Children's National Medical Center

Service Area Definition

- Primary Service Area:
  - DC, Montgomery and Prince George Counties

- Secondary Service Area:
  - 2 Components
    - SSA MD and SSA VA
      - Anne Arundel, Calvert, Charles, Frederick, Howard St. Mary’s and Washington in SSA MD.
      - Fairfax, Falls Church, Alexandria, Arlington, Loudoun and Prince William in SSA VA
  - Tertiary Service Area:
    - The rest of Maryland
    - Southern and Western counties in VA
Primary Care Visits
Goldberg and CP&A Practice Locations

- Goldberg primary services related to Adolescent Health Center, Children Health Center, Dentistry, and Child Protection services provided at main hospital.
- 9 of 10 CP&A Locations are in the Primary Service Area.
- One CP&A practice is in northern Charles County at Waldorf.
- One CP&A practice in Greenbelt, MD recently acquired.

Specialty Visits Locations

Specialty Outpatient locations:
DC
Main Hospital, Spring Valley

Maryland
Frederick, Frederick County
Shady Grove, Montgomery County
I. laurel Lakes, Prince George's County
Upper Marlboro-Prince George's County
Annapolis, Anne Arundel County

Virginia**
Northern Virginia, Fairfax
LLC, Fairfax
Hematology & Oncology, Fairfax
- The Montgomery County location has two operating rooms for outpatient surgeries and an imaging and radiology facility.
- Children's National Specialists of Virginia, LLC has two procedure rooms.

Specialty Clinic Locations:
Children's National physicians travel to other healthcare facilities and physician offices around the DC metro area to see patients.
Children’s National Medical Center  
- Doug Myers, CFO

- $1.2 Billion in Operating Revenue  
- Fitch A- with Positive Outlook  
- 600+ Employed Physicians  
- 303 beds  
- 6,600 employees  
- 14,000 admissions  
- 17,440 surgeries  
- 108,000 ED visits  
- 445,000 outpatient visits  
- Consistently ranked among the best pediatric hospitals by *U.S. News & World Report* and the Leapfrog Group, and is a Magnet® designated hospital.

How are we different than a general hospital?

- Philanthropy  
- Very Acute Patients (many with LOS of 1 year+)  
- Very Expensive Care  
- Still a great deal of Percentage of Charge business  
- Majority of our Patients are Medicaid  
- CHGME is a separate Line item of the Fed budget & subject to cuts every year.
Corporate Structure

CNMC=Children’s National Medical Center
CH=Children’s Hospital
CHF=Children’s Hospital Foundation
CRI=Children’s Research Institute
SKW=Safe Kids Worldwide
SKWLtd=Safe Kids Worldwide, Ltd
CNHN=Children’s National Health Network
CP&A=Children’s Pediatricians & Associates
CSS=Children’s School Services
CNAPPI=Children’s National Advocacy & Public Policy, Inc.
SAB=Strategic Advisory Board

Dr. Kurt D. Newman, CEO

• Joined CNMC as a surgeon in 1984
• Became surgeon-in-chief and senior vice president for the Joseph E. Robert, Jr. Center for Surgical Care in 2003
• Instrumental in creation of Sheikh Zayed Institute for Pediatric Surgical Innovation
• Member of the Board of Commissioners of the Joint Commission and the Board of Governors of the American Pediatric Surgery Association
• Chairman of the surgery section of the American Academy of Pediatrics
The Approach: New Day, New Way!

Resetting Expectations
Reengaging

Vision

CHILDREN’S NATIONAL: Re-Imagining How We Care for Kids

Thinking Bigger
Thinking Differently

Creative Connections
What Works Better

Never Forget Who We’re Caring For
Fundraising Growth Strategy | Goal $1B

Big Idea: Giving Opportunities Offer Immediate ROI

Donor & Partner Needs

Existing

New

EXISTING

- Individuals
- Corporations
- Foundations
- Government

NEW

$500M Transforming Children’s Health Campaign

Donors & Partners

Creating A Structure and Laboratory for Health Care Reform in Primary Care

Center for Clinical and Community Research

Children’s Advocacy Institute

Child Health

Children’s National and UM Emergency Departments

Goldberg Center

Children’s Pediatrics & Associates

DC School Nurse Program

Safe Kids

NIH

Philanthropy

Creative Connections
Education

• 104 pediatric residents
• 156 pediatric sub-specialty fellows
• 180* 3rd-year George Washington University medical students
• 40* 4th-year George Washington University medical students
• 50* 3rd-year Howard University medical students
• 50* visiting 4th-year medical students

*Numbers are approximate

Sheikh Zayed Institute for Pediatric Surgical Innovation

• UAE Donated $150,000,000 to CNMC in 2010.
• Focus is to make Pediatric Surgery more precise, less invasive & pain free.
• Making surgery pain-free
  - First Pin algometer allows us to objectively measure pain as a vital sign
  - Just opened state of the art Pain Clinic.
• Working to advance surgical robotics
Awards and Recognition

- Leapfrog Group Top Hospitals - 5th year running
- U.S. News & World Report Top 10 Hospital
- Magnet designation
- Level I Trauma Center-Pediatric
- Level 3 Patient Centered Medical Home Recognition
- Beacon Award for Critical Care Excellence
- Joseph E. Robert, Jr., Center for Surgical Care accepted the inaugural Excellence in Innovation Award

How we budget at Children’s National Medical Center
Vision | Children’s National 2014

- $1.5 Billion World Class Health System
- Top 5 U.S. News & World Report of Children’s Hospitals
- $1 Billion Fundraising Campaign Launched

1. Bright, fun, patient and family-centric place of caring for children
2. Deliver care to 4 out of 5 children in the DC/Metro region by kindergarten
3. Best in class in access, patient and family experience, and outcomes
4. Expansion of Children’s Research Institute (CRI) with new centers, clinical alignment, and robust CTSA
Vision | Children’s National 2014

5. Sustain national and international recognition as a Magnet facility providing world-class nursing care

6. Provide evidence-based care, delivered in conjunction with current research initiatives

7. Nexus of government, media, academic, biotech, and neighborhood partners to benefit the wellbeing of children in the DC/Metro region

8. Leader in shaping health care policy and standards to create and deliver solutions for outstanding pediatric health care

10. Deliver superior and innovative education to future health care providers, patients and families

11. Robust financial strength and achieve a bond rating of AA with Fitch and Moody’s
What drives our Top Line Revenue?

- Patient Volumes
- Grants
- Unrestricted Donations
- SPF Releases
- Special Government Funding (DSH & CHGME)
- Miscellaneous Revenue (Parking, Vending, Dietary, etc.)
How we are paid?

- 33% Percent of Charge
- 35% DRG/Fixed Payment per case
- 25% Per diem
- 7% Capitated Payment
What drives our Expenses?

- FTEs
- Overtime
- Contract Labor
- Supplies
- Malpractice Expense
- Depreciation
How Doug sleeps....