

Report to the Community

July 1, 2011-June 30, 2012



Overview

National, State & Region



Consumers & Demographics

According to the American Hospital Association Environmental Scan, the U.S. population has become more ethnically diverse. More than half of the growth in the total population between 2000 and 2010 was due to the increase in Hispanic population. The Hispanic population now accounts for 16% of total population. The Asian population experienced the fastest growth rate with a 43% increase. In Hidalgo County, the current census shows the Hispanic population at 90.7%

Education, in general, continues to be an issue for Hidalgo County. Only 60% of the population has a high school education, and 15% of that has a Bachelor's Degree. Educating the population on health care and healthy living is vital to future health in Hidalgo County.

The AHA Scan states that the single biggest force threatening U.S. workforce productivity, as well as health care affordability and quality of life, is the rise in chronic conditions. Almost 80% of American workers have at least one chronic condition. Fifty percent of workers have more than one. An estimated 26% of the Rio Grande Valley is diabetic. The number of adult Texans with diabetes is projected to quadruple over the next three decades due to the state's aging population and rampant obesity problem. Diabetes costs the state more than \$12.5 billion annually.



In order to promote healthy living, Knapp hosts an annual education series, called the Valley Health Seminars, in which local physicians speak to attendees about an array of health care topics. Knapp also hosts three annual health fairs open to the community. Outpatient Services also offers low cost screenings under the Wellness Program.

The Winter Texan population changes the demographic for a portion of the year in South Texas. This group, for the most part, are retired individuals with a different set of healthcare needs.

Hidalgo County Median Household Income: \$31,879

Persons below poverty in Hidalgo County: 34.4%

Economy & Finance

- Continued cost containment initiatives and reimbursement cuts at the State level have increased pressure on hospitals in South Texas:
 - 40% reduction in Medicaid reimbursement for non-urgent emergency room visits
 - Managed Care Expansion in the Rio Grande Valley: Medicaid Managed Care and Medicare HMOs
 - Reductions in fee for service: Reduction in Medicaid SDA (Standard Dollar Amount) rate, a \$1.8 million negative impact and a reduction in Medicaid DRGs (Diagnosis Related Groupings), a \$1.3 million negative impact.
- With the weak economy, healthcare providers have seen increased exposure to governmental payers as well as self pay patients.
- The deletion of Upper Payment Limit program did away with some \$2.8 billion in federal supplemental funding to Texas hospitals annually. The state secured a Medicaid transformation and quality improvement 1115 waiver to preserve federal supplemental funding. The impact of this is currently unknown due to lack of funding for DSRIP (Delivery System Reform Incentive Payment).
- The future of the Medicaid Disproportionate Share Program is uncertain. The Disproportionate Share Program provides funds to hospitals who care for more than the usual number of indigent patients.
- The transition has been from the fee-for-service delivery and payment method to a system based on the value of services.
- Mergers and acquisitions of hospitals are on the rise due to increased financial and competitive pressure.

Affordable Care Act (ACA)

Impact on South Texas

- ACA is most beneficial in areas where health insurance rates are low
- Hidalgo County is projected to drop from 28.3% uninsured to 15% under ACA
- Hidalgo County will still have a larger proportion of the population (15%) remaining uninsured than the Texas as a whole (11.6%)
- ACA has no impact on the undocumented immigrant population as they are excluded from incentives and mandates
- There will still be people who are not covered by insurance even after ACA because they are exempt from specific provisions or they choose not to obtain health insurance

Affordable Care Act (ACA)

- Goal: reduce the number of uninsured by creating avenues for obtaining affordable health insurance
- Earlier this year, the Supreme Court ruled that the individual mandate to purchase insurance was constitutional
- Medicaid expansion is optional to each State
- Major provisions:
 - **Health Benefits Exchange:** People without access to employer sponsored insurance can purchase insurance through a market based insurance exchange. Premiums are subsidized through tax credits for households with incomes at or below 400 percent of the Federal Poverty Level (FLP)
 - **Insurance Mandates and Penalties:** US citizens and legal permanent residents must have qualified health insurance coverage or pay an income varying tax-penalty
 - **Medicaid Expansion:** Texas declined
 - **Young Adult Coverage:** May stay on their parent's health insurance plan until their 26th birthday
 - **Tax credits for small businesses and nonprofits:** Small businesses and nonprofits employing 25 or fewer full-time equivalent employees and having average annual wages under \$50,000 can receive tax credits for covering at least half of the premium costs

Insurance & Coverage

- Texas has the highest rate of uninsured in the nation
 - 1 in 4 Texans lacks health insurance coverage
- High concentration of “Dual Eligibles” (eligible for both Medicare & Medicaid) in the Rio Grande Valley
 - This population accounts for the largest portion of Medicaid spending and has been a prime target for cost reduction
- EMTALA (Emergency Medical Treatment and Active Labor Act) increases access to coverage but is an unfunded mandate for hospitals
- Losses on caring for Medicare/Medicaid patients are shifted to private payers, which forces health insurance providers to raise their premiums
- Increased premiums leads to a decline in the percentage of people covered by employment-based insurance

Political Issues

- Federal budget deficit will continue to put pressure on hospitals (Bad debt payments and DSH -Disproportionate Share Hospitals) in the future
 - Disproportionate Share Hospital (DSH) adjustment payments provide additional help to those hospitals that serve a significantly disproportionate number of low-income patients.



- Underway now is a Value-Based Purchasing Program which pays hospitals based on their actual performance on quality measures
 - Clinical quality measures - 70%
 - HCAHPS (Hospital Consumer Assessment of Healthcare Providers and Systems) - 30%
- Competition for funding with other segments of the economy for a bigger slice of a shrinking pie

Provider Organizations & Physicians

- Mergers/acquisitions on the rise
- Accountable Care Organization (ACO)
 - A group of health care providers who give coordinated care, chronic disease management, and thereby improve the quality of care patients get. The organization's payment is tied to achieving health care quality goals and outcomes that result in cost savings.
 - Currently 5 Medicare Shared Savings ACOs in Texas with one based in Donna
- Knapp's Primary Service Area is recognized as a Medically Underserved Area/Population (MUA/P) by the US Department of Health and Human Services

Human Resources

- Difficult to recruit new physicians to the Rio Grande Valley
- Shifting physician employment model from running their own business as a single, independent professional practitioner to seeking employment
- Growing use of mid-level providers (Nurse Practitioners, Physician Assistants)
- National nursing shortage



Information Technology

The Rio Grande Valley Health Information Exchange (RGV HIE), intends to provide a county-level infrastructure that connects information between participating health care organizations and providers in extreme South Texas. This would be done by integrating different systems to enable the safe exchange and use of critical patient information for making patient care decisions. From Brownsville to Laredo, patients will have the ability to provide medical information to their care givers.

- Healthcare providers are using more web-based tools:
 - Example: Dr. Ellen Eye now has a program called mytouchmd.com. Patients can log in from anywhere and access information about their pregnancy. The website has charts that track weight, blood pressure, etc. Dr. Eye will send her pregnant patients videos every few weeks that explain what is going on with their baby developmentally at that point in time as well as things the mother may be experiencing. The site has a large library of helpful articles that cover all stages of pregnancy. Dr. Eye can transfer a patient's sonogram images on to the site as .jpg images, and then the patient can then send them electronically to family.



- For more information on the Rio Grande Valley Health Information Exchange, go to: <http://rgvhie.org/>
- Visit www.knappmed.org for a video titled "How Will My Physician Treat Me in the Future"

Community Needs Survey Results



Healthy Communities Questionnaire

Texas Onionfest - March 24, 2012

Questionnaires were distributed at the Weslaco Chamber of Commerce Texas Onionfest on March 24, 2012. Participants were asked to pick 6 answers that they felt have the most negative impact on our community. They also answered two fill in the blank questions with top answers shown. A total of 117 questionnaires were completed. Not everyone who answered a questionnaire answered all questions. A total of 89 females and 28 males answered a questionnaire. Of that group 5 were under 20 years of age, 19 from 21-49 years of age, 60 from 50-70 years of age and 34 over 71 years.

Fit N Fun Fall Festival - October 31, 2012

Participants answered questions by computer at the Knapp Medical Center Fit N Fun Fall Festival on October 31, 2012. Participants were asked to pick 6 answers that they felt have the most negative impact on our community. They also answered two fill in the blank questions with top answers shown.

A total of 41 questionnaires were completed of which 3 were completed in Spanish. Not everyone who answered a questionnaire answered all questions. A total of 29 females and 12 males answered a questionnaire. Of that group 6 were 18-24 years of age, 8 from 25-34, 16 from 35-44, 5 from 45-54, 2 from 55 to 64, 1 from 65-74 and 3 were 75 or older.

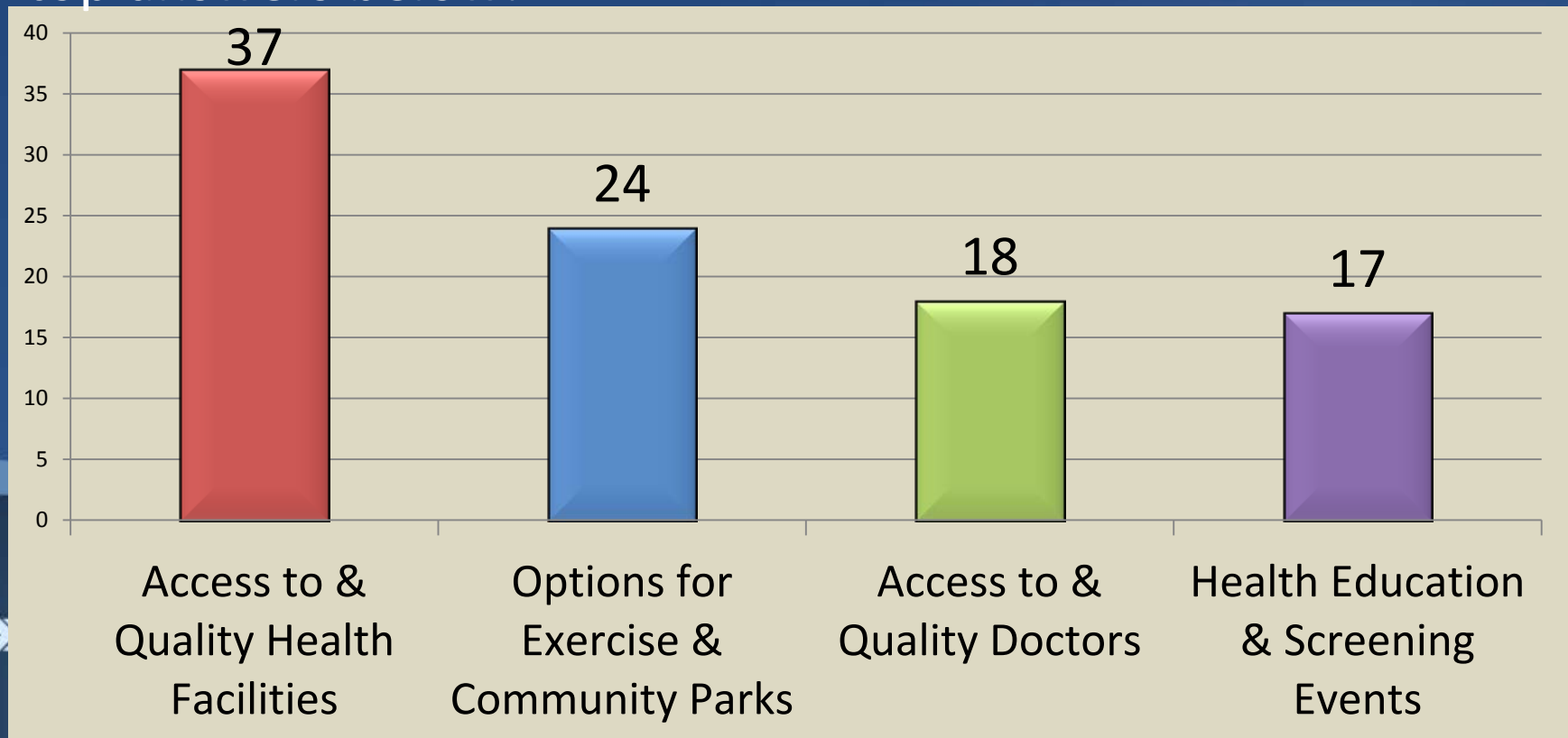
1. What do you believe is the greatest need in your community in order to have a “healthy community”?

This was the first question asked on the survey with the top answers below:



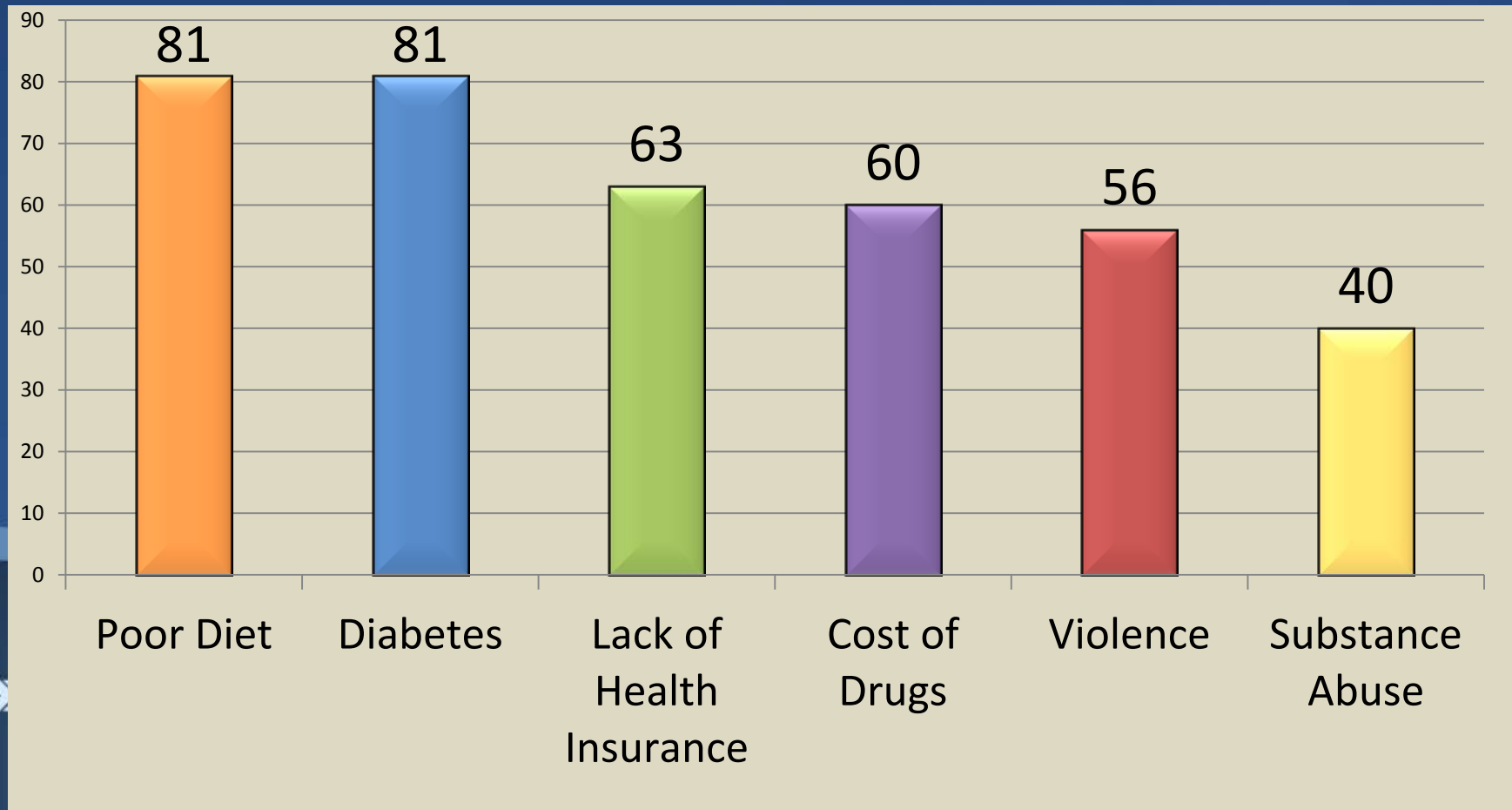
2. What do you believe is the most positive feature of your community as it relates to health?

This was the second question asked on the survey with the top answers below:



3. Healthy Communities Question

Third question asked each person to choose six answers from a provided list to the question: Please check 6 items you feel have the most negative impact on the health of people in your community. Below are the top six answers.



Community Needs Comments

Some Comments:

- Moving or more active community. Our obesity count has sky rocketed in the past 3 years.
- Tener reuniones en grupo para educarnos en la comida y ejercicios etc.....(educate groups on eating and exercise)
- I think that Weslaco should change its infrastructure. Here are a few suggestions! 1. Implement sidewalks in more than 50% of Weslaco roads 2. Implement bike lanes for at least 50% of Weslaco roads
- More help for those who don't have money for health (care)
- Cheaper doctors so Americans can be told they're fat more often

Comments showed increased awareness for better nutrition, more activity, and lowering rates of obesity.

- The word “obesity” was mentioned six times and had not been used in former surveys
- Education, both traditional education for children and health education, usually ranks high for mentions in previous surveys. In 2012, health education ranked first in top of mind comments when answering the fill in the blank question: What do you believe is the greatest need in your community in order to have a healthy community? However, when given a list to choose from, healthy diet and diabetes rose to the top.
- Exercise made the list of top comments for the first time ranking third for greatest need and options for exercise/good community parks ranking second in most positive community feature
- Healthcare cost concerns continue to rank high
- Although comments cited better diet, more exercise, more health fairs /screenings, and affordable access to healthcare in response to greatest need for a healthy community, violence and substance abuse also made the top 6 list for most negative impact on community



KNAPP

MEDICAL CENTER

Serving the Community



Knapp History

- Knapp Medical Center opened in Weslaco on January 2, 1962 as Knapp Memorial Methodist Hospital. In the mid-1950's, interest was expressed by Weslaco citizens for building a hospital through a Chamber of Commerce survey.
- The McAllen District of the United Methodist Church agreed to run the hospital if a structure was built, so the Mid Valley Hospital Development Corporation was formed and volunteers were enlisted from Donna, Mercedes, Edcouch-Elsa, Progreso, and Weslaco.
- The fund campaign that followed started with a gift of \$300,000 from the Knapp Foundation. To recognize their generosity, the hospital was named after the Knapp family. Another \$500,000 was raised among the Mid Valley communities by numerous volunteers and this \$800,000 total was matched by a federal Hill-Burton grant to make the hospital a reality.
- In December of 1986, the United Methodist Church and Knapp Memorial Methodist Hospital, under amicable agreement, dissolved their long time relationship. Knapp Medical Center remains a not-for-profit, private, acute care provider. This means that Knapp uses its income for operating expenses, retirement of debt and expansion of services.
- Knapp doubled in physical space in 1980 and added 80 beds to the original 100. Knapp grew by a third to add outpatient services and a new Emergency Room in 1990.
- Weslaco voters decided to swap 15 acres of Harlon Block Park for 50 acres in southwest Weslaco next to Memorial Elementary School in 1993. This gave Knapp adjacent land for future expansion. Some of the land has been used for a helipad and parking.
- As the culmination of a collaborative project to help diabetes patients effectively manage their disease, the Diabetes Center began in 1994. Also in 1994, a three-story professional building, the Medical Plaza, opened just north of the main hospital building.
- With continuing population growth and needs, all inpatient, surgical and obstetrical services were moved and expanded from the original, single story building into a six story tower with 233 inpatient beds in December of 1995. Further community needs led to the Hospice program accepting its first patient in late 1996 and to the dedication of a new Emergency Department in May 2003.
- During the summer of 2011, a Cardiac Cath Lab opened and pharmacy automation and electronic medication administration record program was implemented.
- In May of 2012, Knapp celebrated 50 years of service to the community with a health fair, Ceremony featuring the current and 3 of the 4 past administrators and video showcasing employees and why they work at Knapp



Knapp Medical Center, a 226 bed not-for-profit hospital, serves a city and rural population of more than 200,000 people .

Over 220 physicians, all independent professional practitioners, serve on the Knapp Medical Staff. Knapp employs more than 900 people and provides volunteer opportunities for over 230 people.

With a broad spectrum of patients, here are a few Knapp services:

- Cardiac Catheterization Service and a total of 52 cardiac monitored beds
- 16 bed Medical Intensive Care Unit
- A 24-hour physician staffed Emergency Department with a Level III Trauma designation
- General surgical services for both inpatients and outpatients
- Obstetrics and gynecology
- Pediatric unit

Services

- Imaging services including MRI, CT, Nuclear Medicine, Ultrasound, Mammography & DEXA Bone Density
- Hospice care services
- Rehabilitation services including physical therapy and speech therapy
- The Knapp Medical Center Diabetes Center works with the patient's doctor to develop a personalized plan of education that will help the patient understand and manage their diabetes.



Services, continued

- **Patient Services**
- **Cardiac Cath**
- **Cardiopulmonary Care**
 - Pulmonary Testing
 - Stress Testing
- **Case Management**
 - Discharge Planning
 - Social Services
- **Day Surgery**
- **Diabetes Center**
- **Education Department**
 - Basic Life Support (CPR)
 - Advanced Cardiac Life Support
 - Pediatric Advanced Life Support
- **Emergency Department**
 - Minor Care Track
 - Stroke
 - Trauma
- **Medical Intensive Care Unit**
- **Dialysis for Inpatients**
- **GI Lab**
 - Colonoscopy
 - Chemotherapy
 - Echocardiography
 - Endoscopy
- **Guest Services**
 - Concerns & Compliments
- **Hospice Care Services**

- **Imaging Services**
 - 3-D Ultrasound/Vascular Imaging
 - 64 Slice CT
 - DEXA (Osteoporosis Screening)
 - Echocardiography
 - Interventional Angiography
 - Mammography
 - MRI
 - Nuclear Medicine/Stress Testing
 - Radiofrequency Ablation
 - Radiography
 - SPECT (Cardiology)
 - Stereotactic Breast Core Biopsies
 - Ultrasound

- **Laboratory**
 - Blood Bank
 - Coagulation
 - Chemistry
 - Toxicology (therapeutic drug testing)
 - Immunology
 - Urinalysis
 - Blood Bank
 - Hematology
 - Pathology (Histology)
 - Microbiology
 - Virology

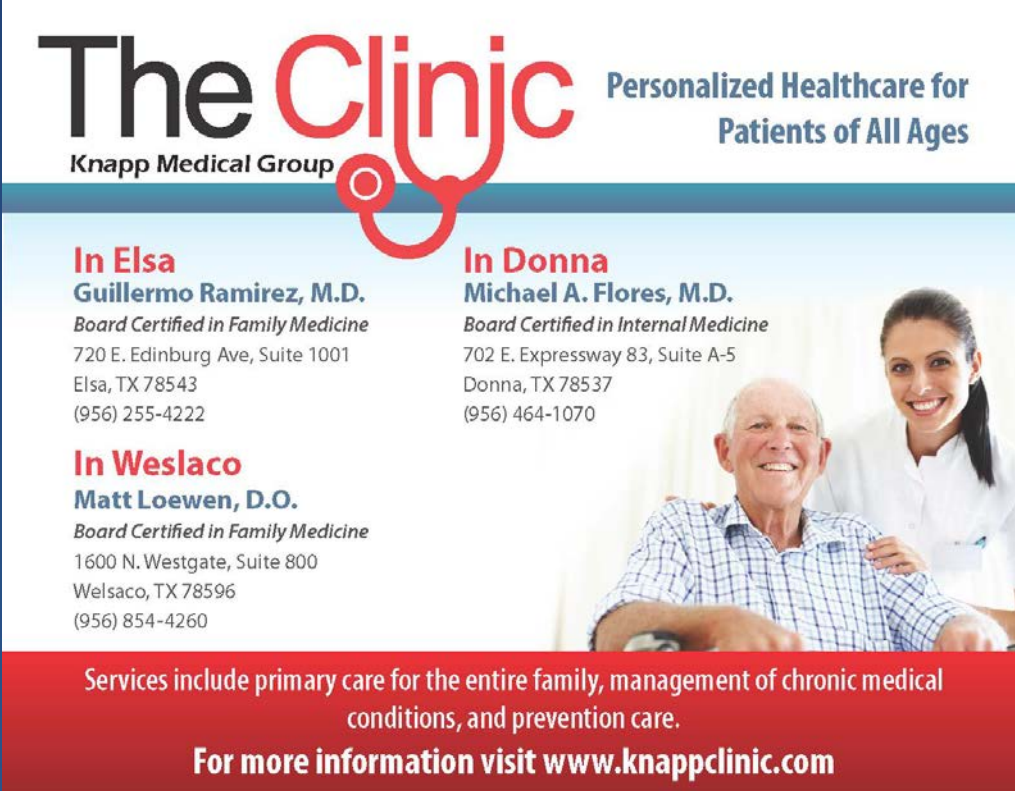
- **Medical Unit**
- **Newborn Nursery**
- **Nutrition Education/Counseling**
- **Surgical Unit**
- **Pediatric Unit**
- **Rehabilitation Services**
 - Physical Therapy
 - Speech Language Pathology
 - Occupational Therapy
- **Surgery**
 - General and Vascular
 - Laparoscopic Procedures
 - Lithotripsy
 - Orthopedics/Arthroscopy
 - Post Anesthesia Recovery Unit
- **Telemetry**
- **Volunteer Services**
- **Women's Health Services**
 - Labor, Deliver, Postpartum
 - Gynecological Surgery
 - Childbirth Education Classes
- **Wound Care**

Medical Specialties

- Anesthesiology
- Arthritis and Rheumatology
- Breast Cancer
- Cancer Care
- Cardiac Services
- Chest Pain
- Critical Care Intensivists
- CT Angiography
- Diabetes
- Ear, Nose & Throat
- Emergency/Trauma Services
- Endocrinology
- Epilepsy
- Gastroenterology, Hepatology and Endoscopy
- Occupational Medicine
- Imaging Services
- Joint Replacement
- Neonatal Intensive Care
- Neurology
- Ophthalmology
- Orthopedic and Sports Medicine
- Pain Medicine
- Pathology
- Physical Medicine and Rehabilitation
- Primary Care Services
- Podiatry
- Pulmonology
- Surgery Services
- Rehabilitation
- Urology
- Vascular Care
- Women & Children
- Wound Care

Access to Care

- The Valley is considered a Medically Underserved Area (MUA), which makes access to care a great need.
- The Knapp Medical Group currently has three clinics.



The Clinic
Knapp Medical Group

Personalized Healthcare for
Patients of All Ages

In Elsa
Guillermo Ramirez, M.D.
Board Certified in Family Medicine
720 E. Edinburg Ave, Suite 1001
Elsa, TX 78543
(956) 255-4222

In Donna
Michael A. Flores, M.D.
Board Certified in Internal Medicine
702 E. Expressway 83, Suite A-5
Donna, TX 78537
(956) 464-1070

In Weslaco
Matt Loewen, D.O.
Board Certified in Family Medicine
1600 N. Westgate, Suite 800
Weslaco, TX 78596
(956) 854-4260

Services include primary care for the entire family, management of chronic medical conditions, and prevention care.

For more information visit www.knappclinic.com

Knapp by the Numbers

Take a look at the numbers from Knapp Medical Center's previous year to see the many ways in which they have contributed to the Mid Valley Community. All figures are from Knapp's last fiscal year, starting July 1, 2011 through June 30, 2012.

81,972

KNAPP MEDICAL CENTER
PATIENT REGISTRATIONS

10,640 INPATIENT REGISTRATIONS

71,332 OUTPATIENT REGISTRATIONS



39,328
Emergency
Department
Patients



3,874
Surgeries
Performed at
Knapp



1,834
Babies
Delivered at
Knapp



3,490
Wound Center
Patients

The Wound Center at Knapp offers comprehensive outpatient services designed for the treatment of wounds that are either not healing or healing slowly. The Wound Center at Knapp uses the latest techniques and technologies, including hyperbaric oxygen therapy, to provide advanced care to patients with chronic wounds. Patient treatment plans are custom designed for each individual.



1,585
Diabetes Center
Patients

With the prevalence of diabetes in our community, Knapp provides a specialized Diabetes Center. The Center works with the patients' doctors to identify individual needs and develop a personalized plan of education that will help patients understand and manage their diabetes. Services are available to all age groups, to both newly diagnosed patients and those who have been living with the disease.

As part of Knapp Medical Center's commitment to the community, the hospital provided:

\$6,809,000
worth of charity care.

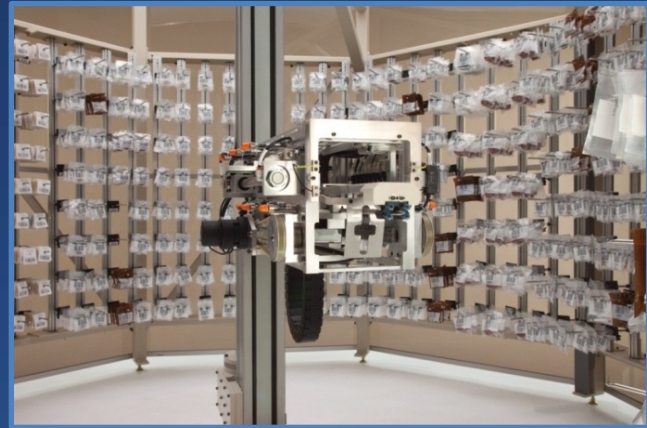
72,222 people
with valuable health care information and/or free health screenings at health fairs throughout the Rio Grande Valley.

56 parents
with car seat installation training.



Quality & Patient Safety

- In 2011, Pharmacy Automation Program
 - Robot fills prescriptions and helps streamline pharmacy processes. Automation enhances drug safety and accuracy for patients
- In 2011, Electronic Medication Administration System
 - To reinforce medication safety practices
 - Caregivers scan patient's bracelet prior to giving medication to confirm the patient's identity and medication administration record match
- In 2012, Computerized Physician Order Entry (CPOE)
 - This software application allows physicians to order patient tests and treatments online avoiding possible misinterpretation of a physician's handwriting



Science & Technology



- Increased Usage of Telemedicine
 - At night, x-rays and other images read online by credentialed physicians for ER patients
- Wireless Technology – OB TraceVue
 - Obstetricians can monitor their patient's contractions in real time from their smart phone or office computer
- PACS
 - PACS allows physicians to access images and reports in the hospital, their office or home.
- Webstation for Physicians
 - Webstation for Physician (WSP), is a physician portal that allows access to the patients' entire medical record, from all hospital systems, from both on-site, as well as any remote location where internet access is available

Accredited

- Accredited by The Joint Commission
 - Knapp Medical Center
 - Knapp Hospice Services



- Recognized Stroke Capable Center by the Trauma Regional Advisory Council “V” under the Texas Department of State Health Services guidelines
- Accredited as a Primary Stroke Center by The Joint Commission & Certified by the American Heart Association & American Stroke Association (As of December 14, 2012)



**American Heart Association
American Stroke Association**
CERTIFIED
Meets standards for
Primary Stroke Center

- Recognized by the American Diabetes Association
 - Knapp Diabetes Center diabetes self-management education program
- Accredited by the College of American Pathologists (CAP)
 - Knapp Laboratory
- Certified by Undersea & Hyperbaric Medical Society (UHMS) in agreement with the Joint Commission as a Level One clinical hyperbaric facility
 - Knapp Wound Center
- Accredited with Commendation by the Texas Medical Association
 - Knapp Education Department Clinical Medical Education program





Texas Healthcare Quality Improvement Bronze Award

- In May 2012, Knapp acknowledged for improving care related to 27 Appropriate Care Measures (ACMs) for the national healthcare priorities (as defined by CMS and Joint Commission) of
 - AMI (heart attack):
 - Heart failure
 - Pneumonia
 - Surgical Care
- 375 hospitals eligible in state
- 214 nominated in Texas Healthcare Quality Improvement Program
- 156 recognized including Knapp



healthgrades®

- Summer of 2012, received Healthgrades Maternity Care Excellence Award for the 5th year in a row (2008-2012) putting Knapp in the top 5% in the nation for Maternity Care
- Healthgrades also named Knapp a 5-Star rated hospital for Maternity Care
 - According to a Healthgrades report, women who choose to deliver their baby at a Healthgrades 5-star rated hospital in maternity care have a 62% lower chance of experiencing complications during childbirth compared to a 1-star hospital.



Professional Education & Training



©Dcalvo

Knapp participated in a mass casualty drill in May 2012 to test emergency procedures, communication, and skills.

More than 80 physicians from throughout the state attended the 20th Annual Rio Grande Valley Medical Education Conference & Exposition sponsored by Knapp on May 3-5, 2012 on South Padre Island.



Student Clinical & Observation Rounds

751 Students from the Following Provided Clinical Training or Observation

- University of Texas Pan American
 - RN Students
 - Social Workers
 - Speech Therapists
 - Medical Technologists (Lab)
 - Dieticians
- Valley Grande Institute for Academic Studies
 - LVN Students
 - EKG
 - PCT
- STISD High School for Health Professions (Med High) Health Occupations Students of America
- Weslaco High School Health Occupations Students of America
- TAMHSC Pharmacy Students
- University of the Incarnate Word Pharmacy Students
- Lamar College LVN and RN Students
- University of Texas/Texas Southmost College
 - Ultrasound
 - Radiology
- South Texas College
 - LVN-RN
 - AND
 - AND Preceptorship
 - Cardiopulmonary
 - Pharmacy Technicians
 - Medical Records
 - Social Workers
 - Surgical Technicians
 - MIS/T
- Weslaco Fire Department EMS/EMT
- Weslaco Fire Department Border Patrol EMS

Community Activities



- Eight teams of Knapp employees and family members participated in the 2012 American Cancer Society Mid-Valley Relay for Life on May 4-5, 2012. Knapp was also a \$5,000 sponsor for this community event that raises money for cancer research and cancer prevention awareness
- Knapp sponsors The Market @ Weslaco, the Mid Valley farmer's market. The Market is held every Thursday from 5-7 p.m. both inside and outside of the Weslaco Economic Development Corporation Offices
- Knapp sponsored a Walk in the Park, a weekly event encouraging families to walk the hour prior to the weekly Movie in the Park.
- Participated in 5 School Career Days

Community Activities



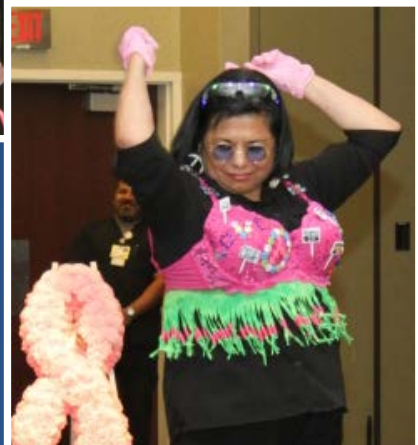
- Safe Sitter Class
 - Training young teens on safe care of children and infants
- Knapp Wellness Program
 - Blood drawn for low cost screenings through Outpatient Services
- Family Birthing Classes
 - 4 week class for expecting parents
- Safe Rider Program
 - Trained 56 parents on proper use and installation of car seats
 - Eligible parents who attend the class receive a free car seat provided by the State of Texas

Community Education



- Screenings and health education
 - RGV Livestock Show March 9-18, 2012
 - Texas Onion Fest March 24, 2012
 - Knapp Senior Health Fair - January
 - Knapp Fit N Fun Fair - May
 - Knapp Fit N Fun Fall Festival - October
 - Participation in 7 community health fairs
- Valley Health Seminars - January through March
 - Physicians present and answer questions on a specific health topic
 - Synopsis of presentations on YouTube
- 5 presentations during Summer Children's Program at Donna Sports Complex focusing on nutrition. Average attendance was 50.

Community Education



- Bras Ending Breast Cancer
 - Held in early October
 - Encourages people to decorate a bra and submit in a contest.
 - A style show and box lunch are held to showcase the creative bras and to educate the community on breast cancer awareness
 - Proceeds from the event fund mammograms for indigent women
 - For more information go to www.knappmed.org

Leadership Mid Valley



Leadership Mid Valley, sponsored by the Weslaco Area Chamber of Commerce, visits Knapp each year for a tour and presentation on healthcare from the national, state and local level

