various languages
- Interpreters
- Patient navigators, nurses, MDs, and social workers to address full spectrum of care
- Education and awareness programs for various cancer sites, such as breast, colorectal, gynecological
- Low cost or free cancer screenings for a limited number of people (such as first 100 people)
- Cancer Resource Center to provide information about financial assistance programs and foundations

# Section 11: Priority Community Health Needs

This section includes:

- Description of the process and criteria used to identify priority community health needs
- Summary and description of priority community health needs

Additional information regarding Methodist Hospital Service Area can be found in:

- Section 3: Service Area Definition and Demographics
- Section 4: Health Access and Utilization
- Section 5: Mortality
- Section 6: Maternal and Infant Health
- Section 7: Child and Adolescent Health
- Section 8: Adult Health
- Section 9: Senior Health
- Section 10: Community Consultation
- Section 12: Existing Healthcare Facilities and Resources



MHSC-0000807

# Process and Criteria Used

In preparing the community health needs assessment, Methodist Hospital combined quantitative data about service area demographics, availability of health insurance, health access to and utilization of key services, health status, and health behaviors with qualitative data, including opinions regarding important health issues from community leaders. Many who provided these opinions – including community health providers and representatives from Los Angeles County Departments of Public Health – have been active locally offered valuable perspectives on healthcare in the community.

The following criteria were used to identify and prioritize significant health needs in the community:

- Healthy People 2020 metrics
- Number of persons affected
- Identification and/or validation as an important health issue by community leaders
- Identified by community organizations as an opportunity to work collaboratively to address health issue

# Priority Community Health Needs

The following priority health needs were identified in the community health needs assessment:

- Access to health services and continuity of care
- Disease prevention and health promotion

Dimensions of each of these priority health needs are highlighted below.

**Access to Health Services and Continuity of Care**

- Availability of health insurance (0 to 64 years), particularly adults 18 to 64 years
- Insurance plans accepted by providers
- Flu shots for older adults
- Language barriers faced by monolingual Chinese-speaking adults
- Usual source of ongoing care, particularly adults 18 to 64 years
- Delays in getting medical care
- Navigation and support services for cancer patients

**Disease Prevention and Health Promotion**

- Diabetes
- High blood pressure
- Heart disease and stroke
- Cancer
- Influenza and pneumonia
- Falls
- Mental health and dementia

# Section 12: Health Facilities and Other Resources

This section includes:

- Summary and listing of health facilities and other resources located in Methodist Hospital's Service Area

# Health Facilities and Other Resources

In the ZIP codes comprising Methodist Hospital's service area, there are 12 open hospitals (ten general acute care hospitals and two acute psychiatric hospitals), 29 licensed free and community clinics, and two rehabilitation clinics. See page 3 of this section for **Summary of Health Facilities, by ZIP Code**.

There are 12 senior centers serving various cities in the hospital service area. See page 5 of this section for **Summary of Senior Centers, by ZIP Code**.

**Summary of Health Facilities, by ZIP Code**

Facilities Located in Methodist Hospital Service Area

*June 30, 2019*

| Facility Name | Address | City | ZIP | Facility License Category | Hospital Detail | | Status |
|---|---|---|---|---|---|---|---|
| | | | | | EMS | Beds | |
| **Hospital** | | | | | | | |
| Methodist Hospital of Southern California | 300 West Huntington Drive | Arcadia | 91007 | General Acute Care Hospital | Basic | 348 | Open |
| City of Hope Helford Clinical Research Hospital | 1500 East Duarte Road | Duarte | 91010 | General Acute Care Hospital | | 217 | Open |
| Monrovia Memorial Hospital | 323 South Heliotrope Avenue | Monrovia | 91016 | General Acute Care Hospital | | 49 | Open |
| Aurora Las Encinas Hospital, LLC | 2900 East Del Mar Blvd. | Pasadena | 91107 | Acute Psychiatric Hospital | | 118 | Open |
| Kaiser Foundation Hospital – Baldwin Park | 1011 Baldwin Park Blvd. | Baldwin Park | 91706 | General Acute Care Hospital | Basic | 272 | Open |
| Kindred Hospital Baldwin Park | 14148 Francisquito Avenue | Baldwin Park | 91706 | General Acute Care Hospital | | 95 | Open |
| Foothill Presbyterian Hospital – Johnston Memorial | 250 South Grand Avenue | Glendora | 91741 | General Acute Care Hospital | Basic | 105 | Open |
| Greater El Monte Community Hospital | 1701 Santa Anita Avenue | South El Monte | 91733 | General Acute Care Hospital | Basic | 117 | Open |
| Alhambra Hospital Medical Center | 100 South Raymond Avenue | Alhambra | 91801 | General Acute Care Hospital | Basic | 144 | Open |
| BHC Alhambra Hospital | 4619 Rosemead Blvd. | Rosemead | 91770 | Acute Psychiatric Hospital | | 97 | Open |
| Silver Lake Medical Center – Ingleside Campus | 7500 East Hellman Avenue | Rosemead | 91770 | General Acute Care Hospital | | 118 | Open |
| San Gabriel Valley Medical Center | 438 West Las Tunas Drive | San Gabriel | 91776 | General Acute Care Hospital | Basic | 273 | Open |
| **Clinic** | | | | | | | |
| Foothills Pregnancy Resource Center | 924 Buena Vista St Ste 202 | Duarte | 91010 | Free Clinic | | | Open |
| ChapCare Lime | 513 E Lime Avenue | Monrovia | 91016 | Community Clinic | | | Open |
| Planned Parenthood of Pasadena | 1045 North Lake Avenue | Pasadena | 91104 | Community Clinic | | | Open |
| ChapCare – Lake | 1800 North Lake Avenue | Pasadena | 91104 | Community Clinic | | | Open |
| ChapCare – Del Mar | 3160 East Del Mar Blvd. | Pasadena | 91107 | Community Clinic | | | Open |
| Complete Care Community Health Center - Altadena | 2595 East Washington Blvd. | Pasadena | 91107 | Community Clinic | | | Open |
| Outlook Therapy Center, Inc. | 2560 East Foothill Blvd. | Pasadena | 91107 | Rehabilitation Clinic | | | Open |
| El Proyecto del Barrio – Azusa Clinic | 150 North Azusa Avenue | Azusa | 91702 | Community Clinic | | | Open |
| El Proyecto del Barrio – Mobile Unit | 150 North Azusa Avenue | Azusa | 91702 | Community Clinic | | | Open |
| Central City Community Health Center, Inc. | 4126 Maine Avenue | Baldwin Park | 91706 | Community Clinic | | | Open |
| Central City Community Health Center, Inc. | 4160 Maine Avenue | Baldwin Park | 91706 | Community Clinic | | | Open |
| El Proyecto del Barrio – Baldwin Park Comm Clinic | 3942 Maine Avenue | Baldwin Park | 91706 | Community Clinic | | | Open |
| Altamed Medical Group | 10418 East Valley Blvd. | El Monte | 91731 | Community Clinic | | | Open |
| Altamed Senior Buenacare El Monte | 10418 East Valley Blvd. | El Monte | 91731 | Community Clinic | | | Open |
| Asian Pacific Health Care Venture, Inc. – El Monte/Rosemead | 9960 Baldwin Place | El Monte | 91731 | Community Clinic | | | Open |

| Facility Name | Address | City | ZIP | Facility License Category | Hospital Detail | | Status |
|---|---|---|---|---|---|---|---|
| | | | | | EMS | Beds | |
| ChapCare Peck | 3703 Peck Road | El Monte | 91731 | Community Clinic | | | Open |
| Cleaver Family Wellness Clinic | 4368 Santa Anita Avenue | El Monte | 91731 | Community Clinic | | | Open |
| Planned Parenthood Los Angeles – El Monte Center | 4786 North Peck Road | El Monte | 91732 | Community Clinic | | | Open |
| Southern California Medical Center | 12100 Valley Blvd. | El Monte | 91732 | Community Clinic | | | Open |
| Central City Community Health Center, Inc. | 10050 Garvey Avenue | El Monte | 91733 | Community Clinic | | | Open |
| ChapCare Mobile Medical Center | 10408 Vacco Street | South El Monte | 91733 | Community Clinic | | | Open |
| ChapCare Vacco | 10408 Vacco Street | South El Monte | 91733 | Community Clinic | | | Open |
| Herald Christian Health Center | 8841 Garvey Avenue | Rosemead | 91770 | Community Clinic | | | Open |
| Chinatown Service Center Family Health Clinic | 555 West Las Tunas Drive | Rosemead | 91776 | Community Clinic | | | Open |
| AMH Comprehensive Medical Centers | 316 East Las Tunas Drive | San Gabriel | 91776 | Community Clinic | | | Open |
| Herald Christian Health Center | 923 South San Gabriel Blvd. | San Gabriel | 91776 | Community Clinic | | | Open |
| Pregnancy Help Center of San Gabriel Valley, Inc. | 5626 North Rosemead Blvd. | Temple City | 91780 | Community Clinic | | | Open |
| CSC Community Health Center – San Gabriel Valley | 320 South Garfield Avenue | Alhambra | 91801 | Community Clinic | | | Open |
| Buddhist Tzu Free Clinic and Mobile Clinic | 1000 South Garfield Avenuie | Alhambra | 91801 | Community Clinic | | | Open |
| Select Physical Therapy | 440 East Huntington Drive | Arcadia | 91006 | Rehabilitation Clinic | | | Open |

*Notes:*

*Data is updated as of June 30, 2019*

*EMS = Emergency Medical Services available at hospital facility; designation may be basic or comprehensive (noted as COMP)*

*Beds = Total number of beds*

*A **free clinic** is defined as a clinic operated by a tax-exempt, nonprofit corporation supported in whole or in part by voluntary donations, bequests, gifts, grants, government funds or contributions, that may in the form of money, goods, or services. Patients are not charged for services rendered or for drugs, medicines, appliances, or apparatuses furnished.*

*A **community clinic** is defined as a clinic operated by a tax-exempt corporation that is supported and maintained in whole or in part by donations, bequests, gifts, grants, government funds or contributions, that may be in the form of money, goods, or services. Any charges to the patient shall be based on the patient's ability to pay, utilizing a sliding fee scale.*

*A **rehabilitation clinic** is defined as a clinic that, in addition to providing medical services directly, also provides physical rehabilitation services for patients who remain less than 24 hours. Rehabilitation clinics shall provide at least two of the following rehabilitation services: physical therapy, occupational therapy, social, speech pathology, and audiology services.*

*Source: Office of Statewide Health Planning and Development*

**Summary of Senior Centers, by ZIP Code**

Facilities Located in Methodist Hospital Service Area

*2019*

| Name | Address | City | ZIP | Area Served |
|---|---|---|---|---|
| **Senior Center** | | | | |
| Altadena Senior Center | 560 East Mariposa Street | Altadena | 91001 | Altadena |
| Arcadia Senior Services | 365 Campus Drive | Arcadia | 91006 | City of Arcadia |
| Duarte Senior Center | 1610 Huntington Drive | Duarte | 91010 | City of Duarte |
| Monrovia Santa Anita Family Service | 603 South Myrtle Avenue | Monrovia | 91016 | City of Monrovia |
| Sierra Madre Multipurpose Senior Center | 222 Sierra Madre Blvd. | Sierra Madre | 91024 | City of Sierra Madre |
| Pasadena Senior Multipurpose Senior Center | 85 East Holly Street | Pasadena | 91103 | City of Pasadena |
| Azusa Senior Center | 740 North Dalton Avenue | Azusa | 91702 | City of Azusa |
| El Monte Jack Crippen Multipurpose Senior Center | 3120 North Tyler Avenue | El Monte | 91731 | City of El Monte |
| South El Monte Peter Schabarum MSC | 1556 Central Avenue | South El Monte | 91733 | City of El Monte |
| Rosemead Community Center | 3936 North Muscatel Avenue | Rosemead | 91770 | City of Rosemead |
| San Gabriel Senior Services | 324 South Mission Drive | San Gabriel | 91776 | City of San Gabriel |
| Joslyn Adult Recreation Center | 210 North Chapel Avenue | Alhambra | 91801 | City of Alhambra |

*Source: LA County 211.com*

Debbie Alpers
627 South Highland Avenue
Los Angeles, CA 90036
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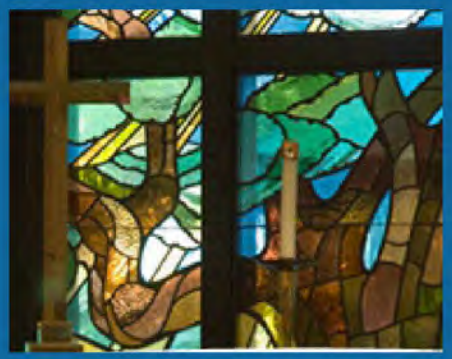
# Methodist Hospital

## COMMUNITY HEALTH NEEDS ASSESSMENT 2019



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# Appendix A: Service Area Description

**Table 1: Population (2019 and 2024)**

| Community | ZIP Code | Population 2019 | Population 2024 | 5-Year Change (2019 to 2024) | |
|---|---|---|---|---|---|
| | | | | Number | Percent |
| Altadena | 91001 | 36,918 | 37,610 | 692 | 1.9% |
| Arcadia | 91006 | 33,289 | 34,355 | 1,066 | 3.2% |
| Arcadia | 91007 | 34,174 | 35,092 | 918 | 2.7% |
| Bradbury | 91008 | 1,271 | 1,298 | 27 | 2.1% |
| Duarte | 91010 | 26,891 | 27,485 | 594 | 2.2% |
| Monrovia | 91016 | 42,029 | 43,235 | 1,206 | 2.9% |
| Sierra Madre | 91024 | 11,415 | 11,726 | 311 | 2.7% |
| Pasadena | 91104 | 36,846 | 37,523 | 677 | 1.8% |
| Pasadena | 91107 | 33,836 | 34,748 | 912 | 2.7% |
| Azusa | 91702 | 64,416 | 66,642 | 2,226 | 3.5% |
| Baldwin Park | 91706 | 78,068 | 79,751 | 1,683 | 2.2% |
| El Monte | 91731 | 30,305 | 31,164 | 859 | 2.8% |
| El Monte | 91732 | 63,160 | 64,405 | 1,245 | 2.0% |
| South El Monte | 91733 | 44,867 | 46,059 | 1,192 | 2.7% |
| Glendora | 91741 | 27,216 | 27,999 | 783 | 2.9% |
| Rosemead | 91770 | 63,648 | 65,070 | 1,422 | 2.2% |
| San Gabriel | 91775 | 25,323 | 25,916 | 593 | 2.3% |
| San Gabriel | 91776 | 39,586 | 40,598 | 1,012 | 2.6% |
| Temple City | 91780 | 35,455 | 36,366 | 911 | 2.6% |
| Alhambra | 91801 | 54,678 | 56,155 | 1,477 | 2.7% |
| **MH Service Area** | **–** | **783,391** | **803,197** | **19,806** | **2.5%** |

*Source: Claritas*

**Table 2A: Race/Ethnicity (2019)**

| Community | ZIP Code | Total Population | White | Black | Am. Indian/ Al Native | Asian | Pacific Islander | Hispanic | Some Other Race | Two + Races |
|---|---|---|---|---|---|---|---|---|---|---|
| Altadena | 91001 | 36,918 | 13,508 | 7,798 | 76 | 2,047 | 32 | 11,499 | 161 | 1,797 |
| Arcadia | 91006 | 33,289 | 6,963 | 348 | 61 | 20,413 | 22 | 4,704 | 24 | 754 |
| Arcadia | 91007 | 34,174 | 6,411 | 456 | 49 | 21,834 | 7 | 4,684 | 63 | 670 |
| Bradbury | 91008 | 1,271 | 581 | 33 | - | 329 | 1 | 278 | 2 | 47 |
| Duarte | 91010 | 26,891 | 5,449 | 1,709 | 68 | 4,393 | 26 | 14,537 | 73 | 636 |
| Monrovia | 91016 | 42,029 | 15,087 | 2,314 | 91 | 6,278 | 93 | 16,741 | 104 | 1,321 |
| Sierra Madre | 91024 | 11,415 | 7,615 | 265 | 35 | 1,129 | 9 | 1,935 | 36 | 391 |
| Pasadena | 91104 | 36,846 | 15,790 | 3,024 | 38 | 3,124 | 74 | 13,490 | 142 | 1,164 |
| Pasadena | 91107 | 33,836 | 14,558 | 1,674 | 57 | 7,767 | 18 | 8,523 | 104 | 1,135 |
| Azusa | 91702 | 64,416 | 9,338 | 1,456 | 146 | 6,499 | 97 | 45,967 | 65 | 848 |
| Baldwin Park | 91706 | 78,068 | 2,092 | 478 | 68 | 12,837 | 80 | 62,082 | 90 | 341 |
| El Monte | 91731 | 30,305 | 1,454 | 178 | 43 | 9,317 | 31 | 19,110 | 16 | 156 |
| El Monte | 91732 | 63,160 | 2,303 | 313 | 64 | 18,007 | 55 | 42,048 | 54 | 316 |
| South El Monte | 91733 | 44,867 | 1,119 | 80 | 41 | 9,052 | 26 | 34,312 | 91 | 146 |
| Glendora | 91741 | 27,216 | 16,075 | 336 | 51 | 2,724 | 16 | 7,069 | 61 | 884 |
| Rosemead | 91770 | 63,648 | 2,355 | 293 | 63 | 40,128 | 18 | 20,244 | 35 | 512 |
| San Gabriel | 91775 | 25,323 | 4,986 | 349 | 28 | 13,239 | 15 | 6,039 | 39 | 628 |
| San Gabriel | 91776 | 39,586 | 1,923 | 335 | 48 | 26,568 | 26 | 10,213 | 44 | 429 |
| Temple City | 91780 | 35,455 | 5,960 | 250 | 36 | 21,593 | 35 | 6,972 | 38 | 571 |
| Alhambra | 91801 | 54,678 | 4,839 | 910 | 62 | 31,170 | 28 | 16,703 | 68 | 898 |
| **MH Service Area** | **-** | **783,391** | **138,406** | **22,599** | **1,125** | **258,448** | **709** | **347,150** | **1,310** | **13,644** |

*Source: Claritas*

**Table 2B: Percent Race/Ethnicity (2019)**

| Community | ZIP Code | Total Population | White | Black | Am. Indian/ Al Native | Asian | Pacific Islander | Hispanic | Some Other Race | Two + Races |
|---|---|---|---|---|---|---|---|---|---|---|
| Altadena | 91001 | 36,918 | 36.6% | 21.1% | 0.2% | 5.5% | 0.1% | 31.1% | 0.4% | 4.9% |
| Arcadia | 91006 | 33,289 | 20.9% | 1.0% | 0.2% | 61.3% | 0.1% | 14.1% | 0.1% | 2.3% |
| Arcadia | 91007 | 34,174 | 18.8% | 1.3% | 0.1% | 63.9% | 0.0% | 13.7% | 0.2% | 2.0% |
| Bradbury | 91008 | 1,271 | 45.7% | 2.6% | 0.0% | 25.9% | 0.1% | 21.9% | 0.2% | 3.7% |
| Duarte | 91010 | 26,891 | 20.3% | 6.4% | 0.3% | 16.3% | 0.1% | 54.1% | 0.3% | 2.4% |
| Monrovia | 91016 | 42,029 | 35.9% | 5.5% | 0.2% | 14.9% | 0.2% | 39.8% | 0.2% | 3.1% |
| Sierra Madre | 91024 | 11,415 | 66.7% | 2.3% | 0.3% | 9.9% | 0.1% | 17.0% | 0.3% | 3.4% |
| Pasadena | 91104 | 36,846 | 42.9% | 8.2% | 0.1% | 8.5% | 0.2% | 36.6% | 0.4% | 3.2% |
| Pasadena | 91107 | 33,836 | 43.0% | 4.9% | 0.2% | 23.0% | 0.1% | 25.2% | 0.3% | 3.4% |
| Azusa | 91702 | 64,416 | 14.5% | 2.3% | 0.2% | 10.1% | 0.2% | 71.4% | 0.1% | 1.3% |
| Baldwin Park | 91706 | 78,068 | 2.7% | 0.6% | 0.1% | 16.4% | 0.1% | 79.5% | 0.1% | 0.4% |
| El Monte | 91731 | 30,305 | 4.8% | 0.6% | 0.1% | 30.7% | 0.1% | 63.1% | 0.1% | 0.5% |
| El Monte | 91732 | 63,160 | 3.6% | 0.5% | 0.1% | 28.5% | 0.1% | 66.6% | 0.1% | 0.5% |
| South El Monte | 91733 | 44,867 | 2.5% | 0.2% | 0.1% | 20.2% | 0.1% | 76.5% | 0.2% | 0.3% |
| Glendora | 91741 | 27,216 | 59.1% | 1.2% | 0.2% | 10.0% | 0.1% | 26.0% | 0.2% | 3.2% |
| Rosemead | 91770 | 63,648 | 3.7% | 0.5% | 0.1% | 63.0% | 0.0% | 31.8% | 0.1% | 0.8% |
| San Gabriel | 91775 | 25,323 | 19.7% | 1.4% | 0.1% | 52.3% | 0.1% | 23.8% | 0.2% | 2.5% |
| San Gabriel | 91776 | 39,586 | 4.9% | 0.8% | 0.1% | 67.1% | 0.1% | 25.8% | 0.1% | 1.1% |
| Temple City | 91780 | 35,455 | 16.8% | 0.7% | 0.1% | 60.9% | 0.1% | 19.7% | 0.1% | 1.6% |
| Alhambra | 91801 | 54,678 | 8.8% | 1.7% | 0.1% | 57.0% | 0.1% | 30.5% | 0.1% | 1.6% |
| **MH Service Area** | **–** | **783,391** | **17.7%** | **2.9%** | **0.1%** | **33.0%** | **0.1%** | **44.3%** | **0.2%** | **1.7%** |

*Source: Claritas*

**Table 3A: Asian Population Detail (2019)**

| Community | ZIP Code | Asian Population | Chinese | Filipino | Japanese | Asian Indian | Korean | Vietnamese |
|---|---|---|---|---|---|---|---|---|
| Altadena | 91001 | 2,113 | 417 | 472 | 470 | 219 | 151 | 83 |
| Arcadia | 91006 | 20,484 | 14,041 | 1,202 | 554 | 700 | 1,029 | 397 |
| Arcadia | 91007 | 21,926 | 15,666 | 740 | 532 | 647 | 1,039 | 820 |
| Bradbury | 91008 | 336 | 169 | 50 | 12 | 26 | 7 | 8 |
| Duarte | 91010 | 4,481 | 1,842 | 1,268 | 183 | 353 | 156 | 153 |
| Monrovia | 91016 | 6,423 | 3,251 | 1,333 | 433 | 56 | 327 | 184 |
| Sierra Madre | 91024 | 1,152 | 742 | 62 | 145 | 22 | 46 | 4 |
| Pasadena | 91104 | 3,212 | 976 | 813 | 524 | 115 | 366 | 148 |
| Pasadena | 91107 | 7,873 | 3,500 | 1,435 | 533 | 583 | 407 | 199 |
| Azusa | 91702 | 6,704 | 1,604 | 3,023 | 260 | 322 | 446 | 231 |
| Baldwin Park | 91706 | 13,038 | 5,395 | 2,973 | 103 | 174 | 333 | 2,159 |
| El Monte | 91731 | 9,364 | 5,636 | 202 | 26 | 115 | 53 | 2,400 |
| El Monte | 91732 | 18,173 | 10,518 | 1,207 | 162 | 143 | 84 | 4,318 |
| South El Monte | 91733 | 9,129 | 5,163 | 218 | 22 | 30 | 17 | 3,041 |
| Glendora | 91741 | 2,769 | 923 | 782 | 146 | 144 | 177 | 303 |
| Rosemead | 91770 | 40,341 | 23,752 | 876 | 1,167 | 269 | 556 | 9,007 |
| San Gabriel | 91775 | 13,314 | 9,207 | 891 | 571 | 248 | 398 | 665 |
| San Gabriel | 91776 | 26,674 | 18,392 | 1,033 | 264 | 292 | 380 | 3,527 |
| Temple City | 91780 | 21,712 | 15,554 | 706 | 481 | 265 | 407 | 1,645 |
| Alhambra | 91801 | 31,400 | 21,453 | 1,294 | 697 | 303 | 748 | 2,896 |
| **MH Service Area** | **–** | **260,618** | **158,201** | **20,580** | **7,285** | **5,026** | **7,127** | **32,188** |

*Source: Claritas*

**Table 3A: Asian Population Detail - continued (2019)**

| Community | ZIP Code | Asian Population | Cambodian | Hmong | Laotian | Thai | Other/Two or More Asian |
|---|---|---|---|---|---|---|---|
| Altadena | 91001 | 2,113 | 10 | - | 8 | 106 | 177 |
| Arcadia | 91006 | 20,484 | 27 | - | 25 | 205 | 2,304 |
| Arcadia | 91007 | 21,926 | 101 | - | - | 133 | 2,248 |
| Bradbury | 91008 | 336 | - | - | - | 4 | 60 |
| Duarte | 91010 | 4,481 | 5 | 1 | 1 | 32 | 487 |
| Monrovia | 91016 | 6,423 | 8 | - | 11 | 100 | 720 |
| Sierra Madre | 91024 | 1,152 | 10 | - | - | - | 121 |
| Pasadena | 91104 | 3,212 | 64 | 1 | 2 | 4 | 199 |
| Pasadena | 91107 | 7,873 | 153 | 8 | 13 | 97 | 945 |
| Azusa | 91702 | 6,704 | - | 7 | 46 | 139 | 626 |
| Baldwin Park | 91706 | 13,038 | 252 | 19 | 243 | 159 | 1,228 |
| El Monte | 91731 | 9,364 | 45 | 1 | 10 | 27 | 849 |
| El Monte | 91732 | 18,173 | 382 | - | 34 | 92 | 1,233 |
| South El Monte | 91733 | 9,129 | 28 | - | 1 | 23 | 586 |
| Glendora | 91741 | 2,769 | 1 | - | 4 | 9 | 280 |
| Rosemead | 91770 | 40,341 | 600 | - | 134 | 74 | 3,906 |
| San Gabriel | 91775 | 13,314 | 12 | 1 | 11 | 121 | 1,189 |
| San Gabriel | 91776 | 26,674 | 481 | - | - | 134 | 2,171 |
| Temple City | 91780 | 21,712 | 133 | 25 | 11 | 99 | 2,386 |
| Alhambra | 91801 | 31,400 | 444 | - | 81 | 235 | 3,249 |
| **MH Service Area** | **-** | **260,618** | **2,756** | **63** | **635** | **1,793** | **24,964** |

*Source: Claritas*

**Table 3B: Percent Asian Population Detail (2019)**

| Community | ZIP Code | Asian Population | Chinese | Filipino | Japanese | Asian Indian | Korean | Vietnamese |
|---|---|---|---|---|---|---|---|---|
| Altadena | 91001 | 2,113 | 19.7% | 22.3% | 22.2% | 10.4% | 7.1% | 3.9% |
| Arcadia | 91006 | 20,484 | 68.5% | 5.9% | 2.7% | 3.4% | 5.0% | 1.9% |
| Arcadia | 91007 | 21,926 | 71.4% | 3.4% | 2.4% | 3.0% | 4.7% | 3.7% |
| Bradbury | 91008 | 336 | 50.3% | 14.9% | 3.6% | 7.7% | 2.1% | 2.4% |
| Duarte | 91010 | 4,481 | 41.1% | 28.3% | 4.1% | 7.9% | 3.5% | 3.4% |
| Monrovia | 91016 | 6,423 | 50.6% | 20.8% | 6.7% | 0.9% | 5.1% | 2.9% |
| Sierra Madre | 91024 | 1,152 | 64.4% | 5.4% | 12.6% | 1.9% | 4.0% | 0.3% |
| Pasadena | 91104 | 3,212 | 30.4% | 25.3% | 16.3% | 3.6% | 11.4% | 4.6% |
| Pasadena | 91107 | 7,873 | 44.5% | 18.2% | 6.8% | 7.4% | 5.2% | 2.5% |
| Azusa | 91702 | 6,704 | 23.9% | 45.1% | 3.9% | 4.8% | 6.7% | 3.4% |
| Baldwin Park | 91706 | 13,038 | 41.4% | 22.8% | 0.8% | 1.3% | 2.6% | 16.6% |
| El Monte | 91731 | 9,364 | 60.2% | 2.2% | 0.3% | 1.2% | 0.6% | 25.6% |
| El Monte | 91732 | 18,173 | 57.9% | 6.6% | 0.9% | 0.8% | 0.5% | 23.8% |
| South El Monte | 91733 | 9,129 | 56.6% | 2.4% | 0.2% | 0.3% | 0.2% | 33.3% |
| Glendora | 91741 | 2,769 | 33.3% | 28.2% | 5.3% | 5.2% | 6.4% | 10.9% |
| Rosemead | 91770 | 40,341 | 58.9% | 2.2% | 2.9% | 0.7% | 1.4% | 22.3% |
| San Gabriel | 91775 | 13,314 | 69.2% | 6.7% | 4.3% | 1.9% | 3.0% | 5.0% |
| San Gabriel | 91776 | 26,674 | 69.0% | 3.9% | 1.0% | 1.1% | 1.4% | 13.2% |
| Temple City | 91780 | 21,712 | 71.6% | 3.3% | 2.2% | 1.2% | 1.9% | 7.6% |
| Alhambra | 91801 | 31,400 | 68.3% | 4.1% | 2.2% | 1.0% | 2.4% | 9.2% |
| **MH Service Area** | **-** | **260,618** | **60.7%** | **7.9%** | **2.8%** | **1.9%** | **2.7%** | **12.4%** |

*Source: Claritas*

**Table 3B: Percent Asian Population Detail - continued (2019)**

| Community | ZIP Code | Asian Population | Cambodian | Hmong | Laotian | Thai | Other/Two or More Asian |
|---|---|---|---|---|---|---|---|
| Altadena | 91001 | 2,113 | 0.5% | 0.0% | 0.4% | 5.0% | 8.4% |
| Arcadia | 91006 | 20,484 | 0.1% | 0.0% | 0.1% | 1.0% | 11.2% |
| Arcadia | 91007 | 21,926 | 0.5% | 0.0% | 0.0% | 0.6% | 10.3% |
| Bradbury | 91008 | 336 | 0.0% | 0.0% | 0.0% | 1.2% | 17.9% |
| Duarte | 91010 | 4,481 | 0.1% | 0.0% | 0.0% | 0.7% | 10.9% |
| Monrovia | 91016 | 6,423 | 0.1% | 0.0% | 0.2% | 1.6% | 11.2% |
| Sierra Madre | 91024 | 1,152 | 0.9% | 0.0% | 0.0% | 0.0% | 10.5% |
| Pasadena | 91104 | 3,212 | 2.0% | 0.0% | 0.1% | 0.1% | 6.2% |
| Pasadena | 91107 | 7,873 | 1.9% | 0.1% | 0.2% | 1.2% | 12.0% |
| Azusa | 91702 | 6,704 | 0.0% | 0.1% | 0.7% | 2.1% | 9.3% |
| Baldwin Park | 91706 | 13,038 | 1.9% | 0.1% | 1.9% | 1.2% | 9.4% |
| El Monte | 91731 | 9,364 | 0.5% | 0.0% | 0.1% | 0.3% | 9.1% |
| El Monte | 91732 | 18,173 | 2.1% | 0.0% | 0.2% | 0.5% | 6.8% |
| South El Monte | 91733 | 9,129 | 0.3% | 0.0% | 0.0% | 0.3% | 6.4% |
| Glendora | 91741 | 2,769 | 0.0% | 0.0% | 0.1% | 0.3% | 10.1% |
| Rosemead | 91770 | 40,341 | 1.5% | 0.0% | 0.3% | 0.2% | 9.7% |
| San Gabriel | 91775 | 13,314 | 0.1% | 0.0% | 0.1% | 0.9% | 8.9% |
| San Gabriel | 91776 | 26,674 | 1.8% | 0.0% | 0.0% | 0.5% | 8.1% |
| Temple City | 91780 | 21,712 | 0.6% | 0.1% | 0.1% | 0.5% | 11.0% |
| Alhambra | 91801 | 31,400 | 1.4% | 0.0% | 0.3% | 0.7% | 10.3% |
| **MH Service Area** | **-** | **260,618** | **1.1%** | **0.0%** | **0.2%** | **0.7%** | **9.6%** |

*Source: Claritas*



MHSC-0000826

**Table 4A: Language Spoken at Home for Persons Five Years and Older (2019)**

| Community | ZIP Code | Population 5+ Years | English Only | Spanish | Asian or Pacific Island Language | European Language | Other Language |
|---|---|---|---|---|---|---|---|
| Altadena | 91001 | 34,949 | 24,828 | 7,633 | 966 | 1,370 | 152 |
| Arcadia | 91006 | 31,815 | 12,767 | 3,040 | 15,050 | 801 | 157 |
| Arcadia | 91007 | 32,823 | 11,337 | 2,347 | 17,607 | 1,155 | 377 |
| Bradbury | 91008 | 1,231 | 743 | 130 | 236 | 80 | 42 |
| Duarte | 91010 | 25,355 | 11,021 | 9,960 | 3,197 | 960 | 217 |
| Monrovia | 91016 | 39,607 | 23,163 | 11,023 | 4,044 | 898 | 479 |
| Sierra Madre | 91024 | 10,916 | 8,961 | 668 | 810 | 403 | 74 |
| Pasadena | 91104 | 34,686 | 18,233 | 9,864 | 2,571 | 3,631 | 387 |
| Pasadena | 91107 | 32,155 | 17,622 | 5,799 | 4,399 | 4,082 | 253 |
| Azusa | 91702 | 59,859 | 23,600 | 31,081 | 4,036 | 928 | 214 |
| Baldwin Park | 91706 | 72,278 | 12,884 | 47,394 | 11,619 | 328 | 53 |
| El Monte | 91731 | 28,184 | 4,274 | 14,884 | 8,815 | 154 | 57 |
| El Monte | 91732 | 58,464 | 9,361 | 33,047 | 15,798 | 206 | 52 |
| South El Monte | 91733 | 41,300 | 6,062 | 26,625 | 8,556 | 52 | 5 |
| Glendora | 91741 | 26,037 | 20,349 | 2,796 | 1,673 | 463 | 756 |
| Rosemead | 91770 | 60,427 | 10,115 | 16,205 | 33,587 | 427 | 93 |
| San Gabriel | 91775 | 24,080 | 9,498 | 3,836 | 10,112 | 461 | 173 |
| San Gabriel | 91776 | 37,715 | 8,384 | 6,384 | 22,328 | 500 | 119 |
| Temple City | 91780 | 33,894 | 11,016 | 4,917 | 17,172 | 547 | 242 |
| Alhambra | 91801 | 52,257 | 13,974 | 12,601 | 24,688 | 860 | 134 |
| **MH Service Area** | **–** | **738,032** | **258,192** | **250,234** | **207,264** | **18,306** | **4,036** |

*Source: Claritas*



MHSC-0000827

**Table 4B: Percent Language Spoken at Home for Persons Five Years and Older (2019)**

| Community | ZIP Code | Population 5+ Years | English Only | Spanish | Asian or Pacific Island Language | European Language | Other Language |
|---|---|---|---|---|---|---|---|
| Altadena | 91001 | 34,949 | 71.0% | 21.8% | 2.8% | 3.9% | 0.4% |
| Arcadia | 91006 | 31,815 | 40.1% | 9.6% | 47.3% | 2.5% | 0.5% |
| Arcadia | 91007 | 32,823 | 34.5% | 7.2% | 53.6% | 3.5% | 1.1% |
| Bradbury | 91008 | 1,231 | 60.4% | 10.6% | 19.2% | 6.5% | 3.4% |
| Duarte | 91010 | 25,355 | 43.5% | 39.3% | 12.6% | 3.8% | 0.9% |
| Monrovia | 91016 | 39,607 | 58.5% | 27.8% | 10.2% | 2.3% | 1.2% |
| Sierra Madre | 91024 | 10,916 | 82.1% | 6.1% | 7.4% | 3.7% | 0.7% |
| Pasadena | 91104 | 34,686 | 52.6% | 28.4% | 7.4% | 10.5% | 1.1% |
| Pasadena | 91107 | 32,155 | 54.8% | 18.0% | 13.7% | 12.7% | 0.8% |
| Azusa | 91702 | 59,859 | 39.4% | 51.9% | 6.7% | 1.6% | 0.4% |
| Baldwin Park | 91706 | 72,278 | 17.8% | 65.6% | 16.1% | 0.5% | 0.1% |
| El Monte | 91731 | 28,184 | 15.2% | 52.8% | 31.3% | 0.5% | 0.2% |
| El Monte | 91732 | 58,464 | 16.0% | 56.5% | 27.0% | 0.4% | 0.1% |
| South El Monte | 91733 | 41,300 | 14.7% | 64.5% | 20.7% | 0.1% | 0.0% |
| Glendora | 91741 | 26,037 | 78.2% | 10.7% | 6.4% | 1.8% | 2.9% |
| Rosemead | 91770 | 60,427 | 16.7% | 26.8% | 55.6% | 0.7% | 0.2% |
| San Gabriel | 91775 | 24,080 | 39.4% | 15.9% | 42.0% | 1.9% | 0.7% |
| San Gabriel | 91776 | 37,715 | 22.2% | 16.9% | 59.2% | 1.3% | 0.3% |
| Temple City | 91780 | 33,894 | 32.5% | 14.5% | 50.7% | 1.6% | 0.7% |
| Alhambra | 91801 | 52,257 | 26.7% | 24.1% | 47.2% | 1.6% | 0.3% |
| **MH Service Area** | **-** | **738,032** | **35.0%** | **33.9%** | **28.1%** | **2.5%** | **0.5%** |

*Source: Claritas*



MHSC-0000828

**Table 5A: Highest Level of Education Completed for Persons 25 Years and Older (2019)**

| Community | ZIP Code | Population 25+ Years | Less than 9th Grade | Some HS, No Diploma | High School Graduate |
|---|---|---|---|---|---|
| Altadena | 91001 | 26,315 | 1,405 | 1,179 | 3,740 |
| Arcadia | 91006 | 24,360 | 1,219 | 802 | 4,076 |
| Arcadia | 91007 | 25,851 | 1,448 | 972 | 4,522 |
| Bradbury | 91008 | 1,039 | 35 | 30 | 136 |
| Duarte | 91010 | 18,935 | 2,152 | 1,437 | 4,489 |
| Monrovia | 91016 | 29,580 | 1,830 | 1,615 | 6,120 |
| Sierra Madre | 91024 | 8,592 | 70 | 69 | 939 |
| Pasadena | 91104 | 26,160 | 2,898 | 1,249 | 4,435 |
| Pasadena | 91107 | 25,147 | 1,350 | 696 | 2,989 |
| Azusa | 91702 | 39,808 | 5,634 | 3,156 | 11,651 |
| Baldwin Park | 91706 | 49,403 | 10,615 | 6,220 | 16,178 |
| El Monte | 91731 | 20,042 | 4,824 | 3,058 | 5,812 |
| El Monte | 91732 | 40,558 | 9,542 | 6,265 | 11,323 |
| South El Monte | 91733 | 28,129 | 8,689 | 4,724 | 7,784 |
| Glendora | 91741 | 19,471 | 493 | 740 | 3,349 |
| Rosemead | 91770 | 45,941 | 10,653 | 4,778 | 12,612 |
| San Gabriel | 91775 | 18,303 | 1,082 | 766 | 3,583 |
| San Gabriel | 91776 | 29,635 | 4,441 | 2,745 | 8,212 |
| Temple City | 91780 | 26,248 | 2,549 | 1,481 | 5,753 |
| Alhambra | 91801 | 41,766 | 4,372 | 2,795 | 10,095 |
| **MH Service Area** | **-** | **545,283** | **75,301** | **44,777** | **127,798** |

*Source: Claritas*

**Table 5B: Highest Level of Education Completed for Persons 25 Years and Older – Continued (2019)**

| Community | ZIP Code | Population 25+ Years | Some College, no Degree | Associate's Degree | Bachelor's Degree | Master's Degree | Professional Degree | Doctorate Degree |
|---|---|---|---|---|---|---|---|---|
| Altadena | 91001 | 26,315 | 5,653 | 2,367 | 6,683 | 3,484 | 699 | 1,105 |
| Arcadia | 91006 | 24,360 | 4,134 | 1,995 | 7,569 | 3,175 | 839 | 551 |
| Arcadia | 91007 | 25,851 | 3,712 | 2,179 | 8,352 | 3,317 | 711 | 638 |
| Bradbury | 91008 | 1,039 | 161 | 96 | 356 | 133 | 62 | 30 |
| Duarte | 91010 | 18,935 | 3,689 | 1,465 | 3,518 | 1,466 | 388 | 331 |
| Monrovia | 91016 | 29,580 | 6,548 | 2,804 | 6,957 | 2,663 | 610 | 433 |
| Sierra Madre | 91024 | 8,592 | 1,147 | 832 | 3,189 | 1,555 | 441 | 350 |
| Pasadena | 91104 | 26,160 | 4,472 | 1,820 | 6,827 | 2,802 | 893 | 764 |
| Pasadena | 91107 | 25,147 | 4,241 | 2,257 | 7,568 | 3,922 | 1,145 | 979 |
| Azusa | 91702 | 39,808 | 8,568 | 3,279 | 5,169 | 1,767 | 295 | 289 |
| Baldwin Park | 91706 | 49,403 | 7,609 | 2,745 | 4,957 | 742 | 237 | 100 |
| El Monte | 91731 | 20,042 | 2,834 | 1,056 | 1,900 | 424 | 90 | 44 |
| El Monte | 91732 | 40,558 | 6,048 | 2,437 | 4,074 | 610 | 156 | 103 |
| South El Monte | 91733 | 28,129 | 3,133 | 1,212 | 1,849 | 540 | 128 | 70 |
| Glendora | 91741 | 19,471 | 4,769 | 2,078 | 4,734 | 2,316 | 597 | 395 |
| Rosemead | 91770 | 45,941 | 6,810 | 3,046 | 6,084 | 1,542 | 272 | 144 |
| San Gabriel | 91775 | 18,303 | 2,736 | 1,374 | 5,747 | 1,945 | 714 | 356 |
| San Gabriel | 91776 | 29,635 | 4,582 | 1,694 | 6,452 | 1,046 | 271 | 192 |
| Temple City | 91780 | 26,248 | 4,513 | 2,439 | 6,765 | 2,003 | 509 | 236 |
| Alhambra | 91801 | 41,766 | 6,627 | 3,079 | 10,207 | 3,253 | 732 | 606 |
| **MH Service Area** | **–** | **545,283** | **91,986** | **40,254** | **108,957** | **38,705** | **9,789** | **7,716** |

*Source: Claritas*

**Table 5B: Percent Highest Level of Education Completed for Persons 25 Years and Older (2019)**

| Community | ZIP Code | Population 25+ Years | Less than 9th Grade | Some High School, No Diploma | High School Graduate |
|---|---|---|---|---|---|
| Altadena | 91001 | 26,315 | 5.3% | 4.5% | 14.2% |
| Arcadia | 91006 | 24,360 | 5.0% | 3.3% | 16.7% |
| Arcadia | 91007 | 25,851 | 5.6% | 3.8% | 17.5% |
| Bradbury | 91008 | 1,039 | 3.4% | 2.9% | 13.1% |
| Duarte | 91010 | 18,935 | 11.4% | 7.6% | 23.7% |
| Monrovia | 91016 | 29,580 | 6.2% | 5.5% | 20.7% |
| Sierra Madre | 91024 | 8,592 | 0.8% | 0.8% | 10.9% |
| Pasadena | 91104 | 26,160 | 11.1% | 4.8% | 17.0% |
| Pasadena | 91107 | 25,147 | 5.4% | 2.8% | 11.9% |
| Azusa | 91702 | 39,808 | 14.2% | 7.9% | 29.3% |
| Baldwin Park | 91706 | 49,403 | 21.5% | 12.6% | 32.7% |
| El Monte | 91731 | 20,042 | 24.1% | 15.3% | 29.0% |
| El Monte | 91732 | 40,558 | 23.5% | 15.4% | 27.9% |
| South El Monte | 91733 | 28,129 | 30.9% | 16.8% | 27.7% |
| Glendora | 91741 | 19,471 | 2.5% | 3.8% | 17.2% |
| Rosemead | 91770 | 45,941 | 23.2% | 10.4% | 27.5% |
| San Gabriel | 91775 | 18,303 | 5.9% | 4.2% | 19.6% |
| San Gabriel | 91776 | 29,635 | 15.0% | 9.3% | 27.7% |
| Temple City | 91780 | 26,248 | 9.7% | 5.6% | 21.9% |
| Alhambra | 91801 | 41,766 | 10.5% | 6.7% | 24.2% |
| **MH Service Area** | **-** | **545,283** | **13.8%** | **8.2%** | **23.4%** |

*Source: Claritas*

**Table 5B: Percent Highest Level of Education Completed for Persons 25 Years and Older – Continued (2019)**

| Community | ZIP Code | Population 25+ Years | Some College, no Degree | Associate's Degree | Bachelor's Degree | Master's Degree | Professional Degree | Doctorate Degree |
|---|---|---|---|---|---|---|---|---|
| Altadena | 91001 | 26,315 | 21.5% | 9.0% | 25.4% | 13.2% | 2.7% | 4.2% |
| Arcadia | 91006 | 24,360 | 17.0% | 8.2% | 31.1% | 13.0% | 3.4% | 2.3% |
| Arcadia | 91007 | 25,851 | 14.4% | 8.4% | 32.3% | 12.8% | 2.8% | 2.5% |
| Bradbury | 91008 | 1,039 | 15.5% | 9.2% | 34.3% | 12.8% | 6.0% | 2.9% |
| Duarte | 91010 | 18,935 | 19.5% | 7.7% | 18.6% | 7.7% | 2.0% | 1.7% |
| Monrovia | 91016 | 29,580 | 22.1% | 9.5% | 23.5% | 9.0% | 2.1% | 1.5% |
| Sierra Madre | 91024 | 8,592 | 13.3% | 9.7% | 37.1% | 18.1% | 5.1% | 4.1% |
| Pasadena | 91104 | 26,160 | 17.1% | 7.0% | 26.1% | 10.7% | 3.4% | 2.9% |
| Pasadena | 91107 | 25,147 | 16.9% | 9.0% | 30.1% | 15.6% | 4.6% | 3.9% |
| Azusa | 91702 | 39,808 | 21.5% | 8.2% | 13.0% | 4.4% | 0.7% | 0.7% |
| Baldwin Park | 91706 | 49,403 | 15.4% | 5.6% | 10.0% | 1.5% | 0.5% | 0.2% |
| El Monte | 91731 | 20,042 | 14.1% | 5.3% | 9.5% | 2.1% | 0.4% | 0.2% |
| El Monte | 91732 | 40,558 | 14.9% | 6.0% | 10.0% | 1.5% | 0.4% | 0.3% |
| South El Monte | 91733 | 28,129 | 11.1% | 4.3% | 6.6% | 1.9% | 0.5% | 0.2% |
| Glendora | 91741 | 19,471 | 24.5% | 10.7% | 24.3% | 11.9% | 3.1% | 2.0% |
| Rosemead | 91770 | 45,941 | 14.8% | 6.6% | 13.2% | 3.4% | 0.6% | 0.3% |
| San Gabriel | 91775 | 18,303 | 14.9% | 7.5% | 31.4% | 10.6% | 3.9% | 1.9% |
| San Gabriel | 91776 | 29,635 | 15.5% | 5.7% | 21.8% | 3.5% | 0.9% | 0.6% |
| Temple City | 91780 | 26,248 | 17.2% | 9.3% | 25.8% | 7.6% | 1.9% | 0.9% |
| Alhambra | 91801 | 41,766 | 15.9% | 7.4% | 24.4% | 7.8% | 1.8% | 1.5% |
| **MH Service Area** | **–** | **545,283** | **16.9%** | **7.4%** | **20.0%** | **7.1%** | **1.8%** | **1.4%** |

*Source: Claritas*

**Table 6A: Employment Status for Persons 16 Years and Older (2019)**

| Community | ZIP Code | Population 16+ Years | In Labor Force, Employed | In Labor Force, Unemployed | In Armed Forces | Not In Labor Force |
|---|---|---|---|---|---|---|
| Altadena | 91001 | 30,298 | 18,814 | 1,139 | 20 | 10,325 |
| Arcadia | 91006 | 28,252 | 16,544 | 805 | 7 | 10,896 |
| Arcadia | 91007 | 29,458 | 16,686 | 965 | - | 11,807 |
| Bradbury | 91008 | 1,133 | 567 | 25 | - | 541 |
| Duarte | 91010 | 21,897 | 12,799 | 1,111 | 1 | 7,986 |
| Monrovia | 91016 | 34,038 | 22,389 | 1,801 | 1 | 9,847 |
| Sierra Madre | 91024 | 9,685 | 6,120 | 261 | - | 3,304 |
| Pasadena | 91104 | 29,783 | 18,173 | 1,215 | 9 | 10,386 |
| Pasadena | 91107 | 28,169 | 17,470 | 912 | 2 | 9,785 |
| Azusa | 91702 | 50,060 | 30,335 | 2,139 | 30 | 17,556 |
| Baldwin Park | 91706 | 59,862 | 34,086 | 2,597 | 20 | 23,159 |
| El Monte | 91731 | 23,662 | 12,403 | 1,162 | - | 10,097 |
| El Monte | 91732 | 48,515 | 26,838 | 2,155 | 59 | 19,463 |
| South El Monte | 91733 | 33,926 | 18,130 | 1,015 | 6 | 14,775 |
| Glendora | 91741 | 23,204 | 13,830 | 974 | - | 8,400 |
| Rosemead | 91770 | 52,863 | 28,370 | 2,029 | 6 | 22,458 |
| San Gabriel | 91775 | 21,036 | 12,397 | 439 | - | 8,200 |
| San Gabriel | 91776 | 33,332 | 19,837 | 1,020 | 26 | 12,449 |
| Temple City | 91780 | 30,095 | 16,561 | 895 | 4 | 12,635 |
| Alhambra | 91801 | 46,467 | 27,121 | 1,415 | - | 17,931 |
| **MH Service Area** | **-** | **635,735** | **369,470** | **24,074** | **191** | **242,000** |

*Source: Claritas*

**Table 6B: Percent Employment Status for Persons 16 Years and Older (2019)**

| Community | ZIP Code | Population 16+ Years | In Labor Force, Employed | In Labor Force, Unemployed | In Armed Forces | Not In Labor Force |
|---|---|---|---|---|---|---|
| Altadena | 91001 | 30,298 | 62.1% | 3.8% | 0.1% | 34.1% |
| Arcadia | 91006 | 28,252 | 58.6% | 2.8% | 0.0% | 38.6% |
| Arcadia | 91007 | 29,458 | 56.6% | 3.3% | 0.0% | 40.1% |
| Bradbury | 91008 | 1,133 | 50.0% | 2.2% | 0.0% | 47.7% |
| Duarte | 91010 | 21,897 | 58.5% | 5.1% | 0.0% | 36.5% |
| Monrovia | 91016 | 34,038 | 65.8% | 5.3% | 0.0% | 28.9% |
| Sierra Madre | 91024 | 9,685 | 63.2% | 2.7% | 0.0% | 34.1% |
| Pasadena | 91104 | 29,783 | 61.0% | 4.1% | 0.0% | 34.9% |
| Pasadena | 91107 | 28,169 | 62.0% | 3.2% | 0.0% | 34.7% |
| Azusa | 91702 | 50,060 | 60.6% | 4.3% | 0.1% | 35.1% |
| Baldwin Park | 91706 | 59,862 | 56.9% | 4.3% | 0.0% | 38.7% |
| El Monte | 91731 | 23,662 | 52.4% | 4.9% | 0.0% | 42.7% |
| El Monte | 91732 | 48,515 | 55.3% | 4.4% | 0.1% | 40.1% |
| South El Monte | 91733 | 33,926 | 53.4% | 3.0% | 0.0% | 43.6% |
| Glendora | 91741 | 23,204 | 59.6% | 4.2% | 0.0% | 36.2% |
| Rosemead | 91770 | 52,863 | 53.7% | 3.8% | 0.0% | 42.5% |
| San Gabriel | 91775 | 21,036 | 58.9% | 2.1% | 0.0% | 39.0% |
| San Gabriel | 91776 | 33,332 | 59.5% | 3.1% | 0.1% | 37.3% |
| Temple City | 91780 | 30,095 | 55.0% | 3.0% | 0.0% | 42.0% |
| Alhambra | 91801 | 46,467 | 58.4% | 3.0% | 0.0% | 38.6% |
| **MH Service Area** | **-** | **635,735** | **58.1%** | **3.8%** | **0.0%** | **38.1%** |

*Source: Claritas*

**Table 7: Occupation Type for Labor Force (2019)**

| Community | ZIP Code | Persons in Labor Force | Number of Persons in Labor Force | | | Percent of Labor Force | | |
|---|---|---|---|---|---|---|---|---|
| | | | White Collar | Blue Collar | Service | White Collar | Blue Collar | Service |
| Altadena | 91001 | 18,541 | 13,251 | 1,964 | 3,326 | 71.5% | 10.6% | 17.9% |
| Arcadia | 91006 | 16,426 | 12,799 | 1,648 | 1,979 | 77.9% | 10.0% | 12.0% |
| Arcadia | 91007 | 16,165 | 12,871 | 1,143 | 2,151 | 79.6% | 7.1% | 13.3% |
| Bradbury | 91008 | 562 | 460 | 39 | 63 | 81.9% | 6.9% | 11.2% |
| Duarte | 91010 | 12,513 | 7,554 | 2,370 | 2,589 | 60.4% | 18.9% | 20.7% |
| Monrovia | 91016 | 22,018 | 14,429 | 3,455 | 4,134 | 65.5% | 15.7% | 18.8% |
| Sierra Madre | 91024 | 6,108 | 5,175 | 533 | 400 | 84.7% | 8.7% | 6.5% |
| Pasadena | 91104 | 17,908 | 12,033 | 2,220 | 3,655 | 67.2% | 12.4% | 20.4% |
| Pasadena | 91107 | 17,345 | 13,845 | 1,352 | 2,148 | 79.8% | 7.8% | 12.4% |
| Azusa | 91702 | 29,819 | 15,066 | 7,938 | 6,815 | 50.5% | 26.6% | 22.9% |
| Baldwin Park | 91706 | 33,312 | 14,102 | 11,215 | 7,995 | 42.3% | 33.7% | 24.0% |
| El Monte | 91731 | 11,915 | 4,817 | 3,974 | 3,124 | 40.4% | 33.4% | 26.2% |
| El Monte | 91732 | 26,155 | 10,873 | 8,731 | 6,551 | 41.6% | 33.4% | 25.0% |
| South El Monte | 91733 | 17,903 | 6,426 | 7,749 | 3,728 | 35.9% | 43.3% | 20.8% |
| Glendora | 91741 | 13,623 | 9,632 | 1,967 | 2,024 | 70.7% | 14.4% | 14.9% |
| Rosemead | 91770 | 27,762 | 14,383 | 6,719 | 6,660 | 51.8% | 24.2% | 24.0% |
| San Gabriel | 91775 | 12,338 | 9,069 | 1,547 | 1,722 | 73.5% | 12.5% | 14.0% |
| San Gabriel | 91776 | 19,625 | 10,755 | 3,781 | 5,089 | 54.8% | 19.3% | 25.9% |
| Temple City | 91780 | 16,410 | 11,432 | 2,058 | 2,920 | 69.7% | 12.5% | 17.8% |
| Alhambra | 91801 | 26,831 | 17,179 | 4,043 | 5,609 | 64.0% | 15.1% | 20.9% |
| **MH Service Area** | **-** | **363,279** | **216,151** | **74,446** | **72,682** | **59.5%** | **20.5%** | **20.0%** |

*Source: Claritas*

**Table 8: Households (2019 and 2024)**

| Community | ZIP Code | Households 2019 | Households 2024 | 5-Year Change (2019 to 2024) | |
|---|---|---|---|---|---|
| | | | | Number | Percent |
| Altadena | 91001 | 12,955 | 13,210 | 255 | 2.0% |
| Arcadia | 91006 | 11,200 | 11,552 | 352 | 3.1% |
| Arcadia | 91007 | 11,997 | 12,300 | 303 | 2.5% |
| Bradbury | 91008 | 488 | 498 | 10 | 2.0% |
| Duarte | 91010 | 8,312 | 8,521 | 209 | 2.5% |
| Monrovia | 91016 | 15,593 | 16,077 | 484 | 3.1% |
| Sierra Madre | 91024 | 5,034 | 5,170 | 136 | 2.7% |
| Pasadena | 91104 | 13,112 | 13,396 | 284 | 2.2% |
| Pasadena | 91107 | 13,415 | 13,796 | 381 | 2.8% |
| Azusa | 91702 | 17,020 | 17,656 | 636 | 3.7% |
| Baldwin Park | 91706 | 17,850 | 18,252 | 402 | 2.3% |
| El Monte | 91731 | 8,217 | 8,486 | 269 | 3.3% |
| El Monte | 91732 | 15,236 | 15,558 | 322 | 2.1% |
| South El Monte | 91733 | 10,217 | 10,521 | 304 | 3.0% |
| Glendora | 91741 | 9,515 | 9,794 | 279 | 2.9% |
| Rosemead | 91770 | 17,071 | 17,478 | 407 | 2.4% |
| San Gabriel | 91775 | 8,698 | 8,898 | 200 | 2.3% |
| San Gabriel | 91776 | 12,135 | 12,448 | 313 | 2.6% |
| Temple City | 91780 | 11,596 | 11,870 | 274 | 2.4% |
| Alhambra | 91801 | 20,138 | 20,747 | 609 | 3.0% |
| **MH Service Area** | **-** | **239,799** | **246,228** | **6,429** | **2.7%** |

*Source: Claritas*

**Table 9A: Group Quarters Population (2019)**

| Community | ZIP Code | Group Quarters Population | College/Univ Student Housing | Military Quarters | Other Non-Institutional Facilities | Correction Facilities for Adults | Juvenile Facilities | Nursing Home | Other Institutional Facilities |
|---|---|---|---|---|---|---|---|---|---|
| Altadena | 91001 | 355 | 0 | 0 | 212 | 0 | 139 | 4 | 0 |
| Arcadia | 91006 | 13 | 0 | 0 | 9 | 0 | 0 | 4 | 0 |
| Arcadia | 91007 | 1,108 | 0 | 0 | 659 | 0 | 0 | 446 | 3 |
| Bradbury | 91008 | 33 | 0 | 0 | 0 | 0 | 0 | 33 | 0 |
| Duarte | 91010 | 617 | 0 | 0 | 56 | 0 | 0 | 561 | 0 |
| Monrovia | 91016 | 169 | 0 | 0 | 68 | 16 | 4 | 81 | 0 |
| Sierra Madre | 91024 | 1 | 0 | 0 | 1 | 0 | 0 | 0 | 0 |
| Pasadena | 91104 | 698 | 152 | 0 | 459 | 0 | 11 | 76 | 0 |
| Pasadena | 91107 | 212 | 0 | 0 | 120 | 0 | 18 | 51 | 23 |
| Azusa | 91702 | 2,626 | 2,319 | 0 | 96 | 93 | 19 | 99 | 0 |
| Baldwin Park | 91706 | 432 | 0 | 0 | 108 | 0 | 44 | 280 | 0 |
| El Monte | 91731 | 221 | 0 | 0 | 61 | 0 | 58 | 102 | 0 |
| El Monte | 91732 | 636 | 0 | 0 | 212 | 61 | 30 | 333 | 0 |
| South El Monte | 91733 | 230 | 0 | 0 | 104 | 0 | 0 | 116 | 10 |
| Glendora | 91741 | 553 | 491 | 0 | 39 | 0 | 0 | 23 | 0 |
| Rosemead | 91770 | 708 | 61 | 0 | 78 | 0 | 70 | 499 | 0 |
| San Gabriel | 91775 | 160 | 0 | 0 | 5 | 0 | 0 | 155 | 0 |
| San Gabriel | 91776 | 308 | 0 | 0 | 34 | 0 | 5 | 251 | 18 |
| Temple City | 91780 | 260 | 0 | 0 | 25 | 0 | 5 | 230 | 0 |
| Alhambra | 91801 | 419 | 29 | 0 | 85 | 28 | 0 | 277 | 0 |
| **MH Service Area** | **-** | **9,759** | **3,052** | **0** | **2,431** | **198** | **403** | **3,621** | **54** |

*Source: Claritas*



MHSC-0000837

**Table 9B: Percent Group Quarters Population (2019)**

| Community | ZIP Code | Group Quarters Population | College/Univ Student Housing | Military Quarters | Other Non-Institutional Facilities | Correction Facilities for Adults | Juvenile Facilities | Nursing Home | Other Institutional Facilities |
|---|---|---|---|---|---|---|---|---|---|
| Altadena | 91001 | 355 | 0.0% | 0.0% | 59.7% | 0.0% | 39.2% | 1.1% | 0.0% |
| Arcadia | 91006 | 13 | 0.0% | 0.0% | 69.2% | 0.0% | 0.0% | 30.8% | 0.0% |
| Arcadia | 91007 | 1,108 | 0.0% | 0.0% | 59.5% | 0.0% | 0.0% | 40.3% | 0.3% |
| Bradbury | 91008 | 33 | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 100.0% | 0.0% |
| Duarte | 91010 | 617 | 0.0% | 0.0% | 9.1% | 0.0% | 0.0% | 90.9% | 0.0% |
| Monrovia | 91016 | 169 | 0.0% | 0.0% | 40.2% | 9.5% | 2.4% | 47.9% | 0.0% |
| Sierra Madre | 91024 | 1 | 0.0% | 0.0% | 100.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| Pasadena | 91104 | 698 | 21.8% | 0.0% | 65.8% | 0.0% | 1.6% | 10.9% | 0.0% |
| Pasadena | 91107 | 212 | 0.0% | 0.0% | 56.6% | 0.0% | 8.5% | 24.1% | 10.8% |
| Azusa | 91702 | 2,626 | 88.3% | 0.0% | 3.7% | 3.5% | 0.7% | 3.8% | 0.0% |
| Baldwin Park | 91706 | 432 | 0.0% | 0.0% | 25.0% | 0.0% | 10.2% | 64.8% | 0.0% |
| El Monte | 91731 | 221 | 0.0% | 0.0% | 27.6% | 0.0% | 26.2% | 46.2% | 0.0% |
| El Monte | 91732 | 636 | 0.0% | 0.0% | 33.3% | 9.6% | 4.7% | 52.4% | 0.0% |
| South El Monte | 91733 | 230 | 0.0% | 0.0% | 45.2% | 0.0% | 0.0% | 50.4% | 4.3% |
| Glendora | 91741 | 553 | 88.8% | 0.0% | 7.1% | 0.0% | 0.0% | 4.2% | 0.0% |
| Rosemead | 91770 | 708 | 8.6% | 0.0% | 11.0% | 0.0% | 9.9% | 70.5% | 0.0% |
| San Gabriel | 91775 | 160 | 0.0% | 0.0% | 3.1% | 0.0% | 0.0% | 96.9% | 0.0% |
| San Gabriel | 91776 | 308 | 0.0% | 0.0% | 11.0% | 0.0% | 1.6% | 81.5% | 5.8% |
| Temple City | 91780 | 260 | 0.0% | 0.0% | 9.6% | 0.0% | 1.9% | 88.5% | 0.0% |
| Alhambra | 91801 | 419 | 6.9% | 0.0% | 20.3% | 6.7% | 0.0% | 66.1% | 0.0% |
| **MH Service Area** | **-** | **9,759** | **31.3%** | **0.0%** | **24.9%** | **2.0%** | **4.1%** | **37.1%** | **0.6%** |

*Source: Claritas*

**Table 10A: Household Size (2019)**

| Community | ZIP Code | Total Households | 1-Person | 2-Persons | 3-Persons | 4-Persons | 5-Persons | 6-Persons | 7 or more Persons |
|---|---|---|---|---|---|---|---|---|---|
| Altadena | 91001 | 12,955 | 2,862 | 4,012 | 2,365 | 1,944 | 876 | 456 | 440 |
| Arcadia | 91006 | 11,200 | 1,797 | 3,231 | 2,385 | 2,168 | 966 | 413 | 240 |
| Arcadia | 91007 | 11,997 | 2,694 | 3,412 | 2,403 | 2,059 | 866 | 343 | 220 |
| Bradbury | 91008 | 488 | 154 | 152 | 64 | 60 | 29 | 15 | 14 |
| Duarte | 91010 | 8,312 | 1,876 | 2,096 | 1,342 | 1,203 | 787 | 430 | 578 |
| Monrovia | 91016 | 15,593 | 4,077 | 4,602 | 2,698 | 2,235 | 1,108 | 488 | 385 |
| Sierra Madre | 91024 | 5,034 | 1,655 | 1,750 | 753 | 560 | 221 | 63 | 32 |
| Pasadena | 91104 | 13,112 | 3,481 | 3,688 | 2,160 | 1,966 | 927 | 446 | 444 |
| Pasadena | 91107 | 13,415 | 3,755 | 4,310 | 2,291 | 1,797 | 750 | 323 | 189 |
| Azusa | 91702 | 17,020 | 2,728 | 3,663 | 2,786 | 2,846 | 2,061 | 1,253 | 1,683 |
| Baldwin Park | 91706 | 17,850 | 1,552 | 2,635 | 2,862 | 3,402 | 2,792 | 1,846 | 2,761 |
| El Monte | 91731 | 8,217 | 1,318 | 1,748 | 1,276 | 1,358 | 1,032 | 620 | 865 |
| El Monte | 91732 | 15,236 | 1,537 | 2,503 | 2,535 | 2,899 | 2,390 | 1,435 | 1,937 |
| South El Monte | 91733 | 10,217 | 811 | 1,433 | 1,620 | 2,023 | 1,696 | 1,114 | 1,520 |
| Glendora | 91741 | 9,515 | 1,864 | 2,998 | 1,734 | 1,682 | 808 | 276 | 153 |
| Rosemead | 91770 | 17,071 | 2,162 | 3,443 | 3,273 | 3,199 | 2,173 | 1,312 | 1,509 |
| San Gabriel | 91775 | 8,698 | 1,674 | 2,484 | 1,740 | 1,594 | 702 | 306 | 198 |
| San Gabriel | 91776 | 12,135 | 1,994 | 3,000 | 2,537 | 2,082 | 1,161 | 693 | 668 |
| Temple City | 91780 | 11,596 | 2,031 | 3,100 | 2,457 | 2,095 | 1,024 | 500 | 389 |
| Alhambra | 91801 | 20,138 | 4,919 | 5,906 | 4,035 | 2,831 | 1,372 | 640 | 435 |
| **MH Service Area** | **-** | **239,799** | **44,941** | **60,166** | **43,316** | **40,003** | **23,741** | **12,972** | **14,660** |

*Source: Claritas*

**Table 10B: Percent Household Size (2019)**

| Community | ZIP Code | Total Households | 1-Person | 2-Persons | 3-Persons | 4-Persons | 5-Persons | 6-Persons | 7 or more Persons |
|---|---|---|---|---|---|---|---|---|---|
| Altadena | 91001 | 12,955 | 22.1% | 31.0% | 18.3% | 15.0% | 6.8% | 3.5% | 3.4% |
| Arcadia | 91006 | 11,200 | 16.0% | 28.8% | 21.3% | 19.4% | 8.6% | 3.7% | 2.1% |
| Arcadia | 91007 | 11,997 | 22.5% | 28.4% | 20.0% | 17.2% | 7.2% | 2.9% | 1.8% |
| Bradbury | 91008 | 488 | 31.6% | 31.1% | 13.1% | 12.3% | 5.9% | 3.1% | 2.9% |
| Duarte | 91010 | 8,312 | 22.6% | 25.2% | 16.1% | 14.5% | 9.5% | 5.2% | 7.0% |
| Monrovia | 91016 | 15,593 | 26.1% | 29.5% | 17.3% | 14.3% | 7.1% | 3.1% | 2.5% |
| Sierra Madre | 91024 | 5,034 | 32.9% | 34.8% | 15.0% | 11.1% | 4.4% | 1.3% | 0.6% |
| Pasadena | 91104 | 13,112 | 26.5% | 28.1% | 16.5% | 15.0% | 7.1% | 3.4% | 3.4% |
| Pasadena | 91107 | 13,415 | 28.0% | 32.1% | 17.1% | 13.4% | 5.6% | 2.4% | 1.4% |
| Azusa | 91702 | 17,020 | 16.0% | 21.5% | 16.4% | 16.7% | 12.1% | 7.4% | 9.9% |
| Baldwin Park | 91706 | 17,850 | 8.7% | 14.8% | 16.0% | 19.1% | 15.6% | 10.3% | 15.5% |
| El Monte | 91731 | 8,217 | 16.0% | 21.3% | 15.5% | 16.5% | 12.6% | 7.5% | 10.5% |
| El Monte | 91732 | 15,236 | 10.1% | 16.4% | 16.6% | 19.0% | 15.7% | 9.4% | 12.7% |
| South El Monte | 91733 | 10,217 | 7.9% | 14.0% | 15.9% | 19.8% | 16.6% | 10.9% | 14.9% |
| Glendora | 91741 | 9,515 | 19.6% | 31.5% | 18.2% | 17.7% | 8.5% | 2.9% | 1.6% |
| Rosemead | 91770 | 17,071 | 12.7% | 20.2% | 19.2% | 18.7% | 12.7% | 7.7% | 8.8% |
| San Gabriel | 91775 | 8,698 | 19.2% | 28.6% | 20.0% | 18.3% | 8.1% | 3.5% | 2.3% |
| San Gabriel | 91776 | 12,135 | 16.4% | 24.7% | 20.9% | 17.2% | 9.6% | 5.7% | 5.5% |
| Temple City | 91780 | 11,596 | 17.5% | 26.7% | 21.2% | 18.1% | 8.8% | 4.3% | 3.4% |
| Alhambra | 91801 | 20,138 | 24.4% | 29.3% | 20.0% | 14.1% | 6.8% | 3.2% | 2.2% |
| **MH Service Area** | **-** | **239,799** | **18.7%** | **25.1%** | **18.1%** | **16.7%** | **9.9%** | **5.4%** | **6.1%** |

*Source: Claritas*

**Table 11: Households by Presence of Children Under 18 Years (2019)**

| Community | ZIP Code | Total Households | Number | | Percent | |
|---|---|---|---|---|---|---|
| | | | No Children Present | Children Present | No Children Present | Children Present |
| Altadena | 91001 | 12,955 | 8,427 | 4,528 | 65.0% | 35.0% |
| Arcadia | 91006 | 11,200 | 6,846 | 4,354 | 61.1% | 38.9% |
| Arcadia | 91007 | 11,997 | 7,791 | 4,206 | 64.9% | 35.1% |
| Bradbury | 91008 | 488 | 386 | 102 | 79.1% | 20.9% |
| Duarte | 91010 | 8,312 | 5,183 | 3,129 | 62.4% | 37.6% |
| Monrovia | 91016 | 15,593 | 10,159 | 5,434 | 65.2% | 34.8% |
| Sierra Madre | 91024 | 5,034 | 3,772 | 1,262 | 74.9% | 25.1% |
| Pasadena | 91104 | 13,112 | 8,672 | 4,440 | 66.1% | 33.9% |
| Pasadena | 91107 | 13,415 | 9,628 | 3,787 | 71.8% | 28.2% |
| Azusa | 91702 | 17,020 | 8,836 | 8,184 | 51.9% | 48.1% |
| Baldwin Park | 91706 | 17,850 | 7,480 | 10,370 | 41.9% | 58.1% |
| El Monte | 91731 | 8,217 | 4,451 | 3,766 | 54.2% | 45.8% |
| El Monte | 91732 | 15,236 | 7,054 | 8,182 | 46.3% | 53.7% |
| South El Monte | 91733 | 10,217 | 4,256 | 5,961 | 41.7% | 58.3% |
| Glendora | 91741 | 9,515 | 6,123 | 3,392 | 64.4% | 35.6% |
| Rosemead | 91770 | 17,071 | 9,728 | 7,343 | 57.0% | 43.0% |
| San Gabriel | 91775 | 8,698 | 5,470 | 3,228 | 62.9% | 37.1% |
| San Gabriel | 91776 | 12,135 | 7,686 | 4,449 | 63.3% | 36.7% |
| Temple City | 91780 | 11,596 | 7,243 | 4,353 | 62.5% | 37.5% |
| Alhambra | 91801 | 20,138 | 14,020 | 6,118 | 69.6% | 30.4% |
| **MH Service Area** | **-** | **239,799** | **143,211** | **96,588** | **59.7%** | **40.3%** |

*Source: Claritas*

**Table 12A: Households by Income Group (2019)**

| Community | ZIP Code | Total Households | Under $15,000 | $15,000 to $24,999 | $25,000 to $34,999 | $35,000 to $49,999 | $50,000 to $74,999 | $75,000 to $99,999 |
|---|---|---|---|---|---|---|---|---|
| Altadena | 91001 | 12,955 | 778 | 787 | 632 | 961 | 1,611 | 1,510 |
| Arcadia | 91006 | 11,200 | 710 | 620 | 638 | 869 | 1,351 | 1,251 |
| Arcadia | 91007 | 11,997 | 1,130 | 742 | 752 | 1,085 | 1,647 | 1,415 |
| Bradbury | 91008 | 488 | 35 | 16 | 18 | 26 | 61 | 63 |
| Duarte | 91010 | 8,312 | 715 | 635 | 532 | 907 | 1,361 | 1,071 |
| Monrovia | 91016 | 15,593 | 1,181 | 1,128 | 1,013 | 1,578 | 2,515 | 1,941 |
| Sierra Madre | 91024 | 5,034 | 220 | 217 | 228 | 279 | 593 | 663 |
| Pasadena | 91104 | 13,112 | 1,292 | 1,223 | 702 | 1,285 | 1,859 | 1,441 |
| Pasadena | 91107 | 13,415 | 1,107 | 611 | 683 | 1,056 | 1,725 | 1,590 |
| Azusa | 91702 | 17,020 | 1,102 | 1,311 | 1,467 | 2,240 | 3,046 | 2,379 |
| Baldwin Park | 91706 | 17,850 | 1,378 | 1,560 | 1,675 | 2,664 | 3,655 | 2,625 |
| El Monte | 91731 | 8,217 | 972 | 1,553 | 1,075 | 1,223 | 1,396 | 738 |
| El Monte | 91732 | 15,236 | 1,384 | 2,037 | 1,751 | 2,571 | 2,910 | 1,725 |
| South El Monte | 91733 | 10,217 | 837 | 1,653 | 1,306 | 1,742 | 1,805 | 1,165 |
| Glendora | 91741 | 9,515 | 632 | 546 | 562 | 812 | 1,090 | 1,168 |
| Rosemead | 91770 | 17,071 | 1,705 | 2,170 | 1,962 | 2,390 | 2,931 | 2,088 |
| San Gabriel | 91775 | 8,698 | 672 | 543 | 528 | 751 | 1,189 | 1,121 |
| San Gabriel | 91776 | 12,135 | 1,080 | 1,307 | 1,216 | 1,792 | 2,269 | 1,430 |
| Temple City | 91780 | 11,596 | 1,028 | 1,078 | 906 | 1,250 | 1,677 | 1,508 |
| Alhambra | 91801 | 20,138 | 2,382 | 2,201 | 1,849 | 2,137 | 3,548 | 2,222 |
| **MH Service Area** | **-** | **239,799** | **20,340** | **21,938** | **19,495** | **27,618** | **38,239** | **29,114** |

*Source: Claritas*

**Table 12A: Households by Income Group - continued (2019)**

| Community | ZIP Code | Total Households | $100,000 to $124,999 | $125,000 to $149,999 | $150,000 to $199,999 | $200,000 to $249,999 | $250,000 to $499,999 | $500,000 and Over |
|---|---|---|---|---|---|---|---|---|
| Altadena | 91001 | 12,955 | 1,324 | 1,078 | 1,601 | 945 | 1,139 | 589 |
| Arcadia | 91006 | 11,200 | 1,157 | 922 | 1,355 | 782 | 944 | 601 |
| Arcadia | 91007 | 11,997 | 1,205 | 981 | 1,218 | 683 | 795 | 344 |
| Bradbury | 91008 | 488 | 48 | 37 | 46 | 34 | 53 | 51 |
| Duarte | 91010 | 8,312 | 986 | 741 | 694 | 338 | 250 | 82 |
| Monrovia | 91016 | 15,593 | 1,834 | 1,367 | 1,287 | 649 | 748 | 352 |
| Sierra Madre | 91024 | 5,034 | 568 | 450 | 541 | 333 | 549 | 393 |
| Pasadena | 91104 | 13,112 | 1,155 | 904 | 1,144 | 696 | 908 | 503 |
| Pasadena | 91107 | 13,415 | 1,433 | 1,147 | 1,375 | 808 | 1,195 | 685 |
| Azusa | 91702 | 17,020 | 1,843 | 1,345 | 1,283 | 565 | 358 | 81 |
| Baldwin Park | 91706 | 17,850 | 1,763 | 1,069 | 803 | 320 | 261 | 77 |
| El Monte | 91731 | 8,217 | 431 | 333 | 290 | 102 | 85 | 19 |
| El Monte | 91732 | 15,236 | 1,042 | 605 | 646 | 305 | 209 | 51 |
| South El Monte | 91733 | 10,217 | 624 | 435 | 412 | 133 | 86 | 19 |
| Glendora | 91741 | 9,515 | 1,066 | 888 | 1,064 | 557 | 723 | 407 |
| Rosemead | 91770 | 17,071 | 1,307 | 870 | 878 | 378 | 308 | 84 |
| San Gabriel | 91775 | 8,698 | 992 | 728 | 874 | 502 | 547 | 251 |
| San Gabriel | 91776 | 12,135 | 1,068 | 724 | 648 | 277 | 241 | 83 |
| Temple City | 91780 | 11,596 | 1,212 | 912 | 1,006 | 478 | 430 | 111 |
| Alhambra | 91801 | 20,138 | 1,813 | 1,358 | 1,179 | 556 | 609 | 284 |
| **MH Service Area** | **-** | **239,799** | **22,871** | **16,894** | **18,344** | **9,441** | **10,438** | **5,067** |

*Source: Claritas*

**Table 12B: Percent Households by Income Group (2019)**

| Community | ZIP Code | Total Households | Under $15,000 | $15,000 to $24,999 | $25,000 to $34,999 | $35,000 to $49,999 | $50,000 to $74,999 | $75,000 to $99,999 |
|---|---|---|---|---|---|---|---|---|
| Altadena | 91001 | 12,955 | 6.0% | 6.1% | 4.9% | 7.4% | 12.4% | 11.7% |
| Arcadia | 91006 | 11,200 | 6.3% | 5.5% | 5.7% | 7.8% | 12.1% | 11.2% |
| Arcadia | 91007 | 11,997 | 9.4% | 6.2% | 6.3% | 9.0% | 13.7% | 11.8% |
| Bradbury | 91008 | 488 | 7.2% | 3.3% | 3.7% | 5.3% | 12.5% | 12.9% |
| Duarte | 91010 | 8,312 | 8.6% | 7.6% | 6.4% | 10.9% | 16.4% | 12.9% |
| Monrovia | 91016 | 15,593 | 7.6% | 7.2% | 6.5% | 10.1% | 16.1% | 12.4% |
| Sierra Madre | 91024 | 5,034 | 4.4% | 4.3% | 4.5% | 5.5% | 11.8% | 13.2% |
| Pasadena | 91104 | 13,112 | 9.9% | 9.3% | 5.4% | 9.8% | 14.2% | 11.0% |
| Pasadena | 91107 | 13,415 | 8.3% | 4.6% | 5.1% | 7.9% | 12.9% | 11.9% |
| Azusa | 91702 | 17,020 | 6.5% | 7.7% | 8.6% | 13.2% | 17.9% | 14.0% |
| Baldwin Park | 91706 | 17,850 | 7.7% | 8.7% | 9.4% | 14.9% | 20.5% | 14.7% |
| El Monte | 91731 | 8,217 | 11.8% | 18.9% | 13.1% | 14.9% | 17.0% | 9.0% |
| El Monte | 91732 | 15,236 | 9.1% | 13.4% | 11.5% | 16.9% | 19.1% | 11.3% |
| South El Monte | 91733 | 10,217 | 8.2% | 16.2% | 12.8% | 17.1% | 17.7% | 11.4% |
| Glendora | 91741 | 9,515 | 6.6% | 5.7% | 5.9% | 8.5% | 11.5% | 12.3% |
| Rosemead | 91770 | 17,071 | 10.0% | 12.7% | 11.5% | 14.0% | 17.2% | 12.2% |
| San Gabriel | 91775 | 8,698 | 7.7% | 6.2% | 6.1% | 8.6% | 13.7% | 12.9% |
| San Gabriel | 91776 | 12,135 | 8.9% | 10.8% | 10.0% | 14.8% | 18.7% | 11.8% |
| Temple City | 91780 | 11,596 | 8.9% | 9.3% | 7.8% | 10.8% | 14.5% | 13.0% |
| Alhambra | 91801 | 20,138 | 11.8% | 10.9% | 9.2% | 10.6% | 17.6% | 11.0% |
| **MH Service Area** | **-** | **239,799** | **8.5%** | **9.1%** | **8.1%** | **11.5%** | **15.9%** | **12.1%** |

*Source: Claritas*

**Table 12B: Percent Households by Income Group - continued (2019)**

| Community | ZIP Code | Total Households | $100,000 to $124,999 | $125,000 to $149,999 | $150,000 to $199,999 | $200,000 to $249,999 | $250,000 to $499,999 | $500,000 and Over |
|---|---|---|---|---|---|---|---|---|
| Altadena | 91001 | 12,955 | 10.2% | 8.3% | 12.4% | 7.3% | 8.8% | 4.5% |
| Arcadia | 91006 | 11,200 | 10.3% | 8.2% | 12.1% | 7.0% | 8.4% | 5.4% |
| Arcadia | 91007 | 11,997 | 10.0% | 8.2% | 10.2% | 5.7% | 6.6% | 2.9% |
| Bradbury | 91008 | 488 | 9.8% | 7.6% | 9.4% | 7.0% | 10.9% | 10.5% |
| Duarte | 91010 | 8,312 | 11.9% | 8.9% | 8.3% | 4.1% | 3.0% | 1.0% |
| Monrovia | 91016 | 15,593 | 11.8% | 8.8% | 8.3% | 4.2% | 4.8% | 2.3% |
| Sierra Madre | 91024 | 5,034 | 11.3% | 8.9% | 10.7% | 6.6% | 10.9% | 7.8% |
| Pasadena | 91104 | 13,112 | 8.8% | 6.9% | 8.7% | 5.3% | 6.9% | 3.8% |
| Pasadena | 91107 | 13,415 | 10.7% | 8.6% | 10.2% | 6.0% | 8.9% | 5.1% |
| Azusa | 91702 | 17,020 | 10.8% | 7.9% | 7.5% | 3.3% | 2.1% | 0.5% |
| Baldwin Park | 91706 | 17,850 | 9.9% | 6.0% | 4.5% | 1.8% | 1.5% | 0.4% |
| El Monte | 91731 | 8,217 | 5.2% | 4.1% | 3.5% | 1.2% | 1.0% | 0.2% |
| El Monte | 91732 | 15,236 | 6.8% | 4.0% | 4.2% | 2.0% | 1.4% | 0.3% |
| South El Monte | 91733 | 10,217 | 6.1% | 4.3% | 4.0% | 1.3% | 0.8% | 0.2% |
| Glendora | 91741 | 9,515 | 11.2% | 9.3% | 11.2% | 5.9% | 7.6% | 4.3% |
| Rosemead | 91770 | 17,071 | 7.7% | 5.1% | 5.1% | 2.2% | 1.8% | 0.5% |
| San Gabriel | 91775 | 8,698 | 11.4% | 8.4% | 10.0% | 5.8% | 6.3% | 2.9% |
| San Gabriel | 91776 | 12,135 | 8.8% | 6.0% | 5.3% | 2.3% | 2.0% | 0.7% |
| Temple City | 91780 | 11,596 | 10.5% | 7.9% | 8.7% | 4.1% | 3.7% | 1.0% |
| Alhambra | 91801 | 20,138 | 9.0% | 6.7% | 5.9% | 2.8% | 3.0% | 1.4% |
| **MH Service Area** | **-** | **239,799** | **9.5%** | **7.0%** | **7.6%** | **3.9%** | **4.4%** | **2.1%** |

*Source: Claritas*

**Table 13: Average Household Size and Average Household Income (2019)**

| Community | ZIP Code | Total Households | Average Household Size | Average Household Income |
|---|---|---|---|---|
| Altadena | 91001 | 12,955 | 2.82 | $ 141,106 |
| Arcadia | 91006 | 11,200 | 2.97 | $ 142,909 |
| Arcadia | 91007 | 11,997 | 2.76 | $ 118,556 |
| Bradbury | 91008 | 488 | 2.54 | $ 173,813 |
| Duarte | 91010 | 8,312 | 3.16 | $ 95,504 |
| Monrovia | 91016 | 15,593 | 2.68 | $ 107,422 |
| Sierra Madre | 91024 | 5,034 | 2.27 | $ 164,058 |
| Pasadena | 91104 | 13,112 | 2.76 | $ 118,885 |
| Pasadena | 91107 | 13,415 | 2.51 | $ 139,488 |
| Azusa | 91702 | 17,020 | 3.63 | $ 87,231 |
| Baldwin Park | 91706 | 17,850 | 4.35 | $ 75,887 |
| El Monte | 91731 | 8,217 | 3.66 | $ 58,646 |
| El Monte | 91732 | 15,236 | 4.10 | $ 67,422 |
| South El Monte | 91733 | 10,217 | 4.37 | $ 62,568 |
| Glendora | 91741 | 9,515 | 2.80 | $ 133,340 |
| Rosemead | 91770 | 17,071 | 3.69 | $ 72,798 |
| San Gabriel | 91775 | 8,698 | 2.89 | $ 119,948 |
| San Gabriel | 91776 | 12,135 | 3.24 | $ 77,269 |
| Temple City | 91780 | 11,596 | 3.04 | $ 95,078 |
| Alhambra | 91801 | 20,138 | 2.69 | $ 85,112 |
| **MH Service Area** | **-** | **239,799** | **3.23** | **$ 99,905** |

*Source: Claritas*

**Table 14A: Age Group of Head of Household (2019)**

| Community | ZIP Code | Total Households | 15 to 24 Years | 25 to 34 Years | 35 to 44 Years | 55 to 64 Years | 65 to 74 Years | 75 to 84 Years | 85+ Years |
|---|---|---|---|---|---|---|---|---|---|
| Altadena | 91001 | 12,955 | 198 | 1,106 | 1,748 | 2,630 | 3,172 | 2,410 | 1,201 |
| Arcadia | 91006 | 11,200 | 160 | 1,037 | 1,544 | 2,401 | 2,783 | 1,859 | 989 |
| Arcadia | 91007 | 11,997 | 218 | 1,108 | 1,717 | 2,552 | 2,700 | 1,799 | 1,075 |
| Bradbury | 91008 | 488 | 1 | 27 | 38 | 60 | 102 | 85 | 64 |
| Duarte | 91010 | 8,312 | 77 | 831 | 1,337 | 1,605 | 1,728 | 1,515 | 783 |
| Monrovia | 91016 | 15,593 | 268 | 2,012 | 2,800 | 3,285 | 3,281 | 2,338 | 1,082 |
| Sierra Madre | 91024 | 5,034 | 88 | 386 | 609 | 945 | 1,235 | 1,007 | 520 |
| Pasadena | 91104 | 13,112 | 252 | 1,503 | 2,342 | 2,727 | 2,758 | 1,988 | 982 |
| Pasadena | 91107 | 13,415 | 272 | 1,495 | 2,340 | 2,705 | 2,645 | 2,136 | 1,166 |
| Azusa | 91702 | 17,020 | 528 | 2,570 | 3,485 | 3,697 | 3,210 | 2,127 | 1,029 |
| Baldwin Park | 91706 | 17,850 | 315 | 2,503 | 3,816 | 4,108 | 3,517 | 2,284 | 980 |
| El Monte | 91731 | 8,217 | 197 | 1,198 | 1,605 | 1,601 | 1,462 | 1,182 | 672 |
| El Monte | 91732 | 15,236 | 368 | 2,310 | 3,373 | 3,375 | 2,893 | 1,755 | 843 |
| South El Monte | 91733 | 10,217 | 274 | 1,547 | 2,314 | 2,287 | 1,836 | 1,150 | 593 |
| Glendora | 91741 | 9,515 | 150 | 1,028 | 1,219 | 1,845 | 2,235 | 1,692 | 952 |
| Rosemead | 91770 | 17,071 | 258 | 1,987 | 3,144 | 3,721 | 3,537 | 2,480 | 1,350 |
| San Gabriel | 91775 | 8,698 | 150 | 854 | 1,392 | 1,992 | 1,890 | 1,371 | 694 |
| San Gabriel | 91776 | 12,135 | 269 | 1,647 | 2,320 | 2,591 | 2,543 | 1,619 | 723 |
| Temple City | 91780 | 11,596 | 166 | 1,251 | 1,805 | 2,507 | 2,648 | 1,886 | 932 |
| Alhambra | 91801 | 20,138 | 447 | 2,918 | 4,101 | 4,019 | 3,825 | 2,601 | 1,391 |
| **MH Service Area** | **-** | **239,799** | **4,656** | **29,318** | **43,049** | **50,653** | **50,000** | **35,284** | **18,021** |

*Source: Claritas*

**Table 14B: Percent Age Group of Head of Household (2019)**

| Community | ZIP Code | Total Households | 15 to 24 Years | 25 to 34 Years | 35 to 44 Years | 55 to 64 Years | 65 to 74 Years | 75 to 84 Years | 85+ Years |
|---|---|---|---|---|---|---|---|---|---|
| Altadena | 91001 | 12,955 | 1.5% | 8.5% | 13.5% | 20.3% | 24.5% | 18.6% | 9.3% |
| Arcadia | 91006 | 11,200 | 1.4% | 9.3% | 13.8% | 21.4% | 24.8% | 16.6% | 8.8% |
| Arcadia | 91007 | 11,997 | 1.8% | 9.2% | 14.3% | 21.3% | 22.5% | 15.0% | 9.0% |
| Bradbury | 91008 | 488 | 0.2% | 5.5% | 7.8% | 12.3% | 20.9% | 17.4% | 13.1% |
| Duarte | 91010 | 8,312 | 0.9% | 10.0% | 16.1% | 19.3% | 20.8% | 18.2% | 9.4% |
| Monrovia | 91016 | 15,593 | 1.7% | 12.9% | 18.0% | 21.1% | 21.0% | 15.0% | 6.9% |
| Sierra Madre | 91024 | 5,034 | 1.7% | 7.7% | 12.1% | 18.8% | 24.5% | 20.0% | 10.3% |
| Pasadena | 91104 | 13,112 | 1.9% | 11.5% | 17.9% | 20.8% | 21.0% | 15.2% | 7.5% |
| Pasadena | 91107 | 13,415 | 2.0% | 11.1% | 17.4% | 20.2% | 19.7% | 15.9% | 8.7% |
| Azusa | 91702 | 17,020 | 3.1% | 15.1% | 20.5% | 21.7% | 18.9% | 12.5% | 6.0% |
| Baldwin Park | 91706 | 17,850 | 1.8% | 14.0% | 21.4% | 23.0% | 19.7% | 12.8% | 5.5% |
| El Monte | 91731 | 8,217 | 2.4% | 14.6% | 19.5% | 19.5% | 17.8% | 14.4% | 8.2% |
| El Monte | 91732 | 15,236 | 2.4% | 15.2% | 22.1% | 22.2% | 19.0% | 11.5% | 5.5% |
| South El Monte | 91733 | 10,217 | 2.7% | 15.1% | 22.6% | 22.4% | 18.0% | 11.3% | 5.8% |
| Glendora | 91741 | 9,515 | 1.6% | 10.8% | 12.8% | 19.4% | 23.5% | 17.8% | 10.0% |
| Rosemead | 91770 | 17,071 | 1.5% | 11.6% | 18.4% | 21.8% | 20.7% | 14.5% | 7.9% |
| San Gabriel | 91775 | 8,698 | 1.7% | 9.8% | 16.0% | 22.9% | 21.7% | 15.8% | 8.0% |
| San Gabriel | 91776 | 12,135 | 2.2% | 13.6% | 19.1% | 21.4% | 21.0% | 13.3% | 6.0% |
| Temple City | 91780 | 11,596 | 1.4% | 10.8% | 15.6% | 21.6% | 22.8% | 16.3% | 8.0% |
| Alhambra | 91801 | 20,138 | 2.2% | 14.5% | 20.4% | 20.0% | 19.0% | 12.9% | 6.9% |
| **MH Service Area** | **-** | **239,799** | **1.9%** | **12.2%** | **18.0%** | **21.1%** | **20.9%** | **14.7%** | **7.5%** |

*Source: Claritas*

**Table 15: Owner-Occupied and Renter-Occupied Housing Units (2019)**

| Community | ZIP Code | Total Households | Number | | Percent | |
|---|---|---|---|---|---|---|
| | | | Owner-Occupied | Renter-Occupied | Owner-Occupied | Renter-Occupied |
| Altadena | 91001 | 12,955 | 9,735 | 3,220 | 75.1% | 24.9% |
| Arcadia | 91006 | 11,200 | 8,332 | 2,868 | 74.4% | 25.6% |
| Arcadia | 91007 | 11,997 | 6,724 | 5,273 | 56.0% | 44.0% |
| Bradbury | 91008 | 488 | 336 | 152 | 68.9% | 31.1% |
| Duarte | 91010 | 8,312 | 5,577 | 2,735 | 67.1% | 32.9% |
| Monrovia | 91016 | 15,593 | 8,033 | 7,560 | 51.5% | 48.5% |
| Sierra Madre | 91024 | 5,034 | 3,122 | 1,912 | 62.0% | 38.0% |
| Pasadena | 91104 | 13,112 | 6,810 | 6,302 | 51.9% | 48.1% |
| Pasadena | 91107 | 13,415 | 8,260 | 5,155 | 61.6% | 38.4% |
| Azusa | 91702 | 17,020 | 10,056 | 6,964 | 59.1% | 40.9% |
| Baldwin Park | 91706 | 17,850 | 10,904 | 6,946 | 61.1% | 38.9% |
| El Monte | 91731 | 8,217 | 3,275 | 4,942 | 39.9% | 60.1% |
| El Monte | 91732 | 15,236 | 6,894 | 8,342 | 45.2% | 54.8% |
| South El Monte | 91733 | 10,217 | 4,333 | 5,884 | 42.4% | 57.6% |
| Glendora | 91741 | 9,515 | 7,137 | 2,378 | 75.0% | 25.0% |
| Rosemead | 91770 | 17,071 | 8,897 | 8,174 | 52.1% | 47.9% |
| San Gabriel | 91775 | 8,698 | 5,672 | 3,026 | 65.2% | 34.8% |
| San Gabriel | 91776 | 12,135 | 5,062 | 7,073 | 41.7% | 58.3% |
| Temple City | 91780 | 11,596 | 7,386 | 4,210 | 63.7% | 36.3% |
| Alhambra | 91801 | 20,138 | 7,236 | 12,902 | 35.9% | 64.1% |
| **MH Service Area** | **-** | **239,799** | **133,781** | **106,018** | **55.8%** | **44.2%** |

*Source: Claritas*

**Table 16: Families (2019 and 2024)**

| Community | ZIP Code | Families 2019 | Families 2024 | 5-Year Change (2019 to 2024) | |
|---|---|---|---|---|---|
| | | | | Number | Percent |
| Altadena | 91001 | 9,227 | 9,405 | 178 | 1.9% |
| Arcadia | 91006 | 8,980 | 9,255 | 275 | 3.1% |
| Arcadia | 91007 | 8,685 | 8,897 | 212 | 2.4% |
| Bradbury | 91008 | 311 | 318 | 7 | 2.3% |
| Duarte | 91010 | 6,005 | 6,150 | 145 | 2.4% |
| Monrovia | 91016 | 10,500 | 10,808 | 308 | 2.9% |
| Sierra Madre | 91024 | 3,001 | 3,080 | 79 | 2.6% |
| Pasadena | 91104 | 8,676 | 8,858 | 182 | 2.1% |
| Pasadena | 91107 | 8,612 | 8,842 | 230 | 2.7% |
| Azusa | 91702 | 13,180 | 13,651 | 471 | 3.6% |
| Baldwin Park | 91706 | 15,723 | 16,080 | 357 | 2.3% |
| El Monte | 91731 | 6,500 | 6,703 | 203 | 3.1% |
| El Monte | 91732 | 12,976 | 13,249 | 273 | 2.1% |
| South El Monte | 91733 | 9,000 | 9,266 | 266 | 3.0% |
| Glendora | 91741 | 7,235 | 7,438 | 203 | 2.8% |
| Rosemead | 91770 | 14,202 | 14,532 | 330 | 2.3% |
| San Gabriel | 91775 | 6,631 | 6,781 | 150 | 2.3% |
| San Gabriel | 91776 | 9,280 | 9,521 | 241 | 2.6% |
| Temple City | 91780 | 8,980 | 9,183 | 203 | 2.3% |
| Alhambra | 91801 | 13,671 | 14,073 | 402 | 2.9% |
| **MH Service Area** | **-** | **181,375** | **186,090** | **4,715** | **2.6%** |

*Source: Claritas*

**Table 17: Families by Poverty Status (2019)**

| Community | ZIP Code | Total Families | Number | | Percent | |
|---|---|---|---|---|---|---|
| | | | Below the Poverty Level | At/Above Poverty Level | Below the Poverty Level | At/Above Poverty Level |
| Altadena | 91001 | 9,227 | 640 | 8,587 | Grou | 93.1% |
| Arcadia | 91006 | 8,980 | 632 | 8,348 | 7.0% | 93.0% |
| Arcadia | 91007 | 8,685 | 770 | 7,915 | 8.9% | 91.1% |
| Bradbury | 91008 | 311 | 12 | 299 | 3.9% | 96.1% |
| Duarte | 91010 | 6,005 | 560 | 5,445 | 9.3% | 90.7% |
| Monrovia | 91016 | 10,500 | 715 | 9,785 | 6.8% | 93.2% |
| Sierra Madre | 91024 | 3,001 | 120 | 2,881 | 4.0% | 96.0% |
| Pasadena | 91104 | 8,676 | 897 | 7,779 | 10.3% | 89.7% |
| Pasadena | 91107 | 8,612 | 528 | 8,084 | 6.1% | 93.9% |
| Azusa | 91702 | 13,180 | 1,426 | 11,754 | 10.8% | 89.2% |
| Baldwin Park | 91706 | 15,723 | 2,040 | 13,683 | 13.0% | 87.0% |
| El Monte | 91731 | 6,500 | 1,262 | 5,238 | 19.4% | 80.6% |
| El Monte | 91732 | 12,976 | 2,373 | 10,603 | 18.3% | 81.7% |
| South El Monte | 91733 | 9,000 | 1,701 | 7,299 | 18.9% | 81.1% |
| Glendora | 91741 | 7,235 | 415 | 6,820 | 5.7% | 94.3% |
| Rosemead | 91770 | 14,202 | 2,248 | 11,954 | 15.8% | 84.2% |
| San Gabriel | 91775 | 6,631 | 462 | 6,169 | 7.0% | 93.0% |
| San Gabriel | 91776 | 9,280 | 1,194 | 8,086 | 12.9% | 87.1% |
| Temple City | 91780 | 8,980 | 852 | 8,128 | 9.5% | 90.5% |
| Alhambra | 91801 | 13,671 | 1,745 | 11,926 | 12.8% | 87.2% |
| **MH Service Area** | **-** | **181,375** | **20,592** | **160,783** | **11.4%** | **88.6%** |

*Source: Claritas*

# Appendix B: Age Group Detail

**Table 1A: Total Population Age Group 0 to 20 Years (2019)**

| Community | ZIP Code | 0 to 4 Years | 5 to 9 Years | 10 to 14 Years | 15 to 17 Years | 18 to 20 Years |
|---|---|---|---|---|---|---|
| Altadena | 91001 | 1,969 | 2,067 | 2,141 | 1,355 | 1,259 |
| Arcadia | 91006 | 1,474 | 1,512 | 1,638 | 1,250 | 1,208 |
| Arcadia | 91007 | 1,351 | 1,443 | 1,547 | 1,143 | 1,120 |
| Bradbury | 91008 | 40 | 41 | 46 | 33 | 27 |
| Duarte | 91010 | 1,536 | 1,584 | 1,554 | 987 | 930 |
| Monrovia | 91016 | 2,422 | 2,547 | 2,533 | 1,493 | 1,404 |
| Sierra Madre | 91024 | 499 | 527 | 575 | 393 | 353 |
| Pasadena | 91104 | 2,160 | 2,252 | 2,246 | 1,243 | 1,181 |
| Pasadena | 91107 | 1,681 | 1,807 | 1,838 | 1,045 | 966 |
| Azusa | 91702 | 4,557 | 4,509 | 4,384 | 2,773 | 3,997 |
| Baldwin Park | 91706 | 5,790 | 5,710 | 5,542 | 3,551 | 3,329 |
| El Monte | 91731 | 2,121 | 2,091 | 2,020 | 1,248 | 1,163 |
| El Monte | 91732 | 4,696 | 4,609 | 4,442 | 2,733 | 2,549 |
| South El Monte | 91733 | 3,567 | 3,417 | 3,306 | 1,982 | 1,847 |
| Glendora | 91741 | 1,179 | 1,193 | 1,303 | 1,035 | 1,319 |
| Rosemead | 91770 | 3,221 | 3,358 | 3,449 | 2,291 | 2,198 |
| San Gabriel | 91775 | 1,243 | 1,328 | 1,405 | 948 | 876 |
| San Gabriel | 91776 | 1,871 | 1,990 | 1,996 | 1,206 | 1,150 |
| Temple City | 91780 | 1,561 | 1,641 | 1,747 | 1,241 | 1,201 |
| Alhambra | 91801 | 2,421 | 2,640 | 2,653 | 1,520 | 1,473 |
| **MH Service Area** | **–** | **45,359** | **46,266** | **46,365** | **29,470** | **29,550** |

*Note: Percentages rounded*

*Source: Claritas*



MHSC-0000852

**Table 1B: Percent Total Population Age Group 0 to 20 Years (2019)**

| Community | ZIP Code | 0 to 4 Years | 5 to 9 Years | 10 to 14 Years | 15 to 17 Years | 18 to 20 Years |
|---|---|---|---|---|---|---|
| Altadena | 91001 | 5.3% | 5.6% | 5.8% | 3.7% | 3.4% |
| Arcadia | 91006 | 4.4% | 4.5% | 4.9% | 3.8% | 3.6% |
| Arcadia | 91007 | 4.0% | 4.2% | 4.5% | 3.3% | 3.3% |
| Bradbury | 91008 | 3.1% | 3.2% | 3.6% | 2.6% | 2.1% |
| Duarte | 91010 | 5.7% | 5.9% | 5.8% | 3.7% | 3.5% |
| Monrovia | 91016 | 5.8% | 6.1% | 6.0% | 3.6% | 3.3% |
| Sierra Madre | 91024 | 4.4% | 4.6% | 5.0% | 3.4% | 3.1% |
| Pasadena | 91104 | 5.9% | 6.1% | 6.1% | 3.4% | 3.2% |
| Pasadena | 91107 | 5.0% | 5.3% | 5.4% | 3.1% | 2.9% |
| Azusa | 91702 | 7.1% | 7.0% | 6.8% | 4.3% | 6.2% |
| Baldwin Park | 91706 | 7.4% | 7.3% | 7.1% | 4.5% | 4.3% |
| El Monte | 91731 | 7.0% | 6.9% | 6.7% | 4.1% | 3.8% |
| El Monte | 91732 | 7.4% | 7.3% | 7.0% | 4.3% | 4.0% |
| South El Monte | 91733 | 8.0% | 7.6% | 7.4% | 4.4% | 4.1% |
| Glendora | 91741 | 4.3% | 4.4% | 4.8% | 3.8% | 4.8% |
| Rosemead | 91770 | 5.1% | 5.3% | 5.4% | 3.6% | 3.5% |
| San Gabriel | 91775 | 4.9% | 5.2% | 5.5% | 3.7% | 3.5% |
| San Gabriel | 91776 | 4.7% | 5.0% | 5.0% | 3.0% | 2.9% |
| Temple City | 91780 | 4.4% | 4.6% | 4.9% | 3.5% | 3.4% |
| Alhambra | 91801 | 4.4% | 4.8% | 4.9% | 2.8% | 2.7% |
| **MH Service Area** | **–** | **5.8%** | **5.9%** | **5.9%** | **3.8%** | **3.8%** |

*Note: Percentages rounded*



MHSC-0000853

**Table 2A: Total Population Age Group 21 to 64 Years (2019)**

| Community | ZIP Code | 21 to 24 Years | 25 to 34 Years | 35 to 44 Years | 45 to 54 Years | 55 to 64 Years |
|---|---|---|---|---|---|---|
| Altadena | 91001 | 1,812 | 4,471 | 4,007 | 5,272 | 5,835 |
| Arcadia | 91006 | 1,847 | 4,218 | 3,501 | 4,784 | 5,434 |
| Arcadia | 91007 | 1,719 | 4,281 | 3,814 | 5,026 | 5,335 |
| Bradbury | 91008 | 45 | 142 | 107 | 132 | 202 |
| Duarte | 91010 | 1,365 | 3,677 | 3,419 | 3,489 | 3,411 |
| Monrovia | 91016 | 2,050 | 5,672 | 5,762 | 5,965 | 5,740 |
| Sierra Madre | 91024 | 476 | 1,034 | 1,184 | 1,654 | 2,103 |
| Pasadena | 91104 | 1,604 | 4,782 | 5,168 | 5,381 | 4,944 |
| Pasadena | 91107 | 1,352 | 4,233 | 4,649 | 4,902 | 4,759 |
| Azusa | 91702 | 4,388 | 9,957 | 8,661 | 7,924 | 6,521 |
| Baldwin Park | 91706 | 4,743 | 12,692 | 10,567 | 9,702 | 8,039 |
| El Monte | 91731 | 1,620 | 4,682 | 4,139 | 3,756 | 3,225 |
| El Monte | 91732 | 3,573 | 9,959 | 8,894 | 7,954 | 6,614 |
| South El Monte | 91733 | 2,619 | 7,140 | 6,397 | 5,617 | 4,476 |
| Glendora | 91741 | 1,716 | 4,064 | 2,601 | 3,578 | 4,183 |
| Rosemead | 91770 | 3,190 | 9,342 | 8,559 | 8,867 | 8,514 |
| San Gabriel | 91775 | 1,220 | 2,972 | 3,042 | 3,901 | 3,673 |
| San Gabriel | 91776 | 1,738 | 5,977 | 5,709 | 5,765 | 5,696 |
| Temple City | 91780 | 1,816 | 4,746 | 4,229 | 5,111 | 5,416 |
| Alhambra | 91801 | 2,205 | 8,256 | 8,510 | 7,885 | 7,499 |
| **MH Service Area** | **–** | **41,098** | **112,297** | **102,919** | **106,665** | **101,619** |

*Note: Percentages rounded*

*Source: Claritas*

**Table 2B: Percent Total Population Age Group 21 to 64 Years (2019)**

| Community | ZIP Code | 21 to 24 Years | 25 to 34 Years | 35 to 44 Years | 45 to 54 Years | 55 to 64 Years |
|---|---|---|---|---|---|---|
| Altadena | 91001 | 4.9% | 12.1% | 10.9% | 14.3% | 15.8% |
| Arcadia | 91006 | 5.5% | 12.7% | 10.5% | 14.4% | 16.3% |
| Arcadia | 91007 | 5.0% | 12.5% | 11.2% | 14.7% | 15.6% |
| Bradbury | 91008 | 3.5% | 11.2% | 8.4% | 10.4% | 15.9% |
| Duarte | 91010 | 5.1% | 13.7% | 12.7% | 13.0% | 12.7% |
| Monrovia | 91016 | 4.9% | 13.5% | 13.7% | 14.2% | 13.7% |
| Sierra Madre | 91024 | 4.2% | 9.1% | 10.4% | 14.5% | 18.4% |
| Pasadena | 91104 | 4.4% | 13.0% | 14.0% | 14.6% | 13.4% |
| Pasadena | 91107 | 4.0% | 12.5% | 13.7% | 14.5% | 14.1% |
| Azusa | 91702 | 6.8% | 15.5% | 13.4% | 12.3% | 10.1% |
| Baldwin Park | 91706 | 6.1% | 16.3% | 13.5% | 12.4% | 10.3% |
| El Monte | 91731 | 5.3% | 15.4% | 13.7% | 12.4% | 10.6% |
| El Monte | 91732 | 5.7% | 15.8% | 14.1% | 12.6% | 10.5% |
| South El Monte | 91733 | 5.8% | 15.9% | 14.3% | 12.5% | 10.0% |
| Glendora | 91741 | 6.3% | 14.9% | 9.6% | 13.1% | 15.4% |
| Rosemead | 91770 | 5.0% | 14.7% | 13.4% | 13.9% | 13.4% |
| San Gabriel | 91775 | 4.8% | 11.7% | 12.0% | 15.4% | 14.5% |
| San Gabriel | 91776 | 4.4% | 15.1% | 14.4% | 14.6% | 14.4% |
| Temple City | 91780 | 5.1% | 13.4% | 11.9% | 14.4% | 15.3% |
| Alhambra | 91801 | 4.0% | 15.1% | 15.6% | 14.4% | 13.7% |
| **MH Service Area** | **–** | **5.2%** | **14.3%** | **13.1%** | **13.6%** | **13.0%** |

*Note: Percentages rounded*

*Source: Claritas*



MHSC-0000855

**Table 3: Total Population Age Group 65 Years and Older (2019)**

| Community | ZIP Code | Number | | | Percent | | |
|---|---|---|---|---|---|---|---|
| | | 65 to 74 Years | 75 to 84 Years | 85+ Years | 65 to 74 Years | 75 to 84 Years | 85+ Years |
| Altadena | 91001 | 4,096 | 1,896 | 738 | 11.1% | 5.1% | 2.0% |
| Arcadia | 91006 | 3,752 | 1,911 | 760 | 11.3% | 5.7% | 2.3% |
| Arcadia | 91007 | 3,712 | 2,189 | 1,494 | 10.9% | 6.4% | 4.4% |
| Bradbury | 91008 | 165 | 111 | 180 | 13.0% | 8.7% | 14.2% |
| Duarte | 91010 | 2,675 | 1,429 | 835 | 9.9% | 5.3% | 3.1% |
| Monrovia | 91016 | 3,923 | 1,733 | 785 | 9.3% | 4.1% | 1.9% |
| Sierra Madre | 91024 | 1,532 | 758 | 327 | 13.4% | 6.6% | 2.9% |
| Pasadena | 91104 | 3,409 | 1,619 | 857 | 9.3% | 4.4% | 2.3% |
| Pasadena | 91107 | 3,677 | 1,960 | 967 | 10.9% | 5.8% | 2.9% |
| Azusa | 91702 | 4,192 | 1,876 | 677 | 6.5% | 2.9% | 1.1% |
| Baldwin Park | 91706 | 5,291 | 2,284 | 828 | 6.8% | 2.9% | 1.1% |
| El Monte | 91731 | 2,433 | 1,271 | 536 | 8.0% | 4.2% | 1.8% |
| El Monte | 91732 | 4,306 | 2,008 | 823 | 6.8% | 3.2% | 1.3% |
| South El Monte | 91733 | 2,681 | 1,307 | 511 | 6.0% | 2.9% | 1.1% |
| Glendora | 91741 | 2,883 | 1,523 | 639 | 10.6% | 5.6% | 2.3% |
| Rosemead | 91770 | 6,036 | 3,108 | 1,515 | 9.5% | 4.9% | 2.4% |
| San Gabriel | 91775 | 2,701 | 1,332 | 682 | 10.7% | 5.3% | 2.7% |
| San Gabriel | 91776 | 3,737 | 1,767 | 984 | 9.4% | 4.5% | 2.5% |
| Temple City | 91780 | 3,961 | 1,910 | 875 | 11.2% | 5.4% | 2.5% |
| Alhambra | 91801 | 5,282 | 2,787 | 1,547 | 9.7% | 5.1% | 2.8% |
| **MH Service Area** | **-** | **70,444** | **34,779** | **16,560** | **9.0%** | **4.4%** | **2.1%** |

*Note: Percentages rounded*

*Source: Claritas*

**Table 4A: Male Population Age Group 0 to 20 Years (2019)**

| Community | ZIP Code | 0 to 4 Years | 5 to 9 Years | 10 to 14 Years | 15 to 17 Years | 18 to 20 Years |
|---|---|---|---|---|---|---|
| Altadena | 91001 | 1,007 | 1,069 | 1,124 | 704 | 661 |
| Arcadia | 91006 | 750 | 774 | 831 | 624 | 613 |
| Arcadia | 91007 | 690 | 744 | 789 | 581 | 579 |
| Bradbury | 91008 | 20 | 20 | 23 | 18 | 15 |
| Duarte | 91010 | 786 | 813 | 796 | 499 | 477 |
| Monrovia | 91016 | 1,237 | 1,302 | 1,303 | 787 | 744 |
| Sierra Madre | 91024 | 255 | 267 | 282 | 197 | 187 |
| Pasadena | 91104 | 1,108 | 1,150 | 1,140 | 621 | 609 |
| Pasadena | 91107 | 860 | 935 | 964 | 524 | 488 |
| Azusa | 91702 | 2,341 | 2,324 | 2,262 | 1,416 | 1,845 |
| Baldwin Park | 91706 | 2,952 | 2,922 | 2,844 | 1,826 | 1,724 |
| El Monte | 91731 | 1,090 | 1,081 | 1,037 | 658 | 618 |
| El Monte | 91732 | 2,412 | 2,371 | 2,255 | 1,403 | 1,322 |
| South El Monte | 91733 | 1,824 | 1,736 | 1,663 | 1,017 | 961 |
| Glendora | 91741 | 603 | 613 | 674 | 523 | 631 |
| Rosemead | 91770 | 1,648 | 1,723 | 1,785 | 1,164 | 1,143 |
| San Gabriel | 91775 | 637 | 677 | 722 | 482 | 451 |
| San Gabriel | 91776 | 959 | 1,021 | 1,017 | 618 | 601 |
| Temple City | 91780 | 798 | 835 | 873 | 631 | 616 |
| Alhambra | 91801 | 1,239 | 1,361 | 1,385 | 776 | 753 |
| **MH Service Area** | **–** | **1,239** | **1,361** | **1,385** | **776** | **753** |

*Note: Percentages rounded*

*Source: Claritas*



MHSC-0000857

**Table 4B: Percent Male Population Age Group 0 to 20 Years (2019)**

| Community | ZIP Code | 0 to 4 Years | 5 to 9 Years | 10 to 14 Years | 15 to 17 Years | 18 to 20 Years |
|---|---|---|---|---|---|---|
| Altadena | 91001 | 5.6% | 6.0% | 6.3% | 3.9% | 3.7% |
| Arcadia | 91006 | 4.7% | 4.8% | 5.2% | 3.9% | 3.8% |
| Arcadia | 91007 | 4.3% | 4.6% | 4.9% | 3.6% | 3.6% |
| Bradbury | 91008 | 3.5% | 3.5% | 4.1% | 3.2% | 2.7% |
| Duarte | 91010 | 6.1% | 6.3% | 6.2% | 3.9% | 3.7% |
| Monrovia | 91016 | 6.1% | 6.4% | 6.5% | 3.9% | 3.7% |
| Sierra Madre | 91024 | 4.7% | 4.9% | 5.2% | 3.6% | 3.5% |
| Pasadena | 91104 | 6.2% | 6.4% | 6.4% | 3.5% | 3.4% |
| Pasadena | 91107 | 5.2% | 5.7% | 5.9% | 3.2% | 3.0% |
| Azusa | 91702 | 7.4% | 7.3% | 7.1% | 4.4% | 5.8% |
| Baldwin Park | 91706 | 7.6% | 7.6% | 7.3% | 4.7% | 4.5% |
| El Monte | 91731 | 7.2% | 7.1% | 6.8% | 4.3% | 4.1% |
| El Monte | 91732 | 7.6% | 7.5% | 7.1% | 4.4% | 4.2% |
| South El Monte | 91733 | 8.1% | 7.7% | 7.4% | 4.5% | 4.3% |
| Glendora | 91741 | 4.6% | 4.7% | 5.1% | 4.0% | 4.8% |
| Rosemead | 91770 | 5.3% | 5.5% | 5.7% | 3.7% | 3.7% |
| San Gabriel | 91775 | 5.3% | 5.6% | 6.0% | 4.0% | 3.7% |
| San Gabriel | 91776 | 5.0% | 5.3% | 5.3% | 3.2% | 3.1% |
| Temple City | 91780 | 4.7% | 4.9% | 5.2% | 3.7% | 3.6% |
| Alhambra | 91801 | 4.8% | 5.3% | 5.4% | 3.0% | 2.9% |
| **MH Service Area** | **–** | **4.8%** | **5.3%** | **5.4%** | **3.0%** | **2.9%** |

*Note: Percentages rounded*



MHSC-0000858

**Table 5A: Male Population Age Group 21 to 64 Years (2019)**

| Community | ZIP Code | 21 to 24 Years | 25 to 34 Years | 35 to 44 Years | 45 to 54 Years | 55 to 64 Years |
|---|---|---|---|---|---|---|
| Altadena | 91001 | 899 | 2,265 | 1,938 | 2,534 | 2,756 |
| Arcadia | 91006 | 941 | 2,158 | 1,659 | 2,155 | 2,577 |
| Arcadia | 91007 | 881 | 2,169 | 1,792 | 2,290 | 2,538 |
| Bradbury | 91008 | 23 | 73 | 55 | 60 | 89 |
| Duarte | 91010 | 678 | 1,864 | 1,665 | 1,700 | 1,592 |
| Monrovia | 91016 | 1,047 | 2,841 | 2,788 | 2,840 | 2,643 |
| Sierra Madre | 91024 | 251 | 520 | 552 | 780 | 969 |
| Pasadena | 91104 | 829 | 2,435 | 2,541 | 2,640 | 2,355 |
| Pasadena | 91107 | 676 | 2,160 | 2,282 | 2,375 | 2,293 |
| Azusa | 91702 | 2,127 | 5,091 | 4,432 | 3,963 | 3,147 |
| Baldwin Park | 91706 | 2,400 | 6,435 | 5,270 | 4,853 | 3,837 |
| El Monte | 91731 | 854 | 2,383 | 2,118 | 1,928 | 1,510 |
| El Monte | 91732 | 1,835 | 5,143 | 4,525 | 4,024 | 3,126 |
| South El Monte | 91733 | 1,347 | 3,729 | 3,340 | 2,836 | 2,169 |
| Glendora | 91741 | 850 | 2,054 | 1,251 | 1,681 | 1,974 |
| Rosemead | 91770 | 1,627 | 4,828 | 4,293 | 4,409 | 4,021 |
| San Gabriel | 91775 | 621 | 1,523 | 1,449 | 1,832 | 1,707 |
| San Gabriel | 91776 | 900 | 3,005 | 2,859 | 2,828 | 2,699 |
| Temple City | 91780 | 931 | 2,402 | 2,025 | 2,348 | 2,529 |
| Alhambra | 91801 | 1,096 | 4,048 | 4,131 | 3,701 | 3,390 |
| **MH Service Area** | **–** | **1,096** | **4,048** | **4,131** | **3,701** | **3,390** |

*Note: Percentages rounded*

*Source: Claritas*

**Table 5B: Percent Male Population Age Group 21 to 64 Years (2019)**

| Community | ZIP Code | 21 to 24 Years | 25 to 34 Years | 35 to 44 Years | 45 to 54 Years | 55 to 64 Years |
|---|---|---|---|---|---|---|
| Altadena | 91001 | 5.0% | 12.7% | 10.9% | 14.2% | 15.5% |
| Arcadia | 91006 | 5.9% | 13.5% | 10.4% | 13.5% | 16.1% |
| Arcadia | 91007 | 5.4% | 13.4% | 11.1% | 14.2% | 15.7% |
| Bradbury | 91008 | 4.1% | 12.9% | 9.8% | 10.6% | 15.8% |
| Duarte | 91010 | 5.3% | 14.5% | 13.0% | 13.2% | 12.4% |
| Monrovia | 91016 | 5.2% | 14.1% | 13.8% | 14.1% | 13.1% |
| Sierra Madre | 91024 | 4.6% | 9.6% | 10.2% | 14.4% | 17.9% |
| Pasadena | 91104 | 4.6% | 13.6% | 14.2% | 14.8% | 13.2% |
| Pasadena | 91107 | 4.1% | 13.2% | 13.9% | 14.5% | 14.0% |
| Azusa | 91702 | 6.7% | 16.0% | 13.9% | 12.5% | 9.9% |
| Baldwin Park | 91706 | 6.2% | 16.6% | 13.6% | 12.5% | 9.9% |
| El Monte | 91731 | 5.6% | 15.7% | 14.0% | 12.7% | 10.0% |
| El Monte | 91732 | 5.8% | 16.3% | 14.3% | 12.7% | 9.9% |
| South El Monte | 91733 | 6.0% | 16.5% | 14.8% | 12.5% | 9.6% |
| Glendora | 91741 | 6.5% | 15.7% | 9.5% | 12.8% | 15.1% |
| Rosemead | 91770 | 5.2% | 15.5% | 13.8% | 14.1% | 12.9% |
| San Gabriel | 91775 | 5.1% | 12.6% | 12.0% | 15.1% | 14.1% |
| San Gabriel | 91776 | 4.7% | 15.6% | 14.8% | 14.7% | 14.0% |
| Temple City | 91780 | 5.5% | 14.2% | 12.0% | 13.9% | 15.0% |
| Alhambra | 91801 | 4.2% | 15.7% | 16.0% | 14.3% | 13.1% |
| **MH Service Area** | **–** | **4.2%** | **15.7%** | **16.0%** | **14.3%** | **13.1%** |

*Note: Percentages rounded*

*Source: Claritas*

**Table 6: Male Population Age Group 65 Years and Older (2019)**

| Community | ZIP Code | Number | | | Percent | | |
|---|---|---|---|---|---|---|---|
| | | 65 to 74 Years | 75 to 84 Years | 85+ Years | 65 to 74 Years | 75 to 84 Years | 85+ Years |
| Altadena | 91001 | 1,834 | 776 | 258 | 10.3% | 4.4% | 1.4% |
| Arcadia | 91006 | 1,751 | 848 | 290 | 11.0% | 5.3% | 1.8% |
| Arcadia | 91007 | 1,696 | 895 | 524 | 10.5% | 5.5% | 3.2% |
| Bradbury | 91008 | 78 | 42 | 48 | 13.8% | 7.4% | 8.5% |
| Duarte | 91010 | 1,169 | 554 | 241 | 9.1% | 4.3% | 1.9% |
| Monrovia | 91016 | 1,711 | 692 | 264 | 8.5% | 3.4% | 1.3% |
| Sierra Madre | 91024 | 702 | 326 | 118 | 13.0% | 6.0% | 2.2% |
| Pasadena | 91104 | 1,525 | 680 | 262 | 8.5% | 3.8% | 1.5% |
| Pasadena | 91107 | 1,658 | 844 | 358 | 10.1% | 5.1% | 2.2% |
| Azusa | 91702 | 1,886 | 752 | 245 | 5.9% | 2.4% | 0.8% |
| Baldwin Park | 91706 | 2,414 | 934 | 288 | 6.2% | 2.4% | 0.7% |
| El Monte | 91731 | 1,091 | 591 | 209 | 7.2% | 3.9% | 1.4% |
| El Monte | 91732 | 2,015 | 852 | 305 | 6.4% | 2.7% | 1.0% |
| South El Monte | 91733 | 1,230 | 565 | 193 | 5.4% | 2.5% | 0.9% |
| Glendora | 91741 | 1,367 | 658 | 236 | 10.4% | 5.0% | 1.8% |
| Rosemead | 91770 | 2,699 | 1,324 | 550 | 8.6% | 4.2% | 1.8% |
| San Gabriel | 91775 | 1,192 | 573 | 233 | 9.9% | 4.7% | 1.9% |
| San Gabriel | 91776 | 1,664 | 762 | 356 | 8.6% | 4.0% | 1.8% |
| Temple City | 91780 | 1,787 | 815 | 312 | 10.6% | 4.8% | 1.8% |
| Alhambra | 91801 | 2,260 | 1,113 | 539 | 8.8% | 4.3% | 2.1% |
| **MH Service Area** | **–** | **2,260** | **1,113** | **539** | **8.8%** | **4.3%** | **2.1%** |

*Note: Percentages rounded*

*Source: Claritas*

**Table 7A: Female Population Age Group 0 to 20 Years (2019)**

| Community | ZIP Code | 0 to 4 Years | 5 to 9 Years | 10 to 14 Years | 15 to 17 Years | 18 to 20 Years |
|---|---|---|---|---|---|---|
| Altadena | 91001 | 962 | 998 | 1,017 | 651 | 598 |
| Arcadia | 91006 | 724 | 738 | 807 | 626 | 595 |
| Arcadia | 91007 | 661 | 699 | 758 | 562 | 541 |
| Bradbury | 91008 | 20 | 21 | 23 | 15 | 12 |
| Duarte | 91010 | 750 | 771 | 758 | 488 | 453 |
| Monrovia | 91016 | 1,185 | 1,245 | 1,230 | 706 | 660 |
| Sierra Madre | 91024 | 244 | 260 | 293 | 196 | 166 |
| Pasadena | 91104 | 1,052 | 1,102 | 1,106 | 622 | 572 |
| Pasadena | 91107 | 821 | 872 | 874 | 521 | 478 |
| Azusa | 91702 | 2,216 | 2,185 | 2,122 | 1,357 | 2,152 |
| Baldwin Park | 91706 | 2,838 | 2,788 | 2,698 | 1,725 | 1,605 |
| El Monte | 91731 | 1,031 | 1,010 | 983 | 590 | 545 |
| El Monte | 91732 | 2,284 | 2,238 | 2,187 | 1,330 | 1,227 |
| South El Monte | 91733 | 1,743 | 1,681 | 1,643 | 965 | 886 |
| Glendora | 91741 | 576 | 580 | 629 | 512 | 688 |
| Rosemead | 91770 | 1,573 | 1,635 | 1,664 | 1,127 | 1,055 |
| San Gabriel | 91775 | 606 | 651 | 683 | 466 | 425 |
| San Gabriel | 91776 | 912 | 969 | 979 | 588 | 549 |
| Temple City | 91780 | 763 | 806 | 874 | 610 | 585 |
| Alhambra | 91801 | 1,182 | 1,279 | 1,268 | 744 | 720 |
| **MH Service Area** | **–** | **22,143** | **22,528** | **22,596** | **14,401** | **14,512** |

*Note: Percentages rounded*

*Source: Claritas*



MHSC-0000862

**Table 7B: Percent Female Population Age Group 0 to 20 Years (2019)**

| Community | ZIP Code | 0 to 4 Years | 5 to 9 Years | 10 to 14 Years | 15 to 17 Years | 18 to 20 Years |
|---|---|---|---|---|---|---|
| Altadena | 91001 | 5.0% | 5.2% | 5.3% | 3.4% | 3.1% |
| Arcadia | 91006 | 4.2% | 4.3% | 4.7% | 3.6% | 3.4% |
| Arcadia | 91007 | 3.7% | 3.9% | 4.2% | 3.1% | 3.0% |
| Bradbury | 91008 | 2.8% | 3.0% | 3.3% | 2.1% | 1.7% |
| Duarte | 91010 | 5.3% | 5.5% | 5.4% | 3.5% | 3.2% |
| Monrovia | 91016 | 5.4% | 5.7% | 5.6% | 3.2% | 3.0% |
| Sierra Madre | 91024 | 4.1% | 4.3% | 4.9% | 3.3% | 2.8% |
| Pasadena | 91104 | 5.6% | 5.8% | 5.8% | 3.3% | 3.0% |
| Pasadena | 91107 | 4.7% | 5.0% | 5.0% | 3.0% | 2.7% |
| Azusa | 91702 | 6.8% | 6.7% | 6.5% | 4.2% | 6.6% |
| Baldwin Park | 91706 | 7.2% | 7.1% | 6.9% | 4.4% | 4.1% |
| El Monte | 91731 | 6.8% | 6.7% | 6.5% | 3.9% | 3.6% |
| El Monte | 91732 | 7.2% | 7.1% | 6.9% | 4.2% | 3.9% |
| South El Monte | 91733 | 7.8% | 7.6% | 7.4% | 4.3% | 4.0% |
| Glendora | 91741 | 4.1% | 4.1% | 4.5% | 3.6% | 4.9% |
| Rosemead | 91770 | 4.8% | 5.0% | 5.1% | 3.5% | 3.3% |
| San Gabriel | 91775 | 4.6% | 4.9% | 5.2% | 3.5% | 3.2% |
| San Gabriel | 91776 | 4.5% | 4.8% | 4.8% | 2.9% | 2.7% |
| Temple City | 91780 | 4.1% | 4.3% | 4.7% | 3.3% | 3.2% |
| Alhambra | 91801 | 4.1% | 4.4% | 4.4% | 2.6% | 2.5% |
| **MH Service Area** | **–** | **5.5%** | **5.6%** | **5.6%** | **3.6%** | **3.6%** |

*Note: Percentages rounded*

**Table 8A: Female Population Age Group 21 to 64 Years (2019)**

| Community | ZIP Code | 21 to 24 Years | 25 to 34 Years | 35 to 44 Years | 45 to 54 Years | 55 to 64 Years |
|---|---|---|---|---|---|---|
| Altadena | 91001 | 913 | 2,206 | 2,069 | 2,738 | 3,079 |
| Arcadia | 91006 | 906 | 2,060 | 1,842 | 2,629 | 2,857 |
| Arcadia | 91007 | 838 | 2,112 | 2,022 | 2,736 | 2,797 |
| Bradbury | 91008 | 22 | 69 | 52 | 72 | 113 |
| Duarte | 91010 | 687 | 1,813 | 1,754 | 1,789 | 1,819 |
| Monrovia | 91016 | 1,003 | 2,831 | 2,974 | 3,125 | 3,097 |
| Sierra Madre | 91024 | 225 | 514 | 632 | 874 | 1,134 |
| Pasadena | 91104 | 775 | 2,347 | 2,627 | 2,741 | 2,589 |
| Pasadena | 91107 | 676 | 2,073 | 2,367 | 2,527 | 2,466 |
| Azusa | 91702 | 2,261 | 4,866 | 4,229 | 3,961 | 3,374 |
| Baldwin Park | 91706 | 2,343 | 6,257 | 5,297 | 4,849 | 4,202 |
| El Monte | 91731 | 766 | 2,299 | 2,021 | 1,828 | 1,715 |
| El Monte | 91732 | 1,738 | 4,816 | 4,369 | 3,930 | 3,488 |
| South El Monte | 91733 | 1,272 | 3,411 | 3,057 | 2,781 | 2,307 |
| Glendora | 91741 | 866 | 2,010 | 1,350 | 1,897 | 2,209 |
| Rosemead | 91770 | 1,563 | 4,514 | 4,266 | 4,458 | 4,493 |
| San Gabriel | 91775 | 599 | 1,449 | 1,593 | 2,069 | 1,966 |
| San Gabriel | 91776 | 838 | 2,972 | 2,850 | 2,937 | 2,997 |
| Temple City | 91780 | 885 | 2,344 | 2,204 | 2,763 | 2,887 |
| Alhambra | 91801 | 1,109 | 4,208 | 4,379 | 4,184 | 4,109 |
| **MH Service Area** | **–** | **20,285** | **55,171** | **51,954** | **54,888** | **53,698** |

*Note: Percentages rounded*

*Source: Claritas*

**Table 8B: Percent Female Population Age Group 21 to 64 Years (2019)**

| Community | ZIP Code | 21 to 24 Years | 25 to 34 Years | 35 to 44 Years | 45 to 54 Years | 55 to 64 Years |
|---|---|---|---|---|---|---|
| Altadena | 91001 | 4.8% | 11.6% | 10.8% | 14.3% | 16.1% |
| Arcadia | 91006 | 5.2% | 11.9% | 10.6% | 15.2% | 16.5% |
| Arcadia | 91007 | 4.7% | 11.7% | 11.2% | 15.2% | 15.5% |
| Bradbury | 91008 | 3.1% | 9.8% | 7.4% | 10.2% | 16.0% |
| Duarte | 91010 | 4.9% | 12.9% | 12.5% | 12.7% | 12.9% |
| Monrovia | 91016 | 4.6% | 13.0% | 13.6% | 14.3% | 14.2% |
| Sierra Madre | 91024 | 3.7% | 8.6% | 10.5% | 14.5% | 18.9% |
| Pasadena | 91104 | 4.1% | 12.4% | 13.9% | 14.5% | 13.7% |
| Pasadena | 91107 | 3.9% | 11.9% | 13.6% | 14.5% | 14.2% |
| Azusa | 91702 | 6.9% | 14.9% | 13.0% | 12.2% | 10.4% |
| Baldwin Park | 91706 | 6.0% | 15.9% | 13.5% | 12.3% | 10.7% |
| El Monte | 91731 | 5.1% | 15.2% | 13.4% | 12.1% | 11.3% |
| El Monte | 91732 | 5.5% | 15.3% | 13.8% | 12.4% | 11.0% |
| South El Monte | 91733 | 5.7% | 15.3% | 13.7% | 12.5% | 10.4% |
| Glendora | 91741 | 6.1% | 14.3% | 9.6% | 13.5% | 15.7% |
| Rosemead | 91770 | 4.8% | 13.9% | 13.2% | 13.7% | 13.9% |
| San Gabriel | 91775 | 4.5% | 11.0% | 12.0% | 15.6% | 14.9% |
| San Gabriel | 91776 | 4.1% | 14.6% | 14.0% | 14.5% | 14.8% |
| Temple City | 91780 | 4.8% | 12.6% | 11.9% | 14.9% | 15.6% |
| Alhambra | 91801 | 3.8% | 14.6% | 15.2% | 14.5% | 14.2% |
| **MH Service Area** | **–** | **5.0%** | **13.7%** | **12.9%** | **13.7%** | **13.4%** |

*Note: Percentages rounded*

*Source: Claritas*

**Table 9: Female Population Age Group 65 Years and Older (2019)**

| Community | ZIP Code | Number | | | Percent | | |
|---|---|---|---|---|---|---|---|
| | | 65 to 74 Years | 75 to 84 Years | 85+ Years | 65 to 74 Years | 75 to 84 Years | 85+ Years |
| Altadena | 91001 | 2,262 | 1,120 | 480 | 11.8% | 5.9% | 2.5% |
| Arcadia | 91006 | 2,001 | 1,063 | 470 | 11.6% | 6.1% | 2.7% |
| Arcadia | 91007 | 2,016 | 1,294 | 970 | 11.2% | 7.2% | 5.4% |
| Bradbury | 91008 | 87 | 69 | 132 | 12.3% | 9.8% | 18.7% |
| Duarte | 91010 | 1,506 | 875 | 594 | 10.7% | 6.2% | 4.2% |
| Monrovia | 91016 | 2,212 | 1,041 | 521 | 10.1% | 4.8% | 2.4% |
| Sierra Madre | 91024 | 830 | 432 | 209 | 13.8% | 7.2% | 3.5% |
| Pasadena | 91104 | 1,884 | 939 | 595 | 9.9% | 5.0% | 3.1% |
| Pasadena | 91107 | 2,019 | 1,116 | 609 | 11.6% | 6.4% | 3.5% |
| Azusa | 91702 | 2,306 | 1,124 | 432 | 7.1% | 3.4% | 1.3% |
| Baldwin Park | 91706 | 2,877 | 1,350 | 540 | 7.3% | 3.4% | 1.4% |
| El Monte | 91731 | 1,342 | 680 | 327 | 8.9% | 4.5% | 2.2% |
| El Monte | 91732 | 2,291 | 1,156 | 518 | 7.3% | 3.7% | 1.6% |
| South El Monte | 91733 | 1,451 | 742 | 318 | 6.5% | 3.3% | 1.4% |
| Glendora | 91741 | 1,516 | 865 | 403 | 10.8% | 6.1% | 2.9% |
| Rosemead | 91770 | 3,337 | 1,784 | 965 | 10.3% | 5.5% | 3.0% |
| San Gabriel | 91775 | 1,509 | 759 | 449 | 11.4% | 5.7% | 3.4% |
| San Gabriel | 91776 | 2,073 | 1,005 | 628 | 10.2% | 5.0% | 3.1% |
| Temple City | 91780 | 2,174 | 1,095 | 563 | 11.7% | 5.9% | 3.0% |
| Alhambra | 91801 | 3,022 | 1,674 | 1,008 | 10.5% | 5.8% | 3.5% |
| **MH Service Area** | **–** | **38,715** | **20,183** | **10,731** | **9.6%** | **5.0%** | **2.7%** |

*Note: Percentages rounded*

*Source: Claritas*

# Appendix C: Maternal Health

**Table 1: Births by Year (2015 to 2017)**

| Community | ZIP Code | 2015 Births | 2016 Births | 2017 Births | Three- Year Average Births |
|---|---|---|---|---|---|
| Altadena | 91001 | 370 | 319 | 298 | 329 |
| Arcadia | 91006 | 329 | 392 | 337 | 353 |
| Arcadia | 91007 | 434 | 512 | 531 | 492 |
| Bradbury | 91008 | 8 | 18 | 8 | 11 |
| Duarte | 91010 | 291 | 274 | 274 | 280 |
| Monrovia | 91016 | 512 | 450 | 464 | 475 |
| Sierra Madre | 91024 | 79 | 88 | 92 | 86 |
| Pasadena | 91104 | 401 | 427 | 375 | 401 |
| Pasadena | 91107 | 362 | 372 | 315 | 350 |
| Azusa | 91702 | 852 | 863 | 840 | 852 |
| Baldwin Park | 91706 | 1,117 | 991 | 1,005 | 1,038 |
| El Monte | 91731 | 377 | 373 | 351 | 367 |
| El Monte | 91732 | 954 | 834 | 743 | 844 |
| South El Monte | 91733 | 654 | 647 | 595 | 632 |
| Glendora | 91741 | 244 | 244 | 231 | 240 |
| Rosemead | 91770 | 686 | 735 | 654 | 692 |
| San Gabriel | 91775 | 273 | 267 | 270 | 270 |
| San Gabriel | 91776 | 590 | 552 | 499 | 547 |
| Temple City | 91780 | 428 | 477 | 480 | 462 |
| Alhambra | 91801 | 602 | 671 | 624 | 632 |
| **MH Service Area** | **–** | **9,563** | **9,506** | **8,986** | **9,352** |

*Source: California Department of Public Health*



MHSC-0000867

# Appendix D: Community Consultation

Participants in the community consultation included the following representatives from health care organizations and private physicians.

- American Cancer Society, Inc. — West Region*
- American Heart Association — Community Impact
- Buddha's Light International Association — Arcadia Chapter
- Cancer Support Community Pasadena*
- City of Arcadia — Fire Department
- City of Arcadia — Recreation Department
- City of Hope National Medical Center*
- Convalescent Aid Society
- Happy 50 Plus
- Healthy Living Productions
- Herald Cancer Association*
- Los Angeles County Department of Public Health — Service Planning Area 3 (San Gabriel Valley)
- Methodist Hospital — Board Member/Business Owner
- Methodist Hospital — Mended Heart Support Group
- Our Saviour Center
- Private Physicians with local practices — Cardiologist, Internal Medicine/Pulmonary Critical Care, Medical Oncologist,* and Obstetrics/Gynecology

* Note: Focus on cancer

**11 Cal. Code Reg. Section 999.5(d)(5)(B)**

**A description of all charity care provided in the last five years by each health facility or facility that provides similar healthcare that is the subject of the agreement or transaction. This description shall include annual total charity care spending; inpatient, outpatient and emergency room charity care spending; a description of how the amount of charity care spending was calculated; annual charity care inpatient discharges, outpatient visits, and emergency visits; a description of the types of charity care services provided annually; and a description of the policies, procedures, and eligibility requirements for the provision of charity care**

MHSC is dedicated to making healthcare services accessible to patients and individuals in the community who are low-income, uninsured, or underinsured, and need assistance paying for all or part of their medical care. Accordingly, MHSC provides financial assistance for qualifying patients who receive emergency or other medically necessary care, as reflected under MHSC's Financial Assistance Policy for Full Charity Care and Discount Partial Charity Care (the "Financial Assistance Policy"), attached to this Section as **Exhibit 11**. Patients are eligible for financial assistance when their family income is at or below 350% of the federal poverty guidelines. The specific discount amount is determined based on a sliding scale, with patients whose income and monetary assets are below 200% of the federal poverty level receiving a 100% discount (one end of the scale) and those whose income is between 300% and 350% of the federal poverty level receiving a 25% discount (the other end of the scale), with gradations in between. In no event are patients who are eligible for financial assistance charged more than amounts generally billed for comparable care to patients with insurance.

Patients seeking MHSC's financial assistance must complete MHSC's financial assistance application, attached to this Section as **Exhibit 12**.

Below, please find the information regarding the amounts of charity care provided at MHSC in the last 5 years, which identify the costs of charity care attributed to qualifying patients at MHSC. Attached to this Section as **Exhibit 13** and **Exhibit 14** are the Community Benefit Reports for 2019 and 2020.

- Charity Care provided in 2016: $1,648,770
- Charity Care provided in 2017: $1,445,414
- Charity Care provided in 2018: $2,474,172
- Charity Care provided in 2019: $8,394,969
- Charity Care provided in 2020: $3,375,978

# EXHIBIT 11

# MHSC FINANCIAL ASSISTANCE POLICY

METHODIST HOSPITAL

| **Title:** Patient Financial Assistance/Charity Care | Page 1 of 13 |
|---|---|
| **Policy #:** MA1023 | |
| **Type:** Business Office | |
| **Standard:** N/A | |

**POLICY:**

The purpose of this policy is to establish the criteria by which patients can apply for financial assistance and the process and guidelines used in that process in compliance with applicable financial assistance regulations. In keeping with its social mission and responsibility to the community, Methodist Hospital of Southern California (MHSC) will assist patients without insurance coverage in obtaining coverage through government means-tested programs such as Medi-Cal, Covered California (Affordable Care Act/ Medi-Cal HMOs) and other programs that may exist from time to time. Additionally MHSC may be able to provide temporary financial help for medical care (charity care) for uninsured patients with the greatest financial need.

MHSC provides a reasonable amount of its services without charge to financially eligible patients who cannot afford to pay for care. All emergency and medically necessary services as defined by Medicare as services or items reasonable and necessary for the diagnosis or treatment of illness or injury, except for elective cosmetic procedures, can be considered for financial assistance. Financial assistance discounts will be written off based on a determination under this policy that the patient/other responsible party has demonstrated an inability to pay. However, in cases where it is determined that the account has not been paid and no demonstrated hardship under this policy has been provided, such accounts will be characterized as "bad debts" and collection of such accounts will be pursued, including referrals of such accounts to a collection agency.

1.0 DEFINITIONS

1.1 FINANCIAL ASSISTANCE previously referred to as CHARITY CARE, IS DEFINED AS FOLLOWS:

1.2 Financial Assistance is financial aid to a patient or responsible party and does not include discounts normally given to insurance policy holders, contract prices that are negotiated with insurance companies or other adjustments once the final bill has been created. When the patient is able to pay part of their bill, consideration will be given to writing off a portion of that account as partial financial assistance. Financial Assistance may also

include assistance to patients who have incurred high medical costs as defined as yearly healthcare costs greater than 10% of household income.

1.3 Financial Assistance is not to be considered a substitute for personal responsibility and patients are expected to cooperate with Hospital's procedure for applying for Financial Assistance, and to contribute to the cost of their care based on their individual ability to pay.

1.4 REASONSABLE PAYMENT PLAN: means monthly payments that are not more than 10 percent of the patient's family income for a month, excluding deductions for essential living expenses. "Essential living expenses" means expenses of any of the following: rent or house payment and maintenance, food and household supplies, utilities and telephone, clothing, medical and dental payments, insurance, school or child care, child or spousal support, transportation and auto expenses, including insurance, gas, and repairs, installment payments, laundry and cleaning, and other extraordinary expenses.

1.5 If after a payment plan is established and there is a period of 90 days of no payment, the payment plan will be deemed to be no longer operative.

2.0 FINANCIAL ASSISTANCE PATIENTS ARE DEFINED AS FOLLOWS:

2.1 Uninsured patients (those without third party insurance, Medicare, Medicaid, or with injuries or conditions qualifying for coverage worker's compensation or automobile insurance for injuries) who do not have the ability to pay based on criteria described in the Eligibility section below.

2.2 Insured patients whose insurance coverage and ability to pay are inadequate to cover their out of pocket expenses.

2.3 Insured patient unable to pay for portion of the bill due to uncollected co-payments, deductibles and non-covered services. .

2.4 An insured or uninsured patient with high medical costs, whose household income does not exceed 350% of the federal poverty level, but whose out-of-pocket medical costs or expenses exceed 10% of their income for the prior year.

2.5 Any patient who demonstrates an inability to pay, versus bad debt, which is the unwillingness of the patient to pay.

3.0 AMOUNTS GENERALLY BILLED

3.1 The AGB, (Amounts Generally Billed) is defined as the maximum amount a patient who qualifies under the financial assistance policy for a discount which is equal to the average amounts historically allowed as a

percentage of billed charges for all services provided under the Medicare program for a 12-month look back period calculated in accordance with IRC 501(r). Please see appendix A for the AGB calculation.

3.2 The amount "charged" is the amount the patient is personally liable to pay, after applying deductions, discounts and the insurance reimbursement.

3.2.1 In the event the patient has insurance, the total payments may exceed the AGB, however, the individual will only be required to pay an amount at or less than the AGB.

3.2.1.1 Exceptions for a person qualifying for charity under this policy is the AGB does not apply to government agencies, nonprofits or businesses that assume an individual's debt.

3.2.1.1.1 The AGB limitations will apply for other individuals who assume an individual's debt.

## 4.0 COVERED ENTITIES

4.1 Only Hospital, which includes all services and areas listed on our license from the state of California including but not limited to inpatient and outpatient services, Colorectal Clinic and Gynecologic Oncology Clinic is covered under this financial assistance policy. Any ancillary physician billing that may be generated during a patient's stay, i.e. pathology, radiology, anesthesia services are not covered under this policy.

4.2 Emergency Room physicians are not covered under this financial assistance policy but have their own financial assistance policy per Health and Safety Code Sections 127450-127462. See appendix B for a list of providers that provide emergency and medically necessary services at Hospital.

## 5.0 PROCEDURES

5.1 The following are the procedures related to the Patient Financial Assistance/Charity Care at MHSC

## 6.0 NOTICE TO PATIENTS

6.1 Communication and notification of the availability of the financial assistance policy within the community of each hospital shall be in

accordance with AB774, SB350, SB1276 and the federal Patient Protection and Affordable Care Act (PPACA).

6.2 The hospital will post notices informing patients of the hospital's financial assistance program. The notice will be posted in inpatient and outpatient areas of the hospital, including the emergency department, patient admissions and registration offices and outpatient settings. The notice will include contact information on how a patient may obtain more information on the financial assistance program.

6.3 All patients will be informed of the hospital's financial assistance program at the time of admission or registration and will be offered a copy of the plain language version of the policy as well as an application for assistance.

6.4 The hospital will provide the financial assistance policy and application translated into the language spoken by the patient consistent with section 12693.30 of the Insurance Code and Health and Safety Code Section 127410(a).

6.5 All printed statements of accounts to the patient will include a summary of the financial assistance policy with contact information on how to obtain an application for assistance and the copy of the complete policy. A summary of the FAP, the application for assistance with instructions will be sent out with the first two statements of account to the guarantor.

6.6 The financial assistance policy and the plain language summary are available on the hospital's web site and/or the on-line patient portal.

6.7 All patients without insurance coverage will be counseled as to the financial options for paying their medical care upon registration, or as soon after presentation to the hospital as allowed under EMTALA.

6.8 MHSC will include charity care services to patients for which MHSC is unable to assess the patient's financial condition prior to rendering services as required by the Emergency Medical Treatment & Active Labor Act (EMTALA). See amounts generally billed for charge amounts.

7.0 ELIGIBILITY DETERMINATION:

7.1 Gross income should fall within established standards for determination of the federal poverty level, considering family or household size, geographic area and other pertinent factors. {See grid in Appendix B}.

7.2 The term "income" shall mean the annual family or household earnings and cash benefits from all sources before taxes, less payment made for alimony and child support. Proof of earnings may be determined by annualizing year-to-date family or household income. {see 2 (e) below for definition of Family or household}

7.3 Financial assets will be considered to the extent allowed by financial assistance regulations.

7.4 Employment status will be considered along with the projected availability of future earnings sufficient to meet the obligation within a reasonable period of time.

7.5 Family or household size will be considered. For this purpose, "Family or Household" for an adult patient is defined as spouse, domestic partner, dependent children under the age of 21, whether living at home or not and anyone else claimed as a dependent on the patient's federal tax return. For patients under the age of 18, "Family or household" is defined as the patient's parent(s) and/or caretaker relatives, other children under 21 years of age of the parent or caretaker relative and anyone else claimed as a dependent on the patient's federal tax return.

7.6 Other financial obligations, including living expenses and other items of a reasonable and necessary nature will be analyzed.

7.7 Patients whose out-of-pocket medical expenses exceed 10% of their prior year income and whose household income is 350% or below of the federal poverty level are eligible for financial assistance.

7.8 A letter is requested to be submitted, along with the other documentation, detailing the patient's need for financial assistance and stating a request for aid.

7.9 The amount(s) and frequency of the hospital bill(s) in relation to all of the factors outlined above will be considered.

7.10 There will be a credit report run to verify financial and related information that will assist in making a determination about the patient's eligibility for financial assistance.

7.11 Before making any determination of whether all or part of an account qualifies for financial assistance treatment and the amount of any write-off that should be applied, the patient shall be required to assist the Hospital in obtaining payment from and helping to assure that all other resources will be first applied, including Medi-Cal, welfare and other third-party sources.

7.12 Patients that are eligible for Government sponsored low–income assistance programs (e.g. Medi-Cal /Medicaid, Healthy Families, California Children's Services and any other applicable state or local low-income programs) to be automatically eligible for full financial assistance when payment is not made by the governmental program. For example, patients who qualify for Medi-Cal/Medicaid as well as other programs serving the needs of low-income patients (e.g. CHDP, Healthy Families, and some CCS) where the program does not make payment for all services or days during a hospital stay are eligible for Financial Assistance coverage. Under MHSC's financial assistance policy, these types of non-reimbursed patient account balances are eligible for full write-off as financial assistance. Specifically, included as financial assistance are charges related to denied stays or denied days of care. All Treatment Authorization Request (TAR) denials provided to Medi-Cal/Medicaid and other patients covered by qualifying low-income programs, and other

denials (e.g. restricted coverage) are to be classified as Financial Assistance.

7.13 In cases where the patient is non-responsive and/or other sources of information are readily available to perform an individual assessment of financial need, i.e., existing eligibility for Medicaid this source of information can be used to support and/or validate the decision for qualifying a patient for full financial assistance.

7.14 Unless a patient is informed otherwise, Financial Assistance provided under this Policy shall be valid for six months beginning on the first day of the month of the screening. However, Hospital reserves the right to re-evaluate a patient's eligibility for Financial Assistance during that six-month time period if there is any change in the patient's financial status. Additionally, financial assistance provided to non-responsive patients based on other sources of information will not be valid for the full year, and will only be applicable for the eligible retroactive dates of service.

7.15 Patients will be notified in writing of the financial assistance approval amount. If a full discount was not approved the notification will indicate why and what additional steps if any that could be taken to obtain additional coverage.

7.16 The business office has the final authority to determine if reasonable efforts have been made to determine FAP eligibility.

7.17 Patients completing Financial Assistance Applications are responsible for making reasonable effort to supply the information needed to make a determination. Failure to provide that information may result in a denial of the Financial Assistance Application.

7.18 To the extent the patient is determined to not be FAP eligible or at least not determined to be eligible at the time of the charge, (i.e. billing was issued prior to submitting a completed application), the patient may be charged in excess of the AGB.

7.19 Under no circumstances will a FAP application be considered in excess of 240 days from the date of first billing.

7.20 Financial Assistance status will be determined after the time of discharge by the Business Office after all required documentation is submitted by the patient or responsible party (see Section 7(a) below). There may be some instances where, because of complications unforeseen at the time of admission, the hospital charges turn out to be considerably greater than anticipated or estimated, and the patient is unable to pay the full amount. A patient may request a financial assistance application form from a financial counselor at any time. If the patient is unable to complete the form, the patient's surrogate decision maker may assist in completing the form, or the patient may ask for assistance from the financial counselor.

7.20.1 Once the account is settled, the information used for determination will be kept on file in the Business Office.

7.20.2 Patients who are not eligible for financial assistance or are eligible to receive partial assistance which leaves them owing a balance due to the Hospital may request a payment plan from the Business Office.

7.20.3 In the event of non-payment of a discounted amount due under this financial assistance policy the hospital may engage in further collection activity. The details of the further collection actions can be found in the Billing and Collection policy. A copy of this policy can be obtained by contacting the business office.

7.21 For financial assistance consideration, (charity care policy), monetary assets are included in determining eligibility. The first ten thousand dollars ($10,000) of a patient's monetary assets shall not be counted in determining eligibility, nor shall 50 percent of a patient's monetary assets over the first ten thousand dollars ($10,000) be counted in determining eligibility. Discounts under other financial discount policies do not count monetary assets in determining eligibility.

8.0 FINANCIAL ASSISTANCE AND OTHER DISCOUNTS:

8.1 General Relief

8.1.1 General Relief patients usually do not qualify for Medi-Cal, because they are normally single, have no children, are unemployed and homeless. General Relief patients are considered financial assistance eligible patients.

8.2 Financial Assistance (full and partial)

8.2.1 To be eligible for financial assistance, a patient's or responsible family member's income must be at or below 350% of the federal poverty level. The patient or responsible family member must complete the financial assistance form and include the documentation as stated in Section IV.

8.2.1.1 Patients whose income and monetary assets are below 200% of the federal poverty level will receive financial assistance equal to 100% of the Amounts Generally Billed as defined in Section III above.

8.2.1.2 Patients whose income is between 200% and 250% of the federal poverty level will receive a financial assistance discount equal to 75% of the Amounts Generally Billed as defined in Section III above.

8.2.1.3 Patients whose income is between 250% and 300% of the federal poverty level will receive a financial assistance

discount equal to 50% of the Amounts Generally Billed as defined in Section III above.

8.2.1.4 Patients whose income is between 300% and 350% of the federal poverty level will receive a financial assistance discount equal to 25% of the Amounts Generally Billed as defined in Section III above.

8.2.2 The remaining balance, for patients qualifying for partial financial assistance, may be paid in interest-free installments as mutually agreed upon between the patient and Methodist Hospital. If a payment plan cannot be agreed upon mutually, the "Reasonable Payment Plan" as defined will be applied. Payment will not be considered delinquent, nor will further collection activity occur, as long as any payments made pursuant to a payment plan are not more than 90 days delinquent under the terms of that plan. If an outside collection agency is utilized to collect the unpaid debt, the agency agrees to abide by the requirements of this policy and will not garnish wages or place a lien on a principal residence.

8.2.3 In accordance with this policy, Methodist Hospital of Southern California will appropriately determine the financial status of each patient to distinguish uncompensated costs between charity care and bad debt. CHARITY is defined as the demonstrated inability of a patient to pay, versus BAD DEBT as the unwillingness of the patient to pay.

9.0 ELIGIBILITY STANDARDS:

9.1 Sliding scale based on federal poverty guidelines will be used to evaluate the level of financial assistance. See MA1023 Appendix A for more details regarding the current federal poverty guidelines specific to MHSC

10.0 OTHER FUNDING

10.1 Victims of Crime (VOC)

10.1.1 Patients who are a victim of a crime could be eligible for State of California funding from the VOC program. The patient can apply at the District Attorney's office at the courthouse in Pasadena. The patient will not qualify if:

10.1.1.1 There is insurance involved

10.1.1.2 He/she initiated the crime

10.1.1.3 He/she expires

11.0 ITEMIZED BILLS

11.1 The final bill will be produced within ten days after discharge. The Business Office will automatically send the itemized bill. If a bill is not received, one can be obtained by calling the Business Office Customer Service at (626) 574-3594.

11.2 If the patient wishes to request an itemized bill while still a patient in the hospital, they may do so by calling (626) 574-3594 or by asking a financial counselor. The patient should keep in mind that an itemized bill requested during their stay will be incomplete and only list charges that have been put in the system through midnight of the previous day.

## 12.0 FINANCIAL ASSISTANCE FORM

12.1 The financial assistance form is located in Appendix C of this policy.

12.1.1 Instructions:

12.1.2 Please print and complete the form. The following documents need to be included to complete the Financial Assistance qualification process:

12.1.2.1 A financial hardship letter, explaining your circumstances and request for financial assistance regarding your current financial situation.

12.1.2.2 A copy of your most recent year's tax form (all pages, including the electronic submission verification or signature page).

12.1.2.3 Copies of your two most recent paycheck stubs for all jobs

12.1.2.3.1 If you have no income, a letter of support from yourself or the person who is assisting you financially.

12.1.2.3.2 Copies of any other documents assist in verifying income, such as social security, disability, unemployment. Proof of alimony or child support are also required.

12.1.2.4 Copies of bank statements (all pages) for the past 2 months, for each account.

12.1.2.5 If you have been denied support through a program like Medi-Cal, Social Security and etc. include copies of this as well.

12.1.3 Then, hand deliver or mail the forms, letter, and supporting documents to:

Methodist Hospital of Southern California
Attn: Business Office - Financial Assistance Program, Customer Service
300 West Huntington Drive
P.O. Box 60016
Arcadia, CA 91066

12.1.4 For questions regarding this form, please call: (626) 574-3594 from 8:00am-4:30pm Monday - Friday.

12.1.5 Assistance completing the application, obtaining copies of this policy, or answering any related financial assistance questions can be obtained by calling (626) 574-3594 from 8:00am-4:30pm Monday - Friday.

12.1.5.1 If the electronic copies are not a viable option, this Charity Policy, Charity application form, Billing and Collection Policy and Plain Language Summary (PLS) of the Financial Assistance Program are available upon request and without charge both by mail and in public locations within the hospital facility, including, at a minimum, in the emergency room and admission areas.

12.1.6 The approved application and any discounts can be applied to any subsequent hospital visits in the same calendar year the application was first approved, pending it is within the valid for six months beginning on the first day of the month of the screening.

12.1.7 The application and accompanying documents must be returned to business office within 15 days. If an additional time is needed to complete the application please call the business office.

12.1.8 Copies of all the financial assistance policies and the application can be found on our website https://www.methodisthospital.org/For-Patients-Visitors/Financial-Assistance-for-Patients.aspx

12.1.9 These polices are also available translated into the following written languages. Refer to Appendix C for an outline of the current language translations.

13.0 FINANCIAL ASSISTANCE APPLICATION REVIEW/APPROVAL PROCESS

13.1 A Financial Assistance Application will be reviewed by a business office financial counselor. If gross income is at or below 250% of FPG, the

counselor may approve the financial assistance application, based on the information submitted with the application (proof of income required). If the gross income is more than 250% but less than 350% of FPG, an assessment for qualification of partial financial assistance based on income, assets, and medical debt load will be made by the financial counselor.

13.2 Financial Assistance Applications will be reviewed and approved, denied or returned to the patient with a request for additional information within thirty (30) business days of receipt.

13.3 Collection agency requests for financial assistance or Financial Assistance Applications received from a collections agency shall be reviewed by a MHSC Financial Counselor. The counselor shall follow the review process described above in determining ability to pay and approving partial, total or no financial assistance. Standard transaction approval levels will apply, regardless of the application source.

13.4 An approved financial assistance determination is applicable to all services referenced in the application AND services provided up to the end of the calendar year within which the services were rendered, provided there is no change in the applications financial status that would warrant a reevaluation or the services were within the valid six month period beginning on the first day of the month of the screening, of the calendar year.

13.5 If financial assistance is approved at 100%, any patient deposits paid toward accounts approved for financial assistance must be refunded to the account guarantor. This does NOT apply to any third-party payments, including casualty insurance payments or settlements paid from attorney trust accounts. Those payments will be retained and financial assistance will be granted for the difference between gross charges and the sum of those excluded payments. Refunds under this provision will include interest at the rate prescribed in Section 685.010 of the Code of Civil Procedure. In the event the refund is $5 or less, no monies will be refunded.

13.6 In the granting of charity care, no consideration will be placed on a patient's race, religion, ethnic background, sexual orientation, gender, residency status, political affiliation, or other discriminatory factors. However, patients requesting charity care, discounted care or other financial assistance must make every reasonable effort to provide MHSC with required documentation of insurance coverage and of financial status. Failure to provide information that is reasonable and necessary may be

considered by the hospital in making its determination. Additionally, patients who are eligible for coverage through government insurance or programs that provide financial assistance to pay for coverage under the ACA but refuse to obtain such coverage may be excluded from MHSC's charity program.

13.7 For a patient deemed to be ineligible for charity care, MHSC provides a discount from charges to patients without insurance coverage (See Cash Discount Policy MA 1035). Insured patients with a co-pay and/or deductible are not eligible for a further cash discount, per contractual obligations, as the insurer has already negotiated a discounted rate with MHSC. However, financial assistance is available in accordance with this document and/or payment plans may be available.

13.8 Patients will be notified in writing regarding MHSC's decision to approve or, deny charity care coverage or if there is a need for additional documentation to make a decision.

13.9 In instances where MHSC determines that only a portion of a patient's financial liability qualifies as charity care due after applying all other resources, the patient is expected pay the remaining portion. If the patient refuses to pay the amount determined to be his/her responsibility, the uncollectible remainder would become bad debt.

14.0 DISPUTE RESOLUTION

14.1 In the event of a dispute, a patient may seek review from the Finance Director by calling (626) 574-3401 or using the address provided in section 12.1.3 of this policy.

**15.0 SOURCES**

16.0 Treasury Regulation § 1.501(r)

**17.0** California SB 1276

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**Attachments:** Office Use Form, Financial Assistance Application, Appendix A, Appendix B, Appendix C

**Approvals:**

Board of Directors: 11/17, 4/18
CFO: 11/17, 3/18
Chief Financial Officer: 8/14
Director of Patient Financial Services: 8/14
Executive Dir Finance: 11/17, 3/18
Governing Policy and Procedure Committee: 8/14, 11/17, 3/18
MAPPS: 5/90, 7/97, 12/02, 2/06, 1/07, 1/08, 6/11, 6/11

**Effective Date:** 5/90

**Reviewed Dates:** 5/90, 7/97, 12/02, 2/06, 1/07, 1/08, 6/11, 6/11, 8/14, 11/17, 4/18

**Revised Dates:** 7/97, 12/02, 2/06, 1/07, 1/08, 6/11, 6/11, 8/14, 11/17

| **Title:** Patient Financial Assistance/Charity Care | Page 1 of 2 |
|---|---|
| **Policy #:** MA1023 – Appendix A | |

## APPENDIX A

CALCULATION OF AMOUNT GENERALLY OWED BY INDIVIDUALS ELIGIBLE FOR FINANCIAL ASSISTANCE

Methodist Hospital of Southern California (MHSC) limits the amount owed by individuals eligible under this Financial Assistance Policy who received services except for cosmetic and elective procedures to an Amount Generally Billed (AGB) to patients covered by Medicare. In addition, the hospital also limits the eligible patient's financial responsibility to less than total charges. The hospital shall periodically, at least once a year, update the AGB calculation and re-evaluate the method used. The AGB shall be based on all services provided to Medicare patients fully adjudicated as of the end of a recent 12-month look back period ending no more than 120 days prior to the effective date of the policy or every January 1st thereafter. The calculation of the current AGB is as follows:

**1.0 Total Medicare Expected Reimbursement / Total Medicare Gross Charges = AGB Percentage**

***(current AGB is 14% effective January 1, 2021)***

2.0 The eligible individual's financial responsibility is calculated as follows and applied to the patient liability only (excluding any portion assumed or paid by insurance or other entities on behalf of the patient):

**2.1 Total Gross Charges for the Services Rendered * AGB % = Patient Financial Responsibility**

**3.0 Below is the FAP Eligibility Percentage and the latest published Federal Poverty Level (FPL) Guideline:**

| Annual Income is | FAP Eligibility % |
|---|---|
| Below 200% of FPL | 100% or FREE |
| 200% to less than 250% of FPL | 75% |
| 250% to less than 300% of FPL 50% | 50% |
| 300% to 350% 25% | 25% |
| Greater than 350% 0% | 0% |

## Federal Poverty Guideline 2021

| Household/ Family Size | 138% | 200% | 250% | 300% | 350% | 400% |
|---|---|---|---|---|---|---|
| 1 | $17,774 | $25,760 | $32,200 | $38,640 | $45,080 | $51,520 |
| 2 | $24,040 | $34,840 | $43,550 | $52,260 | $60,970 | $69,680 |
| 3 | $30,305 | $43,920 | $54,900 | $65,880 | $76,860 | $87,840 |
| 4 | $36,570 | $53,000 | $66,250 | $79,500 | $92,750 | $106,000 |
| 5 | $42,835 | $62,080 | $77,600 | $93,120 | $108,640 | $124,160 |
| 6 | $49,100 | $71,160 | $88,950 | $106,740 | $124,530 | $142,320 |
| 7 | $55,366 | $80,240 | $100,300 | $120,360 | $140,420 | $160,480 |
| 8 | $61,631 | $89,320 | $111,650 | $133,980 | $156,310 | $178,640 |

## APPENDIX B

### Hospital Emergency & Other Providers

1.0 Emergency Room physicians are not covered under this financial assistance policy but have their own financial assistance policy per Health and Safety Code Sections 127450-127462.

2.0 The following providers may be utilized in providing emergency or medically necessary care, but these are NOT covered by the hospital's financial assistance policy. This list is not all inclusive. Only services provided by Hospital, excluding any professional services, are covered by the financial assistance policy.

**Anesthesiology**

Pacific Valley Medical Group
ABC Billing Solutions
8905 SW Nimbus Ave, Suite 300
Beaverton, OR 97008
503 372-2740

**Pathology – Professional Fees**

Medical Billing Management, Inc.
2320 Cotner Ave
Los Angeles, CA 90064
310 696 -5400

**Emergency Physicians**

Emergency Group Office
180 Via Verde, Suite 100
San Dimas, CA 91773
626 821 5702

**Radiology – Interpretation Fees**

California Medical Business Services
223 N. First Avenue, Suite 201
Arcadia, CA 91006
626 821-1411

3.0 In accordance with the state regulations the following specialties of physicians have medical staff privileges at MHSC however, the physician-patient relationship is affiliated with the independent physician practice. These groups may offer financial assistance programs but are NOT covered by this policy. It is the patient's responsibility to contact the physician and or group to inquire about any financial assistance programs offered.

4.0 Physician Specialties NOT included in the policy:

| Physician Specialties Types | | |
|---|---|---|
| Allergies | Hospitalist | Pathology |
| Anesthesiology | Infectious Disease | Pediatrics |
| Cardiology | Internal Medicine | Perinatology |
| Clinician | Med Neurology | Plastic Surgery |
| Colon/Rectal Surgery | Neonatology | Podiatry |
| Dermatology | Nephrology | Psychiatry |
| Emergency Medicine | Neurosurgery | Pulmonology |

| | | |
|---|---|---|
| Endocrinology | Ob/Gyn | Radiology |
| Family Practice | Ophthalmology | Rheumatology |
| Gastroenterology | Oral Surgery | Thoracic Surgery |
| General Hospital Sta | Orthopedics | Urology |
| General Surgery | Other | Vascular Surgery |
| Gynecology | Otolaryngology | Vascular Surgery |
| Hematology/Oncology | Palliative Care | |

5.0 As a normal act of the Hospital business, the physician specialties will be added or removed accordingly. As such the above listing is a reasonable representative sample of the physician / surgeons on staff that may vary at times.

6.0 In addition, MHSC owns and operates two clinics; these are the MHSC Colorectal Clinic and the MHSC Obstetrics/Gynecology Clinic. MHSC will bill for services provided at these clinics and ARE included in this financial assistance program. However, the physicians seeing the patient at these clinics are entitled to bill for their professional fees of which are NOT included under this financial assistance program. As such, this physician will bill for these professional fees under a separate billing and may have a separate financial assistance program for which the patient may inquire.

# APPENDIX C

## FAP Application with Instruction Including the Medi-Cal Screening

The following is the Financial Assistance Program Application. This application, policy and other related information are also available translated into the following written languages:

Mandarin (Standard Chinese), Spanish and Cantonese (Standard Chinese).

The following pages are the Methodist Hospital of Southern California Financial Assistance Program Application complete with the related instructions and includes the Medi-Cal Screening document.

## Financial Assistance Program

If you need help paying for your medical services you may be eligible for Methodist Hospital's Financial Assistance Program. Please use this brochure to help determine if you qualify, as well as to apply for financial assistance. The Financial Assistance Program is a discretionary program offered by Methodist Hospital to all patients for services that are medically necessary. You must apply within six months of when you received the services you are applying for.

## Applying for the Financial Assistance Program

You must meet the following criteria to be eligible for the Financial Assistance Program:

**Types of Care**: You must be receiving medically necessary services.

**Other Payer Sources:** We recommend that you apply for any private or public sector sources of medical financial assistance for which you're eligible, such as Medi-Cal or Healthy Families. You may be required to submit documentation of your application (or of the approval or denial of your application) to those sources. For services received which are the result of an accident you must show proof that there was no settlement before financial assistance can be considered.

**Income:** Your household income must be at or below 350 percent of the Federal Poverty Guidelines (FPG).

**2021 Federal Poverty Guidelines**

| Household/ Family Size | Poverty Base Line at 100% | 200% and Below | 201% to 250% | 251% to 300% | 301% to 350% |
|---|---|---|---|---|---|
| % WriteOff | → | 100% | 75% | 50% | 25% |
| | Income Levels for ALL income sources to the Household | | | | |
| 1 | $12,880 | $25,760 | $32,200 | $38,640 | $45,080 |
| 2 | $17,420 | $34,840 | $43,550 | $52,260 | $60,970 |
| 3 | $21,960 | $43,920 | $54,900 | $65,880 | $76,860 |
| 4 | $26,500 | $53,000 | $66,250 | $79,500 | $92,750 |
| 5 | $31,040 | $62,080 | $77,600 | $93,120 | $108,640 |
| 6 | $35,580 | $71,160 | $88,950 | $106,740 | $124,530 |
| 7 | $40,120 | $80,240 | $100,300 | $120,360 | $140,420 |
| 8 | $44,660 | $89,320 | $111,650 | $133,980 | $156,310 |
| 8+ * | $4,540 | $9,080 | $11,350 | $13,620 | $15,890 |

Source: Federal Register/Vol. 86, No. 19/Monday, February 1, 2021/Page 7733

* For households with more than 8 persons, add $4,540 for each additional person

**Special Circumstances**: If you have unusually high medical costs or you've experienced a catastrophic event, you may be eligible for the Financial Assistance Program under special circumstances, regardless of whether you meet the household income requirements described above. To qualify, you'll need to provide income documentation and copies of your out-of-pocket medical expenses for the past 12 months indicating that these expenses equal 10 percent or more of your annual gross income.

**Please note:** Not all medical expenses qualify for financial assistance. Exclusions include, but are not limited to, expenses for premiums and dues, optical and hearing aids, medical supplies, health education classes, transportation, over-the-counter drugs and lifestyle medications (fertility, cosmetic, etc.).

**Documentation required:**

- A financial hardship letter, explaining your current financial situation.
- A copy of your most recent federal tax return with electronic submission verification or your signature (include all pages and schedules); and
- A copy of a current pay stub with year-to-date (YTD) income included. If YTD income is not listed, then copies of two consecutive pay stubs; or
- Copies of other documents to verify income, such as letters from disability, social security, unemployment agencies, or proof of alimony/child support payments; or
- If you have no income, a letter of support that explains your means of living, and
- A copy of the most recent bank statement for all accounts; and
- Any other documentation that may be requested

Be sure to send only photocopies as originals will not be returned to you. You'll have an opportunity to appeal the decision if your application is denied. Corrected and/or additional documentation will be required to support your appeal request. Upon finalization of your application, notification of your determination will be mailed to the address on file.

**Submit Your Application To:**

Methodist Hospital of Southern California
Business Office - Financial Assistance Program
300 West Huntington Drive
P.O. Box 60016
Arcadia, CA 91066-6016

Phone: (626) 574-3594
Fax: (626) 821-6917

Hours: Monday-Friday, 8:00 am – 5:00 pm

**Help in Your Language**

Interpreter lines are available during regular business hours to assist you with questions regarding the financial assistance program. In addition, you are able to get materials written in the languages outlined above (on page one of this appendix). For more information, call our Customer Service Line at (626) 574-3594, weekdays from 8:00 am to 5:00 pm.

METHODIST HOSPITAL FINANCIAL ASSISTANCE PROGRAM

*Methodist Hospital reserves the right to amend or retrace awards*

## APPLICATION

Patient Name: _____ Acct.# _____

_____

Patient/Guarantor (Responsible Party Information):

Name: _____

Relationship to Patient: _____

Address: _____

City, State, ZIP: _____

Phone Number: _____ Date of Birth: _____

Social Security Number: _____ Mother's Maiden Name: _____

Patient's Birth City/State/Country _____

Marital Status: ☐ Married ☐ Divorced ☐ Widow(er) ☐ Single ☐ Domestic partner

Spouse/Domestic Partner Information:

Name: _____

Social Security Number: _____ Date of Birth: _____

Household size (including yourself, your spouse or domestic partner and all dependents): _____

List All Household Members you Financially Support:

Dependent's name: _____

Date of birth: _____ Relationship: _____

Dependent's name: _____

Date of birth: _____ Relationship: _____

Dependent's name: _____

Date of birth: _____ Relationship: _____

METHODIST HOSPITAL FINANCIAL ASSISTANCE PROGRAM

Employment Status:

Patient currently employed? ☐ Yes ☐ No Employer: _____

Spouse/Domestic partner employed? ☐ Yes ☐ No Employer: _____

SECTION A: **CURRENT MONTHLY GROSS INCOME** (All income from household must be reported).

If household income is zero, please initial here _____ and give a brief explanation of your financial situation: _____

| Who is the primary wage earner? (check one) | ☐ Patient | ☐ Spouse/Other |
|---|---|---|
| **Gross** monthly salary/wages (before taxes) | $ _____ | $ _____ |
| Cash income (not including gifts) | $ _____ | $ _____ |
| **Gross** Social Security income | $ _____ | $ _____ |
| Other income: ☐ Unemployment benefits | $ _____ | $ _____ |
| ☐ State disability income | $ _____ | $ _____ |
| ☐ Alimony or child support | $ _____ | $ _____ |
| ☐ Pension income | $ _____ | $ _____ |
| ☐ Rental property income | $ _____ | $ _____ |
| ☐ Other sources (describe) | $ _____ | $ _____ |
| | $ _____ | $ _____ |
| **Total monthly income:** | $ _____ | $ _____ |

SECTION B: **ASSETS** (MARKET VALUE OF THINGS YOU OWN)

| | | |
|---|---|---|
| Checking Acct | Bank _____ Acct# _____ | $ _____ |
| Savings Acct: | Bank _____ Acct# _____ | $ _____ |
| Other Acct(s): | Bank _____ Acct# _____ | $ _____ |
| Home Value: | | $ _____ |
| Other Real Estate Value (explain): | _____ | $ _____ |
| Business Owned: | _____ | $ _____ |
| Franchise: | _____ | $ _____ |
| Other Assets: | _____ | $ _____ |
| **Total Assets:** | | **$** _____ |

SECTION C: **MEDICAL EXPENSES**

*(If your household income exceeds 350 percent of the Federal Poverty Guidelines (FPG) or if you're applying for special circumstances, you must complete this section. Copies of receipts and/or itemized invoices are required.)*

Out-of-pocket medical expenses due or paid in the last 12 months:

METHODIST HOSPITAL FINANCIAL ASSISTANCE PROGRAM

☐ Hospital or office visits: $_____
☐ Prescribed medications: $_____
☐ Other expenses (please describe): $_____

SECTION D: **MEDI-CAL SCREENING** (if you currently don't have Medi-Cal you must complete this section.)

If you've already applied for Medi-Cal and have a recent approval, denial, or pending letter, please submit it with your completed Financial Assistance application.

If you answer YES to any of the questions below, contact your local County Social Security Office.

- Are you younger than 21 or older than 65? ☐ Yes ☐ No
- Are you currently enrolled in Supplemental Security Income (SSI)/State Supplemental Payment (SSP) or Security Disability Insurance? ☐ Yes ☐ No
- Are you enrolled in CalWorks (AFDC), Entrant or Refugee Cash Assistance (ECA/RCA), Foster Care or Adoption Assistance Programs, or In-home Support Services (IHSS)? ☐ Yes ☐ No
- Are you legally blind? ☐ Yes ☐ No
- Are you permanently disabled? ☐ Yes ☐ No
- Are you pregnant or have you been pregnant in the last three months? ☐ Yes ☐ No
- Have you been diagnosed with breast, cervical or prostate cancer? ☐ Yes ☐ No
- Are you being transferred to a skilled nursing facility or intermediate home care? ☐ Yes ☐ No
- Do you have children younger than 21 (including unborn or adopted children) in the home? ☐ Yes ☐ No
  - If YES: Is one of the child's parents absent or deceased? ☐ Yes ☐ No
    Is one of the child's parents permanently disabled? ☐ Yes ☐ No
    Is the primary wage earner unemployed or working less than 100 hours per month? ☐ Yes ☐ No

SECTION E: **MISSING INCOME DOCUMENTATION**

If you don't have income documentation, your signed attestation in this application ***may*** satisfy the income verification requirement if you meet any of the following criteria:

☐ I don't receive a formal pay stub from my employer.
☐ I receive no income. (If you check this box, you must provide a written explanation of your financial situation).
☐ I wasn't required to file a recent Federal or State Tax Return for the most recent tax year.

SECTION F: **FINANCIAL AGREEMENT AND CREDIT REPORT AUTHORIZATION**

I hereby declare under penalty of perjury that (i) all information set forth above in this application is true and accurate in all respects, and that all attachments are accurate copies of the original documents, or (ii) I am unable to provide documents relating to proof of income or other evidence of my income. I authorize employees and agents of Methodist Hospital of Southern California (MHSC) to investigate and verify that the information I have provided to it, including employment and credit

history, for the purpose of determining my eligibility to participate in the Financial Assistance Program. I also acknowledge and agree that I am liable to MHSC for any and all amounts owing to MHSC for medical goods and services that are not covered by the Financial Assistance Program (the remaining amounts).

Signature of Applicant/Guardian _____ Date _____

Signature of Spouse of Applicant/Guardian _____ Date _____

# EXHIBIT 12

# MHSC FINANCIAL ASSISTANCE APPLICATION

METHODIST HOSPITAL

| | |
|---|---|
| **Title:** Patient Financial Assistance/Charity Care – Appendix C | Page 1 of 8 |
| **Policy #:** MA1023 - Appendix C | |
| **Type:** Finance (1000) | |
| **Standard:** N/A | |

## APPENDIX C

### FAP Application with Instruction Including the Medi-Cal Screening

The following are the Financial Assistance Program Application. This application, policy and other related information are also available translated into the following written languages:

Mandarin (Standard Chinese), Spanish and Cantonese (Standard Chinese).

The following pages are the Methodist Hospital of Southern Financial Assistance Program Application complete with the related instructions and includes the Medi-Cal Screening document.

METHODIST HOSPITAL
The Next Generation of Care

# Financial Assistance Program

If you need help paying for your medical services you may be eligible for Methodist Hospital's Financial Assistance Program. Please use this brochure to help determine if you qualify, as well as to apply for financial assistance. The Financial Assistance Program is a discretionary program offered by Methodist Hospital to all patients for services that are medically necessary. You must apply within six months of when you received the services you are applying for.

## Applying for the Financial Assistance Program

You must meet the following criteria to be eligible for the Financial Assistance Program:

**Types of Care:** You must be receiving medically necessary services.

**Other Payer Sources**: We recommend that you apply for any private or public sector sources of medical financial assistance for which you're eligible, such as Medi-Cal or Healthy Families. You may be required to submit documentation of your application (or of the approval or denial of your application) to those sources. For services received which are the result of an accident you must show proof that there was no settlement before financial assistance can be considered.

**Income:** Your household income must be at or below 350 percent of the Federal Poverty Guidelines (FPG).

METHODIST HOSPITAL
*of Southern California*

**2018 Poverty Guidelines For The 48 Contiguous States And The District Of Columbia**

| Persons in family / household | Poverty Base Line at 100% | Household Charity Level | | | |
|---|---|---|---|---|---|
| | | 200% and Below | 201% to 250% | 251% - 300% | 301% - 350% |
| **% WriteOff** | → | 100% | 75% | 50% | 25% |
| | Income Levels for ALL income sources to the Household | | | | |
| 1 | 12,140 | 24,280 | 30,350 | 36,420 | 42,490 |
| 2 | 16,460 | 32,920 | 41,150 | 49,380 | 57,610 |
| 3 | 20,780 | 41,560 | 51,950 | 62,340 | 72,730 |
| 4 | 25,100 | 50,200 | 62,750 | 75,300 | 87,850 |
| 5 | 29,420 | 58,840 | 73,550 | 88,260 | 102,970 |
| 6 | 33,740 | 67,480 | 84,350 | 101,220 | 118,090 |
| 7 | 38,060 | 76,120 | 95,150 | 114,180 | 133,210 |
| 8 | 42,380 | 84,760 | 105,950 | 127,140 | 148,330 |
| 9 | 46,700 | 93,400 | 116,750 | 140,100 | 163,450 |
| 10 | 51,020 | 102,040 | 127,550 | 153,060 | 178,570 |
| 10+ for Each Person | 4,320 | 8,640 | 10,800 | 12,960 | 15,120 |

Source: Federal Register /Vol. 83, No. 12 /Thursday, January 18, 2018 page: 2643

* For families/households with more than 10 persons add $4,320 for each additional person.

**Special Circumstances:** If you have unusually high medical costs or you've experienced a catastrophic event, you may be eligible for the Financial Assistance Program under special circumstances, regardless of whether you meet the household income requirements described above. To qualify, you'll need to provide income documentation and copies of your out-of-pocket medical expenses for the past 12 months indicating that these expenses equal 10 percent or more of your annual gross income.

**Please note:** Not all medical expenses qualify for financial assistance. Exclusions include, but are not limited to, expenses for premiums and dues, optical and hearing aids, medical supplies, health education classes, transportation, over-the-counter drugs and lifestyle medications (fertility, cosmetic, etc.).

**Documentation required**:

- A financial hardship letter, explaining your current financial situation.
- A copy of your most recent federal tax return with electronic submission verification or your signature (include all pages and schedules); and
- A copy of a current pay stub with year-to-date (YTD) income included. If YTD income is not listed, then copies of two consecutive pay stubs; or
- Copies of other documents to verify income, such as letters from disability, social security, unemployment agencies, or proof of alimony/child support payments; or
- If you have no income, a letter of support that explains your means of living, and
- A copy of the most recent bank statement for all accounts; and
- Any other documentation that may be requested

Be sure to send only photocopies as originals will not be returned to you. You'll have an opportunity to appeal the decision if your application is denied. Corrected and/or additional documentation will be required to support your appeal request. Upon finalization of your application, notification of your determination will be mailed to the address on file.

**Submit Your Application To:**

Methodist Hospital of Southern California
Business Office - Financial Assistance Program
300 West Huntington Drive
P.O. Box 60016
Arcadia, CA 91066-6016

Phone: (626) 574-3594
Fax: (626) 821-6917

Hours: Monday-Friday, 8:00 am – 5:00 pm

**Help in Your Language**

Interpreter lines are available during regular business hours to assist you with questions regarding the financial assistance program. In addition, you are able to get materials written in the languages outlined above (on page one of this appendix). For more information, call our Customer Service Line at (626) 574-3594, weekdays from 8:00 am to 5:00 pm.

METHODIST HOSPITAL FINANCIAL ASSISTANCE PROGRAM

*Methodist Hospital reserves the right to amend or retrace awards*

## APPLICATION

Patient Name: _____ Acct # _____

_____

Patient/Guarantor (Responsible Party Information):

Name: _____

Relationship to Patient: _____

Address: _____

City, State, ZIP: _____

Phone Number: _____ Date of Birth: _____

Social Security Number: _____ Mother's Maiden Name: _____

Patient's Birth City/State/Country _____

Marital Status: ☐ Married ☐ Divorced ☐ Widow(er) ☐ Single ☐ Domestic partner

Spouse/Domestic Partner Information:

Name: _____

Social Security Number: _____ Date of Birth: _____

Household size (including yourself, your spouse or domestic partner and all dependents): _____

List All Household Members you Financially Support:

Dependent's name: _____

Date of birth: _____ Relationship: _____

Dependent's name: _____

Date of birth: _____ Relationship: _____

Dependent's name: _____

Date of birth: _____ Relationship: _____

METHODIST HOSPITAL FINANCIAL ASSISTANCE PROGRAM

Employment Status:

Patient currently employed? ☐ Yes ☐ No Employer:_____

Spouse/Domestic partner employed? ☐ Yes ☐ No Employer: _____

SECTION A: **CURRENT MONTHLY GROSS INCOME** (All income from household must be reported).

If household income is zero, please initial here _____and give a brief explanation of your financial situation: _____

_____

| Who is the primary wage earner? (check one) | ☐ Patient | ☐ Spouse/Other |
|---|---|---|
| **Gross** monthly salary/wages (before taxes) | $ _____ | $ _____ |
| Cash income (not including gifts) | $ _____ | $ _____ |
| **Gross** Social Security income | $ _____ | $ _____ |
| Other income: ☐ Unemployment benefits | $ _____ | $ _____ |
| ☐ State disability income | $ _____ | $ _____ |
| ☐ Alimony or child support | $ _____ | $ _____ |
| ☐ Pension income | $ _____ | $ _____ |
| ☐ Rental property income | $ _____ | $ _____ |
| ☐ Other sources (describe) | $ _____ | $ _____ |
| | $ _____ | $ _____ |
| **Total monthly income:** | $ _____ | $ _____ |

SECTION B: **ASSETS** (MARKET VALUE OF THINGS YOU OWN)

| | | |
|---|---|---|
| Checking Acct Bank _____ Acct#_____ | | $ _____ |
| Savings Acct: Bank _____ Acct#_____ | | $ _____ |
| Other Acct(s): Bank_____ Acct#_____ | | $ _____ |
| Home Value: | | $ _____ |
| Other Real Estate Value (explain):_____ | | $ _____ |
| Business Owned: _____ | | $ _____ |
| Franchise: _____ | | $ _____ |
| Other Assets: _____ | | $ _____ |
| **Total Assets:** | | **$ _____** |

SECTION C: **MEDICAL EXPENSES**

*(If your household income exceeds 350 percent of the Federal Poverty Guidelines (FPG) or if you're applying for special circumstances, you must complete this section. Copies of receipts and/or itemized invoices are required.)*

Out-of-pocket medical expenses due or paid in the last 12 months:

METHODIST HOSPITAL FINANCIAL ASSISTANCE PROGRAM

☐ Hospital or office visits: $ _____
☐ Prescribed medications: $ _____
☐ Other expenses (please describe): $ _____

SECTION D: **MEDI-CAL SCREENING** (if you currently don't have Medi-Cal you must complete this section.)

If you've already applied for Medi-Cal and have a recent approval, denial, or pending letter, please submit it with your completed Financial Assistance application.

If you answer YES to any of the questions below, contact your local County Social Security Office.

- Are you younger than 21 or older than 65? ☐ Yes ☐ No
- Are you currently enrolled in Supplemental Security Income (SSI)/State Supplemental Payment (SSP) or Security Disability Insurance? ☐ Yes ☐ No
- Are you enrolled in CalWorks (AFDC), Entrant or Refugee Cash Assistance (ECA/RCA), Foster Care or Adoption Assistance Programs, or In-home Support Services (IHSS)? ☐ Yes ☐ No
- Are you legally blind? ☐ Yes ☐ No
- Are you permanently disabled? ☐ Yes ☐ No
- Are you pregnant or have you been pregnant in the last three months? ☐ Yes ☐ No
- Have you been diagnosed with breast, cervical or prostate cancer? ☐ Yes ☐ No
- Are you being transferred to a skilled nursing facility or intermediate home care? ☐ Yes ☐ No
- Do you have children younger than 21 (including unborn or adopted children) in the home? ☐ Yes ☐ No
  - If YES: Is one of the child's parents absent or deceased? ☐ Yes ☐ No
    Is one of the child's parents permanently disabled? ☐ Yes ☐ No
    Is the primary wage earner unemployed or working less than 100 hours per month? ☐ Yes ☐ No

SECTION E: **MISSING INCOME DOCUMENTATION**

If you don't have income documentation, your signed attestation in this application ***may*** satisfy the income verification requirement if you meet any of the following criteria:

☐ I don't receive a formal pay stub from my employer.
☐ I receive no income. (If you check this box, you must provide a written explanation of your financial situation).
☐ I wasn't required to file a recent Federal or State Tax Return for the most recent tax year.

SECTION F: **FINANCIAL AGREEMENT AND CREDIT REPORT AUTHORIZATION**

I hereby declare under penalty of perjury that (i) all information set forth above in this application is true and accurate in all respects, and that all attachments are accurate copies of the original documents, or (ii) I am unable to provide documents relating to proof of income or other evidence of my income. I authorize employees and agents of Methodist Hospital of Southern California (MHSC) to investigate and verify that the information I have provided to it, including employment and credit

METHODIST HOSPITAL FINANCIAL ASSISTANCE PROGRAM

history, for the purpose of determining my eligibility to participate in the Financial Assistance Program. I also acknowledge and agree that I am liable to MHSC for any and all amounts owing to MHSC for medical goods and services that are not covered by the Financial Assistance Program (the remaining amounts).

Signature of Applicant/Guardian _____ Date _____

Signature of Spouse of Applicant/Guardian _____Date _____

# EXHIBIT 13

# MHSC COMMUNITY BENEFITS REPORT 2019

# Methodist Hospital
# Community Benefits Plan
# Fiscal Year 2019

Submitted to:
Office of Statewide Health Planning and Development
Accounting and Reporting Systems Section
2020 West El Camino Avenue, Suite 1100
Sacramento, CA 95833
Email: CommunityBenefit@oshpd.ca.gov

# Preface

In accordance with Senate Bill 697, Community Benefits Legislation, Methodist Hospital, a private not-for-profit hospital, submits this Community Benefits Plan for Fiscal Year 2019[a]. Senate Bill 697 requires a not-for profit hospital in California to complete the following activities:

- Review and reaffirm its mission statement to ensure that its policies integrate and reflect the public interest in meeting its responsibilities as a not-for-profit organization

- Complete and update a needs assessment every three years, evaluating the health needs of the community served by the hospital

- Adopt and file a community benefits plan annually, documenting activities that the hospital has undertaken to address community health needs within its mission and financial capacity; and to the extent practicable, assign and report the economic value of community benefits provided in furtherance of its plan

[a] Methodist Hospital fiscal year is from January 1 to December 31.

# Introduction to Methodist Hospital

Methodist Hospital is a 348-licensed bed, not-for-profit community hospital located in Arcadia, California. Founded in 1903, Methodist Hospital is committed to providing excellent patient care delivered with compassion and respect. Methodist Hospital provides a wide range of clinical services that includes emergency services, diagnostic testing and imaging, inpatient and outpatient surgery, critical care, cardiac catheterization, cardiac surgery, neurosurgery, comprehensive stroke services (including neuro-interventional radiology), cancer services (including a GYN Oncology Institute and Institute for Surgical Specialties), orthopedic surgery (including hip and knee replacement, fracture care, and spine surgery), maternity services, weight-loss surgery, physical therapy, acute physical rehabilitation, a wound healing center with hyperbaric oxygen therapy, and spiritual care. The Kathy Kredel Nursery School at Methodist Hospital is the longest-running, non-profit corporate nursery school in the United States, providing day care to the children of our doctors and staff. Methodist Hospital personnel includes: 1,900 employees, 630 medical staff members, 700 volunteers, and 20 Community Board members.

Methodist Hospital currently holds the following certifications, designations, awards and recognitions for clinical services:

**Hospital**

- Full Three-Year Hospital Accreditation from The Joint Commission
- Accreditation from DNV GL as a Comprehensive Stroke Center
- Ranked among Top 100 hospitals in the United States for Patient Safety, Quality and Efficiency for six consecutive years (2014-19) by the SafeCare Group
- Top Performer on Key Quality Measures® program for treatment of Heart Attack, Heart Failure, Pneumonia, Stroke, Surgical Care, and Perinatal Care from The Joint Commission
- Recognized by the California Hospital Engagement Network (CALHEN) and the Hospital Quality Institute for dramatic reductions in infection rates, reflecting our facility's strict adherence to hospital safety codes and dedication to helping patients recover as quickly as possible
- Performance Excellence Award in four patient care categories from the Collaborative Alliance for Nursing Outcomes (CALNOC)

**Bariatrics**

- Accredited Comprehensive Center from the American Society for Metabolic and Bariatric Surgery (ASMBS)
- Blue Distinction Center from Blue Cross Blue Shield Association (BCBSA)
- Center of Excellence from HealthNet

**Cancer Care**

- Accreditation with Commendation as a Comprehensive Community Cancer Center from the American College of Surgeons Commission on Cancer

**Cardiology**

- Blue Distinction Center from Blue Cross Blue Shield Association (BCBSA)
- Center of Excellence - Cardiac Catheterization and Angioplasty from CIGNA
- Institute of Quality - Cardiac Rhythm Management from Aetna
- High Performing - Heart Failure from US News & World Report

**Emergency Services**

- Designated by Los Angeles County EMS as an Emergency Department Approved for Pediatrics (EDAP)
- Designated by Los Angeles County EMS as a STEMI (heart attack) Receiving Center
- Designated by Los Angeles County EMS as a Comprehensive Stroke Center

**Gastroenterology**

- Gastrointestinal Care Excellence from HealthGrades

**Orthopedics**

- Blue Distinction Center - Spine Surgery from Blue Cross Blue Shield Association (BCBSA)
- Blue Distinction Center - Hip & Knee Replacement from BCBSA
- Center of Excellence - Hip & Knee Replacement from CIGNA

**Pulmonary Medicine**

- Center of Excellence from CIGNA
- Pulmonary Care Excellence from HealthGrades
- Institute of Quality - COPD from Aetna
- High Performing - COPD from US News & World Report

**Stroke Care**

- America's 100 Best Hospitals from HealthGrades
- Neurosciences Excellence from HealthGrades
- Cranial Neurosurgery Excellence from HealthGrades
- Get With The Guidelines Gold Plus from American Heart Association

Methodist Hospital has expanded its presence on the Internet that includes a website dedicated to providing health news and information, videos, and virtual tours for patients, employees, physicians, volunteers, and visitors, in addition to convenient services such as a free physician referral, online class registration, and online bill payment. Methodist Hospital also publishes news and information on social media, via Facebook, Twitter, YouTube, Pinterest, LinkedIn, and Yelp to inform the community about hospital services and events.

# Contents


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# Section 1: Executive Summary

## Mission Statement

To provide high-quality healing services while caring for the patient's emotional and spiritual needs and enabling them to achieve health for life.

## Definition of Community Used in the 2016 Community Needs Assessment

For purposes of this health needs assessment, Methodist Hospital defined its service area to include the following communities (in alphabetical order):

- Arcadia
- Azusa
- Baldwin Park
- Bradbury
- Duarte
- El Monte
- Monrovia
- Pasadena East
- Rosemead
- San Gabriel
- Sierra Madre
- South El Monte
- Temple City

## Findings from 2016 Community Needs Assessment

Methodist Hospital service area population (2016) is estimated at 626,952 persons. Over the following five years, the population in the service area is projected to increase by 3.5 percent, to 648,708 persons. When comparing the service area to Los Angeles County, the service area has a higher proportion of the following: persons age 45 years and older, Asian/Native Hawaiian or Pacific Islander residents; persons speaking Asian or Pacific Island language at home, persons 25 years and older with less than a high school education or GED, households with 3 or more persons, households with children under 18 years of age present, households with annual incomes from $35,000 to $74,999, households headed by persons 65 years and older, owner occupied households, and families at or above the poverty level.

When comparing health indicators for the San Gabriel Valley (Service Planning Area 3) and/or Methodist Hospital service area to Healthy People 2020 National Objectives, opportunities to improve health services exist among the following groups: non-elderly persons with health insurance, persons with a usual source of ongoing care, persons experiencing delays in getting medical care, persons experiencing delays in getting prescription medicines, deaths due to coronary heart disease and cirrhosis, seniors who received a flu shot in the past year, and seniors diagnosed with high blood pressure.

Following analysis of the community consultation, the following were identified as the community's top health issues (based on frequency of mention): access to health care specific to health insurance coverage, availability of providers in the community, language barriers, and lack of transportation and disease prevention and health promotion specific to diabetes, obesity, heart disease, high blood pressure, cancer, Alzheimer's disease, and vision care including cataracts and glaucoma, eye exams, and glasses.

The 2016 Community Health Needs Assessment identified the following two significant priority health needs:

- Access to health services for adults
- Disease prevention and health promotion addressing diabetes, heart disease, high blood pressure, obesity, cancer, and Alzheimer's disease

## Objectives Addressed in the Community Benefits Plan

During Fiscal Year 2019, Methodist Hospital pursued the following objectives in its community benefits plan:

1. To continue to increase access to health care services for the community.
2. To continue to provide health education, support, and screening services for the public based on important health concerns, such as diabetes, heart disease, high blood pressure, obesity, and cancer.

## Community Benefits Plan Activities

In Fiscal Year 2019, Methodist Hospital provided a variety of programs and services in support of these objectives. Some of the services provided were: operating a 26-bed emergency department 24-hours a day, providing charity care for patients without the ability to pay for necessary treatment, absorbing the unpaid costs of care for patients with Medi-Cal, absorbing the

unpaid costs of care for patients with Medicare, operating essential community services, such as maternity and NICU, at a loss; providing free physician referrals to the community, providing health education, support and screening programs on a variety of topics, including, but not limited to, childbirth, diabetes, weight loss, knee and hip replacement, cancer, heart and stroke care, grief and loss; providing health education, information and web site services in English and Chinese (Mandarin); conducting free year-round blood pressure and Body Mass Index screenings, including access to a local mall kiosk; a dedicated Senior Services program of health education; and a Health Ministries program that assists local congregations to provide guidance, support, and resources to parish nurses and health cabinets.

## Economic Value of Community Benefits Provided

The economic value of community benefits provided by Methodist Hospital in Fiscal Year 2019 is estimated at **$42,566,906.**

# Section 2: Mission, Vision, and Core Values

Methodist Hospital Mission, Vision, and Core Values statements follow. These guide our organization's commitment to serving to our community.

## Our Mission

To provide high-quality healing services while caring for the patient's emotional and spiritual needs and enabling them to achieve health for life.

*Revised December 2012*

## Our Vision

To provide an exceptional patient experience through compassionate care and create life-long relationships by changing the way health and health care are delivered in our community. To meet these goals, we instill core values into our staff that keep us focused on the excellent care we aim for.

## Our Core Values

INTEGRITY – We are open, honest and trustworthy. We live our values.

RESPECT – We treat each other with dignity and value the ideas and perspectives each individual brings.

ACCOUNTABILITY – We take full ownership of our actions and their outcomes.

INNOVATION – We embrace new ideas and thinking to improve what we do.

SAFETY – We put safety first, for our patients, their families and all who work here.

EXCELLENCE – We advance health through the continuous pursuit of evidence-based, coordinated care.

# Section 3: 2016 Community Health Needs Assessment Summary[1]

## Process and Methods

This community health needs assessment brings together a variety of demographic and health data and information, gathered from both primary and secondary data sources.

The first phase of the community health needs assessment involved collection and analysis of numerous demographic and health status and data and information for Methodist Hospital Service Area and Service Planning Area 3 (SPA 3) – San Gabriel Valley. The following types of data were analyzed: population, household and family demographics; birth statistics, death statistics, designated Health Professional Shortage Areas, large-scale household telephone surveys designed to measure degree of access to health services, utilization of health services, and health behaviors. Wherever possible, the service area health experience was benchmarked to Healthy People 2020 targets. In addition, to assist with providing context to the demographics, Methodist Hospital Service Area is compared to Los Angeles County.

The second phase of the needs assessment focused on qualitative primary research. Representatives from Methodist Hospital agreed that telephone interviews with health department contacts and representatives from public and private organizations would be a cost-effective approach to gain an understanding of important health issues and to identify potential opportunities to collaborate with these organizations.

## Service Area Determination

Methodist Hospital used the Stark II definition – the lowest number of contiguous ZIP Codes from which the hospital draws at least 75 percent of its inpatients – to determine its geographic service area for purposes of the 2016 community health needs assessment. Using hospital data, there were 16 ZIP Codes that defined 75 percent of the hospital's admissions.

[1] Methodist Hospital 2016 Community Health Needs Assessment can be found on the hospital website at: https://www.methodisthospital.org/documents/2016-Community-Needs-Assessment.pdf Methodist Hospital 2017 – 2019 Implementation Strategy can be found on the hospital website at: https://www.methodisthospital.org/documents/2016_IMPLEMENTATION_-STRATEGY_CHNA.pdf.

# Service Area Definition and Description

Note: Findings are based on 2016 demographic estimates

Methodist Hospital defined its service area for purposes of the 2016 Community Health Needs Assessment to include the following 16 ZIP Codes and corresponding communities:

**Service Area Definition**

Methodist Hospital Service Area

*2016*

| ZIP Code | Community |
|---|---|
| 91006 | Arcadia |
| 91007 | Arcadia |
| 91008 | Bradbury |
| 91010 | Duarte |
| 91016 | Monrovia |
| 91024 | Sierra Madre |
| 91107 | Pasadena East |
| 91702 | Azusa |
| 91706 | Baldwin Park |
| 91731 | El Monte |
| 91732 | El Monte |
| 91733 | South El Monte |
| 91770 | Rosemead |
| 91775 | San Gabriel |
| 91776 | San Gabriel |
| 91780 | Temple City |

The service area population (2016) is estimated at 626,952 persons. This 2016 estimated population was forecast to increase 3.5 percent over the next five years, to 648,708 persons. Growth projections for households and families were estimated to increase 3.7 percent and 3.6 percent, respectively. The following table summarizes the service area population, households, and families as well as the percent change projected for 2021 (over a five-year period).

**Summary of Population, Households and Families**

Methodist Hospital Service Area

*2016*

| Description | Number | | Percent Change From 2016 to 2021 |
|---|---|---|---|
| | 2016 | 2021 | |
| **Demographics** | | | |
| Population | 626,952 | 648,708 | 3.5% |
| Households | 184,070 | 190,945 | 3.7% |
| Families | 142,653 | 147,825 | 3.6% |

*Source: Nielsen*

To assist with providing context to the service area demographics, key statistics are compared to Los Angeles County for 2016 in the following table. Of note, in comparison to Los Angeles County, Methodist Hospital service area has a ***higher*** proportion of:

- Persons age 45 to 54 years, 55 to 64 years, 65 to 74 years, 75 to 84 years, and 85 years and older
- Persons of Asian/Native Hawaiian or Pacific Islander race
- Persons 5 years and older speaking an Asian or Pacific Island language
- Persons 25 years and older with less than 9$^{th}$ grade education, some high school (no diploma), and high school or GED graduate
- Persons 16 years and older not in the labor force
- Employed persons with blue collar and service and farming occupations
- Households with 3-persons, 4-persons, 5-persons, 6-persons and 7 or more persons
- Households with children under 18 years of age present
- Households with incomes of $15,000 to $34,999; $35,000 to $74,999; $75,000 to $99,999; and $100,000 to $149,999
- Households with head of household age 65 years and older
- Owner occupied households
- Families at or above the poverty level

**Summary of Demographic Highlights**

Methodist Hospital Service Area Compared to Los Angeles County

*2016*

| Indicator | Percent | |
|---|---|---|
| | Service Area | LA County |
| **5-Year Change (2016 to 2021)** | | |
| Population | 3.5% | 4.1% |
| Households | 3.7% | 4.3% |
| Families | 3.6% | 4.1% |
| **Age Group** | | |
| 0 to 4 Years | 6.1% | 6.2% |
| 5 to 14 Years | 12.6% | 12.6% |
| 15 to 20 Years | 8.2% | 8.2% |
| 21 to 24 Years | 5.7% | 5.8% |
| 25 to 34 Years | 13.9% | 15.3% |
| 35 to 44 Years | 13.4% | 14.0% |
| 45 to 54 Years | 13.8% | 13.6% |
| 55 to 64 Years | 12.3% | 11.6% |
| 65 to 74 Years | 7.8% | 7.2% |
| 75 to 84 Years | 4.1% | 3.7% |
| 85 Years and Older | 1.9% | 1.7% |
| **Race/Ethnicity** | | |
| White | 14.8% | 26.3% |
| Black | 1.7% | 8.0% |
| Asian, Native Hawaiian or Pacific Islander | 34.1% | 14.3% |
| Hispanic | 47.7% | 48.7% |
| American Indian/Alaskan Native | 0.2% | 0.2% |
| Some Other Race | 0.1% | 0.3% |
| Two or More Races | 1.4% | 2.2% |
| **Language Spoken at Home by Persons 5 Years and Older** | | |
| English Only | 30.4% | 43.2% |
| Spanish | 37.6% | 39.5% |
| Asian or Pacific Island Language | 29.2% | 10.8% |
| European language | 2.2% | 5.4% |
| Other language | 0.5% | 1.1% |
| **Educational Attainment of Adults 25 Years and Older** | | |
| Less than 9$^{th}$ Grade | 16.1% | 13.6% |

| Indicator | Percent | |
|---|---|---|
| | Service Area | LA County |
| Some High School, no Diploma | 10.0% | 9.6% |
| High School Graduate (or GED) | 23.7% | 20.5% |
| Some College, no Degree | 16.5% | 19.4% |
| Associate Degree | 6.9% | 7.0% |
| Bachelor Degree | 17.8% | 19.6% |
| Graduate or Professional Degree | 9.0% | 10.3% |
| **Employment Status of Persons 16 Years and Older** | | |
| In Armed Forces | <0.1% | <0.1% |
| In Labor Force, Employed | 56.0% | 57.5% |
| In Labor Force, Unemployed | 6.1% | 6.9% |
| Not in Labor Force | 37.9% | 35.5% |
| **Occupation Type for Employed Labor Force** | | |
| Blue Collar | 22.0% | 20.3% |
| White Collar | 57.4% | 60.1% |
| Service and Farming | 20.6% | 19.6% |
| **Household Size** | | |
| 1-Person | 17.3% | 24.4% |
| 2-Persons | 23.6% | 26.1% |
| 3-Persons | 18.0% | 16.4% |
| 4-Persons | 17.1% | 14.8% |
| 5-Persons | 10.7% | 8.8% |
| 6-Persons | 6.1% | 4.6% |
| 7 or more Persons | 7.1% | 4.9% |
| **Households by Presence of Children Under 18 Years of Age** | | |
| No Children Under 18 Years Present | 57.5% | 62.4% |
| Children Under 18 Years Present | 42.5% | 37.6% |
| **Household Income** | | |
| Under $15,000 | 9.9% | 12.3% |
| $15,000 to $34,999 | 21.1% | 20.1% |
| $35,000 to $74,999 | 30.2% | 28.8% |
| $75,000 to $99,999 | 12.2% | 11.6% |
| $100,000 to $149,999 | 14.2% | 13.8% |
| $150,000 to $199,999 | 5.8% | 5.9% |
| $200,000 and over | 6.5% | 7.5% |
| **Age Group of Head of Household** | | |
| 15 to 24 Years | 2.1% | 2.9% |

| Indicator | Percent | |
|---|---|---|
| | Service Area | LA County |
| 25 to 64 Years | 74.3% | 75.4% |
| 65 Years and Older | 23.6% | 21.7% |
| **Owner and Renter Occupied Housing Units** | | |
| Owner Occupied | 55.9% | 47.5% |
| Renter Occupied | 44.1% | 52.5% |
| **Families by Poverty Status** | | |
| Below the Poverty Level | 13.5% | 14.9% |
| At or Above the Poverty Level | 86.5% | 85.1% |

*Source: Nielsen*

# Health Care Access and Utilization

Note: Findings are based on the 2014 California Health Interview Survey for SPA 3 and 2014 designated mental health and primary care Health Professional Shortage Areas in the Medical Service Study Areas approximating the service area

When comparing health access indicators in the SPA to Healthy People 2020 objectives, the SPA did not meet the objectives related to: medical insurance (insured all or part of the year), usual source of ongoing care, delays in getting medical care, and delays in getting prescription medicines. The SPA experience compared to Healthy People 2020 national objectives is summarized in the table below.

**Summary of Health Access and Utilization Indicators**

Los Angeles County Service Planning Area 3 – San Gabriel Valley

*2014*

| Indicator | Age Group | Healthy People 2020 Objective | | SPA 3 San Gabriel Valley | |
|---|---|---|---|---|---|
| | | Good | Target Rate | Rate | Status |
| **Health Access** | | | | | |
| Insured All or Part of Year | 0 to 64 | ↑ | 100% | 89.8% | - |
| Usual Source of Ongoing Care | All Ages | ↑ | 95% | 83.9% | - |
| Delays in Getting Medical Care | All Ages | ↓ | 4.2% | 10.3% | - |
| Delays in Getting Prescription Medicines | All Ages | ↓ | 2.8% | 7.5% | - |

*Notes:*

*↓ Indicates that the Healthy People 2020 objective is to reduce; ↑ indicates that the objective is to increase*

*Source: UCLA Center for Health Policy Research*

The service area includes five Medical Service Study Areas (MSSA). Within these MSSAs, there is one Primary Care Health Professional Shortage Area (in El Monte).

**Health Professional Shortage Areas: Primary Care and Mental Health**

Medical Service Study Areas in Methodist Hospital Service Area

*2014*

| Medical Service Study Area (MSSA) | Health Professional Shortage Area | |
|---|---|---|
| | Primary Care | Mental Health |
| Arcadia Central and Northeast/Bradbury/Monrovia/Sierra Madre (78.2xxx) | | |
| Arcadia Southeast/San Gabriel North (78.2dddd) | | |
| Altadena East/Azusa North/Duarte North/Glendora/Pasadena East (78.2gggg) | | |
| El Monte (78.2oo) | ▲ | |
| Rosemead/San Gabriel South/South El Monte West/Temple City West (78.2qqq) | | |

*Note:*

*▲ Indicates that Medical Service Study Area is a designated shortage area*

*Source: Office of Statewide Planning and Development*

# Mortality

Note: Findings are based on three-year averages of deaths that occurred among residents of Los Angeles County during 2012 through 2014, the top five causes of premature death in SPA 3 in 2012, and a profile of deaths among residents of the service area in 2012

In 2012, the top three leading causes of premature death in SPA 3 – San Gabriel Valley were coronary heart disease, liver disease, and suicide. The ranking and years of potential life lost before age 75 (YPLL) due to selected leading causes of death are summarized in the table below.

**Top Five Leading Causes of Premature Death, Ranked by YPLL**

Service Planning Area 3 (San Gabriel Valley)

*2012*

| Rank | Cause of Death | Years of Potential Life Lost Before Age 75 | |
|---|---|---|---|
| | | Number | Percent |
| 1 | Coronary Heart Disease | 8,022 | 11.4% |
| 2 | Liver Disease | 3,691 | 5.2% |
| 3 | Suicide | 3,654 | 5.2% |
| 4 | Diabetes | 2,978 | 4.2% |
| 5 | Lung Cancer | 2,842 | 4.0% |
| — | All Other | 49,157 | 69.9% |
| — | **Total** | **70,344** | **100.0%** |

*Source: Los Angeles County Department of Public Health*

In 2012, there were 3,759 deaths in the service area. Heart disease and cancer were the top two leading causes of death in the service area, accounting for 51 percent of all deaths. Other leading causes of death in the service area are summarized in the table below.

**Profile of Deaths, Ranked by Select Leading Causes of Death**

Methodist Hospital Service Area

*2012*

| Select Leading Cause of Death | Number | Percent |
|---|---|---|
| Heart Disease | 1,008 | 26.8% |
| Cancer (All Types) | 911 | 24.2% |
| Stroke | 220 | 5.9% |
| Chronic Lower Respiratory Disease | 202 | 5.4% |
| Influenza and Pneumonia | 158 | 4.2% |

| Select Leading Cause of Death | Number | Percent |
|---|---|---|
| Alzheimer's Disease | 157 | 4.2% |
| Diabetes Mellitus | 157 | 4.2% |
| Chronic Liver Disease and Cirrhosis | 104 | 2.8% |
| Unintentional Injuries (All Accidents) | 97 | 2.6% |
| Essential Hypertension & Hypertensive Renal Disease | 66 | 1.8% |
| Nephritis, Nephrotic Syndrome and Nephrosis | 60 | 1.6% |
| Suicide | 52 | 1.4% |
| All Other | 567 | 15.1% |
| **All Causes of Death** | **3,759** | **100.0%** |

*Source: California Department of Public Health*

When comparing age-adjusted death rates in Los Angeles County to Healthy People 2020 objectives, the County did not meet the objectives related to: coronary heart disease and cirrhosis deaths. The County experience compared to Healthy People 2020 national objectives is summarized in the table below.

**Summary of Age-Adjusted Death Rates by Cause of Death**

Los Angeles County

*Three-Year Average (2012 to 2014)*

| Indicator | Healthy People 2020 Objective | | Los Angeles County Rate | |
|---|---|---|---|---|
| | Good | Target Rate | Rate | Status |
| **Age-Adjusted Death Rate (Per 100,000 Population)** | | | | |
| Coronary Heart Disease | ↓ | 103.4 | 113.6 | - |
| Stroke | ↓ | 34.8 | 32.8 | + |
| Cancer (All Sites) | ↓ | 161.4 | 140.8 | + |
| Lung | ↓ | 45.5 | 27.5 | + |
| Colorectal | ↓ | 14.5 | 13.7 | + |
| Prostate | ↓ | 21.8 | 18.6 | + |
| Female Breast | ↓ | 20.7 | 21.0 | * |
| Chronic Pulmonary Diseases | ↓ | None | 28.9 | O |
| Influenza/Pneumonia | ↓ | None | 21.2 | O |
| Diabetes | ↓ | N/A* | 22.3 | O |
| Unintentional Injuries (All Types) | ↓ | 36.4 | 21.0 | + |
| Motor Vehicle Accidents | ↓ | 12.4 | 6.7 | + |
| Homicide | ↓ | 5.5 | 5.6 | * |
| Alzheimer's disease | ↓ | None | 26.0 | O |
| Suicide | ↓ | 10.2 | 7.6 | + |
| Cirrhosis | ↓ | 8.2 | 12.5 | - |

*Notes:*

*↓ Indicates that the Healthy People 2020 objective is to reduce*

** Healthy People 2020 objective for diabetes is based on both underlying and contributing cause of death which requires use of multiple cause of death files; California's data exclude multiple/contributing causes of death*

*Source: California Department of Public Health*

# Maternal and Infant Health

Note: Findings are based on live births that occurred in the service area during 2012

During the three-year period from 2010 through 2012, there were 8,179 births a year in the service area. To assist with providing context to the service area births, key birth demographics are compared to Los Angeles County in the following table. Of note, in comparison to Los Angeles County, the service area has a ***higher*** proportion of births to:

- Mothers of Asian or Pacific Islander race
- Mothers age 30 to 34 years and 35 years and older

**Summary of Birth Demographic Highlights**

Methodist Hospital Service Area Compared to Los Angeles County

*2012*

| Description | Service Area | Los Angeles County |
|---|---|---|
| **Births (Number)** | | |
| 2010 | 7,989 | 133,160 |
| 2011 | 7,901 | 130,312 |
| 2012 | 8,647 | 134,260 |
| **Three-Year Average** | **8,179** | **132,577** |
| **Births by Mother's Race/Ethnicity (Percent)** | | |
| White | 8.4% | 17.8% |
| Black | 1.2% | 7.1% |
| Asian or Pacific Islander | 35.2% | 14.7% |
| Hispanic | 53.8% | 57.1% |
| Native American or Alaskan | 0.1% | 0.1% |
| Other and Unknown | 1.2% | 3.1% |
| **Births by Mother's Age (Percent)** | | |
| Under 20 Years | 5.9% | 6.9% |
| 20 to 29 Years | 42.7% | 44.4% |
| 30 to 34 Years | 29.3% | 27.4% |
| 35 Years and Over | 22.0% | 21.3% |
| Unknown | 0.0% | 0.0% |

*Source: California Department of Public Health*

When comparing maternal and infant health indicators in the service area to Healthy People 2020 objectives, the service area met all objectives. The service area experience compared to Healthy People 2020 national objectives is summarized in the table below.

**Summary of Maternal and Infant Health Indicators**

Methodist Hospital Service Area

*2012*

| Indicator | Healthy People 2020 Objective | | Methodist Hospital Service Area | |
|---|---|---|---|---|
| | Good | Target Rate | Rate | Status |
| **Pregnancy/Birth Outcome** | | | | |
| Early Prenatal Care | ↑ | 77.9% | 87.6% | ✚ |
| Low Birth Weight Infants | ↓ | 7.8% | 6.1% | ✚ |
| Very Low Birth Weight Infants | ↓ | 1.4% | 1.0% | ✚ |

*Notes:*

*↑ Indicates that the Healthy People 2020 objective is to increase; ↓ indicates that the objective is to reduce*

*Source: California Department of Public Health*

# Child and Adolescent Health

Note: Findings are based on 2014 California Health Interview Survey for SPA 3

When comparing child and adolescent health indicators in the SPA to Healthy People 2020 objectives, the SPA results were statistically unreliable for all health access and health behaviors. The SPA experience compared to Healthy People 2020 national objectives is summarized in the table below.

**Summary of Child and Adolescent Health Indicators**

Los Angeles County Service Planning Area 3 – San Gabriel Valley

*2014*

| Indicator | Age Group | Healthy People 2020 Objective | | SPA 3 San Gabriel Valley | |
|---|---|---|---|---|---|
| | | Good | Target Rate | Rate | Status |
| **Health Access** | | | | | |
| Insured All or Part of Year | 0 to 17 | ↑ | 100% | 97.5% | * |
| Usual Source of Ongoing Care | 0 to 17 | ↑ | 100% | 91.4% | * |
| **Health Behaviors** | | | | | |
| Obese | 12 to 17 | ↓ | 16.1% | 22.8% | * |
| Currently Smoke Cigarettes | 14 to 17 | ↓ | 16.0% | 0% | * |
| Binge Drinking | 12 to 17 | ↓ | 8.6% | 3.6% | * |

*Notes:*

*↓ Indicates that the Healthy People 2020 objective is to reduce; ↑ indicates that the objective is to increase*

*Source: UCLA Center for Health Policy Research*

# Adult Health

Note: Findings are based on 2014 California Health Interview Survey for SPA 3 and 2015 Los Angeles County Department of Public Health Survey for SPA 3

When comparing adult health indicators in the SPA to Healthy People 2020 objectives, the SPA did not meet the objectives related to health access for: medical insurance (insured all or part of the year) and usual source of ongoing care. The SPA experience compared to Healthy People 2020 national objectives is summarized in the following table.

**Summary of Adult Health Indicators**

Los Angeles County Service Planning Area 3 – San Gabriel Valley

*2014 and 2015*

| Indicator | Age Group | Healthy People 2020 Objective | | SPA 3 San Gabriel Valley | |
|---|---|---|---|---|---|
| | | Good | Target Rate | Rate | Status |
| **Health Access** | | | | | |
| Insured All or Part of Year | 18 to 64 | ↑ | 100% | 87.1% | - |
| Usual Source of Ongoing Care | 18 to 64 | ↑ | 89.4% | 81.1% | - |
| **Physical Activity (2015)** | | | | | |
| Recommended Aerobic Exercise | 18 + | ↑ | 47.9% | 64.2% | + |
| Recommended Aerobic and Muscle Strengthening | 18 + | ↑ | 20.1% | 31.3% | + |
| **Health Behaviors** | | | | | |
| Healthy Weight | 20 to 64 | ↑ | 33.9% | 38.1% | + |
| Obese | 20 to 64 | ↓ | 30.5% | 25.3% | + |
| Diagnosed with High Blood Pressure | 18 to 64 | ↓ | 26.9% | 22.6% | + |
| Currently Smoke Cigarettes | 18 to 64 | ↓ | 12.0% | 10.8% | + |

*Notes:*

*↓ Indicates that the Healthy People 2020 objective is to reduce; ↑ indicates that the objective is to increase*

*Sources: UCLA Center for Health Policy Research and Los Angeles County Department of Public Health*

# Senior Health

Note: Findings are based on 2014 California Health Interview Survey for SPA 3

When comparing senior health indicators in the SPA to Healthy People 2020 objectives, the SPA did not meet the objectives related to health access for: flu shot received in past year; and related to health behaviors for: healthy weight/obese and diagnosed with high blood pressure. The SPA experience compared to Healthy People 2020 national objectives is summarized in the table below.

**Summary of Senior Health Indicators**

Los Angeles County Service Planning Area 3 – San Gabriel Valley

*2014*

| Indicator | Age Group | Healthy People 2020 Objective | | SPA 3 San Gabriel Valley | |
|---|---|---|---|---|---|
| | | Good | Target Rate | Rate | Status |
| **Health Access** | | | | | |
| Usual Source of Ongoing Care | 65+ | ↑ | 100% | 84.5% | * |
| Flu Shot in Past Year | 65+ | ↑ | 90% | 71.3% | - |
| **Health Behaviors** | | | | | |
| Healthy Weight | 65+ | ↑ | 33.9% | 32.0% | - |
| Obese | 65+ | ↓ | 30.5% | 33.1% | - |
| Diagnosed with High Blood Pressure | 65+ | ↓ | 26.9% | 62.9% | - |
| Currently Smoke Cigarettes | 65+ | ↓ | 12.0% | 10.0% | * |

*Note: ↓ Indicates that the Healthy People 2020 objective is to reduce; ↑ indicates that the objective is to increase*

*Source: UCLA Center for Health Policy Research*

# Community Consultation

Note: Findings are based on surveys with representatives of community and public organizations conducted over a five-week period beginning in mid-November 2016

The following were identified as the community's top health issues (based on frequency of overall mention):

- Access to health care specific to health insurance coverage, availability of providers in the community, language barriers, and lack of transportation
- Disease prevention and health promotion, specific to diabetes, obesity, heart disease, high blood pressure, cancer, Alzheimer's disease, vision care including cataracts and glaucoma, and eye exams and glasses

According to many of those interviewed, the San Gabriel Valley in general and persons of all ages, regardless of income or racial/ethnic and cultural backgrounds are affected by these health issues. For example, many face challenges associated with health care access and Alzheimer's disease affects all age sixty and older. Neighborhood areas specifically mentioned by those participating in the community interviews included:

- Arcadia
- El Monte
- Baldwin Park
- Monrovia
- Temple City

Populations specifically identified by those participating in the interviews:

- Working poor
- Individuals newly covered (with health insurance)
- Seniors
- Chinese immigrant families with limited English proficiency
- Racial and ethnic minorities – Asians, Latinos, and African Americans

Participants in the community consultation identified the following roles for the community to take to address health issues, including:

- More free health education – seminars, workshops, health fairs, and support groups
- More community outreach programs
- Availability of locally-based Chinese-speaking medical specialists

- Community liaison available at community centers
- Engagement of cities and schools
- Working collaboratively with others to address issues, such as transportation
- Culturally and linguistically trained health care personnel
- More bilingual volunteers
- More personnel familiar with government and community programs
- Availability of free screenings at Federally Qualified Health Centers
- Locally based medical specialists

Many of those interviewed complimented Methodist Hospital on its efforts to provide services to the local community, commenting that "the Hospital is doing a great job already," through efforts such as participation in health fairs serving the Asian and Latino communities, partnerships with area community and senior centers, classes for the community, educational conferences for Chinese cancer patients, and having a "clean hospital with a very good reputation."

Participants in the community consultation offered the following Suggestions for collaborative roles or actions for Methodist Hospital:

- Let community residents know which doctors the Hospital contracts with and which medical insurance plans are accepted at the Hospital (knowledge of this information can help residents in deciding on purchases of their health plans)
- Promote hospital services and their accessibility (including insurance plans accepted by Methodist Hospital and physicians)
- Availability of Chinese and Spanish-speaking nurses on every floor 24/7
- More Chinese-speaking physicians on medical staff (so as not to have to refer patients out of the area for care)
- Improved interpreter/translation services for monolingual Chinese-speaking patients, such as interpreters using FaceTime
- Continued health education offerings on topics such as maintaining health, healthy dieting, breast health and early detection
- Support groups for Parkinson's, dementia, and caregivers
- Participate or sponsor health fairs
- Participate in community events
- Coordinate efforts with Federally Qualified Health Centers and community organizations
- Inform community organizations about educational offerings so that staff can inform their clients
- Transportation services for cancer patients

## Process and Criteria Used

In preparing the community health needs assessment, Methodist Hospital combined quantitative data about service area demographics, availability of health insurance, health access to and utilization of key services, health status, and health behaviors with qualitative data on opinions of important health issues in the community.

The following criteria were used to identify and prioritize significant health needs in the community:

- Healthy People 2020 target not met
- Number of persons affected
- Identification and/or validation as an important health issue in the community consultation
- Identified by community organizations as an opportunity to work collaboratively to address health issue

## Significant Priority Health Needs Identified

Note: Findings are based on review of data and information and community input

- Access to health services for adults
- Disease prevention and health promotion addressing diabetes, heart disease, high blood pressure, obesity, cancer, and Alzheimer's disease

## Health Care Facilities and Other Resources

Note: Findings are based on 2015 listings of health care facilities and senior centers located in the service area

The following health care facilities and other resources are located in the ZIP codes of the service area:

- 20 licensed free and community clinics
- 1 licensed rehabilitation clinic (specialty clinic)
- 10 open hospitals (eight general acute care hospitals and two acute psychiatric hospitals)
- 10 senior centers

# Section 4: Community Benefits Planning Process and Objectives

Following completion of the 2016 Community Health Needs Assessment, Methodist Hospital continued to implement programs and services in response to identified community needs, in view of the hospital's mission and expertise.[2]

To prepare this community benefits plan, the hospital distributed community activity forms and logs to staff in a variety of hospital departments. These activity forms are to record information regarding the event/project, date of event, location of event, name of the event coordinator, department, cost center, services provided, and number served. In addition, Finance provided information on public insurance program reimbursement shortfalls, charity care, average hourly rate, as well as certain cost center and department-specific data. The following departments provided information and/or completed community activity reports: Finance, Bariatrics, Community Outreach, Marketing and Communication, Cardiology, Cancer Center, Maternal Child Health, Health Ministries, and Pastoral Care. Prior to submittal of the community benefits plan to the Office of Statewide Health Planning and Development, this Community Benefits Plan was reviewed and approved by Methodist Hospital senior management.

During Fiscal Year 2019, Methodist Hospital pursued the following objectives in its community benefits plan:

1. To continue to increase access to health care services for the community.
2. To continue to provide health education, support, and screening services for the public based on important health concerns, such as diabetes, heart disease, high blood pressure, obesity, and cancer.

On an annual basis, Methodist Hospital will monitor and report measures of plan progress. See **Section 5**: Community Benefits Plan Update for a description of programs and services provided by the hospital in support of each of these objectives.

[2] Methodist Hospital completed its 2019 Community Health Needs Assessment (CHNA) and associated Implementation Plan for 2020 to 2022. These documents are available on the hospital's website: https://www.methodisthospital.org/documents/methodist-hospital-2019-CHNA-final-122619.pdf.

# Section 5: Community Benefits Plan Update

This section includes a description of programs and services provided by Methodist Hospital, as well as measurements of key outcomes accomplished in Fiscal Year 2019. Programs and services are organized in response to the two priority health needs identified in **Section 4**.

## Access to Health Care Services

Methodist Hospital community benefit services include: operating a 26-bed emergency department 24-hours a day (51,124 visits in 2019), providing charity care for patients without the ability to pay for necessary treatment (2,272 patients served), absorbing the unpaid costs of care for patients with Medi-Cal (21,575 patients served), and absorbing the unpaid costs of care for patients with Medicare (28,268 patients served). Given the importance of providing expert care in the community, Methodist Hospital also operated several essential hospital services at a financial loss, including: Maternal Child Health program and specialized oncology services.

To assist area residents with finding physicians, Methodist Hospital continues to offer a free Physician Referral Line. Consumers may telephone 888-388-2838 to speak directly with a dedicated physician referral center (1,018 callers referred in Fiscal Year 2019), or search for a physician on the hospital web site. Physician referrals are fulfilled based on desired physician specialty, location, gender, language, or office hours; and/or accepted insurance (including Medi-Cal and senior health insurance plans). In addition, to assist Chinese-speaking community members, Methodist Hospital offered a dedicated Chinese Hot Line where callers can obtain physician referrals, information about hospital services, information regarding maternity tours and classes (such as date/time and how to register), and information about community events, such as screenings and informational lectures. The hospital's Chinese language hot line served approximately 500 callers in Fiscal Year 2019.

Methodist Hospital's Health Ministries (Parish Nurse) program develops and supports holistic health programs in faith communities. Now in its 23rd year, Methodist Hospital provides free education and training, information and resources in the areas of wellness promotion and disease prevention, plus flu shots to improve the health of our community. In Fiscal Year 2019, Methodist Hospital continued its formal Health Ministries program with six churches and one retirement

community having Faith Community volunteer nurses. The Health Ministries program operated at the following locations: Holy Angels Catholic Church (located in Arcadia), Church of the Good Shepherd United Methodist (Arcadia), First United Methodist Church (Temple City), Faith United Methodist Church of San Gabriel Valley (Temple City), Mission Community United Methodist Church (Rosemead), True Light Presbyterian Church (Alhambra); and Westminster Gardens, a retirement community located in Duarte. In addition, Methodist Hospital has a relationship with three "limited" partners (there is no parish nurse commitment), providing education and information as well as health-related speakers for meetings to the following churches: Arcadia Community Church, Santa Anita Church (located in Arcadia), and Saint James Methodist Church (Pasadena). In Fiscal Year 2019, Methodist Hospital offered five health-related luncheon programs to the Faith Community, with a total attendance of 187 persons.

In Fiscal Year 2019, the Director of Spiritual Care at Methodist Hospital conducted a weekend Health Ministries retreat on January 11 through January 13 at Vina de Lestonnac Retreat Center in Temecula; hosted four Health Ministries meetings for faith community nurses (in April, June, November, and December); and conducted ten meetings/in-services for continuing education for nurses. In addition, the Director of Spiritual Care provided consultations with churches and delivered speaking engagements at various community settings.

# Health Education, Support, and Screening Services

In Fiscal Year 2019, Methodist Hospital offered health education and information, support, and screening services for the public in many different areas, including maternal child health, heart disease and stroke, cancer, diabetes, and dedicated senior services. These free education, information, support, and screening services were made available through local community programs, the hospital's website (including a calendar of events, list of hospital services, and a health encyclopedia), and hospital mailers distributed to targeted households across the hospital's service area.

Methodist Hospital's maternity service handles patient needs and emergencies as they arise with a multidisciplinary team consisting of physicians, nurses, respiratory therapists, social workers, pharmacists, dietitians and occupational therapists. Our maternal child health department features nine labor/delivery/ recovery suites, four labor rooms, two operating rooms, four post-anesthesia recovery beds, a 24-bed couplet care unit designed for Family Centered Care featuring 24-bed couplet care unit designed for family centered care, a Newborn nursery, and a 17-bed Level II Neonatal Intensive Care Unit.

A comprehensive offering of free maternity orientations/tours and nominally priced classes is offered year-round, with classes in English and Chinese (Mandarin). In Fiscal Year 2019, class offerings included 2-hour afternoon and evening maternity orientations and tours (48 occurrences conducted in English and attended by 493 expectant mothers; 62 occurrences conducted in Chinese attended by 482 expectant mothers), 3-hour Baby Care and Soothing Techniques (24 occurrences attended by 154 couples), Breastfeeding (24 occurrences attended by 102 couples), 12-hour Prepared Childbirth (Lamaze) classes offered in English over a four-week period or over two weekend afternoons (24 occurrences attended by 152 couples), one weekend-day Prepared Childbirth (Lamaze) class offered in Chinese every other month through October (5 occurrences attended by 27 couples), and 2.5-hour Tot CPR for Family and Friends offered in English (14 occurrences, due to high census, attended by 144 persons) and Chinese (6 occurrences attended by 31 persons). A free weekly 1-hour breastfeeding support group, "Mommy & Baby Bistro," was available to the community in 2019, with meetings on weekdays and weekends (397 visits).

Methodist Hospital's highly specialized cardiovascular services include the availability of a cardiac care team 24-hours a day, seven days a week; dedicated handling of STEMI patients in the

hospital's emergency department, three cardiac catheterization laboratories where physicians perform coronary angioplasty, pacemaker and AICD insertion, electrophysiology studies, and carotid artery stenting. Open-heart surgery and valve replacement are performed in two dedicated operating rooms. Methodist Hospital also provides specialized care for cardiovascular patients in one of three units — intensive care, coronary care, and cardiac patient care — depending on the needs of the patient, and provides inpatient and outpatient cardiac rehabilitation programs.

Methodist Hospital also offers a "Mended Hearts" program for cardiac patients and their caregivers. Patients and caregivers who have experienced cardiovascular problems such as myocardial infarction, heart failure, high blood pressure and stroke, meet and share their experiences, anxieties, and concerns in a light-hearted atmosphere with fun social activities to aid in recovery. In Fiscal Year 2019, 72 persons participated in monthly Mended Heart support group meetings and 176 persons participated in monthly Stroke and Brain Injury support group meetings.

Methodist Hospital continues to sponsor a Heart Check Center™ kiosk at the Westfield Santa Anita Mall in Arcadia, providing free blood pressure and Body Mass Index (BMI) testing, as well as free health information. During 2019, this kiosk performed approximately 30,875 blood pressure screenings and 3,624 BMI screenings. Of note, 30% of males testing their blood pressures had normal readings, while 70% of males testing their blood pressure had elevated, hypertensive Stage 1 and Stage 2+ readings. Among females, 45% testing their blood pressures had normal readings, while 55% testing their blood pressure had elevated, hypertensive Stage 1 and Stage 2+ readings. If desired, the kiosk also allows participants to confidentially email their personal results, and access assistance in finding a physician.

In recognition of the importance of convenient and accessible blood pressure testing, Methodist Hospital offers blood pressure screenings on a monthly basis at scheduled times at the Arcadia Community Center, Monrovia Community Center, and Sierra Madre Hart Park House (421 adults served with blood pressure screenings at these locations during 2019). In addition, staff at Methodist Hospital provided blood pressure and BMI screenings, plus informational lectures at various community events throughout the year, including:

- Asian American Expo on January 19-20 at Pomona Fairplex
- Lunar New Year Festival on February 9 in Alhambra
- Derby Day 5K Walk/Run on April 6 at Santa Anita Race Track in Arcadia
- Pasadena Humane Society Health Fair on April 12 in Pasadena

- Heart Forum lecture on April 16 at Vance Auditorium at Methodist Hospital
- Arcadia Pancake Breakfast on May 4 at Arcadia Fire Station 106
- Taste of Duarte on May 8 at Westminster Gardens in Duarte
- Mount Wilson Trail Race on May 25 in Sierra Made
- Stroke Forum lecture on May 30 at Methodist Hospital Vance Auditorium
- Arcadia Chamber Business Showcase on June 1 at Westfield Santa Anita Mall in Arcadia
- Foothill Unity Back-to-School event on August 6 at Santa Anita Race Track
- Chinese University Alumni Association Educational on August 10 at the Taipei Cultural Center in El Monte
- Senior Health Fair on September 20 at Arcadia Recreation and Community Services
- Walmart Health and Wellness Fair on September 21 at the Walmart Super Center in Baldwin Park
- Southern California Women's Conference on November 1 at the Pasadena Hilton
- Asian Health Fair on November 3 at Methodist Hospital

Methodist Hospital offers a full complement of oncology services, including early detection screenings, surgery, chemotherapy, reconstructive surgery, pain management, and support groups. Methodist Hospital also provides hospital and physician services at two specialized outpatient clinics: our GYN Oncology Institute and our Institute for Surgical Specialties – to continue to expand access to outstanding clinical services to residents and visitors across our service area.

During 2019, Methodist Hospital held a variety of workshops, support groups, and events to raise awareness and assist those with cancer. Methodist Hospital offered two sessions (beginning in February and September) of a cancer survivorship program – "Stepping Forward" – a free six-week body-and-mind strengthening program for survivors of any type of cancer. This program, led by physical and occupational therapists, offered exercise/fitness classes, seminars on nutrition, meditation, and community resources, served 27 persons in Fiscal Year 2019. Methodist Hospital staffs a Cancer Resource Center, a support facility where patients can ask knowledgeable cancer professionals questions about their disease, either in person or by telephone. The "Positive Appearance Center" at Methodist Hospital provided free personal consultations in a private setting to assist patients to manage changes during various stages of cancer and its treatment (77 wigs

were provided). In Fiscal Year 2019, 68 patients were served and provided a Personal Health Manager Kit, specifically designed by the American Cancer Society to help patients organize and keep track of appointments, medication, test results, insurance, bills, and various other logistical and practical details associated with cancer.

Other education and informational programs and services addressing cancer prevention, as well as screening resources were provided in community settings during Fiscal Year 2019, including:

- "Breast Cancer Basics" lecture delivered to our "50+ Community Health" program members on January 22 (41 attendees)
- Educational lecture on "Healthy Lifestyle for Cancer Survivors" on March 14 during National Colorectal Cancer Awareness Month (served 207 persons)
- Education and distribution of informational materials on cancer prevention and outreach on June 30 (served 50 persons)
- Educational seminar titled "Annual Well Women Exam and Menopausal Care" presented in Mandarin on August 10 (attended by 500 persons);
- National gynecological cancer awareness education at "Walmart Health and Wellness Fair" on September 21 during National Gynecologic Cancer Awareness Month. Distribution of informational materials regarding gynecological cancer prevention, screening, and outreach programs to 500 attendees. Recommendations made for GYN oncology clinic, Positive Appearance Center, and Cancer Survivorship programs.
- Education and distribution of informational materials regarding breast cancer prevention, screening, and outreach programs at National "Pink Ribbon Conference" on October 19 during National Breast Cancer Awareness Month (served 250 women)
- Clinical breast exams, education and distribution of informational materials on breast cancer prevention, screening and outreach programs on November 1 at Southern California Women's Health Conference in Pasadena (attended by approximately 1,500 women)
- Clinical breast exams, education and distribution of informational materials on breast cancer prevention, screening and outreach programs on November 3 at Asian Health Fair (attended by approximately 500 Chinese women)

- "Is there a Link Between Diabetes and Cancer?" on November 20 (attended by 15 persons)
- Thirty cancer survivors attended an art therapy program, ScART – designed to empower cancer survivors through abstract art to assist with embracing life beyond cancer, on November 17
- ScART Cancer Survivor Gallery opening, an event highlighting the art created by the Scar Artist completed on November 17 (attended by 115 persons)
- Six physician educational programs included the following: Medical Marijuana on March 7 (attended by 56 physicians); Update on AIDS on June 6 (attended by 35 physicians); "Lung Cancer: What do you need to Know?" on June 20 (attended by 40 physicians); Advances in the Treatment of Rectal Cancer on September 12 (attended by 30 physicians); Neo-Adjuvant And Advanced Breast Cancer on September 19 (attended by 30 physicians); and Genetic Testing for Hereditary Cancer on November 14 (attended by 37 physicians).

To assist those with diabetes and related health conditions, Methodist Hospital offered specialized classes in Fiscal Year 2019. A free diabetes management class (4-week series for two hours each session), offered monthly, and taught by a team that includes a registered nurse, diabetes educator, registered dietitian, and a physical therapist, presented topics on eating with diabetes, exercise, blood glucose monitoring, medications, and preventing complications (served an average of 101 clients per series in Fiscal Year 2019). In addition, dietitians assisted community members with education and support in a variety of monthly programs, including our diabetes management support group (42 client visits in Fiscal Year 2019), wound healing (30 client visits), obesity and weight loss (34 client visits), bariatric nutrition class (240 client visits), bariatric support group (92 client visits), gestational diabetes (63 client visits) and cancer, renal and other nutritional consults (47 client visits). A dietitian also participated in our "Stepping Forward – Cancer Survivorship" Program and our Cardiac Rehabilitation program.

To meet the needs of active, older adults, Methodist Hospital offers our "50+ Health Connection" program. This program allows members to participate in free health education classes, screenings, and physician referrals. In Fiscal Year 2019, there were 3,214 active members of "50+ Health Connection", ranging in age from fifty to ninety years. In Fiscal Year 2019,

Methodist Hospital hosted nine monthly events at the Arcadia Recreation and Community Services, with physicians and other health care professionals addressing a variety of topics, including:

- Breast Cancer Basics: Myths and Facts (January)
- Recent Advances in Ophthalmology (February)
- What to Expect During Your Visit to the ER (March)
- Headache Pain: Symptoms and Remedies (April)
- Varicose and Spider Veins: Spectrum, Causes and Treatments (May)
- Understanding Dementia: Signs, Symptoms, and Risks (June)
- Diseases and Disorders of the Blood Vessels in the Brain (July)
- Lunch and Learn Health Lecture (September)
- Nutrition and Healthy Holiday Cooking (October).

In Fiscal Year 2019, attendance at these informational programs totaled approximately 553 persons. In advance of these events, Methodist Hospital alerted the community with Save the Date reminder postcards, announcing specific topics, dates and times, locations, program descriptions, and reservations information – by phone or online. The hospital also posted information on Methodist Hospital's website "Calendar of Events."

# Section 6: Economic Value of Community Benefits

In Fiscal Year 2019, the economic value of community benefits provided by Methodist Hospital is estimated at **$42,566,906**.

**Table 6.1** summarizes the unreimbursed costs of these community benefits according to the framework specifically identified by Senate Bill 697:

- Medical care services
- Other benefits for vulnerable populations
- Other benefits for the broader community
- Health research, education, and training programs

**Table 6.1: Estimated Economic Value of Community Benefits Provided by Methodist Hospital**
**Fiscal Year 2019**

| Senate Bill 697 Category | Programs and Services Included | Unreimbursed Cost[1] |
|---|---|---|
| Medical Care Services | Medi-Cal Program Shortfall[2] | $20,688,519 |
| | Medicare Program Shortfall[2] | $7,358,723 |
| | Charity Care[3] | $8,394,969 |
| | Services that meet a Community Need and Operate at a Loss[4] | $2,488,065 |
| | Emergency Department Call Panels and Care of the Uninsured | $1,954,948 |
| Other Benefits for Vulnerable Populations | Assistance to Patients without Financial Resources and Cash Donations to Nonprofit Organizations Serving Vulnerable Populations | $312,520 |
| Other Benefits for the Broader Community | Community Outreach, Health Information and Education, Support and Screenings; Physician Referral Program, and Cash Donations to Nonprofit Organizations Serving the Broader Community | $680,277 |
| Health Research, Education, and Training Programs | Clinical Pastoral Education, Health Ministries Program, Health Professions Education, and Grant Writing for Community Benefit Programs | $688,885 |
| - | **GRAND TOTAL** | **$42,566,906** |

[1] Unreimbursed costs for the Senate Bill 697 categories - other benefits for vulnerable populations, other benefits for the broader community and health research, education and training programs - may include an hourly rate for labor (plus benefits), other expenses such as purchased services, food, supplies, other direct expenses and rooms.
[2] Medical care services provided to Medicare and Medi-Cal beneficiaries result in shortfalls for the hospital. The method for determining these shortfalls is based on a cost to charge ratio. The costs are subtracted from the payments received from Medicare or Medi-Cal.
[3] Charity Care is also calculated based on a cost to charge ratio. Actual cost is subtracted from any payments received from either public or private insurance payors or patients.
[4] The method for determining the cost of medical care services that meet community needs and operate at a loss is based on a cost accounting system.

# EXHIBIT 14

# MHSC COMMUNITY BENEFITS REPORT 2020

# Methodist Hospital
# Community Benefits Plan
# Fiscal Year 2020

Submitted to:
Office of Statewide Health Planning and Development
Accounting and Reporting Systems Section
2020 West El Camino Avenue, Suite 1100
Sacramento, CA 95833
Email: CommunityBenefit@oshpd.ca.gov

# Preface

In accordance with Senate Bill 697, Community Benefits Legislation, Methodist Hospital, a private not-for-profit hospital, submits this Community Benefits Plan for Fiscal Year 2020[a]. Senate Bill 697 requires a not-for profit hospital in California to complete the following activities:

- Review and reaffirm its mission statement to ensure that its policies integrate and reflect the public interest in meeting its responsibilities as a not-for-profit organization

- Complete and update a needs assessment every three years, evaluating the health needs of the community served by the hospital

- Adopt and file a community benefits plan annually, documenting activities that the hospital has undertaken to address community health needs within its mission and financial capacity; and to the extent practicable, assign and report the economic value of community benefits provided in furtherance of its plan

[a] Methodist Hospital fiscal year is from January 1 to December 31.

# Introduction to Methodist Hospital

Methodist Hospital is a 348-licensed bed, not-for-profit community hospital located in Arcadia, California. Founded in 1903, Methodist Hospital is committed to providing excellent patient care delivered with compassion and respect. Methodist Hospital provides a wide range of clinical services that includes emergency services, diagnostic testing and imaging, inpatient and outpatient surgery, critical care, cardiac catheterization, cardiac surgery, neurosurgery, comprehensive stroke services (including neuro-interventional radiology), cancer services (including a GYN Oncology Institute and Institute for Surgical Specialties), orthopedic surgery (including hip and knee replacement, fracture care, and spine surgery), maternity services, weight-loss surgery, physical therapy, acute physical rehabilitation, a wound healing center with hyperbaric oxygen therapy, and spiritual care. The Kathy Kredel Nursery School at Methodist Hospital is the longest-running, non-profit corporate nursery school in the United States, providing day care to the children of our doctors and staff. Methodist Hospital personnel includes: 1,450 employees, over 700 medical staff members, 600 volunteers, and 20 Community Board members.

Methodist Hospital currently holds the following certifications, designations, awards and recognitions for clinical services:

**Hospital**

- Honored as Business of the Year by the Arcadia Chamber of Commerce and recognized for being an essential part of the well-being of the City of Arcadia and for dedication to the community especially during the COVID-19 pandemic
- Recognized by State Senator Susan Rubio, Assembly Member Ed Chau, Los Angeles County Supervisor Kathryn Barger, and the City of Arcadia for the hospital's outstanding efforts in serving the community by providing high quality health care services to patients throughout the COVID-19 pandemic
- Full Three-Year Hospital Accreditation from The Joint Commission
- Honored as one of America's 250 Best Hospitals by HealthGrades based on excellent clinical outcomes and commitment to delivering the best patient care
- Ranked among Top 100 hospitals in the United States for Patient Safety, Quality and Efficiency for six consecutive years (2014-19) by the SafeCare Group

- Top Performer on Key Quality Measures® program for treatment of Heart Attack, Heart Failure, Pneumonia, Stroke, Surgical Care, and Perinatal Care from The Joint Commission
- Recognized by the California Hospital Engagement Network (CALHEN) and the Hospital Quality Institute for dramatic reductions in infection rates, reflecting our facility's strict adherence to hospital safety codes and dedication to helping patients recover as quickly as possible

**Bariatrics**

- Accredited Comprehensive Center from the American Society for Metabolic and Bariatric Surgery (ASMBS)
- Blue Distinction Center from Blue Cross Blue Shield Association (BCBSA)
- Center of Excellence from HealthNet

**Cancer Care**

- Accreditation with Commendation as a Comprehensive Community Cancer Center from the American College of Surgeons Commission on Cancer

**Cardiology**

- Disease-specific certification for acute coronary syndrome, acute myocardial infarction, and heart failure by The Joint Commission
- Blue Distinction Center from Blue Cross Blue Shield Association (BCBSA)
- Center of Excellence - Cardiac Catheterization and Angioplasty from CIGNA
- Institute of Quality - Cardiac Rhythm Management from Aetna
- High Performing - Heart Failure from US News & World Report

**Emergency Services**

- Designated as an Emergency Department Approved for Pediatrics (EDAP) by Los Angeles County EMS
- Designated as a STEMI (heart attack) Receiving Center by Los Angeles County EMS
- Designated as a Comprehensive Stroke Center by Los Angeles County EMS
- Comprehensive Stroke Center accreditation from an independent rating agency, DNV GL

**Gastroenterology**

- Gastrointestinal Care Excellence from HealthGrades

**Orthopedics**

- Blue Distinction Center - Spine Surgery from Blue Cross Blue Shield Association (BCBSA)
- Blue Distinction Center - Hip & Knee Replacement from BCBSA
- Center of Excellence - Hip & Knee Replacement from CIGNA

**Pulmonary Medicine**

- Center of Excellence from CIGNA
- Pulmonary Care Excellence from HealthGrades
- Institute of Quality - COPD from Aetna
- High Performing - COPD from US News & World Report

**Stroke Care**

- America's 100 Best Hospitals from HealthGrades
- Neurosciences Excellence from HealthGrades
- Cranial Neurosurgery Excellence from HealthGrades
- Get With The Guidelines Gold Plus from American Heart Association

Methodist Hospital has expanded its presence on the Internet that includes a website dedicated to providing health news and information, videos, and virtual tours for patients, employees, physicians, volunteers, and visitors, in addition to convenient services such as a free physician referral, online class registration, and online bill payment. Methodist Hospital also publishes news and information on social media, via Facebook, Twitter, WeChat, YouTube, Pinterest, LinkedIn, and Yelp to inform the community about hospital services and events.

# Thank You to Our Community

2020 was a most challenging year for Methodist Hospital. By year-end, the Hospital had cared for more than 2,100 COVID-19 inpatients and provided COVID-19 tests to more than 13,000 people.

We are grateful to all in our community – elected officials, business leaders, community leaders and residents – who have responded so generously with donations and support during the COVID-19 pandemic. This generosity allowed us to continue to provide uninterrupted, high quality, services while adequately protecting patients, nurses, physicians, and other clinical and hospital staff. We have helped reduced the spread of infection throughout our community. And Methodist Hospital's use of SwipeSense Technology for Contact Tracing and Hand Hygiene Monitoring will help us to ensure the safety of patients and hospital staff during the remainder of the COVID-19 crisis, and beyond.

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# Section 1: Executive Summary

## Mission Statement

To provide high-quality healing services while caring for the patient's emotional and spiritual needs and enabling them to achieve health for life.

## Definition of Community in the 2019 Community Health Needs Assessment

For purposes of this health needs assessment, Methodist Hospital defined its service area to include the following ZIP Codes and communities:

**Service Area Definition**

Methodist Hospital Service Area

*2019*

| ZIP Code | Community |
|---|---|
| 91006 | Arcadia |
| 91007 | Arcadia |
| 91008 | Bradbury |
| 91010 | Duarte |
| 91016 | Monrovia |
| 91024 | Sierra Madre |
| 91001 | Altadena |
| 91104 | Pasadena |
| 91107 | Pasadena |
| 91702 | Azusa |
| 91706 | Baldwin Park |
| 91731 | El Monte |
| 91732 | El Monte |
| 91733 | South El Monte |
| 91741 | Glendora |
| 91770 | Rosemead |
| 91775 | San Gabriel |
| 91776 | San Gabriel |
| 91780 | Temple City |
| 91801 | Alhambra |

*Source: Methodist Hospital 2019 inpatient data analysis.*
*Note: Methodist Hospital is located in Arcadia ZIP Code 91007*

## Findings from 2019 Community Health Needs Assessment

Methodist Hospital service area population (2019) is estimated at 783,391. The population in the service area is forecast to increase 2.5 percent in the next five years, to 803,197. Growth projections for households and families are estimated to increase 2.7 percent and 2.6 percent, respectively. When comparing the service area to Los Angeles County, the service area has a higher proportion of the following: persons age 55 years and older, Asian/Native Hawaiian or Pacific Islander residents; persons speaking Asian or Pacific Island language at home, persons 16 years and older not in the labor force, households with 3 or more persons, households with children under 18 years of age present, and owner occupied households.

When comparing health indicators for the San Gabriel Valley (Service Planning Area 3) and/or Methodist Hospital service area to Healthy People 2020 National Objectives, opportunities to improve health services exist among the following groups: non-elderly persons with health insurance, persons with a usual source of ongoing care, persons experiencing delays in getting medical care, persons experiencing delays in getting prescription medicines, seniors who received a flu shot in the past year, and seniors diagnosed with high blood pressure.

Following analysis of the community consultation, the following were identified as the community's top health issues (based on frequency of mention): access to health services and continuity of care, and health conditions and disability such as diabetes, high blood pressure, heart disease and stroke, cancer, mental health and dementia, and influenza and pneumonia (seasonal emphasis).

The 2019 Community Health Needs Assessment identified the following two significant priority health needs:

- Access to health services for adults
- Disease prevention and health promotion addressing diabetes, heart disease, high blood pressure, obesity, cancer, and Alzheimer's disease

## Objectives Addressed in the Community Benefits Plan

During Fiscal Year 2020, Methodist Hospital pursued the following objectives in its community benefits plan:

1. To continue to increase access to health care services for the community, with a focus on adults.
2. To continue to provide health education, support, and screening services for the public based on important health conditions, such as diabetes, heart disease, and cancer.

## Community Benefits Plan Activities

In Fiscal Year 2020, Methodist Hospital provided a variety of programs and services in support of these objectives. Some of the services provided were: operating a 26-bed emergency department 24-hours a day, providing charity care to patients without the ability to pay for necessary treatment, absorbing the unpaid costs of care for patients with Medi-Cal, absorbing the unpaid costs of care for patients with Medicare, operating essential community services, such as maternity and NICU, at a loss; providing free physician referrals to the community, providing health education, support and screening programs on a variety of topics; providing health education, information and web site services in English and Chinese (Mandarin); conducting free blood pressure and Body Mass Index screenings, including access to a local mall kiosk (limited in time due to Stay at Home orders during the COID-19 pandemic); a dedicated Senior Services program of health education classes and screenings; and a Health Ministries program that assists local congregations to provide guidance, support, and resources to parish nurses and health cabinets.

## Economic Value of Community Benefits Provided

The economic value of community benefits provided by Methodist Hospital in Fiscal Year 2020 is estimated at **$46,495,112.**

# Section 2: Mission, Vision, and Core Values

Methodist Hospital Mission, Vision, and Core Values statements follow. These guide our organization's commitment to serving to our community.

## Our Mission

To provide high-quality healing services while caring for the patient's emotional and spiritual needs and enabling them to achieve health for life.

*Revised December 2012*

## Our Vision

To provide an exceptional patient experience through compassionate care and create life-long relationships by changing the way health and health care are delivered in our community. To meet these goals, we instill core values into our staff that keep us focused on the excellent care we aim for.

## Our Core Values ("*I-RAISE*")

***I****NTEGRITY* – We are open, honest and trustworthy. We live our values.

***R****ESPECT* – We treat each other with dignity and value the ideas and perspectives each individual brings.

***A****CCOUNTABILITY* – We take full ownership of our actions and their outcomes.

***I****NNOVATION* – We embrace new ideas and thinking to improve what we do.

***S****AFETY* – We put safety first, for our patients, their families and all who work here.

***E****XCELLENCE* – We advance health through the continuous pursuit of evidence-based, coordinated care.

# Section 3: 2019 Community Health Needs Assessment Summary[1]

## Process and Methods

This community health needs assessment brings together a variety of demographic and health data and information, gathered from both primary and secondary data sources.

The first phase of the community health needs assessment involved collection and analysis of numerous demographic and health status and data and information for Methodist Hospital Service Area and Service Planning Area (SPA) 3 – San Gabriel Valley. The following types of data were analyzed: population, household and family demographics; birth statistics, death statistics, designated Health Professional Shortage Areas, large-scale household telephone surveys designed to measure health access, utilization of health services, and health behaviors. Wherever possible, the SPA 3 or Los Angeles County health experience was benchmarked to Healthy People 2020 objectives. In addition, to assist with providing context to the demographics, Methodist Hospital Service Area is compared to Los Angeles County.

The second phase of the needs assessment focused on qualitative primary research. Representatives from Methodist Hospital agreed that telephone interviews with health department contacts and representatives from public and private organizations would be a cost-effective approach to gain an understanding of important health issues and potential opportunities to collaborate with these organizations.

## Service Area Determination

Note: Determination of service area updated based on 2019 inpatient origin analysis

Methodist Hospital used the Stark II definition – the lowest number of contiguous ZIP Codes from which the hospital draws at least 75 percent of its inpatients – to determine its primary geographic service area for purposes of the 2019 community health needs assessment. Using hospital data, there were 20 ZIP Codes from which the hospital drew 75 percent its admissions.

[1] Methodist Hospital 2019 Community Health Needs Assessment can be found on the hospital website at: https://www.methodisthospital.org

# Service Area Definition and Description

Note: Findings are based on 2019 demographic estimates

**Service Area Definition**

Methodist Hospital Service Area

*2019*

| ZIP Code | Community |
|---|---|
| 91006 | Arcadia |
| 91007 | Arcadia |
| 91008 | Bradbury |
| 91010 | Duarte |
| 91016 | Monrovia |
| 91024 | Sierra Madre |
| 91001 | Altadena |
| 91104 | Pasadena |
| 91107 | Pasadena |
| 91702 | Azusa |
| 91706 | Baldwin Park |
| 91731 | El Monte |
| 91732 | El Monte |
| 91733 | South El Monte |
| 91741 | Glendora |
| 91770 | Rosemead |
| 91775 | San Gabriel |
| 91776 | San Gabriel |
| 91780 | Temple City |
| 91801 | Alhambra |

*Source: Methodist Hospital 2018 inpatient data analysis.*
*Note: Methodist Hospital is located in Arcadia ZIP Code 91007*

The service area population (2019) is estimated at 783,391. The population in the service area is forecast to increase 2.5 percent in the next five years, to 803,197. Growth projections for households and families are estimated to increase 2.7 percent and 2.6 percent, respectively. The following table summarizes the service area population, households, and families as well as the percent change projected for 2024 (over a five-year period).

**Summary of Population, Households and Families**

Methodist Hospital Service Area

*2019*

| Description | Number | | Percent Change From 2019 to 2024 |
|---|---|---|---|
| | 2019 | 2024 | |
| **Demographics** | | | |
| Population | 783,391 | 803,197 | 2.5% |
| Households | 239,799 | 246,228 | 2.7% |
| Families | 181,375 | 186,090 | 2.6% |

*Source: Claritas*

To assist with providing context to the service area demographics, key statistics are compared to Los Angeles County for 2019 in the following table. Of note, in comparison to Los Angeles County, Methodist Hospital service area has a higher proportion of:

- Persons age 55 years and older
- Persons of Asian race
- Persons speaking an Asian or Pacific Island language
- Persons 16 years and older not in the labor force
- Households with 3 or more persons
- Households with children under 18 years of age
- Owner-occupied households

**Summary of Demographic Highlights**

Methodist Hospital Service Area Compared to Los Angeles County

*2019*

| Indicator | Percent | |
|---|---|---|
| | Service Area | LA County |
| **5-Year Change (2019 to 2024)** | | |
| Population | 2.5% | 3.0% |
| Households | 2.7% | 3.1% |
| Families | 2.6% | 3.0% |
| **Age Group** | | |
| 0 to 4 Years | 5.8% | 6.1% |
| 5 to 9 Years | 5.9% | 6.1% |
| 10 to 14 Years | 5.9% | 6.0% |
| 15 to 17 Years | 3.8% | 3.8% |
| 18 to 20 Years | 3.8% | 3.9% |
| 21 to 24 Years | 5.2% | 5.4% |
| 25 to 34 Years | 14.3% | 15.5% |
| 35 to 44 Years | 13.1% | 13.9% |
| 45 to 54 Years | 13.6% | 13.4% |
| 55 to 64 Years | 13.0% | 12.0% |
| 65 to 74 Years | 9.0% | 8.0% |
| 75 to 84 Years | 4.4% | 3.9% |
| 85 Years and Older | 2.1% | 1.8% |
| **Race/Ethnicity** | | |
| White | 17.7% | 25.7% |
| Black | 2.9% | 7.8% |
| American Indian/Alaskan Native | 0.1% | 0.2% |
| Asian | 33.0% | 14.7% |
| Native Hawaiian/Pacific Islander | 0.1% | 0.2% |
| Hispanic | 44.3% | 48.9% |
| Some Other Race | 0.2% | 0.3% |
| Two or More Races | 1.7% | 2.3% |
| **Language Spoken at Home by Persons 5 Years and Older** | | |
| English Only | 35.0% | 43.1% |
| Spanish | 33.9% | 39.4% |
| Asian or Pacific Island language | 28.1% | 10.9% |
| European language | 2.5% | 5.4% |

| Indicator | Percent | |
|---|---|---|
| | Service Area | LA County |
| Other language | 0.5% | 1.1% |
| **Employment Status of Persons 16 Years and Older** | | |
| In Labor Force, Employed | 58.1% | 59.6% |
| In Labor Force, Unemployed | 3.8% | 4.5% |
| In Armed Forces | 0.0% | 0.0% |
| Not in Labor Force | 38.1% | 35.8% |
| **Household Size** | | |
| 1-Person | 18.7% | 24.5% |
| 2-Persons | 25.1% | 26.2% |
| 3-Persons | 18.1% | 16.3% |
| 4-Persons | 16.7% | 14.8% |
| 5-Persons | 9.9% | 8.8% |
| 6-Persons | 5.4% | 4.6% |
| 7 or more Persons | 6.1% | 5.0% |
| **Households by Presence of Children Under 18 Years of Age** | | |
| No Children Under 18 Years Present | 59.7% | 62.4% |
| Children Under 18 Years Present | 40.3% | 37.6% |
| **Household Income** | | |
| Under $15,000 | 8.5% | 10.2% |
| $15,000 to $24,999 | 9.1% | 9.0% |
| $25,000 to $34,999 | 8.1% | 8.3% |
| $35,000 to $49,999 | 11.5% | 11.6% |
| $50,000 to $74,999 | 15.9% | 15.4% |
| $75,000 to $99,999 | 12.1% | 11.7% |
| $100,000 to $124,999 | 9.5% | 9.1% |
| $125,000 to $149,999 | 7.0% | 6.6% |
| $150,000 to $199,999 | 7.6% | 7.3% |
| $200,000 to $249,999 | 3.9% | 3.8% |
| $250,000 to $499,999 | 4.4% | 4.4% |
| $500,000 and over | 2.1% | 2.5% |
| **Owner-Occupied and Renter-Occupied Housing Units** | | |
| Owner-Occupied | 55.8% | 47.4% |
| Renter-Occupied | 44.2% | 52.6% |

*Source: Claritas*

# Health Access and Utilization

Note: Findings are based on the 2017 California Health Interview Survey for SPA 3

When comparing health access and utilization indicators in SPA 3 to Healthy People 2020 objectives, SPA 3 did not meet the objectives related to: medical insurance for persons under age 65 (insured all of part of the year), usual source of ongoing care, and delays in getting medical care.

**Summary of Health Access and Utilization Indicators**

SPA 3 Compared to Healthy People 2020 Objectives

*2017*

| Indicator | Healthy People 2020 Objective | SPA 3 San Gabriel Valley |
|---|---|---|
| **Health Access** | | |
| Insured All or Part of Year Age 0 to 64 Years | 100% | 94% |
| Usual Source of Ongoing Care All Ages | 95% | 87% |
| Delays in Getting Medical Care All Ages | 4.2% | 9.1% |

*Source: UCLA Center for Health Policy Research*

# Mortality

Note: Findings are based on deaths among residents of the service area in 2016 and three-year averages of deaths that occurred among residents of Los Angeles County during 2015 through 2017

In 2016, there were 4,910 deaths in Methodist Hospital service area. Heart disease and cancer were the top two leading causes of death in the service area, accounting for 50 percent of all deaths. Of note, coronary heart disease is not only the leading cause of death in Methodist Hospital Service Area (2016) but was also the leading cause of premature death in Service Planning Area 3 (2013). Other leading causes of death in the service area are summarized in the table below.

**Profile of Deaths, Ranked By Select Leading Causes of Death**

Methodist Hospital Service Area

*2016*

| Select Leading Cause of Death | Number | Percent |
|---|---|---|
| Heart Disease | 1,237 | 25.2% |
| Cancer (All Types) | 1,214 | 24.7% |
| Stroke | 291 | 5.9% |
| Alzheimer's disease | 285 | 5.8% |
| Chronic Lower Respiratory Disease | 268 | 5.5% |
| Influenza and Pneumonia | 203 | 4.1% |
| Diabetes | 197 | 4.0% |
| Unintentional Injuries (All Types) | 178 | 3.6% |
| Chronic Liver Disease and Cirrhosis | 106 | 2.2% |
| Essential Hypertension & Hypertensive Renal Disease | 101 | 2.1% |
| Nephritis, Nephrotic Syndrome and Nephrosis | 70 | 1.4% |
| Suicide | 49 | 1.0% |
| All Other | 711 | 14.5% |
| All Causes of Death | 4,910 | 100.0% |

*Source: California Department of Public Health*

When comparing age-adjusted death rates in Los Angeles County to Healthy People 2020 objectives, Los Angeles County experienced lower death rates in all leading causes of death than the stated target rates, with the exceptions of homicide and chronic liver disease and cirrhosis.

**Summary of Age-Adjusted Death Rates by Cause of Death**

Los Angeles County Compared to Healthy People 2020 Objectives

*Three-Year Average (2015 to 2017)*

| Indicator | Healthy People 2020 Objective | Los Angeles County |
|---|---|---|
| **Health Status** | | |
| Coronary Heart Disease | 103.4 | 101.7 |
| Stroke | 34.8 | 34.0 |
| Cancer (All Sites) | 161.4 | 132.8 |
| Lung | 45.5 | 24.8 |
| Colorectal | 14.5 | 13.1 |
| Prostate | 21.8 | 19.2 |
| Female Breast | 20.7 | 18.5 |
| Chronic Pulmonary Diseases | None | 28.2 |
| Influenza/Pneumonia | None | 18.7 |
| Diabetes | N/A | 22.9 |
| Unintentional Injuries (All Types) | 36.4 | 23.7 |
| Motor Vehicle Accidents | 12.4 | 7.9 |
| Homicide | 5.5 | 6.1 |
| Alzheimer's disease | None | 35.6 |
| Suicide | 10.2 | 8.0 |
| Chronic Liver Disease and Cirrhosis | 8.2 | 13.2 |

*Notes:*

*Rates are per 100,000 persons and are standardized to the 2000 U.S. Standard Million population*

*Healthy People 2020 Chronic pulmonary disease death rate is for the population age 45 years and older; data for the entire population is not comparable*

*Healthy People 2020 objective is based on both underlying and contributing cause of death which requires use of multiple cause of death files; California's data exclude multiple/contributing causes of death*

*Source: California Department of Public Health*

# Maternal and Infant Health

Note: Findings are based on live births that occurred in Methodist Hospital service area during 2015 to 2017, three-year averages of pregnancy and birth outcomes that occurred among residents of Los Angeles County during 2015 to 2017, and three-year averages of infant mortality during 2014 to 2016

On average, there were 9,352 live births a year in Methodist Hospital's service area during the three-year period from 2015 through 2017.

**Number of Live Births**

Methodist Hospital Service Area

*Thee-Year Average (2015 to 2017)*

| Year | Number of Births |
|---|---|
| 2015 | 9,563 |
| 2016 | 9,506 |
| 2017 | 8,986 |
| Three-Year Average | 9,352 |

*Source: California Department of Public Health*

When comparing maternal and infant health indicators in Los Angeles County to Healthy People 2020 objectives, Los Angeles County met all of the objectives.

**Summary of Maternal and Infant Health Indicators**

Los Angeles County Compared to Healthy People 2020 Objectives

*Three-Year Averages (2015 to 2017) and (2014 to 2016)*

| | Healthy People 2020 Objective | Los Angeles County |
|---|---|---|
| **Pregnancy/Birth Outcomes** | | |
| Early Prenatal Care | 77.9% | 84.8% |
| Low Birth Weight Infants | 7.8% | 7.2% |
| **Infant Outcomes (2014 to 2016)** | | |
| Infant Mortality | 6.0 | 4.3 |

*Source: California Department of Public Health*

# Adult Health

Note: Findings are based on 2017 California Health Interview Survey for SPA 3

When comparing adult health indicators in SPA 3 to Healthy People 2020 objectives, though SPA 3 did not meet the health access objectives related to medical insurance (insured all or part of the year) and usual source of ongoing care, SPA 3 did meet the objectives for all stated targets regarding health behaviors.

**Summary of Adult Health Indicators**

SPA 3 Compared to Healthy People 2020 Objectives

*2017*

| Indicator | Healthy People 2020 Objective | SPA 3 San Gabriel Valley |
|---|---|---|
| **Health Access** | | |
| Insured All or Part of Year | 100% | 91% |
| Usual Source of Ongoing Care | 89.4% | 83.3% |
| **Health Behaviors** | | |
| Healthy Weight | 33.9% | 42.9% |
| Obese | 30.5% | 22.3% |
| Diagnosed with High Blood Pressure | 26.9% | 21.7% |
| Currently Smoke Cigarettes | 12.0% | 9.3% |

*Source: UCLA Center for Health Policy Research*

# Senior Health

Note: Findings are based on 2017 and 2016 California Health Interview Survey for SPA 3

When comparing senior health indicators in SPA 3 to Healthy People 2020 objectives, SPA 3 did not meet the objectives related to flu shot received in past year, healthy weight, and diagnosed with high blood pressure.

**Summary of Senior Health Indicators**

SPA 3 Compared to Healthy People 2020 Objectives

*2017 and 2016*

| Indicator | Healthy People 2020 Objective | SPA 3 San Gabriel Valley |
|---|---|---|
| **Health Access (2016)** | | |
| Flu Shot in Past Year | 90% | 67% |
| **Health Behaviors** | | |
| Healthy Weight | 33.9% | 35.8% |
| Diagnosed with High Blood Pressure | 26.9% | 37.9% |

*Source: UCLA Center for Health Policy Research*

# Community Consultation

Note: Findings are based on surveys and interviews with community leaders and representatives of public organizations in the San Gabriel Valley conducted over a five-week period beginning in mid-September 2019.

Several of those interviewed complimented Methodist Hospital on its efforts to provide healthcare services to the community, commenting that "the Hospital is doing a lot now" and "doing a great job with community outreach and cancer awareness programs" through efforts such as participation in health fairs and partnerships with area community and senior centers.

The following were identified as the community's top health issues (based on frequency of overall mention):

- Access to health services and continuity of care

    - Lack of health insurance and cost of care
    - Insurance plans accepted by providers
    - Cost and timeliness of obtaining services and medications
    - Use of 911 and hospital emergency rooms
    - Difficulties receiving ongoing care due to lack of transportation, language barriers, costs of services and medications, and long wait times
    - Difficulties navigating the healthcare system
    - Lack of awareness of availability of needed health services
    - Shortage of specialty physicians

- Health conditions and disability

    Many of those interviewed identified the importance of health awareness, education, disease prevention, and medications management. In addition, several of those interviewed during the community consultation highlighted challenges related to age (older adults), gender, race/ethnicity, and cultural and generational differences in managing health conditions and disabilities. The following health conditions were specifically identified as particularly prevalent across the community:

    - Diabetes
    - High blood pressure
    - Heart disease and stroke
    - Cancer
    - Mental health and dementia

- Influenza and pneumonia (seasonal emphasis)

According to many of those interviewed, persons of all ages across the greater San Gabriel Valley, regardless of income or racial/ethnic and cultural backgrounds are affected by these health issues.

Specific demographic sectors most affected and identified by the interviewees:

- Lower socioeconomic status
- Lower educational attainment
- Chinese immigrant families with limited English proficiency
- Spanish-speaking persons
- Racial and ethnic minorities – Asians, Latinos, and African Americans

Participants in the community consultation identified specific actions that could be undertaken to address health issues, including:

*Access to Health Services and Continuity of Care*

- Financial assistance (including reduced costs)
- Reduced paperwork and duplication
- More effective and efficient coordination of community resources for vulnerable communities
- Reduce defensive medicine that is practiced in response to medical liability issues
- Use of health navigators
- Improve access to care e.g., transportation and language services
- Public education on topics such as financial assistance and insurance copayments/deductibles

*Health Conditions and Disability*

- Additional partnering of healthcare organizations with community organizations to bring needed programs and services to community places
- Identify and address root causes of health conditions and disability
- Promote awareness of healthy lifestyles, including staying physically active, eating properly, flu shots, stress management, and when to go to the doctor
- Provide communication on when and what cancer sites to be screened for
- Increase awareness of supplemental food programs for school-age children
- Reach out to underserved geographic areas in the San Gabriel Valley
- More information, education, health fairs, and events in Chinese (e.g., speaking engagements, seminars, workshops, health newsletters, and websites)

- Outreach and materials that are culturally sensitive to the Asian community
- Additional community outreach to PTAs, work places, and churches/temples
- Conduct more activities consistent with healthcare awareness calendar
- More opportunities in the community to check blood pressure
- Additional psychosocial support for cancer patients, families, and caregivers
- Provide mental health services that address prevention, healing, and stress management

Participants in the community consultation offered the following suggestions for collaborative roles or actions for Methodist Hospital:

- Recruit more staff, liaisons, and volunteers that speak Mandarin
- Offer assistance with health insurance plan signups
- Increase outreach to women
- Offer comprehensive women's health services to include physical, mental, dental, and preventive care (e.g., mammograms, osteoporosis, pap smears)
- Continue outreach to senior centers to address health conditions and disability
- Partner more with government, non-profits, and community organizations
- Increase efforts to identify individuals with high blood pressure
- Offer diabetes clinics
- Provide education and awareness programs to prepare patients for physician visits, use of emergency rooms, and paramedics (911)
- Better electronic communication with other healthcare entities to reduce unnecessary efforts
- Offer telemedicine services
- Provide in-home post hospital follow-up services (by nurse practitioners and physician assistants)

*Specific to Cancer:*

- Transportation services
- Resources in various languages
- Interpreters
- Patient navigators, nurses, MDs, and social workers to address full spectrum of care
- Education and awareness programs for various cancer sites, such as breast, colorectal, gynecological
- Low cost or free cancer screenings for a limited number of people (such as first 100 people)
- Cancer Resource Center to provide information about financial assistance programs and foundations

## Process and Criteria Used

In preparing the community health needs assessment, Methodist Hospital combined quantitative data about service area demographics, availability of health insurance, health access to and utilization of key services, health status, and health behaviors with qualitative data, including opinions from community leaders regarding important health issues.

The following criteria were used to identify and prioritize significant health needs in the community:

- Healthy People 2020 metrics
- Number of persons affected
- Identification and/or validation as an important health issue by community leaders
- Identified by community organizations as an opportunity to work collaboratively to address health issue

## Significant Priority Health Needs Identified

- Access to health services and continuity of care
- Disease prevention and health promotion

## Health Facilities and Other Resources

The following health facilities and other resources are located in the ZIP codes of Methodist Hospital's service area:

- 12 open hospitals (ten general acute care hospitals and two acute psychiatric hospitals)
- 29 licensed free and community clinics
- 2 licensed rehabilitation centers (specialty clinics)
- 12 senior centers

# Section 4: Community Benefits Planning Process and Objectives

Following completion of the 2019 Community Health Needs Assessment, Methodist Hospital continued to implement programs and services in response to identified community health needs, in view of the hospital's mission and expertise.[2]

A Senior Vice President oversees the hospital's Community Benefits Plan as well as community outreach programs and services. A manager of community outreach, a community outreach coordinator, a community outreach dietitian, and the director of marketing are actively responsible for the planning, coordination, staffing, marketing, and evaluation of many community outreach programs and services, in conjunction with other departments such as cancer, cardiology, spiritual care, and maternity services. Prior to submittal of the community benefits plan to the Office of Statewide Health Planning and Development, this Community Benefits Plan was reviewed and approved by Methodist Hospital senior management.

To prepare this community benefits plan, the hospital distributed community activity forms and logs to staff in a variety of hospital departments. These activity forms are to record information regarding the event/project, date of event, location of event, name of the event coordinator, department, cost center, services provided, and number served. In addition, Finance provided information on public insurance program reimbursement shortfalls, charity care, average hourly rate, as well as certain cost center and department-specific data. The following departments provided information and/or completed community activity reports: Finance, Community Outreach, Marketing and Communication, Cardiology, Cancer Center, Bariatrics, Maternal Child Health, Health Ministries, and Pastoral Care.

During Fiscal Year 2020, Methodist Hospital pursued the following objectives in its community benefits plan:

1. To continue to increase access to health care services for the community, with a focus on adults.
2. To continue to provide health education, support, and screening services for the public based on important health conditions, such as diabetes, heart disease, and cancer.

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[2] Methodist Hospital completed its 2019 Community Health Needs Assessment (CHNA) and associated Implementation Plan for 2020 to 2022. These documents are available on the hospital's website: https://www.methodisthospital.org.

On an annual basis, Methodist Hospital will monitor and report measures of plan progress. See **Section 5**: Community Benefits Plan Update for a description of programs and services provided by the hospital in support of each of these objectives.

# Section 5: Community Benefits Plan Update

This section includes a description of programs and services provided by Methodist Hospital, as well as measurements of key outcomes accomplished in Fiscal Year 2020. Programs and services are organized in response to the two priority health needs identified in **Section 4**.

## Access to Health Care Services

Methodist Hospital community benefit services include: operating a 26-bed emergency department 24-hours a day (39,211 visits in 2020), providing charity care for patients without the ability to pay for necessary treatment (2,199 patients served), absorbing the unpaid costs of care for patients with Medi-Cal (15,686 patients served), and absorbing the unpaid costs of care for patients with Medicare (23,403 patients served). Given the importance of providing expert care in the community, Methodist Hospital also operated several essential hospital services at a financial loss, including: Maternal Child Health program and specialized oncology services.

To assist area residents with finding physicians, Methodist Hospital continues to offer a free Physician Referral Line. Consumers may telephone 888-388-2838 to speak directly with a dedicated physician referral center (739 callers referred in Fiscal Year 2020), or search for a physician on the hospital web site (6,263 online referrals). Physician referrals are fulfilled based on desired physician specialty, location, gender, language, or office hours; and/or accepted insurance (including Medi-Cal and senior health insurance plans). In addition, to assist Chinese-speaking community members, Methodist Hospital offered a dedicated Chinese Hot Line where callers can obtain physician referrals, information about hospital services, information regarding virtual maternity tours and classes (such as date/time and how to register), and information about community events, such as screenings and informational lectures, and COVID-19 hospital guidelines and vaccinations. The hospital's Chinese language hot line served approximately 400 callers in Fiscal Year 2020.

Methodist Hospital's Health Ministries (Parish Nurse) program develops and supports holistic health programs in faith communities. Now in its 24th year, Methodist Hospital provides free education and training, information and resources in the areas of wellness promotion and disease prevention, plus flu shots to improve the health of our community. In Fiscal Year 2020, Methodist

Hospital continued its formal Health Ministries program with six churches and one retirement community having Faith Community volunteer nurses. The Health Ministries program operated at the following locations: Holy Angels Catholic Church (located in Arcadia), Church of the Good Shepherd United Methodist (Arcadia), First United Methodist Church (Temple City), Faith United Methodist Church of San Gabriel Valley (Temple City), Mission Community United Methodist Church (Rosemead), True Light Presbyterian Church (Alhambra); and Westminster Gardens, a retirement community located in Duarte. In addition, Methodist Hospital has a relationship with three "limited" partners (there is no parish nurse commitment), providing education and information as well as health-related speakers – via Zoom – for meetings to the following churches: Arcadia Community Church, Santa Anita Church (located in Arcadia), and Saint James Methodist Church (Pasadena). In Fiscal Year 2020, Methodist Hospital offered one in-person health-related luncheon program on January 28, 2020, with 45 persons in attendance. Throughout the year, the Parish Nurse program remained in constant communications with members, regarding questions about COVID-19, including regular updates with infectious disease physicians.

In Fiscal Year 2020, the Director of Spiritual Care at Methodist Hospital conducted a weekend Health Ministries retreat on January 10 through January 12 at Vina de Lestonnac Retreat Center in Temecula; hosted two Health Ministries meetings for faith community nurses (on July 7and September 24); and conducted numerous email outreach, phone, and Zoom engagements with parish nurses. Several of the challenges experienced in light of COVID-19 were that many church members were elderly and did not own computers, difficulties getting congregants familiar with how to join Zoom meetings, and churches struggled with decisions about if and when to hold services and how to keep persons safe.

In Fiscal Year 2020, representatives from Methodist Hospital, in collaboration with the Health Consortium of Greater San Gabriel Valley, five member hospitals, Union Station Homeless Services, and United Way of Greater Los Angeles, developed an 18-month Patient Navigation Pilot program. Launched jointly at Methodist Hospital and Huntington Hospital (located in Pasadena), the program will provide post-discharge case management for homeless patients and connect patients to support and needed services.

# Disease Prevention and Health Promotion

In Fiscal Year 2020, Methodist Hospital offered health education and information, support, and screening services for the public in many different areas, including maternal child health, heart disease and stroke, cancer, diabetes, and dedicated senior services. Information about these events were made available through local community organizations and programs, the hospital's website (including a calendar of events, list of hospital services, and a health encyclopedia), and hospital mailers distributed to targeted households across the hospital's service area.

Methodist Hospital's maternity service handles patient needs and emergencies as they arise with a multidisciplinary team consisting of physicians, nurses, respiratory therapists, social workers, pharmacists, dietitians and occupational therapists. Our maternal child health department features nine labor/delivery/recovery suites, four labor rooms, two operating rooms, four post-anesthesia recovery beds, a 24-bed couplet care unit designed for Family Centered Care featuring 24-bed couplet care unit designed for family centered care, a Newborn nursery, a newborn nursery and a 17-bed Level II Neonatal Intensive Care Unit.

A comprehensive offering of free maternity orientations/tours and nominally priced classes is offered year-round, with classes in English and Chinese (Mandarin). In Fiscal Year 2020, class offerings, effective March 15, 2020, featured virtual offerings, including: Baby Care and Soothing (21 total sessions – 11 weekend and 10 weekday sessions, attended by 60 persons), Breastfeeding (12 total sessions – 3 weekend and 9 weekday, attended by 45 persons), Prepared Childbirth (21 total sessions – 10 weekend and 11 weekday sessions, attended by 85 persons), and Tot CPR for Family and Friends (five total sessions – three sessions offered in English and two sessions offered in Chinese, attended by 36 persons). Prior to the March shutdown (due to COVID-19 Safe at Home orders), 122 persons attended tours in English and 105 persons attended tours in Chinese. After the shutdown, a Maternal Child Health educator answered all questions by phone and/or email. A free weekly 1-hour breastfeeding support group, "Mommy & Baby Bistro," was available to the community in 2020, with meetings on Wednesdays (314 total visits, with 63 in-person at the beginning of the year and 251 virtual visits).

Methodist Hospital's highly specialized cardiovascular services include the availability of a cardiac care team 24-hours a day, seven days a week; dedicated handling of STEMI patients in the hospital's emergency department, three cardiac catheterization laboratories where physicians

perform coronary angioplasty, pacemaker and AICD insertion, electrophysiology studies and therapies, and carotid artery stenting. Open-heart surgery and valve replacement are performed in two dedicated operating rooms. Methodist Hospital also provides specialized care for cardiovascular patients in one of three units — intensive care, coronary care, and cardiac patient care — depending on the needs of the patient, and provides inpatient and outpatient cardiac rehabilitation programs.

For the health and safety of community members, in-person support group meetings were cancelled for 2020, beginning in March. Methodist Hospital also offers a "Mended Hearts" program for cardiac patients and their caregivers. Patients and caregivers who have experienced cardiovascular problems such as myocardial infarction, heart failure, high blood pressure and stroke, meet and share their experiences, anxieties, and concerns in a light-hearted atmosphere with fun social activities to aid in recovery (due to COVID-19 Safe at Home orders, Mended Heart meetings were only held in January and February). In Fiscal Year 2020, 72 persons participated in six Stroke and Brain Injury support group meetings.

For part of 2020 (consistent with Westfield Santa Anita Mall business hours), Methodist Hospital sponsored a Heart Check Center™ kiosk at the Westfield Santa Anita Mall in Arcadia, providing free blood pressure and Body Mass Index (BMI) testing, as well as free health information. During 2020, mall visitors accessed the kiosk for approximately 7,513 blood pressure screenings and 780 BMI screenings. Of note, 23% of males testing their blood pressures had normal readings, while 77% of males testing their blood pressure had elevated, hypertensive Stage 1 and Stage 2+ readings. Among females, 41% testing their blood pressures had normal readings, while 59% testing their blood pressure had elevated hypertensive Stage 1 and Stage 2+ readings. If desired, the kiosk also allows participants to confidentially email their personal results, and access assistance in finding a physician.

In recognition of the importance of convenient and accessible blood pressure testing, Methodist Hospital offers blood pressure screenings on a monthly basis at scheduled times – during January through early March – at the Arcadia Community Center, Monrovia Community Center, and Sierra Madre Hart Park House (69 adults served with blood pressure screenings at these three locations during first quarter 2020). In addition, staff at Methodist Hospital provided informational lectures at various community and virtual events throughout the year (listed in chronological order):

- January 11: Walmart Health and Wellness Fair at Walmart Super Center in Baldwin Park (500 persons attended)
- January 18-19: Asian American Expo at Pomona Fairplex (20,000 persons attended)
- February 6: Lecture on Current Trends in Health Care at City of Hope (300 persons attended)
- February 15: Lecture on Fall Prevention at Lake Avenue Church (120 persons attended)
- February 21: Lecture on Coronavirus at Arcadia Community Center (70 persons attended)
- May 14: Informational interview on COVID-19 at Radio AM 1300 (10,000 listeners)
- September 8: Virtual talk on Traveling during COVID-19 pandemic (10,000 viewers)
- September 18: Virtual talk on Common Diseases of the Eye (86 viewers)
- September 19: Virtual talk on Staying Healthy during COVID-19 outbreak (55 viewers)
- October 8: Virtual talk on Heart Healthy Diet (60 viewers)
- October 13, October 14, and October 29: phone/WebEx seminar in Chinese on United Healthcare Annual Notice of Changes (90 listeners/viewers)
- November 7: Flu clinic at Hacienda Heights Hsi Lai Temple (80 persons attended)
- November 9: Virtual talk on What Can You do to Stay Healthy during COVID-19 pandemic (50 viewers)
- November 9: Virtual holiday cooking demonstration on Mediterranean diet (70 viewers)

Methodist Hospital offers a full complement of oncology services, including early detection screenings, surgery, chemotherapy, reconstructive surgery, pain management, and support groups. Methodist Hospital also provides hospital and physician services at two specialized outpatient clinics: our GYN Oncology Institute and our Institute for Surgical Specialties – to continue to expand access to outstanding clinical services to residents and visitors across our service area.

During 2020, Methodist Hospital held a variety of workshops, support groups, and events to raise awareness and assist those with cancer. Methodist Hospital offered a cancer survivorship program – “Stepping Forward” – a free eight week body-and-mind strengthening program for survivors of any type of cancer. This program, led by physical and occupational therapists, offered exercise/fitness classes, seminars on nutrition, meditation, and community resources, served 15 persons in Fiscal Year 2020. Methodist Hospital staffs a Cancer Resource Center, a support facility where patients can ask knowledgeable cancer professionals questions about their disease, either

in person or by telephone. The "Positive Appearance Center" at Methodist Hospital provided free personal consultations in a private setting to assist patients to manage changes during various stages of cancer and its treatment (44 wigs were provided). In Fiscal Year 2020, 13 patients were served and provided a Personal Health Manager Kit, specifically designed by the American Cancer Society to help patients organize and keep track of appointments, medication, test results, insurance, bills, and various other logistical and practical details associated with cancer. A virtual scART (Healing Arts Program) featured a 3-hour Zoom painting art therapy program for eight cancer survivors. Throughout the year, the director of oncology and cancer resource specialist worked with community foundations – such as Living Beauty, Ebeauty, Cancer Support Community Pasadena, Paul Mitchell the School, and YouNight – in varying capacities to support cancer-related community efforts.

Three physician educational programs included the following: Soft Tissue Sarcoma on January 30 (live education conference), The Impact of Diabetes on Genomic Stability – New Molecular Link Between Diabetes and Cancer on October 15 (WebEx education conference), and Prostate Disease and Prostate Cancer Update on October 29 (WebEx education conference).

To assist those with diabetes and related health conditions, Methodist Hospital offered specialized classes in Fiscal Year 2020. A free diabetes management class (4-week series for two hours each session), offered monthly, and taught by a team that includes a registered nurse, diabetes educator, registered dietitian, and a physical therapist, presented topics on eating with diabetes, exercise, blood glucose monitoring, medications, and preventing complications (served an average of 94 clients per series in Fiscal Year 2020). In addition, dietitians assisted community members with education and support in a variety of monthly programs, including: bariatric nutrition class (191 client visits), bariatric support group (44 client visits), gestational diabetes (63 client visits), obesity and weight loss (42 client visits), wound healing (25 client visits), cardiac rehabilitation (7 visits) and cancer, renal and other nutritional consults (43 client visits).

To meet the needs of active, older adults, Methodist Hospital offers our "50+ Health Connection" program. This program allows members to participate in free health education classes, screenings, and physician referrals. In Fiscal Year 2020, there were 3,214 active members of "50+ Health Connection," ranging in age from fifty to ninety years. In Fiscal Year 2020, Methodist Hospital hosted two monthly events at the Arcadia Recreation and Community Services, with physicians addressing the following topics: The Importance of Colon Cancer Screening

(January 28, attended by 50 persons), Understanding Heart Disease: Keeping a Healthy Heart (February 25, attended by 65 persons). In advance of these events, Methodist Hospital alerted the community with Save the Date reminder postcards, announcing specific topics, dates and times, locations, program descriptions, and reservations information – by phone or online. The hospital also posted information on Methodist Hospital's website "Calendar of Events." Due to safety precautions associated with COVID-19, no in-person lectures were held for the remainder of 2020.

# Section 6: Economic Value of Community Benefits

In Fiscal Year 2020, the economic value of community benefits provided by Methodist Hospital is estimated at **$46,495,112**.

**Table 6.1** summarizes the unreimbursed costs of these community benefits according to the framework specifically identified by Senate Bill 697:

- Medical care services
- Other benefits for vulnerable populations
- Other benefits for the broader community
- Health research, education, and training programs

**Table 6.1: Estimated Economic Value of Community Benefits Provided by Methodist Hospital**
**Fiscal Year 2020**

| Senate Bill 697 Category | Programs and Services Included | Unreimbursed Cost[1] |
|---|---|---|
| Medical Care Services | Medi-Cal Program Shortfall[2] | $26,138,482 |
| | Medicare Program Shortfall[2] | $9,257,956 |
| | Charity Care[3] | $3,375,978 |
| | Services that meet a Community Need and Operate at a Loss[4] | $4,288,708 |
| | Emergency Department Call Panels and Care of the Uninsured | $2,025,867 |
| Other Benefits for Vulnerable Populations | Assistance to Patients without Financial Resources and Cash Donations to Nonprofit Organizations Serving Vulnerable Populations | $219,681 |
| Other Benefits for the Broader Community | Community Outreach, Health Information and Education, Support and Screenings; Physician Referral Program, and Cash Donations to Nonprofit Organizations Serving the Broader Community | $524,155 |
| Health Research, Education, and Training Programs | Clinical Pastoral Education, Health Ministries Program, Health Professions Education, Grant Writing for Community Benefit Programs, and Cash Donations to Nonprofit Organizations for Health Research, Education and Training Programs | $640,285 |
| - | **GRAND TOTAL** | **$46,495,112** |

[1] Unreimbursed costs for the Senate Bill 697 categories - other benefits for vulnerable populations, other benefits for the broader community and health research, education and training programs - may include an hourly rate for labor (plus benefits), other expenses such as purchased services, food, supplies, other direct expenses and rooms.
[2] Medical care services provided to Medicare and Medi-Cal beneficiaries result in shortfalls for the hospital. The method for determining these shortfalls is based on a cost to charge ratio. The costs are subtracted from the payments received from Medicare or Medi-Cal.
[3] Charity Care is also calculated based on a cost to charge ratio. Actual cost is subtracted from any payments received from either public or private insurance payors or patients.
[4] The method for determining the cost of medical care services that meet community needs and operate at a loss is based on a cost accounting system.

## 11 Cal. Code Reg. Section 999.5(d)(5)(C)

**A description of all services provided by each health facility or facility that provides similar healthcare 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 or facility that provides similar healthcare, and the costs and revenues for the services provided**

MHSC is a licensed general acute care hospital located in Arcadia, California, which offers a full complement of acute medical care and community services, ranging from general medicine to specialized programs in cardiovascular services, oncology, and the neurosciences. A description of the medical services provided by MHSC to Medi-Cal patients, county indigent patients, and other classes of patients is set forth in the sections below. Generally, all types of medically necessary hospital services are available to these classes of patients. Attached to this Section as **Exhibit 15** is a copy of MHSC's license to operate a general acute care hospital.

The list below includes data and information regarding the inpatient and outpatient services provided by MHSC to its Medi-Cal, Medicare, managed care, county indigent, and other classes of patients.

### I. Type of Services Provided

1. Cancer Care. MHSC has a Comprehensive Community Cancer Program accredited by the Commission on Cancer. MHSC's cancer services include the Institute of Surgical Specialties, the GYN Oncology Institute (described further below), the Lung Screening Program, Lymphedema Care, Pelvic Floor Rehabilitations, the Positive Appearance Center, and the Cancer Resources Center, and uses a state-of-the-art 320-slice CT scanner to produce 4D images of body organs.

2. Emergency Services. MHSC has a 24-hour full-service emergency department with 26 beds and 26 private rooms. The emergency department is designated by Los Angeles Emergency Medical Services as one of 18 comprehensive stroke centers serving the region and designated as a ST Elevation Myocardial Infarction ("STEMI") receiving center.

3. Cardiology Services. MHSC is designated as a STEMI receiving center for diagnosing and quickly treating heart attack patients. MHSC's Cardiology services include diagnostic services, coronary interventions, cardiac surgery, cardiac catheterization and stenting, carotid stenting, peripheral interventions, electrophysiology, open-heart surgery, cardiac rehabilitation, and non-invasive cardiology exams and vascular laboratory services. MHSC also has a qualified Chest Pain Team that is available 24 hours a day to evaluate and relieve chest pain.

4. Diagnostic Imaging. MHSC is equipped with state-of-the-art diagnostic imaging technology to better diagnose and treat patients. Some of the diagnostic imaging equipment offered at MHSC include Computerized Tomography Scanning, Magnetic Resonance Imaging, and Nuclear Imaging.

5. Institute for Surgical Specialties. MHSC provides patients with top tier treatment through working with the Institute for Surgical Specialties for treatments of colorectal cancer and other diseases. Though specializing in colorectal diseases, the institute is staffed by a multidisciplinary team that can treat conditions from all disciplines including radiation therapy, medical oncology, and surgical expertise. Some conditions treated at the institute include colon cancer, rectal cancer, genetic cancers, diarrhea, constipation, polyps, inflammatory bowel disease, HIV conditions, hemorrhoids, and condyloma.

6. GYN Oncology Institute. MHSC provides clinic space dedicated exclusive for women seeking evaluation and treatment of gynecological cancers and related conditions. Our GYN Oncology Institute is staffed by a team that is trained to identify and treat conditions from benign disease to malignancies.

7. Interventional Radiology. MHSC provides both neurointerventional and vascular/peripheral interventional radiology services that utilize minimally-invasive image-guided procedures to diagnose and treat conditions in nearly every organ system. An interventional radiology procedure is performed with small instruments that enter the body through a tiny incision. Such services are typically performed in an angiography suite – not an operating room – and usually require a relatively short length of stay.

8. Maternity Services. The maternity wards at MHSC are prepared to handle patient needs and emergencies as they arise. The maternity wards are outfitted with 24-hour anesthesia coverage, registered nurses, OB technicians and physicians on-call 24/7, a new born nursey, a 17-bed level II Neonatal Intensive Care Unit, a multidisciplinary team consisting of physicians, nurses, respiratory therapists, social workers, pharmacists, dieticians, occupational therapists, fetal monitor displays in every room, and a 24-bed couplet care unit designed for family centered care featuring 20 private rooms and two semi-private rooms.

9. Neurosciences. MHSC is an accredited Comprehensive Stroke Center, and is designated as a comprehensive stroke center by Los Angeles County, providing a full range of care options for treatment of ischemic and hemorrhagic strokes. MHSC is staffed with neurological experts skilled in the diagnosis and treatment of more than 600 known neurological disorders.

10. Orthopedics. MHSC offers both in-patient and outpatient orthopedic services, as well as pre-surgical education, care coordination, and rehabilitation planning. The orthopedic specialists at MHSC take an interdisciplinary approach to care and offer high quality orthopedic services, including total joint replacement and spine fusion surgery.

11. Physical Rehabilitation. MHSC's inpatient physical rehabilitation services are provided within a 30-bed inpatient unit where patients who have lost a level of independence from neurological and orthopedic conditions receive care. The rehabilitation department was recently honored for being among the top 3% of

acute rehabilitation centers in the nation by the Uniform Data System (UDS) for Medical Rehabilitation.

12. Stroke Care. MHSC's Stroke Care Center holds a Comprehensive Stroke Center Certification from the DNV GL, and offers a variety of treatments for stroke patients. MHSC is also designated by Los Angeles County Emergency Medical Services as one of 18 comprehensive stroke centers serving the region. The multidisciplinary stroke team is comprised of neurologists, neurosurgeons, interventional radiologists, critical care intensivists, emergency physicians, radiologists, pharmacists, nurses, and support staff offering 24-hour 7 days a week care.

13. Surgical Services. MHSC houses 12 operating rooms where its multidisciplinary surgical team performs advanced surgical operations utilizing state-of-the-art equipment. The surgical team consists of surgeons, anesthesiologist, and nurses available 24 hours a day to handle emergencies. Some surgical procedures performed at MHSC include orthopedics surgery, cardiac surgery, general surgery, ear, nose, and throat surgery, neurosurgery, cancer surgery, and vascular surgery.

14. Weight Loss Services. MHSC offers bariatric surgery as a convenient way to lose weight and provide a healthier lifestyle for its patients. MHSC is designated by Blue Cross and Blue Shield as a Blue Distinction Center for Bariatric Surgery, signifying that the bariatric program meets nationally established criteria by demonstrating expertise in delivering quality specialty care safely and effectively.

15. Wound Healing Center and Hyperbaric Oxygen Center. The Wound Healing Center is an outpatient program with some of the highest healing rates in the country. The wound healing staff includes general surgeons, vascular surgeons, plastic surgeons, podiatrists, infectious disease specialists, and pulmonary specialists. Candidates for the wound healing program suffer conditions such as ulcers, burns and arterial and venous etiologies.

## II. Volume of Services

The table below details the number of hospital discharges by bed license category for the most recent 5-year period, as well as the volume of Emergency Department visits.

Hospital Discharges by Bed Category:

| | 2016 | 2017 | 2018 | 2019 | 2020 |
|---|---|---|---|---|---|
| Acute discharges | 15,604 | 15,231 | 14,834 | 14,747 | 12,199 |
| Rehab discharges | 581 | 490 | 644 | 713 | 705 |
| **Total Discharges** | 16,185 | 15,721 | 15,478 | 15,460 | 12,904 |

Emergency Services:

| | 2016 | 2017 | 2018 | 2019 | 2020 |
|---|---|---|---|---|---|
| ER Outpatient Visits | 43,941 | 41,081 | 40,035 | 39,929 | 29,742 |
| ER Admissions | 11,591 | 11,373 | 11,163 | 11,195 | 9,470 |
| **Total** | 55,532 | 52,454 | 51,198 | 51,124 | 39,212 |

## III. Payor Mix of MHSC

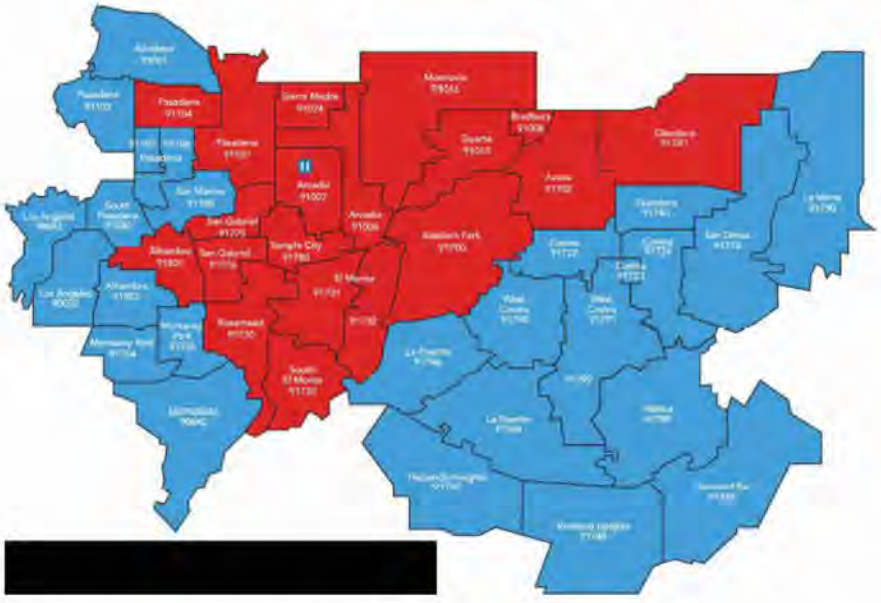
By Hospital Discharges:

| | 2016 | 2017 | 2018 | 2019 | 2020 |
|---|---|---|---|---|---|
| Medicare Traditional | 5995 | 5484 | 6078 | 6104 | 4749 |
| Medicare Managed Care | 2782 | 3079 | 2969 | 3008 | 2743 |
| Medi-Cal Traditional | 1051 | 802 | 739 | 695 | 661 |
| Medi-Cal Managed Care | 1760 | 1798 | 1501 | 1463 | 1188 |
| All Other | 4597 | 4558 | 4168 | 4142 | 3584 |

## IV. Demographic Characteristics

The area map below shows the zip codes for the MHSC primary service area and MHSC secondary service area of MHSC based on the 2019/2020 demographics, and are set forth in the table below. Collectively these zip codes account for about 88% of total hospital discharges.

Map of 2019 Methodist Hospital Primary/Secondary Service Areas:



The zip codes served by MHSC are identified in the table below. The overall population trends are described in the 2019 Community Needs Assessment, which is attached as **Exhibit 10** to Section 999.5(d)(5)(A) of this Notice. In comparison with Los Angeles County, the population located in the Methodist PSA and Methodist SSA is growing slower than the population of Los Angeles County.

| Zip Code | Community |
|---|---|
| 91006 | Arcadia |
| 91007 | Arcadia |
| 91008 | Bradbury |
| 91010 | Duarte |
| 91016 | Monrovia |
| 91024 | Sierra Madre |
| 91001 | Altadena |
| 91104 | Pasadena |
| 91107 | Pasadena |
| 91702 | Azusa |
| 91706 | Baldwin Park |
| 91731 | El Monte |
| 91732 | El Monte |
| 91733 | South El Monte |
| 91741 | Glendora |

| | |
|---|---|
| 91770 | Rosemead |
| 91775 | San Gabriel |
| 91776 | San Gabriel |
| 91780 | Temple City |
| 91801 | Alhambra |

Summary of Population, Households, and Families in MHSC Service Area

| Description of Demographics | 2019 | 2024 | Change from 2019 to 2024 |
|---|---|---|---|
| Population | 783,391 | 803,197 | 2.5% |
| Households | 239,799 | 246,228 | 2.7% |
| Families | 181,375 | 186,090 | 2.6% |

Population Change from 2019-2024

| Year | MHSC Service Area | Los Angeles County |
|---|---|---|
| 2019 | 783,391 | 10,255,707 |
| 2024 | 803,197 | 10,565,342 |
| Change – Number | 19,806 | 309,635 |
| Change – Percent | 2.5% | 3% |

Age and Socioeconomic Description of the San Gabriel Valley Community

The age and ethnic breakdown of the San Gabriel Valley population compared to Los Angeles County is shown below. In comparison with other areas in Los Angeles County, the San Gabriel Valley population is slightly older and more ethnically diverse. The average household income in the San Gabriel Valley community ($62,541) is lower than the average household income in Los Angeles County ($68,044). A more detailed description of the demographic factors which describes the San Gabriel Valley is provided in the 2019 Community Needs Assessment attached as **Exhibit 10** to Section 999.5(d)(5)(A) of this Notice.

Age Group Distribution Data for 2020:

| | MHSC Service Area | | Los Angeles County | |
|---|---|---|---|---|
| **Age Group** | # | % | # | % |
| Age 0 to 4 | 45,359 | 5.8 | 623,008 | 6.1 |
| 5 to 9 Years | 46,266 | 5.9 | 626,133 | 6.1 |
| 10 to 14 Years | 46,365 | 5.9 | 619,708 | 6.0 |
| 15 to 17 Years | 29,470 | 3.8 | 390,939 | 3.8 |
| 18 to 20 Years | 29,550 | 3.8 | 402,294 | 3.9 |
| 21 to 24 Years | 41,098 | 5.2 | 554,803 | 5.4 |

| | | | | |
|---|---|---|---|---|
| 25 to 34 Years | 112,297 | 14.3 | 1,591,560 | 15.5 |
| 35 to 44 Years | 102,919 | 13.1 | 1,424,374 | 13.9 |
| 45 to 54 Years | 106,665 | 13.6 | 1,375,686 | 13.4 |
| 55 to 64 Years | 101,619 | 13.0 | 1,234,717 | 12 |
| 65 to 74 Years | 70,444 | 9.0 | 825,550 | 8 |
| 75 to 84 Years | 34,779 | 4.4 | 404,862 | 3.9 |
| 85 Years and Older | 16,560 | 2.1 | 182,073 | 1.8 |
| **Total Population** | **783,391** | **100%** | **10,255,707** | **100%** |

Estimated Population by Ethnicity:

| | MHSC Service Area | | Los Angeles County | |
|---|---|---|---|---|
| **Ethnicity** | # | % | # | % |
| White | 138,406 | 17.7 | 2,632,928 | 25.7 |
| Black | 22,599 | 2.9 | 801,175 | 7.8 |
| American Indian/ Alaskan Native | 1,125 | 0.1 | 18.963 | 0.2 |
| Asian | 258,448 | 33.0 | 1,505,394 | 14.7 |
| Native Hawaiian/ Pacific Islander | 709 | 0.1 | 23,301 | 0.2 |
| Hispanic | 347,150 | 44.3 | 5,011,585 | 48.9 |
| Some Other Race | 1,310 | 0.2 | 25,916 | 0.3 |
| Two or More Races | 13,644 | 1.7 | 236,445 | 2.3 |
| **Total Population** | **783,391** | **100** | **10,255,707** | **100** |

Households by Income Group:

| | MHSC Service Area | | Los Angeles County | |
|---|---|---|---|---|
| **Income Group** | # | % | # | % |
| Under $15,000 | 20,340 | 8.5 | 345,8855 | 10.2 |
| $15,000 to $24,999 | 21,938 | 9.1 | 306,219 | 9.0 |
| $25,000 to $34,999 | 19,495 | 8.1 | 279,976 | 8.3 |
| $35,000 to $49,999 | 27,618 | 11.5 | 393,374 | 11.6 |
| $50,000 to $74,999 | 38,239 | 15.9 | 523,158 | 15.4 |
| $75,000 to $99,999 | 29,114 | 12.1 | 398,043 | 11.7 |
| $100,000 to $124,999 | 22,871 | 9.5 | 307,663 | 9.1 |
| $125,000 to $149,999 | 16,894 | 7.0 | 223,848 | 6.6 |
| $150,000 to $199,999 | 18,344 | 7.6 | 247,029 | 7.3 |

| | | | | |
|---|---|---|---|---|
| $200,000 to $249,999 | 9,441 | 3.9 | 129,728 | 3.8 |
| $250,000 to $499,999 | 10,438 | 4.4 | 149,096 | 4.4 |
| $500,000 and over | 5,067 | 2.1 | 85,800 | 2.5 |
| **Total Households** | **239,799** | **100%** | **3,389,819** | **100%** |
| **Average Income** | **$99,905** | | **$99,923** | |

The table below provides the MHSC hospital discharges in fiscal year 2019, grouped by the patient's home residence zip code. In addition, the information and table shows the total acute hospital discharges for each zip code and MHSC's market share of total discharges.

- MHSC Market Share of Primary Service Area Discharges: 18.0%
- MHSC Market Share of Secondary Service Area - East Discharges: 2.7%
- MHSC Market Share of Secondary Service Area - West Discharges: 3.3%
- MHSC Market Share of Total Service Area Discharges: 11.4%

| ZIP CODE | CITY | # DISCH | % | CUMM % |
|---|---|---|---|---|
| PRIMARY SERVICE AREA | | | | |
| 91016 | MONROVIA | 1661 | 10.8% | 10.8% |
| 91007 | ARCADIA | 1515 | 9.8% | 20.6% |
| 91010 | DUARTE | 1219 | 7.9% | 28.5% |
| 91006 | ARCADIA | 1182 | 7.7% | 36.1% |
| 91780 | TEMPLE CITY | 1174 | 7.6% | 43.7% |
| 91732 | EL MONTE | 905 | 5.9% | 49.6% |
| 91731 | EL MONTE | 574 | 3.7% | 53.3% |
| 91770 | ROSEMEAD | 496 | 3.2% | 56.5% |
| 91107 | PASADENA | 490 | 3.2% | 59.7% |
| 91775 | SAN GABRIEL | 470 | 3.0% | 62.8% |
| 91024 | SIERRA MADRE | 350 | 2.3% | 65.0% |
| 91776 | SAN GABRIEL | 287 | 1.9% | 66.9% |
| 91733 | SOUTH EL MONTE | 262 | 1.7% | 68.6% |
| 91702 | AZUSA | 236 | 1.5% | 70.1% |
| 91706 | BALDWIN PARK | 229 | 1.5% | 71.6% |
| 91104 | PASADENA | 228 | 1.5% | 73.1% |
| 91801 | ALHAMBRA | 214 | 1.4% | 74.5% |
| 91741 | GLENDORA | 152 | 1.0% | 75.5% |
| 91008 | BRADBURY | 42 | 0.3% | 75.7% |
| **TOTAL Primary Service Area** | | **11,686** | **75.7%** | |
| SECONDARY SERVICE AREA - EAST | | | | |
| 91722 | COVINA | 121 | 0.8% | 76.2% |
| 91740 | GLENDORA | 108 | 0.7% | 76.9% |
| 91773 | SAN DIMAS | 103 | 0.7% | 77.6% |
| 91745 | HACIENDA HEIGHTS | 97 | 0.6% | 78.2% |
| 91750 | LA VERNE | 97 | 0.6% | 78.9% |
| 91790 | WEST COVINA | 91 | 0.6% | 79.5% |
| 91744 | LA PUENTE | 87 | 0.6% | 80.0% |
| 91724 | COVINA | 74 | 0.5% | 80.5% |
| 91791 | WEST COVINA | 67 | 0.4% | 80.9% |
| 91789 | WALNUT | 55 | 0.4% | 81.3% |
| 91746 | LA PUENTE | 54 | 0.3% | 81.6% |
| 91723 | COVINA | 50 | 0.3% | 82.0% |
| 91748 | ROWLAND HEIGHTS | 45 | 0.3% | 82.3% |
| 91709 | CHINO HILLS | 44 | 0.3% | 82.5% |
| 91765 | DIAMOND BAR | 37 | 0.2% | 82.8% |
| **TOTAL Secondary Service Area -- East** | | **1,130** | **7.3%** | |
| SECONDARY SERVICE AREA - WEST | | | | |
| 91001 | ALTADENA | 116 | 0.8% | 83.5% |
| 91103 | PASADENA | 116 | 0.8% | 84.3% |
| 91106 | PASADENA | 88 | 0.6% | 84.8% |
| 91754 | MONTEREY PARK | 76 | 0.5% | 85.3% |
| 91108 | SAN MARINO | 73 | 0.5% | 85.8% |
| 91803 | ALHAMBRA | 63 | 0.4% | 86.2% |
| 91755 | MONTEREY PARK | 59 | 0.4% | 86.6% |
| 91101 | PASADENA | 55 | 0.4% | 87.0% |
| 90640 | MONTEBELLO | 50 | 0.3% | 87.3% |
| 91030 | SOUTH PASADENA | 49 | 0.3% | 87.6% |
| 90032 | LOS ANGELES | 46 | 0.3% | 87.9% |
| 90042 | LOS ANGELES | 36 | 0.2% | 88.1% |
| **TOTAL Secondary Service Area -- East** | | **827** | **5.4%** | |
| OTHER | | 1,789 | 11.6% | |
| **GRAND TOTAL** | | **15,432** | **100.0%** | |

## V. Net Revenue and Costs for MHSC

| Net Revenue | 2016 | 2017 | 2018 | 2019 | 2020 |
|---|---|---|---|---|---|
| Total Net Patient Revenue (000s) | $290,655 | $289,975 | $297,182 | $287,972 | $276,329 |

| | | | | | |
|---|---|---|---|---|---|
| Other Operating Income (000s) | $8,708 | $8,602 | $8,822 | $8,561 | $21,799 |
| Total Operating Revenue (000s) | $299,363 | $298,577 | $306,004 | $296,533 | $298,128 |
| Total Expense (000s) | $288,925 | $282,144 | $290,726 | $280,860 | $289,805 |
| Net Gain (Loss) from Operations (000s) | $10,438 | $16,433 | $15,278 | $15,673 | $8,323 |

# EXHIBIT 15

# MHSC'S LICENSE TO OPERATE A GENERAL ACUTE CARE HOSPITAL

License: 930000103
Effective: 05/01/2021
Expires: 04/30/2022
Licensed Capacity: 348

# *State of California*
# *Department of Public Health*

In accordance with applicable provisions of the Health and Safety Code of California and its rules and regulations, the Department of Public Health hereby issues

## *this* **License** *to*

**Methodist Hospital of Southern California**

to operate and maintain the following **General Acute Care Hospital**

**Methodist Hospital of Southern California**
**300 W Huntington Dr**
**Arcadia, CA 91007-3402**

**Bed Classifications/Services**

348 General Acute Care
30 Rehabilitation
29 Intensive Care
24 Perinatal
17 Intensive Care Newborn Nursery
10 Acute Respiratory Care
10 Coronary Care
228 Unspecified General Acute Care

**Other Approved Services**

Audiology
Basic Emergency Medical
Cardiovascular Surgery
Nuclear Medicine
Occupational Therapy
Outpatient Services - Endoscopy at The Institute for Surgical Specialties, 301 W. Hungington Drive, #618, Arcadia
Outpatient Services - Hyperbaric Oxygen Therapy (HBO) at Outpatient Services Pavilion, 300 W. Huntington Drive, Arcadia
Outpatient Services - Oncology at Institute for Women's Health, 300 W. Huntington Drive , Arcadia
Outpatient Services - Physical Therapy at Outpatient Services Pavillion, 300 W. Huntington Drive, Arcadia
Physical Therapy
Respiratory Care Services
Social Services
Speech Pathology

This **LICENSE** is not transferable and is granted solely upon the following conditions, limitations and comments:
None

*TOMÁS J. ARAGÓN, M.D., Dr.P.H.*
Director and State Public Health Officer

[redacted]
Joshua Williams, Staff Services Manager I

**Refer Complaints regarding these facilities to: The California Department of Public Health, Licensing and Certification, L.A. Acute/Ancillary Unit, 3400 Aerojet Ave., Suite 323, El Monte, CA 91731, (626) 312-1104**

**POST IN A PROMINENT PLACE**

## 11 Cal. Code Reg. Section 999.5(d)(5)(D)

**A description of any community benefit program provided by the health facility or facility that provides similar healthcare during the past five years with an annual cost of at least $10,000 and the annual cost of each program for the past five years**

MHSC is committed to caring for the physical, mental, and social well-being of its community and approaches patient care in a holistic way. As such, MHSC has a robust community benefits program and engages in a variety of activities aimed at addressing the health needs of its community. For more information regarding MHSC's recent community benefit activities, please see the responses to Section 999.5(d)(5)(B) of this Notice, and the community benefit reports attached thereto as **Exhibit 13** and **Exhibit 14**. The below table includes a breakdown of category of community benefit services and programs provided by MHSC during the past 5 years with an annual cost of $10,000 or more, along with the associated costs for such:

| Description of Program/Service | Costs | Year Offered |
|---|---|---|
| HeartCheck Monitor at Westfield Santa Anita Mall | $31,020 | 2016 |
| Monthly Physician Lecture Series (8) with City of Arcadia | $11,760 | 2016 |
| Southern California Women's Conference | $20,000 | 2016 |
| Derby Day 5K | $10,500 | 2016 |
| Monthly Physician Lecture Series (8) with City of Arcadia | $11,760 | 2017 |
| Derby Day 5K | $10,500 | 2017 |
| Southern California Women's Conference | $20,000 | 2017 |
| HeartCheck Monitor at Westfield Santa Anita Mall | $31,020 | 2017 |
| Annual Physician Lecture Series with the City of Arcadia | $11,760 | 2018 |
| Derby Day 5K | $10,500 | 2018 |
| Southern California Women's Conference Sponsorship | $20,000 | 2018 |
| HeartCheck Monitor at Westfield Santa Anita Mall | $31,400 | 2018 |
| Annual Physician Lecture Series with the City of Arcadia | $11,760 | 2019 |
| Derby Day 5K | $10,500 | 2019 |
| Southern California Women's Conference Sponsorship | $25,000 | 2019 |
| HeartCheck Monitor at Westfield Santa Anita Mall | $31,860 | 2019 |
| Public Education Campaign: "It's Safe to Seek Care" | $78,500 | 2020 |
| HeartCheck Monitor at Westfield Santa Anita Mall | $24,183 | 2020 |
| Southern California Women's Conference Sponsorship | $20,000 | 2020 |
| Public Education Campaign: Pediatric ER Care | $47,000 | 2021 |
| Southern California Women's Conference Sponsorship | $25,000 | 2021 |

**11 Cal. Code Reg. Section 999.5(d)(5)(E)**

**For each health facility or facility that provides similar healthcare that is the subject of the agreement or transaction, a description of current policies and procedures on staffing for patient care areas; employee input on health quality and staffing issues; and employee wages, salaries, benefits, working conditions and employment protections. Such description shall include a list of all existing staffing plans, policy and procedure manuals, employee handbooks, collective bargaining agreements or similar employment-related documents**

**Staffing for Patient Care Areas**

MHSC has established policies, plans, and procedures to ensure adequate staffing levels for its patient care areas. Specifically, MHSC has established policies and procedures to ensure that its Medical Staff members, clinical providers, and other employees that provide patient care services, provide care to MHSC's patients that is appropriate, individualized, and planned along a continuum of care, including those policies set forth below and can be provided upon request:

- Staffing Plan: Patient Assignment
- Staffing Plan: Scheduling
- COVID-19 Staffing Mitigation and Workforce Protection Initiatives
- Block Scheduling of Surgical Cases
- Call Coverage of Surgical Services
- Scheduling of Surgical Cases
- Scheduling Cardio Diagnostic Procedures
- On-Call Scheduling
- Scheduling Cardiac Catheterization
- Cath Lab On-Call Personnel Notification and Scheduling
- Scheduling GI/Bronchoscopy Procedures
- Scheduling; Inductions and Cesarean Sections
- Acuity System
- Plan for Provision of Collaborative Patient Care Services
- Use of Agency Personnel
- Shift Differential
- Patient Safety Plan

**Employee Input on Health Quality and Staffing Issues**

The above-listed policies also ensure that MHSC's medical staff and other healthcare providers have the opportunity to provide input on health quality and staffing issue through such mechanisms as department leadership meetings, staff meetings, forums, and newsletters.

**Employee Wages, Salaries, Benefits, Working Conditions and Employment Protections**

MHSC has established a number of human resources policies and procedures that address employee wages, salaries, benefits, working conditions, and employment protections, which can be provided upon request, and include the policies listed below:

- Recruitment and Retention Practices
- Hiring New Employees
- Equal Employment Opportunity
- Employment of Qualified Disabled Persons
- Verification of Employment
- Employment of Family Members and Dating
- Employee Classification
- Verification of Licensure
- Orientation/Competency Period
- Seniority and Benefit Dates
- Attendance and Absenteeism
- Performance Appraisals
- Transfer and Promotion
- Rehire/Reinstatement
- Standards of Conduct/Disruptive Behavior
- Reduction-In-Force
- Referral Fees
- Position Control
- Employment Background Checks
- Wage and Salary Program
- Exempt/Non-Exempt Status
- Overtime
- Shift Differential
- Reporting Time Pay
- Standby and Call Back Pay
- Twelve-Hour Alternative Work Schedule (A.W.S.)
- Per Diem Status
- Temporary Assignments
- Payplus Option
- Flexible Ten-Hour Work Arrangement
- Group Health Care Benefit Plan
- Nursery School and Handle with Care
- Paid Time off (PTO)
- Holidays
- Leave of Absence
- Bereavement Leave
- Jury Duty and Court Service
- Employee of the Year Award
- Service Awards
- Employee Activities Committee

- Life Assistance Program
- Health Plan Privacy Rule
- Locker; Desk and Package Inspections
- Identification Badges
- Dress Code
- Job Descriptions
- Meal and Rest Periods
- Access and Monitoring of Telephone; Pager and Email Systems
- Personnel Files
- English Language Requirements
- Time-off to Vote
- Wage Garnishments/Levy
- Policy Against Harassment
- Solicitation on Hospital Premises
- School Activity Leave
- Gifts or Gratuities; Acceptance of
- Drug Free Work Environment
- Staff Rights: Respecting the Cultural Values; Ethics and Religious Beliefs of Employees
- Competency Assessment Program
- Wow Program
- Employee Economic Assistance Fund (Referred to as the â€œFundâ€• throughout this Policy)
- Leave for Volunteer Firefighters; Reserve Police Officers; and Emergency Rescue Personnel
- Time off Work for Victims of Domestic Violence; Sexual Assault; other Crimes; and for Witness Service
- Terminations
- Electronic Social Media
- Annual Mandatory Requirements and Training
- Tobacco-Free Environment
- In-House Registry Program
- Mandated Reporter
- Extended Sick Leave (XSL)
- Use of Personal Communication Devices for Work
- California Paid Sick Time Off (AB1522)
- Volunteer Services
- Tuition Reimbursement
- Stipend and Special Incentive Pay
- MHSC Employee Engagement
- Employee Workplace Complaint Reporting Program
- Lactation and Breastfeeding Accommodations
- COVID-19 Staffing Mitigation and Workforce Protection Initiatives
- Employee Labor Representative Paid Release Time

MHSC's employee benefits are described in MHSC's 2021 Staff Benefits Information Sheet, attached to this Section as **Exhibit 16**.

Since 2019, MHSC's registered nurses have been part of the California Nurses Association/National Nurses United union and operate under a collective bargaining agreement. In January 2020, certain of MHSC's employees voted to join the Caregivers & Healthcare Employees Union.

# EXHIBIT 16

# MHSC'S 2021 STAFF BENEFITS INFORMATION SHEET

METHODIST HOSPITAL

*of Southern California*

# 2021 STAFF BENEFITS INFORMATION SHEET

The following is a summary of benefits for benefit-eligible employees: Full Time (64-80 hours) and Part Time (40-63 hours) per pay period.

**PAID TIME OFF (PTO) PROGRAM -** The PTO Program combines vacation, holiday, and paid sick time with a flexible system under which the employee and the supervisor share the freedom and the responsibility to manage the employee's paid time off in a way that will enhance the welfare of both the employee and the patient. All full and eligible part time employees earn PTO credits each pay period following completion of the initial ninety-day orientation period according to the following PTO EARNINGS TABLE. For new employees, credits are available for use as soon as accrued with supervisory approval.

## PTO EARNINGS TABLE*

| LENGTH OF SERVICE | HOLIDAYS | SICK | VACATION | ACCRUED PER PAY PERIOD | ANNUAL MAX HOURS ACCRUED |
|---|---|---|---|---|---|
| 1 thru 90 days | | | | 2.66 hrs | |
| 91 Days through 1 yr | 56 hrs | 40 hrs | 36 hrs | 6.77 hrs | 132 hrs |
| 2 through 5 yrs | 56 hrs | 40 hrs | 80 hrs | 6.77 hrs | 176 hrs |
| 6 through 10 yrs | 56 hrs | 40 hrs | 108 hrs | 7.84 hrs | 204 hrs |
| 11 through 15 yrs | 56 hrs | 40 hrs | 129 hrs | 8.64 hrs | 225 hrs |
| 16 yrs and over | 56 hrs | 40 hrs | 150 hrs | 9.44 hrs | 245 hrs |

**Table based on 80 hours worked per pay period*

**WAITING PERIOD - Benefits** (Medical, Dental, Vision and Life Insurance) **for benefit-eligible employees begin on the first of the month following 45 days of employment. To ensure coverage starts on-time, we encourage enrollment as soon as possible.**

**SPOUSAL EXCLUSION:** If your spouse/domestic partner is eligible for group health insurance through his or her current employer (or former employer through non-Medicare group retiree benefits) then he or she will not be eligible to obtain coverage under the Methodist Hospital of Southern California group health plan (including medical, dental, and vision).

**MEDICAL INSURANCE -** The Methodist Hospital Medical Insurance Plan is offered to full time and eligible part time employees and dependents.

## MEDICAL PREMIUMS PER PAY PERIOD

| FULL TIME | PPO PLAN |
|---|---|
| Employee Only | $ 58.53 |
| Employee + Spouse | $ 168.51 |
| Employee + Child/Children | $ 146.64 |
| Employee + Family | $ 235.40 |

| PART TIME | PPO PLAN |
|---|---|
| Employee Only | $ 117.70 |
| Employee + Spouse | $ 234.11 |
| Employee + Child/Children | $ 205.81 |
| Employee + Family | $ 326.72 |

**PRESCRIPTION PLAN -** Also included with the medical plan is a Prescription Drug plan. The schedule of benefits is as follows: $10.00 copayment for generic/formulary; $25.00 copayment for brand name formulary. Mail order is preferred for all recurring maintenance drugs for maximum savings. There is also a 20% copayment up to $150 on specialty prescription medications. Prescription Out-of-Pocket maximum is $1,350.00 Individual & $2,700.00 Family.

**DENTAL INSURANCE -** A choice of dental plans is provided to employees and their dependents. The PPO Plan covers basic dentistry at 20% and major dentistry at 50% with a nominal deductible.

## DENTAL PREMIUMS PER PAY PERIOD

| FULL TIME | CIGNA HMO DENTAL | CIGNA PPO Dental |
|---|---|---|
| Employee Only | $ 0.50 | $ 4.00 |
| Employee + Spouse | $ 2.50 | $ 12.00 |
| Employee + Child/Children | $ 1.50 | $ 10.00 |
| Employee + Family | $ 5.00 | $ 24.00 |
| **PART-TIME** | | |
| Employee Only | $ 1.50 | $ 6.50 |
| Employee + Spouse | $ 5.00 | $ 17.00 |
| Employee + Child/Children | $ 4.00 | $ 15.50 |
| Employee + Family | $10.50 | $ 31.00 |

**VISION SERVICE PLAN –** With a $20.00 co-pay, the employee is entitled to an examination and lenses every twelve months, frames every twenty-four months.

## VISION PREMIUMS PER PAY PERIOD

| FULL TIME | | PART TIME | |
|---|---|---|---|
| Employee Only | $ 2.07 | Employee Only | $ 3.11 |
| Employee + Spouse | $ 3.41 | Employee + Spouse | $ 5.12 |
| Employee + Child/Children | $ 3.49 | Employee + Child/Children | $ 5.23 |
| Employee + Family | $ 5.61 | Employee + Family | $ 8.42 |

**BASIC LIFE AND ACCIDENTAL DEATH & DISMEMBERMENT INSURANCE –** Full time and part time employees are provided with a Hospital paid group policy with coverage equal to twice their annual salary with a $750,000 maximum.

**VOLUNTARY LIFE AND ACCIDENTAL DEATH & DISMEMBERMENT INSURANCE –** Available for additional coverage, and/or dependent coverage at a nominal cost to employees through payroll deduction.

**VOLUNTARY INSURANCES - Whole Life Insurance**
**Accident Insurance**
**Critical Illness Insurance**
**Short Term Disability (STD) Insurance**

Available at significantly reduced group rates, with a wide variety of coverage options through payroll deduction.

**EMPLOYEE ASSISTANCE PROGRAM (EAP) -** The EAP is available to all benefit eligible employees. Enrollees may receive up to 3 free confidential consultations for each specific problem. This benefit is provided at no cost to employees and all members of their household.

**TUITION REIMBURSEMENT -** Employees who qualify may be partially reimbursed by the Hospital for their tuition and related expenses. The reimbursement benefit allows for up to $1,000.00 annually for Full Time employees and up to $500 for Part Time employees.

**FLEXIBLE SPENDING ACCOUNTS (FSAs) -** Convert taxable salary dollars into tax-free benefits dollars to pay for non-covered health care expenses. Two FSAs are available: Health Care Spending Account and Dependent Care Spending Account.

**PAY PLUS -** 15% additional pay if all benefits are declined. Pay plus is an option for non-exempt employees.

## The following programs are available to all employees (Full Time, Part Time & Per Diem)

**RETIREMENT SAVINGS PLAN -** This plan provides employees with an excellent opportunity to save long-term funds for their retirement, while deferring income taxes. You can become a participant in the plan immediately. The current match is 3% after one year of employment and 1,000 hours worked.

**CHILD CARE -** The Hospital supports a fully licensed Nursery School located on Hospital grounds and operated specifically for children of employees. Children are accepted from six-weeks of age and at least six pounds to five years of age.

**HANDLE WITH CARE** - A child care center for mildly ill children of employees (six weeks to 12 years of age) located on Hospital grounds. Flu-like symptoms, low-grade fevers, asthma, congestion, coughs and ear infections are eligible.

**CREDIT UNION -** The Foothill Federal Credit Union is available to all employees.

**DIRECT DEPOSITS -** Direct payroll deposits to checking and/or savings account(s) are available.

**FREE PARKING -** Two secured, lighted parking facilities are available to all employees.

**RIDESHARING -** Information is available through the Human Resources Department. Preferred parking is offered to employees who carpool.

**CAFETERIA DISCOUNT -** Employees save 20% off on all food purchases.

**CELL PHONE SAVINGS -** Significant discounts available to all employees from these providers: Sprint, AT&T and Verizon.

**Title 11, Cal. Admin. Code, Section 999.5(d)(5)(F)**

**For each health facility or facility that provides similar healthcare that is the subject of the agreement or transaction, all existing documents setting forth any guarantees made by any entity that would be taking over operation or control of the health facility or facility that provides similar healthcare relating to employee job security and retraining, or the continuation of current staffing levels and policies, employee wages, salaries, benefits, working conditions and employment protections**

The Affiliation only involves the substitution of the corporate member of MHSC and therefore all employee rights and obligations, including employee wages, salaries, benefits, working conditions, and employment protections will remain intact. MHSC will continue to maintain its Medical Staff following the closing of the Affiliation. The completion of the Affiliation will not affect the Medical Staff membership or privileges for members of the Medical Staff of MHSC. As of the closing of the Affiliation, MHSC does not anticipate that the Affiliation will negatively impact the employment status of any of the employees of MHSC, whose continuing employment post-closing will remain subject to MHSC's policies and procedures.

**11 Cal. Code Reg. Section 999.5(d)(5)(G)**

**If the agreement or transaction will have any impact on reproductive healthcare services provided by any facility that is the subject of the agreement or transaction, or any impact on the availability or accessibility of reproductive healthcare services, a description of all reproductive healthcare services provided in the last five years by each health facility or facility that provides similar healthcare that is the subject of the agreement or transaction. This description shall include the types and levels of reproductive services including, but not limited to, information about the number of pregnancy terminations and tubal ligations and a description of how this information was compiled**

The Affiliation is not anticipated to have any impact on reproductive healthcare services provided by MHSC. MHSC does not restrict the provision of any reproductive healthcare services (including pregnancy terminations or tubal ligations) or subject such reproductive healthcare services to any religious or ethical directives other than any exemptions required by law. The Affiliation Agreement in no way limits or modifies MHSC's current provision of healthcare services and, as a general matter, the parties intend for MHSC to continue to provide similar types and levels of services post-Affiliation as it did prior to the Affiliation. For more information about the commitments of the parties with respect to services post-Closing, please also see the responses to Section 999.5(d)(1)(A) and Section 999.5(d)(5)(H) of this Notice.

**11 Cal. Code Reg. Section 999.5(d)(5)(H)**

**A statement describing all effects that the proposed agreement or transaction may have on healthcare services provided by each facility proposed to be transferred including, but not limited to, any changes in the types or levels of medical services that may be provided at the health facility or facility that provides similar healthcare and a statement of how the proposed transaction may affect the availability and accessibility of healthcare in the affected communities**

The Affiliation provides for USCHS to become the sole member of MHSC, and it is not intended or anticipated to have any adverse impact on the availability or accessibility of healthcare services to the affected community. The proposed transaction is expected to have a substantially positive effect on the delivery of healthcare services to the communities serviced by MHSC as the Affiliation should materially improve the availability and accessibility of health services in the affected communities. The parties do not anticipate that the proposed transaction will result in any adverse changes to MHSC's day-to-day hospital operations, and MHSC will continue as a licensed general acute care hospital, including maintaining the services and programs existing as of Closing at the same types and levels of services as currently provided. Thus, the parties anticipate that there will be a positive impact on MHSC's delivery of healthcare services arising from increased care coordination and expansion of high-quality services in the community.

The parties intend to further enhance quality and access to specialty services at MHSC, including cardiovascular care, neurosciences, oncology, urology, and certain other surgical subspecialties, and intend to develop additional outpatient procedural and diagnostic capability at MHSC.

**11 Cal. Code Reg. Section 999.5(d)(5)(I)**

**A description and copy of all current contracts between the applicant and the city in which the applicant is located and current contracts between the applicant and the county in which the applicant is located for each health facility or facility that provides similar healthcare that are the subject of the agreement or transaction**

MHSC holds certain contracts with the County of Los Angeles, as described below:

1. MHSC has a contract with County of Los Angeles Department and bioMerieux, Inc. for data collection services whereby MHSC's data is collected and shared by bioMerieux, Inc. with the County of Los Angeles Department of Health. The contract is effective from January 19, 2017 and does not list a termination date. The contract is attached as **Exhibit 17**.

2. MHSC has a contract with the County of Los Angeles Child Support Services Department for the Paternity Opportunity Program in an effort to create legal relationships between unmarried fathers and their child(ren). The contract is effective from May 26, 2015 through October 31, 2022 and is attached as **Exhibit 18**.

3. MHSC is designated by the County of Los Angeles Emergency Medical Services Agency as a ST-Elevation Infarction Receiving Center to receive 9-1-1 patients with a 12 lead electrocardiogram analysis of acute myocardial infarction, effective December 1, 2019 through November 30, 2022. The designation is attached as **Exhibit 19**.

4. MHSC has a contract with the County of Los Angeles as a health facility with a Specialty Care Center Designation. The contract is effective from July 1, 2019 through June 30, 2024 and is attached with its Amendment No. 1 as **Exhibit 20**.

5. MHSC has a contract with the County of Los Angeles as a Los Angeles County Comprehensive Stroke Center for 9-1-1 patients. The contract is effective from January 8, 2018 through December 31, 2022. The contract is attached with its Amendment No. 1 and Amendment No. 2 as **Exhibit 21**.

6. MHSC has a contract with the County of Los Angeles whereby MHSC receives funds for "Participation in the Hospital Preparedness Program" from a grant awarded to the County of Los Angeles to improve the nation's public health, medical preparedness, and response capabilities for emergencies. The contract is effective from January 1, 2018 and automatically renews for additional one (1) year terms as funding is available. The contract is attached with its Amendment No. 1, Amendment No. 2, and Amendment No. 3 as **Exhibit 22**.

# EXHIBIT 17

# MHSC CONTRACT WITH COUNTY OF LOS ANGELES AND BIOMERIEUX

Appendix:

**Data Collection Agreement**

**County of Los Angeles Department of Health** has requested bioMérieux to perform the data collection services detailed below pursuant to the Health Officer's Order for Reporting of Carbapenem-Resistant Enterobacteriaceae (CRE) and Antimicrobial Resistance of Bacterial Pathogens, issued on January 19th, 2017 (the "**Services**"). The document below describes the relationship between bioMérieux, Inc. ("***bioMérieux***") and you ***("End User")*** relating to collecting and sharing data from bioMérieux systems, with the **County of Los Angeles Department of Health** (Sponsor). This agreement will become effective when this cover page is executed by authorized representatives of both Parties (the "***Effective Date***").

**Sharing Information with the Sponsor. By registering for the Service you acknowledge that we will share the information collected from your systems with the Sponsor subject to any agreement you may have with the Sponsor. You consent to bioMérieux sharing information with the Sponsor.**

Please complete the acknowledgment and acceptance and return a fully executed copy to: allan.mohess@biomerieux.com

***Acknowledged and Accepted:***

END USER: Methodist Hospital of So. Cal

BY:

Name (Printed): Cari Toneck Cari Toneck

Title: VP, Chief Compliance + Risk Officer

Date: 12/5/18

**Your Data.** bioMérieux does not claim ownership of Your Data. However, when you as a User store or transmit Your Data on or in the Services, you represent that you own and/or have a royalty-free, perpetual, irrevocable, worldwide, non-exclusive right or license to collect, use, license, share and commercially exploit Your Data. You hereby grant bioMérieux permission to Aggregate Data and to share Your Data with the Sponsor. "**Aggregate Data**" means to use, reformat, transform, and create derivative works of Your Data for the purpose of performing the **"Services".**

**Data Safeguards**. bioMérieux shall maintain reasonable and appropriate data safeguards and procedures designed to prevent the authorized use or disclosure of Your Data as required under applicable laws ("***Data Safeguards***"). During the Term, bioMérieux will maintain physical, administrative and technical security measures to ensure the availability, integrity and confidentiality of the Your Data in accordance with its standard data security policies. bioMérieux will periodically maintain archives and back-ups of Your Data in accordance with bioMérieux's generally applicable disaster recovery and business continuity procedures and industry standards. Your Data may be stored on media or hardware containing other bioMérieux customers' data both during and after the Term, provided such media and hardware are subject to the Data Safeguards.

**Disclaimer of Warranties.** BIOMÉRIEUX EXPRESSLY DISCLAIMS ALL WARRANTIES, REPRESENTATIONS, AND CONDITIONS OF ANY KIND, WHETHER EXPRESS OR IMPLIED, INCLUDING, BUT NOT LIMITED TO, THE IMPLIED WARRANTIES OR CONDITIONS OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.

**DISCLAIMER OF DAMAGES; LIABILITY**. YOU UNDERSTAND AND AGREE THAT IN NO EVENT SHALL ***BIOMÉRIEUX*** BE LIABLE FOR ANY INDIRECT, INCIDENTAL, SPECIAL, EXEMPLARY OR CONSEQUENTIAL DAMAGES ARISING OUT OR IN CONNECTION WITH THE COLLECTION OF DATA FOR THE SPONSOR, THE CONTENT OR THE SERVICES INCLUDING, WITHOUT LIMITATION, ANY DAMAGES RESULTING FROM ANY POSSIBLE LOSS OF USE, DATA OR PROFITS, WHETHER OR NOT ***BIOMÉRIEUX*** HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. UNDER NO CIRCUMSTANCES WILL BIOMÉRIEUX BE LIABLE TO YOU IN THE AGGREGATE FOR MORE THAN TEN DOLLARS ($10.00).

# EXHIBIT 18

# MHSC CONTRACT WITH
# COUNTY OF LOS ANGELES
# CHILD SUPPORT SERVICES DEPARTMENT

County of Los Angeles
Child Support Services Department

STEVEN J.GOLIGHTLY, Ph.D.
Director

DEAN DE GRUCCIO
Chief Deputy Director

April 13, 2018

Methodist Hospital of Southern California
Brigitte F. Didier, HIM Department
300 West Huntington Drive
Arcadia, CA 91007

Dear Didier:

**MEMORANDUM OF UNDERSTANDING
BY AND BETWEEN THE COUNTY OF LOS ANGELES
CHILD SUPPORT SERVICES DEPARTMENT AND
METHODIST HOSPITAL OF SOUTHERN CALIFORNIA FOR
THE PATERNITY OPPORTUNITY PROGRAM**

Attached is a finalized copy of the Memorandum of Understanding between the Child Support Services Department (CSSD) and Methodist Hospital of Southern California for the Paternity Opportunity Program provided by Methodist Hospital of Southern California to CSSD. Included for your reference is Attachment A to the MOU, an updated Business Associates Agreement under the Health Insurance Portability and Accountability Act of 1996 ("HIPAA")

This MOU became effective on April 11, 2018 and will terminate on October 31, 2022.

If you have any questions or need additional information, please contact Maria Castaneda, Administrative Assistant, at (323) 889-3397.

Sincerely,

[redacted]

Andrea Barnes
Division Chief

c: Contract File
Attachments

# MEMORANDUM OF UNDERSTANDING (MOU)
# BY AND BETWEEN
# THE COUNTY OF LOS ANGELES
# CHILD SUPPORT SERVICES DEPARTMENT (CSSD)
# AND
# METHODIST HOSPITAL OF SOUTHERN CALIFORNIA
# 2018-2022

Prepared by:

Child Support Services Department
Contracts and Procurement Management Division
5770 South Eastern Avenue
Commerce, CA 90040

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ATTACHMENT A

HEALTH INSURANCE PORTABILITY AND ACCOUNTABILITY ACT OF 1996 (HIPAA)

**MEMORANDUM OF UNDERSTANDING**
**BY AND BETWEEN THE COUNTY OF LOS ANGELES**
**CHILD SUPPORT SERVICES DEPARTMENT**
**AND METHODIST HOSPITAL OF SOUTHERN CALIFORNIA**

## I. PURPOSE

This Memorandum of Understanding (MOU) is entered into by and between the County of Los Angeles Child Support Services Department ("CSSD") and Methodist Hospital of Southern California. Methodist Hospital of Southern California and CSSD are hereinafter sometimes referred to collectively as the "Parties" and individually as "Party."

CSSD and Methodist Hospital of Southern California enter into this MOU in accordance with the Paternity Opportunity Program (POP) in an effort to create a legal relationship between unmarried fathers and their child(ren).

The purpose of this MOU is to delineate the responsibilities of each Party and describe the process through which payment for services is made. The costs for these services and the methodology for calculating these costs are contained in this MOU.

## II. CONFIDENTIALITY

All information contained in the voluntary declaration of paternity is confidential and will be maintained in accordance with all applicable Federal and State laws and regulations.

## III. TERMS OF UNDERSTANDING

This MOU will be effective from the date of signing through October 31, 2022.

## IV. DEPARTMENTAL APPOINTEES

Each Party will appoint a person to serve as the official contact and coordinate the activities necessary for carrying out this MOU. The initial appointees of each organization are:

Maria Castaneda, Agreement Coordinator
Child Support Services Department
5770 South Eastern Avenue, 4th Floor
Commerce, CA 90040
(323) 889-3397

Brigitte F. Didier
Methodist Hospital, HIM Department
300 West Huntington Drive
Arcadia, CA 91007
(626) 574-3504

AND

Andrea Barnes, Division Chief
Child Support Services Department
5770 South Eastern Avenue, 4th Floor
Commerce, CA 90040
(323) 889-3466

## V. METHODIST HOSPITAL OF SOUTHERN CALIFORNIA RESPONSIBILITIES

The Methodist Hospital of Southern California shall have the following responsibilities:

1. Provide to the biological mother and father a *Declaration of Paternity (form CS 909)* and information about the POP at or near the time of the child's birth.

2. Assist the parents in completing the *CS 909* if necessary.

3. Ensure that the *CS 909* is complete, legible, and signed.

4. Forward the original *CS 909* to the State Department of Child Support Services (DCSS) State POP Coordinator; give copy #1 and #2 to the parents; and forward copy #3 to County of Los Angeles Child Support Services Department (CSSD).

5. Submit accurate and timely invoices to the County of Los Angeles Child Support Services Department on a quarterly basis itemizing the name of the father, child, father's social security number, if known, and the date the signature was obtained.

6. Retain a copy of each completed *CS 909* to ensure that claims for reimbursement are received according to federal and state requirements. Methodist Hospital of Southern California shall retain such records as required by federal and state regulations for a period of three years.

## VI. MUTUAL RESPONSIBILITIES

1. The Parties agree to comply with all state and federal regulations and requirements related to POP.

2. Cooperate with one another in order to achieve the objective of this MOU and to further enhance the Title IV-D program.

3. The Parties to this agreement shall maintain an organizational structure and sufficient staff to administer and supervise all of the functions for which they are responsible under this MOU.

## VII. FINANCIAL PROVISIONS

1. All billing and payments to be made to Methodist Hospital of Southern California and CSSD under this MOU shall be directed as indicated below:

   Child Support Services Department
   Contracts and Procurement Management Division
   5770 South Eastern Avenue, 4th Floor
   Commerce, CA 90040
   (323) 889-3466
   Attn: Andrea Barnes

2. Methodist Hospital of Southern California shall submit to CSSD an invoice for each CS 909 processed during that quarter in accordance with this MOU on or before ten (10) working days from the last day of the calendar quarter.

3. The CSSD Departmental Appointee under this MOU or his or her designee shall review each invoice:

    1. to determine if services were provided in a satisfactory manner;
    2. to verify the billed amount of time/frequency for provided services;
    3. to verify that the billing rate and billing methodology are consistent with those stated in this MOU.

4. CSSD will pay Methodist Hospital of Southern California ten dollars ($10.00) for each CS 909 processed in accordance with this MOU.

## VIII. GENERAL PROVISIONS

All records and documentation shall be maintained in accordance with state and federal requirements and shall be made available to state and federal personnel for the purpose of conducting audits of the program.

**Contractor's Obligations as a "Business Associate" Under Health Insurance Portability and Accountability Act of 1996 (HIPAA)**

The County is subject to the Administrative Simplification requirements and prohibitions of the Health Insurance Portability and Accountability Act of 1996, Public Law 104-191 (HIPAA), and regulations promulgated thereunder, including the Privacy, Security, Breach Notification, and Enforcement Rules at 45 Code of Federal Regulations (C.F.R.) Parts 160 and 164 (collectively, the "HIPAA Rules"). Under this MOU, the Contractor provides services to the County and the Contractor creates, has access to, receives, maintains, or transmits Protected Health Information as defined in Attachment A in order to provide those services. The County and the Contractor therefore agree to the terms of Attachment A, Contractor's Obligations As a "Business Associate Under Health Insurance Portability and Accountability Act of 1996 (HIPAA)."

## IX. TERMINATION

This MOU may be terminated by either party for any reason upon providing thirty (30) days written notice.

## X. AUTHORIZATION

We the undersigned, as authorized representatives of the County of Los Angeles Child Support Services Department and Methodist Hospital of Southern California do hereby approve and enter into this Memorandum of Understanding for the services described in this document.

Signed: [redacted]

Title: CHIEF DEPUTY DIRECTOR

Date: 11 April 2018

Steven J. Golightly, Ph.D.
Director
County of Los Angeles
Child Support Services Department
Executive Office
5770 South Eastern Avenue, 4th Floor
Commerce, CA 90040-2924

Signed: [redacted]

Title: DIRECTOR, HIM

Date: March 30, 2018

Brigitte F. Didier, HIM Department
Methodist Hospital of Southern California
300 West Huntington Drive
Arcadia, CA 91007

# AGREEMENT
# CONTRACTOR'S OBLIGATIONS AS A "BUSINESS ASSOCIATE" UNDER THE HEALTH INSURANCE PORTABILITY AND ACCOUNTABILITY ACT OF 1996 (HIPAA)

Under this Agreement, Contractor ("Business Associate") provides services ("Services") to County ("Covered Entity") and Business Associate receives, has access to, or creates Protected Health Information in order to provide those Services. Covered Entity is subject to the Administrative Simplification requirements of the Health Insurance Portability and Accountability Act of 1996 (HIPAA) and regulations promulgated thereunder, including the Standards for Privacy of Individually Identifiable Health Information ("the Privacy Regulations") and the Health Insurance Reform: Security Standards ("the Security Regulations") at 45 Code of Federal Regulations Parts 160 and 164 (together, the "Privacy and Security Regulations").

The Privacy and Security Regulations require Covered Entity to enter into a contract with Business Associate in order to mandate certain protections for the privacy and security of Protected Health Information, and those Regulations prohibit the disclosure to or use of Protected Health Information by Business Associate if such a contract is not in place.

Therefore, the parties agree as follows:

## 1.0 DEFINITIONS

1.1 "Disclose" and "Disclosure" means, with respect to Protected Health Information, the release, transfer, provision of access to, or divulging in any other manner of Protected Health Information outside Business Associate's internal operations or to other than its employees.

1.2 "Electronic Media" has the same meaning as the term "electronic media" in 45 C.F.R. § 160.103. Electronic Media means (1) Electronic storage media including memory devices in computers (hard drives) and any removable/transportable digital memory medium, such as magnetic tape or disk, optical disk, or digital memory card; or (2) Transmission media used to exchange information already in electronic storage media. Transmission media include, for example, the internet (wide-open), extranet (using internet technology to link a business with information accessible only to collaborating parties), leased lines, dial-up lines, private networks, and the physical movement of removable/transportable electronic storage media. Certain transmissions, including of paper, via facsimile, and of voice, via telephone, are not considered to be transmissions via electronic media, because the information being exchanged did not exist in electronic form before the transmission.

1.3 "Electronic Protected Health Information" has the same meaning as the term "electronic protected health information" in 45 C.F.R. § 160.103. Electronic

Protected Health Information means Protected Health Information that is (i) transmitted by electronic media; (ii) maintained in electronic media.

1.4 "Individual" means the person who is the subject of Protected Health Information, and shall include a person who qualifies as a personal representative in accordance with 45 C.F.R. § 164.502(g).

1.5 "Protected Health Information" has the same meaning as the term "protected health information" in 45 C.F.R. § 164.503, limited to the information created or received by Business Associate from or on behalf of Covered Entity. Protected Health Information includes information, whether oral or recorded in any form or medium, that (i) relates to the past, present, or future physical or mental health or condition of an Individual; the provision of health care to an Individual, or the past, present or future payment for the provision of health care to an Individual; (ii) identifies the Individual (or for which there is a reasonable basis for believing that the information can be used to identify the Individual); and (iii) is received by Business Associate from or on behalf of Covered Entity, or is created by Business Associate, or is made accessible to Business Associate by Covered Entity. "Protected Health Information" includes Electronic Health Information.

1.6 "Required By Law" means a mandate contained in law that compels an entity to make a Use or Disclosure of Protected Health Information and that is enforceable in a court of law. Required by law includes, but is not limited to, court orders and court-ordered warrants; subpoenas or summons issued by a court, grand jury, a governmental or tribal inspector general, or any administrative body authorized to require the production of information; a civil or an authorized investigative demand; Medicare conditions of participation with respect to health care providers participating in the program; and statutes or regulations that require the production of information, including statutes or regulations that require such information if payment is sought under a government program providing benefits.

1.7 "Security Incident" means the attempted or successful unauthorized access, Use, Disclosure, modification, or destruction of information in, or interference with system operations of, an Information System which contains Electronic Protected Health Information. However, Security Incident does not include attempts to access an Information System when those attempts are not reasonably considered by Business Associate to constitute an actual threat to the Information System.

1.8 "Services" has the same meaning as in the body of this Agreement.

1.9 "Use" or "Uses" mean, with respect to Protected Health Information, the sharing, employment, application, utilization, examination or analysis of such Information within Business Associate's internal operations.

1.10 Terms used, but not otherwise defined, in this Paragraph shall have the same meaning as those terms in the HIPAA Regulations.

## 2.0 OBLIGATIONS OF BUSINESS ASSOCIATE

2.1 Permitted Uses and Disclosures of Protected Health Information. Business Associate:

a) shall Use and Disclose Protected Health Information as necessary to perform the Services, and as provided in Sub-sections 2.3, 2.4, 2.5, 2.6, 2.7, 2.8, 4.3 and 5.2 of this Agreement;

b) shall Disclose Protected Health Information to Covered Entity upon request;

c) may, as necessary for the proper management and administration of its business or to carry out its legal responsibilities:

i) Use Protected Health Information; and

ii) Disclose Protected Health Information if the Disclosure is required by Law.

Business Associate shall not Use or Disclose Protected Health Information for any other purpose.

2.2 Adequate Safeguards for Protected Health Information. Business Associate:

a) shall implement and maintain appropriate safeguards to prevent the Use or Disclosure of Protected Health Information in any manner other than as permitted by this Paragraph. Business Associate agrees to limit the Use and Disclosure of Protected Health Information to the minimum necessary in accordance with the Privacy Regulation's minimum necessary standard.

b) effective as of April 20, 2005, specifically as to Electronic Health Information, shall implement and maintain administrative, physical, and technical safeguards that reasonably and appropriately protect the confidentiality, integrity, and availability of Electronic Protected Health Information.

2.3 Reporting Non-Permitted Use or Disclosure and Security Incidents. Business Associate shall report to Covered Entity each Non-Permitted Use or Disclosure that is made by Business Associate, its employees, representatives, agents or subcontractors, but is not specifically permitted by this Agreement, and effective as of April 20, 2005, shall report to Covered Entity each Security Incident of which Business Associate becomes aware. The initial report shall be made by telephone call to the

Covered Entity's HIPAA Privacy Officer within forty-eight (48) hours from the time the Business Associate becomes aware of the Non-Permitted Use or Disclosure or Security Incident, followed by a full written report no later than ten (10) business days from the date the Business Associate becomes aware of the non-permitted Use or Disclosure or Security Incident to the Chief Privacy Officer at:

Chief HIPAA Privacy Officer, County of Los Angeles
Kenneth Hahn Hall of Administration
500 West Temple St.
Suite 410
Los Angeles, CA 90012
(213) 974-2164

2.4 Mitigation of Harmful Effect. Business Associate agrees to mitigate, to the extent practicable, any harmful effect that is known to Business Associate of a Use or Disclosure of Protected Health Information by Business Associate in violation of the requirements of this Paragraph.

2.5 Availability of Internal Practices, Books and Records to Government Agencies. Business Associate agrees to make its internal practices, books and records relating to the Use and Disclosure of Protected Health Information available to the Secretary of the federal Department of Health and Human Services for purposes of determining Covered Entity's compliance with the Privacy and Security Regulations. Business Associate shall immediately notify Covered Entity of any requests made by the Secretary and provide Covered Entity with copies of any documents produced in response to such request.

2.6 Access to Protected Health Information. Business Associate shall, to the extent Covered Entity determines that any Protected Health Information constitutes a "designated record set" as defined by 45 C.F.R. § 164.501, make the Protected Health Information specified by Covered Entity available to the Individual(s) identified by Covered Entity as being entitled to access and copy that Protected Health Information. Business Associate shall provide such access for inspection of that Protected Health Information within two (2) business days after receipt of request from Covered Entity. Business Associate shall provide copies of that Protected Health Information within five (5) business days after receipt of request from Covered Entity.

2.7 Amendment of Protected Health Information. Business Associate shall, to the extent Covered Entity determines that any Protected Health Information constitutes a "designated record set" as defined by 45 C.F.R. § 164.501, make any amendments to Protected Health Information that are requested by Covered Entity. Business Associate shall make such amendment within

ten (10) business days after receipt of request from Covered Entity in order for Covered Entity to meet the requirements under 45 C.F.R. § 164.526.

2.8 Accounting of Disclosures. Business Associate agrees to maintain documentation of the information required to provide an accounting of Disclosures of Protected Health Information in accordance with 45 C.F.R. § 164.528, and to make this information available to Covered Entity upon Covered Entity's request, in order to allow Covered Entity to respond to an Individual's request for accounting of disclosures. However, Business Associate is not required to provide an accounting of Disclosures that are necessary to perform its Services if such Disclosures are for either payment or health care operations purposes, or both. Additionally, such accounting is limited to disclosures that were made in the six (6) years prior to the request (not including disclosures that were made prior to the compliance date of the Privacy Rule, April 14, 2003) and shall be provided for as long as Business Associate maintains the Protected Health Information.

Any accounting provided by Business Associate under this Section 2.8 shall include: (a) the date of the Disclosure; (b) the name, and address if known, of the entity or person who received the Protected Health Information; (c) a brief description of the Protected Health Information disclosed; and (d) a brief statement of the purpose of the Disclosure. For each Disclosure that could require an accounting under this Sub-section 2.8, Business Associate shall document the information specified in (a) through (d), above, and shall securely maintain the information for six (6) years from the date of the Disclosure. Business Associate shall provide to Covered Entity, within ten (10) business days after receipt of request from Covered Entity, information collected in accordance with this Sub-section 2.8 to permit Covered Entity to respond to a request by an Individual for an accounting of disclosures of Protected Health Information in accordance with 45 C.F.R. § 164.528.

## 3.0 OBLIGATION OF COVERED ENTITY

3.1 Obligation of Covered Entity. Covered Entity shall notify Business Associate of any current or future restrictions or limitations on the use of Protected Health Information that would affect Business Associate's performance of the Services, and Business Associate shall thereafter restrict or limit its own uses and disclosures accordingly.

## 4.0 TERM AND TERMINATION

4.1 Term. The term of this Paragraph shall be the same as the term of this Agreement. Business Associate's obligations under Sections 2.1 (as modified by Section 4.2), 2.3, 2.4, 2.5, 2.6, 2.7, 2.8, 4.3 and 5.2 shall survive the termination or expiration of this Agreement.

4.2 Termination for Cause. In addition to and notwithstanding the termination provisions set forth in this Agreement, upon Covered Entity's knowledge of a material breach by Business Associate, Covered Entity shall either:

a) Provide an opportunity for Business Associate to cure the breach or end the violation, and terminate this Agreement if Business Associate does not cure the breach or end the violation within the time specified by Covered Entity; or

b) Immediately terminate this Agreement if Business Associate has breached a material term of this Paragraph and cure is not possible; or

c) If neither termination or cure are feasible, Covered Entity shall report the violation to the Secretary of the federal Department of Health and Human Services.

4.3 Disposition of Protected Health Information Upon Termination or Expiration

a) Except as provided in paragraph (b) of this section, upon termination for any reason or expiration of this Agreement, Business Associate shall return or destroy all Protected Health Information received from Covered Entity, or created or received by Business Associate on behalf of Covered Entity. This provision shall apply to Protected Health Information that is in the possession of subcontractors or agents of Business Associate. Business Associate shall retain no copies of the Protected Health Information.

b) In the event that Business Associate determines that returning or destroying the Protected Health Information is infeasible, Business Associate shall provide to Covered Entity notification of the conditions that make it infeasible. If return or destruction is infeasible, Business Associate shall extend the protections of this Agreement to such Protected Health Information and limit further Uses and Disclosures of such Protected Health Information to those purposes that make the return or destruction infeasible, for so long as Business Associate maintains such Protected Health Information.