

COMMUNITY HEALTH CARE NEEDS ASSESSMENT REPORT

PREPARED BY THE NEEDS ASSESSMENT SUBCOMMITTEE

SOUTH LEE COUNTY HOSPITAL COMMITTEE

Index

| | |
|---|---------|
| Introduction | Page 3 |
| Demographic Information | Page 4 |
| EMS Statistics | Page 6 |
| Committee Recommendations | Page 7 |
| Conclusion | Page 9 |
| Exhibit 1 – South Lee Hospital Committee Press Release | Page 10 |
| Exhibit 2 – Interview with Ed Houck, CEO of Southwest Florida Health Planning Council | Page 11 |
| Exhibit 3 – Interview with Dr. Larry Hobbs, Certified Emergency Physician | Page 13 |
| Exhibit 4 – Subcommittee Roster | Page 14 |

Introduction

South Lee County Medical Care Needs Assessment Report

South Lee County has experienced substantial growth in the last several years, with readily observable population, community, and retail growth. While rapid growth has temporarily slowed, the need for community health care services has grown with the population, and will continue to increase with the opening of Coconut Point and Gulf Coast Town Center, the anticipated Red Sox spring training facility, and with other facilities like Germaine Arena and nearby Florida Gulf Coast University. Local emergency transport capacity is finite (35 ambulances in all of Lee County), and while the fire districts that operate EMS in south Lee County are studying consolidation, demand for emergency transport has exceeded capacity in and out of season, and queue length for emergency room admission is often lengthy. The cost to residents for these unpredictable delays in receiving medical care is substantial and avoidable, and the committee seeks to identify alternatives to improve health care efficiency.

While the Bonita Community Health Center is centrally located and was designed with future growth in mind, the stalemate in operating decisions between co-owners Naples Community Hospital and Lee Memorial Health Systems has reduced options for the community to meet its growing needs for care and emergency services. The intent of this report is to provide a foundation for constructive discussion of expanded medical services in south Lee County through a census of current community medical resources, an estimate of south county EMS activity, forecasts for near and long term growth, and presentation of a “straw man” proposal for facility creation or expansion of a current building to meet these needs.

The Needs Assessment Committee understands the need to align incentives for all stakeholders – doctors, hospitals, payers, and patients – in order to provide an economically sustainable proposal that can improve medical service delivery to the south Lee County community and to improve the quality of life for its citizens. The South Lee County Hospital Committee recognizes the need for “buy in” by all health care system participants to assist in the improvement of area health care. All partners must have the vision and resources needed to participate in the almost certain growth anticipated in the area in the future. The committee intends to explore all alternatives in pursuit of this goal.

South Lee County Medical Care Needs Assessment Report

Demographic Information

Other than the City of Bonita Springs, the south Lee County medical service area is unincorporated. Accordingly government statistical data is limited and estimates must be based on observation and comparative measure. The data provided below for these unincorporated areas is presented as the committee's best estimate though observational data is obtained from the best sources available. The population estimate for Bonita Springs shown below is the US Census July, 2007 estimate (www.census.gov), with estimates for adjacent areas based on the 2000 census count for those statistical areas, increased for growth as estimated by local leaders.

Population Estimates:

| Estimated Population-Year Around South Lee County Medical Service Area | | | |
|---|-------------|----------|----------|
| Area | 2007 Est | 2011 Est | 2025 Est |
| Bonita Springs | 42,268 | 50,000 | 60,000 |
| Estero | 26,857 | 31,884 | 41,000 |
| South San Carlos | 10,000 | 17,000 | 20,000 |
| North Naples | 10,000 | 12,000 | 14,000 |
| FGCU (no seasonal increment) | 10,000 | 11,500 | 14,000 |
| Total | 99,125 | 122,384 | 149,000 |
| Including Seasonal* | 136,000 | 162,811 | 198,000 |

**Seasonal population is estimated to increase the total population by approximately 37% during the January through April period each year, creating substantial additional service demand. It should be noted that other informal estimates suggest a lower population for Estero. An indisputable fact is that, in addition to planned development, substantial housing has been built that dictates continued population growth.*

Other medical service demand is driven by commercial activity in the south county. Miromar Outlets, Coconut Point, and Gulf Coast shopping centers bring millions of visitors to the area annually. Miromar Outlets alone reported over 6 million visitors, before their last expansion. On US41 over 40,000 cars per day travel through the area, while I-75 carries approximately 81,000 cars per day on average. Florida Gulf Coast University and Germaine arena draw additional visitors, through sporting and community events.

Urgent Care Center Survey:

Urgent Care Centers (UCC) were surveyed because they represent the greatest concentration of medical services on the local area. The committee points out that many doctors are located in the area outside of the UCC's, though their concentration of resources in their offices is less than the UCC's. Three of the UCC's have emergency certified MD's, and one facility is designed based on emergency room requirements. Each UCC has some walk-in emergency traffic, but receive EMT transport only when the patient selects that destination. All urgent care centers experience heavy increases in patient visits

South Lee County Medical Care Needs Assessment Report

during the winter months due to their walk-in marketing approach. Uninsured and indigent residents seeking care are served by a small clinic operated by Family Health Services, headquartered in Ft. Myers.

| Urgent Care Facilities South Lee County | Doctors | Specialties | MRI/ CAT | Radiology/ Lab | Certified ER Doctor |
|--|---------|-------------|-------------|-------------------|------------------------|
| Bonita Community Health Center | 24 | 21 | Yes | Yes | Yes |
| Estero Medical Center | 22 | 13 | Yes | Yes | Yes |
| Estero Urgent Care | 3 | 3 | No | Yes | Yes |
| Redi-Med Urgent Care | 3 | 1 | No | Yes | No |

EMS Statistics

The number of EMS patients transported as a result of 911 calls is compiled on a county wide basis, limiting the use of this data in evaluating local emergency room demand. The statistics provided are based on 2007 annual data for the Estero Fire District, with extrapolation of those numbers to provide estimates for Bonita and San Carlos. It is anticipated that, if a stand-alone emergency room were located in south Lee County, many of these patients would take advantage of the shorter transport time to the local facility. This would reduce the patient load on existing hospital ER's and provide more elasticity to meet seasonal and emerging demand.

| Destination Hospital | Estero Fire District | Bonita Fire District* | San Carlos Fire District** | Total |
|---|----------------------|-----------------------|----------------------------|-------|
| Lee Memorial Facilities | 896 | 800 | 400 | 2096 |
| Naples Community Hospital Facilities | 754 | 850 | 100 | 1704 |
| Physician's Regional | 57 | 60 | 30 | 147 |
| Totals (Estimated) | 1707 | 1710 | 530 | 3947 |

**Estimates, based on Estero Fire District statistics. The Bonita population is 57% larger than Estero's estimated population, but the new immigrant population (10,000) and the middle class working population (5,000) is judged to use EMS less than the balance of the population in each area. Since the sum of these two demographic groups is estimated to be 15,000 residents in Bonita, the two populations are judged to be approximately equal in terms of EMS demand.*

***The southern portion of the San Carlos community is expected to seek services in the south county area due to travel distance difference to Ft. Myers acute care facilities. The balance of San Carlos EMS transport is expected to use current acute care facilities in Ft. Myers.*

South Lee County Medical Care Needs Assessment Report

Travel time is critical when urgent care is needed, and EMS transport is substantially longer during season when demand for medical services is at its highest. Distance from US41 at the Estero / Bonita Springs city limit border is as follows for each destination:

9 miles to North Collier Community Hospital

14 miles to the Gulf Coast Hospital, to open this spring

13 miles to Lee Memorial Health Park

Recommendations:

The committee offers three recommendations to improve health care in south Lee County.

The committee believes that a free standing emergency department (FSED) facility is needed to serve the growing needs of south Lee County residents. This facility needs to be conveniently located near major roads, have a heliport, and should be available on a 24 hour/7 day basis. It is desirable, but not a necessity, that the facility be aligned with and managed by a stable acute care hospital to permit effective, efficient operation and to provide coordinated growth as needs evolve.

The ideal facility to serve this need is the Bonita Community Health Center (BCCH), centrally located and equipped with helipad support and emergency room personnel. This building was designed with evolutionary growth in mind, and the cost of adding a FSED would be the lowest of any alternative.

The fact that the center is owned by competing hospital systems, Lee Memorial and Naples Community, on an equal basis has discouraged either hospital from investing further in this facility or making plans to expand its operation. If ownership of BCCH can be placed with a single hospital system for further development and operation, the facility is the most economical means to provide the “next step” for south county medical services. Resolving this joint ownership stalemate is in the best interests of this community and its residents, and the committee urges that this solution be pursued to the maximum degree.

If expansion of the Bonita Community Health Center facility cannot be undertaken, the committee recommends that the following options be considered:

- Evaluate the potential of Estero Medical Center as a free standing emergency room, through further discussions with physicians, EMS providers, and residents.
- Form a public group to buy the BCCH from its current owners, to free the operation of the center from the political and economic conflicts of its current owners.
- Avoid a rush to “brick and mortar” that would create a new building that would add to the operational costs of providing health care to residents. While a new building might be the only way to develop additional services, the added costs of operation need to be considered in view of the facilities that are already built and in operation.

South Lee County Medical Care Needs Assessment Report

The second recommendation of the committee is to address the needs of the under- and uninsured residents in the south county. According to the 2000 census, 27% of Bonita Springs residents were uninsured. These residents generally seek medical care only after their condition is acute. This leads to a lower level of general health in the community, and can be addressed in two ways:

- Collaborate with the Family Medical Center located on Tamiami Trail south of Bonita Beach Road to expand services and staff.
- Explore the creation of a facility similar to the Neighborhood Health Clinic in Naples, to meet the needs of the under- and uninsured population through volunteer services by health professionals willing to volunteer to treat those who need care. This model is similar to many others around the country, and can provide a substantial improvement in overall resident health.
- Current programs, by county, are listed below:
 - Lee County
 - “We Care” is United Way renewal of county health department program
 - Salvation Army
 - Senior Assistance Centers and FHC
 - Collier County
 - PLAN Physician Led Assistance Network
 - Neighborhood Health Center
 - Senior Assistance Center

Satisfying these community needs will increase the attractiveness of the community for a provider of a full standing emergency department and ultimately a hospital.

The third recommendation of the committee is to create a communications campaign to make residents more aware of health care options. This may be accomplished in the following ways:

- Establish a long term health care communication program to make residents aware of medical care choices available to residents and their relative value to residents for various services. Providing information about local urgent care facilities may reduce the need for transport to hospitals, and permit health care consumers to make informed choices.
- Create a community initiative for improved wellness and health through exercise and diet counseling as a long term initiative to maximize the quality of life in the area. Focus on personal responsibility for individual health can reduce service demand.

In conclusion the committee believes that there are existing models for expanding current medical services as an evolutionary step toward the future construction of a local hospital. Based on projections, it is clear that a hospital will be needed as population increases. It is important that the decision to expand local health care is made promptly, as improved access to care is urgent and critical to the continued development of and protection of the quality of life in south Lee County. The community is urged to examine these alternatives and choose a path for change as soon as possible.

South Lee County Medical Care Needs Assessment Report

Conclusion:

Any initiatives to expand and improve health care in south Lee County must strive to align the interests of stakeholders in the system – doctors, hospitals, payers, and patients – in order to reach a successful outcome. The committee recognizes that financial viability is the key element in moving forward on any new health care facility, partnership, or program, and urges decision-makers to keep operational costs in mind as alternatives are considered. The long term growth of the commercial and residential powerhouse that is south Lee County will benefit from the timely evolution of health care to protect and nurture its residents, and it is important that steps be taken today to permit the realization of the potential of the south county. The committee looks forward to the expansion of health care services with great anticipation.

South Lee County Medical Care Needs Assessment Report

For Immediate Release

December 3, 2008

LEADERS UNITE FOR BETTER HEALTH CARE FOR SOUTH LEE COUNTY

Community Leaders from The City of Bonita Springs and Estero have united for better health care in South Lee County.

Co-Chaired by City of Bonita Springs Mayor, Ben Nelson and Estero Council of Community Leaders Chairman Don Eslick the committee consists of a broad cross section of residents committed to improving access to critical emergency services in south Lee County.

With an estimated 200,000 people living, working, shopping and commuting through this area on a daily basis, we need broader emergency health care than what is currently available. It has been reported to the committee that wait time for non critical ER services can be over 4 hours. The people of South Lee County do not feel that this is acceptable.

The three local providers of health care service in Lee and Collier Counties; Lee Memorial, Naples Community Health and Physician Regional; have been contacted in order to determine their interests in satisfying this need. In the meantime, the committee has begun working on its plans to bring this to realization through outreach to the community.

Initially, the committee is seeking a commitment from one of the areas existing "Non Profit" hospitals or a "For Profit" hospital to build and operate a free standing 24 hour/7 day emergency care facility to serve the people of south Lee County from the San Carlos, Estero and Bonita Springs areas.

The other goal of the committee is to build community and county support for the development of a full service, community based inpatient hospital for south Lee County.

As a result of the high growth of the area caused by ever expanding population, continued growth of FGCU, airport expansion, major shopping areas, hotels, and increasing traffic on US 41 and I-75, now is the time to begin planning for the health care needs of the community.

Add to this the anticipated growth from the Boston Red Sox complex recently committed to South Lee an inpatient hospital is a must for this area.

For more information please contact Sam Levy at 992-5383.

South Lee County Medical Care Needs Assessment Report

Exhibit 2 – Interview with Ed Houck, CEO of Southwest Florida Health Planning Council

Background: Ed was the developer of the Brooks Medical Center (BMC), and subsequently developed and completed the Estero Medical Center north of Corkscrew Road west of I-75. He has substantial knowledge of the health care resources in south Lee County and is well respected in the medical community. This interview was conducted by Dave Shellenbarger, to record Mr. Houck's view of current health care resources and his thoughts of community options to improve options for residents.

South Lee County Medical Care Needs Assessment Report

Interview: The development of the Brooks Medical Center occurred when the CEO's of Naples Community Hospital and Lee Memorial Hospital (LMH)- Bill Crone and Bill Johnson, respectively, both viewed south Lee County as expansion areas for their hospitals and agreed to build a medical center with equal ownership. Subsequently Mr. Crone became ill and stepped down and Mr. Johnson left Lee for other opportunities and their successors appear to have found less common ground in operating the facility than did Crone and Johnson. Ed also described the NCH response to the Marco Island community's request for a hospital about 15 years ago, and expected that the resulting outpatient facility has been a financial drain on NCH during its operation.

I explained that our committee seeks to complete a census of community medical facilities to create an understanding of current resources so we could define what new services or facilities we need. Ed urged the committee to keep in mind the need for "aligned incentives" for all parties in the medical care process. Hospitals, payers, and patients are all stakeholders, but Ed emphasized that doctors are service initiators and differentiators, and are critical components in the success of any new venture. He offered to introduce the president of the county medical association, who is a certified emergency room physician, into our process if we would find that useful.

Our research that suggests that an estimated 50-60 local cases (including Bonita, Estero, and San Carlos averaged through the year, based on available statistics of 18+ in Estero) are transported daily to acute care facilities (hospitals) and that about 60% of those cases are transported to NCH. Ed stated he expected that the insured/private pay patients are probably among that group, and that the uninsured/underinsured are likely to be transported to LMH. He expected that NCH would be less interested in providing new local services or facilities in south Lee County since they are primarily focused on service in Collier County. Physician's Medical Center also receives some transfers by EMS from this area, based on patient preference, but that number is substantially smaller than patients specifying NCH or LMH. It should be noted that, in season, all hospital emergency rooms periodically divert incoming patients to other facilities because they are at capacity.

Concerning free standing emergency room construction, Ed advised that both BMS and Estero Medical Center, on Corkscrew Road at Three Oaks Parkway, are designed to operate as an emergency medical center (EMC) or could easily be converted to be an emergency facility. EMC has emergency certified doctors on staff daily and has provided helicopter transport for patients, though their helipad is informal. EMC also has lab, radiology, CAT scan, and other diagnostic facilities typical of emergency room facilities. Ed suggested that two other urgent care facilities, on Bonita Beach Road and at the corner of US41 and Corkscrew, should be included in our census as well.

Ed believes that the uninsured/underinsured need to be addressed through a volunteer practitioner program like Project Access or something similar. A facility could be built that permits doctors and nurses of all specialties to volunteer time to treat non- or under-paying patients. This permits doctors to allocate a set number of hours per week to *pro bono* care, and avoids the reality that free treatment in their offices encourages others who can't pay to approach that same doctor for more service. Health care for this population is very important to the community to protect the health of all residents and to provide pre-natal and pediatric care for children whose families have limited resources. This facility

South Lee County Medical Care Needs Assessment Report

would compare to Neighborhood Health Clinic in Naples, and relies on a population of health care professionals who live in the geographic area.

Given the stalemate between NCH and LMH with BMC, an option for the community might be to create a health care district that could have taxing authority, or some other type of government/community support program, to subsidize the operation of a free standing emergency department (FSED), assuming current facilities are not adequate and resources from community hospital systems are not available to assist in meeting local needs. It is likely that a group of emergency certified physicians would be willing to participate in ownership of the FSED and manage its operation. The extreme seasonality of demand is an issue for all service providers in south Lee County, but doctor support and cooperation would be very important in successful facility management. FSED's are controversial in Florida, but are gaining acceptance as an alternative to meet emerging needs in new population centers that are not near current hospitals.

South Lee County Medical Care Needs Assessment Report

Exhibit 3 – Interview with Dr. Larry Hobbs, Certified Emergency Physician.

Dr. Hobbs is the current president of the Lee County Medical Society, and is also a member of several state and national emergency medicine professional associations. Dr. Hobbs is also an owner of Estero Medical Center (EMC) at Three Oaks Boulevard and Corkscrew Road.

Dr. Hobbs explained his background, and reviewed his wide experience in emergency medicine in general, and in Lee County practice specifically. He is currently Medical Director of the Emergency Departments at Southwest Regional Medical Center and the new Gulf Coast Medical Center Emergency Department. The Estero Medical Center is staffed with emergency room certified physicians, and supporting staff are largely emergency-certified and experienced. Reimbursement programs include self pay and privately insured patients, as well as Medicare insured. The center operates seven days a week with shorter hours on the weekend. Medicaid and uninsured patients are referred to acute care emergency rooms, with minimal emergency treatment. Local access to care for insured and private pay patients is greatly increased by this center, as well as by other urgent care centers, though EMC has the only emergency room certified staff in south Lee County.

Dr. Hobbs explained that over 60% of emergency room patients are referred to specialists after initial triage. Accordingly, the success of an emergency department relies on relationships with specialists, including orthopedists, cardiologists, and others. Without an efficient referral process to specialties, an emergency department quickly loses its efficacy as a source of complete treatment and would be bypassed by EMS transports to take patients to facilities that could provide specialist access if it did not have an adequate population of specialists to meet patient needs. EMC is currently seeing approximately 35 patients per day, and needs a substantially larger traffic count to approach financial “break even” and economic sustainability. It is expected that patient count will substantially exceed current levels during season, probably more than doubling the current rate.

Both Estero Medical Center and Brooks Urgent Care Center were built with evolutionary growth for emergency service expansion in mind. EMC is fully rented to specialists, and expansion is being considered to house additional doctors. Dr. Hobbs provided loose estimates of \$10-15 million to construct a free standing emergency department (FSED), and perhaps \$5 million per year to operate the facility on a 24/7 basis. Dr. Hobbs urged the committee to consider the economics of FSED operation, because the financial drain of a poorly timed or planned facility takes resources away from patient care in an already strained health care system. He cited the Marco Urgent Care Center as an example of a remote facility that created a persisting financial loss for its parent, Naples Community Hospital.

Since cost of operation is a concern, Dr. Hobbs suggests that a health care district with taxing authority might be necessary to sustain the operation of a FSED, due to the seasonality of demand and the fact that the south county has substantial growth ahead. Area hospital systems are financially strained for various reasons, and reimbursement proposals for 2009 suggest further reductions in payment for services. These pressures should be kept in mind as future resources are planned.

South Lee County Medical Care Needs Assessment Report

Exhibit 4 – Subcommittee Roster

Dave Shellenbarger – Chairperson

Dave is a retired computer company executive who is active in Bonita through the community foundation boards in Bonita and Fort Myers, Partnership for Compassion Steering Committee, The Salvation Army Board, the Lee County Health Care Visioning Committee, and the Bonita Rotary Foundation board. He completed a community needs assessment study for south Lee County in 2007, which highlighted the lack of local medical care facilities for the south county.

South Lee County Medical Care Needs Assessment Report

Sam Levy

Sam Levy has been a year round resident of Copperleaf in the Brooks since 2001. He has spent his entire career in and around health care issues as a Corporate Manager of Employee Benefits, and having his own Consulting Company with a focus on health care issues. For 15 years he was an advisor to the now Carilion Health Care System in Virginia. During that time a small community regional hospital where Sam lived and worked was incorporated into the Carilion system. A new facility was built including 146 beds and a level III Trauma Center. Sam has been Commissioner of Estero Fire Rescue since 2004, and Vice Chairman of the Estero Council of Community Leaders and remains active in other community issues.

Gregory Lewis

Gregory Lewis is a year round resident of Shadow Wood in the Brooks, has extensive experience with the National Institute of Health. He has significant experience with the establishment of oncology centers across the country, and has worked in the health care industry throughout his career.

Leonard "Scotty" Wood

Scotty Wood is a seasonal resident of West Bay Club in Estero. He has said the following about the Committee:

"Most of my working career was spent in health care financing. I served as Chief Operating Officer of Blue Cross Blue Shield of Nebraska, Senior Vice President-National Marketing for the Blue Cross Blue Shield Association and President and CEO of Gallagher Benefit Administrators. As a result, I developed a good working knowledge of payer/provider contracting, managed health care operations and health care payment administration. With this background, admittedly somewhat dated, I nonetheless believe that I can add value to the committee's output by working with other committee members on the payment and contracting side of the hospital initiative. I look forward to the opportunity."

Dr. Tony Messana

Emergency room physician