



February 28, 2020

**NOTICE**

The Board of Directors of the Kaweah Delta Health Care District will meet in an open Marketing and Public Affairs Committee meeting at 10:00AM on Wednesday March 4, 2020 in the Kaweah Delta Medical Center – Acequia Wing - Executive Office Conference Room {400 W. Mineral King, Visalia}.

The disclosable public records related to agendas are available for public inspection at Kaweah Delta Medical Center – Acequia Wing, Executive Offices (Administration Department) {1st floor}, 400 West Mineral King Avenue, Visalia, CA and on the Kaweah Delta Health Care District web page <http://www.kaweahdelta.org>.

KAWEAH DELTA HEALTH CARE DISTRICT  
David Francis, Secretary/Treasurer

A handwritten signature in black ink that reads 'Cindy Moccio'.

Cindy Moccio  
Board Clerk, Executive Assistant to CEO

DISTRIBUTION:  
Governing Board  
Legal Counsel  
Executive Team  
Chief of Staff  
<http://www.kaweahdelta.org>

# **KAWEAH DELTA HEALTH CARE DISTRICT BOARD OF DIRECTORS MARKETING & PUBLIC AFFAIRS COMMITTEE**

Wednesday, March 4, 2020

Kaweah Delta Medical Center – 400 West Mineral King Avenue  
Acequia Wing – Executive Office Conference Room

ATTENDING: Directors: Nevin House (Chair) and Garth Gipson ; Gary Herbst, Chief Executive Officer; Marc Mertz, Vice President/Chief Strategy Officer; Dru Quesnoy Director of Marketing and Communications; Laura Florez-McCusker, Director of Media Relations; Deborah Volosin, Director of Community Engagement; Jennifer Corum, Senior Marketing Specialist; Raymond Macareno, Senior Communications Specialist; Melissa Withnell, Communications Specialist; Jennifer Manduffie, Senior Graphic Designer; and Kelsie Davis, Recording

## **OPEN MEETING – 10:00 AM**

**Call to order** – *Nevin House, Chair*

**Public / Medical Staff participation** – Members of the public wishing to address the Committee concerning items not on the agenda and within the subject matter jurisdiction of the Committee may step forward and are requested to identify themselves at this time. Members of the public or the medical staff may comment on agenda items after the item has been discussed by the Committee but before a Committee recommendation is decided. In either case, each speaker will be allowed five minutes.

1. [Marketing and Public Affairs Mission and Purpose](#) – *Nevin House, Chair and Marc Mertz, Vice President/Chief Strategy Officer*
2. **Rebranding Update** – *Dru Quesnoy, Director of Marketing*
  - **Internal Video Concept**
  - [Review of rebranding costs](#)
3. **Marketing Department** – *Dru Quesnoy, Director of Marketing*
  - **New Event Coordinator/Media Placement position**
  - **Marketing Activity**

4. [Social Media/Media Relations](#) - *Laura Florez-McCusker, Director of Media Relations*
  - **New Communication Specialist position**
  - **Recent social media activity and top posts**
  - **Discussion of creating a Spanish language social media campaign**
  - [Mineral King Wing](#) webpage and social media campaign
  
5. **Community Engagement Update** – *Deborah Volosin, Director of Community Engagement*
  - **Community Advisory Committee updates**
  - **Town Hall update**
  - **Public Perception survey/focus groups**
  - [Review Economic Impact Study](#)
  
6. **Providing Translation Services at Kaweah Delta Events** – *Marc Mertz, Vice President/Chief Strategy Officer*

**Adjourn** – *Nevin House, Chair*

*In compliance with the Americans with Disabilities Act, if you need special assistance to participate at this meeting, please contact the Board Clerk (559) 624-2330. Notification 48 hours prior to the meeting will enable the District to make reasonable arrangements to ensure accessibility to the Kaweah Delta Health Care District Board of Directors meeting.*

# **KAWEAH DELTA HEALTH CARE DISTRICT**

## **MARKETING AND COMMUNITY RELATIONS COMMITTEE**

**MISSION AND PURPOSE:** To oversee Kaweah Delta’s marketing and community relations activities in order to increase the community’s awareness of available services and to improve engagement with the population we serve. Additionally, creates a brand that builds preference for Kaweah Delta in the minds of consumers and creates a public image that instills trust, confidence, and is emblematic of Kaweah Delta’s mission statement and our vision to become world-class. Further develops and fosters a positive perception that will attract the highest caliber of employees and medical staff.

### **SPECIFIC RESPONSIBILITIES:**

1. Development of Kaweah Delta’s brand and image
  - Develop and maintain Kaweah Delta’s organizational branding and ensure its consistent use according to the style guide
  - Partner with and support local organizations to improve the health of the communities we serve
  - Measure the community’s perception of Kaweah Delta through surveys, focus groups, and other tools
2. Marketing and promotion
  - Development and execution of a comprehensive marketing plan that is consistent and unified in its messaging
  - Maintain an active social media presence to promote Kaweah Delta and to respond to community questions and comments
  - Educate the community regarding new and expanding services
  - Reach new consumers to educate them regarding Kaweah Delta’s available services and locations
  - Maintain an effective return-on-investment for marketing campaigns
3. Community engagement
  - Engage the community through committees, events, and communications to ultimately improve the public’s perception of Kaweah Delta and its services
  - Engage our employees and medical staff through committees, events, and communications to improve positive perception of Kaweah Delta and to increase retention and recruitment
  - Host events intended to promote Kaweah Delta and community health and wellness

- Manage the Kaweah Delta Community Engagement initiative, including Community Advisory Committees
  - Support and sponsor local organizations that promote health and wellness
4. Media Relations
- Development of a consistent and proactive public relations plan that provides our community with communications that are effective, clear, timely, relevant, and builds trust and confidence in Kaweah Delta.
  - Increase media coverage of Kaweah Delta in local and state-wide media.
  - Build a positive profile of Kaweah Delta's CEO and Board within the community through media relations activities.
5. Strategic growth
- Increase primary and secondary area market share across service lines, particularly in key service lines: cardiovascular surgery, general surgery, emergency and trauma medicine, neurosciences, cancer care, orthopedics, maternal child health, outpatient services and clinics
  - Identify opportunities to expand into new markets or to add new services

Revised and approved by the Marketing and Public Affairs Committee on March 4, 2020 and approved by the Board of Directors on \_\_\_\_\_.

Service Line	Forms	Educational booklets/materials/brochures	Promotional Item	Apparel/Security Badges	Banner	Tent	Table cloths	Assignment boards	Marketing Screens	Licences	Signage	Nameplates	Stationary supplies	Pop up banners	Video	Plaques	Vehicles	Marketing Decals	Branded Floor Mat	Equipment	Website	Badges	HR Pins	Cost of Launch Activities	
<b>Infection Prevention</b>																									
Stroke brains (1250)			\$ 1,400																						
FAST Magnet			\$ 500																						
Stroke Pens			\$ 1,260																						
Good Catch giveaways			\$ 460																						
Stroke Shirts (16)				\$ 234																					
CUS Cards		\$ 70																							
<b>ICU - 6010</b>																									
Assignment boards 30 x 30 (2)								\$ 710																	
White Boards 24x36 (1)								\$ 262																	
Business cards																									
Jackets (60)				\$ 4,500																					
Daisy Award Forms																									
<b>Pharmacy</b>																									
Table cloth-recruitment (1)							\$ 100																		
Recruitment Screens &\$200 ea. (5)									\$ 1,000																
Recruitment flyers		\$ 35																							
Jackets (15) \$88ea.				\$ 1,320																					
Lab Jackets thin (65) at \$56				\$ 3,640																					
Lab Jackets thick (15) at \$88				\$ 1,320																					
Pharmacy Lab coats \$120 (45)				\$ 5,400																					
Business Cards 20 \$45																									
DEA Licences (6) \$60										\$ 360															
BOP Licenses (9) \$45										\$ 405															
Med Room signage 300 (\$1.00)											\$ 300														
con-controlled substance Rx pads (100)																									
Pharmacy Tech badges (130)																									
Pharmacy Order forms																									
Pharmacy promotional items																									
Rx labels on medications																									
Contracts																									
<b>VMC</b>																									
8ft table cloth (6)							\$ 1,230																		
Vinyl signage on doors																									
Picture wall sign																									
Patient education center (2)board																									
Logo on Doctor nameplates (28)																									
Indoor sign for Quick Care																									
<b>Clinical Education</b>																									
Nameplates (11) \$19											\$ 265														
Business Cards (45) 19																									
Business Cards (45) 4																									
Education booklets/brochures		\$ 1,100																							
Banner					\$ 205																				
Table Cloths (7)							\$ 1,659																		
<b>Development Department</b>																									
Table cloth (1)							\$ 300																		
Envelopes, letterhead													\$ 2,200												
Pens			\$ 900																						
Hour Club Badge Holders			\$ 900																						
business cards																									
pop up banners														\$ 330											
Orientation Video															\$ 500										
Campaign Materials		\$ 1,500																							
Heritage Club Materials		\$ 1,100																							
Greeting Cards for Donors												\$ 500													
Brochures Every gift Counts			\$ 260																						
Brochure-Guardian Angel			\$ 250																						
<b>Office of Research</b>																									
building signage											\$ 120														
<b>Therapy Specialists</b>																									
Table Cloth (\$237) 1							\$ 237																		
<b>Infection Prevention</b>																									
Kawah Delta Infection Prevention Shield (branding)																									
Business Cards (4)																									









# ABOUT US

Mission, Vision & Pillars +

Affiliations

Board of Directors +

Staff +

Community Advisory Committees +

Construction Projects x

Master Plan

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Tulare Center

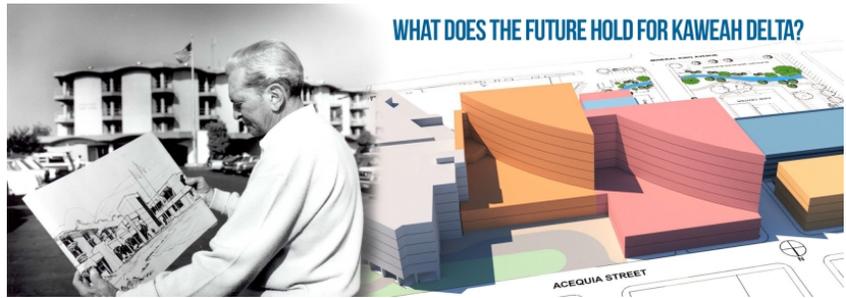
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Mineral King Wing

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Request for Proposal

Sequoia Health and Wellness Centers



## KAWEAH DELTA MASTER PLAN

### Kaweah Delta's Master Plan

What will Kaweah Delta look like in the next 10, 15, or 30



years? With the expertise of RBB Architects and help from our community, we're on course to determine what Kaweah Delta will look like in the future.

### Upcoming Meetings

Our Master Planning Firm provides updates at our regularly scheduled board



meetings. Upcoming meetings:

Kaweah Delta  
Medical  
Foundation



Monday, April 6, 2020 - 12PM Open - Sequoia  
Regional Cancer Center

Honors &  
Accreditations



## Archived Presentations

To view past presentations, please review the  
monthly update provided by the Master Planning  
Firm in the board meeting archives, click [HERE](#).

Donate Life



- [November - Board of Directors Meeting](#) - Monday November 25, 2019 (pages 8-40)
- [September - Board of Directors Meeting](#) - Monday September 23, 2019 (pages 7-45)
- [August - Board of Directors Meeting](#) - Monday August 26, 2019 (pages 9-43)
- [July Board of Directors Meeting](#) - Monday July 22, 2019 (pages 7-53)

Humans of  
Kaweah Delta

News

Emergency  
Department  
Expansion



## Why Do We Need a Master Plan?

Kaweah Delta must meet the changing healthcare needs of the region today and into the future. A master plan is an important



tool that will be based on research, best practices and community feedback to serve as our guide to meeting the future healthcare needs of this community.

Vital Signs

Phone Directory

Video Gallery



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Stay up to date with our latest  
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## What Will the Master Plan Address?

## The master plan will help us develop solutions to the following:

- Replacement of the **Mineral King Wing**, which houses 221 inpatient hospital beds that cannot be used beyond 2030 because the structure does not meet California's earthquake standards.
- Propose new facilities for Kaweah Delta to care for the community.
- New services needed
- Our ability to increase the community's access to health care
- Areas that are currently a challenge, including parking.

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## Our Master Planning Firm



The master planning firm, RBB Architects, was unanimously selected by the Board in November 2018 with input from members of Kaweah Delta's "Hospital of the Future" Community Advisory Committee, one of five community groups totaling approximately 200 people that have offered Kaweah Delta input on a variety of topics. Members of the "Hospital of the Future" Committee were there when RBB, one of four leading architectural and engineering firms, presented proposals after Kaweah Delta reached out to 10 firms, none of whom were involved in the master facility plan developed for Kaweah Delta in 2015. The final four proposals are available to download (PDF format) at [www.kaweahdelta.org/masterplan](http://www.kaweahdelta.org/masterplan).

Founded in 1952, RBB is based in Los Angeles and has completed over 10,000 health care and other master planning projects throughout



the U.S. and overseas. The Board and committee members were impressed with RBB's experience, its ability to maximize cost savings for others, including Dignity Health Mercy Merced's replacement hospital

in 2010, and its No. 1 architectural firm ranking from the Office of Statewide Health Planning and Development (OSHPD). The group liked RBB's design philosophy, which includes elements that improve quality of care for patients and reduce costs. An example is elimination of wasted space to reduce the number of steps a nurse takes from a work station to a patient's bedside. RBB is also the architect behind Kaweah Delta's Emergency Department expansion.

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## Bed Needs

A key component of the master plan is centered on determining the number of acute care beds that we will need in the future to care for this community. We have already determined this number is lower than one might think due to changes in the way healthcare is being delivered; hospitals are being asked more to keep people healthy and out of hospitals or deliver care in outpatient settings, which do not require an overnight stay.

**NEWS &  
UPDATES  
AT  
KAWEAH  
DELTA**

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**PATIENT  
SUCCESS  
STORIES**

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Our satisfied patients are a testament to the

15/37

**UPCOMING  
EVENTS**

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Check out some of the events and classes that we have to offer!

# ABOUT US

Mission, Vision & Pillars +

Affiliations

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Staff +

Community Advisory Committees +

Construction Projects x

Master Plan

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Tulare Center

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Mineral King Wing

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Request for Proposal

Sequoia Health and Wellness Centers



## MINERAL KING WING

[RETURN TO CONSTRUCTION PAGE](#)

### A MARVEL IN 1969, BUT AN ANTIQUE TODAY

The Mineral King wing of Kaweah Delta Medical Center opened in 1969 to replace the Visalia municipal hospital. It is currently the heart of KDMC and



where we treat patients who have cancer, patients who are having babies and patients who need elective/emergency surgery. The Mineral King wing

Kaweah Delta  
Medical  
Foundation



Honors &  
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News

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Kaweah Delta Newsletter

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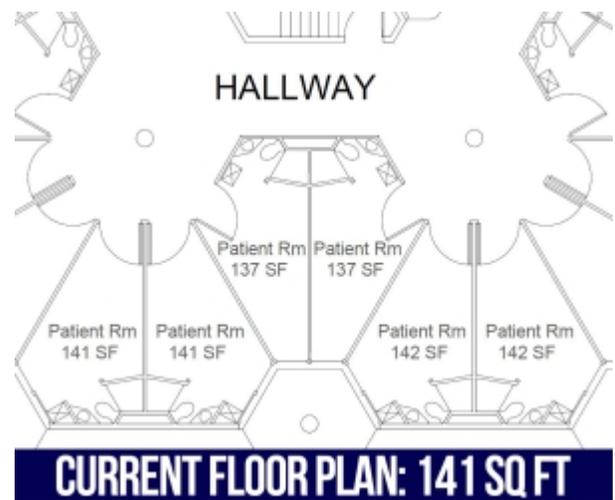
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also houses our cafeteria, pharmacy, and many of our operating rooms.

The building and its 221 patient rooms were cutting edge (and award winning) when they were built, but they are now 50 years old. To put that in context, the Mineral King wing was built before we went to the moon, when the cost of a house was \$40,000, when Richard Nixon was President, before computers were used in health care, and when the population of Visalia was less than 27,000.

## TODAY'S STANDARDS IN HEALTHCARE

Like a house that was built 50 years ago, the Mineral King wing is not up to today's standards.



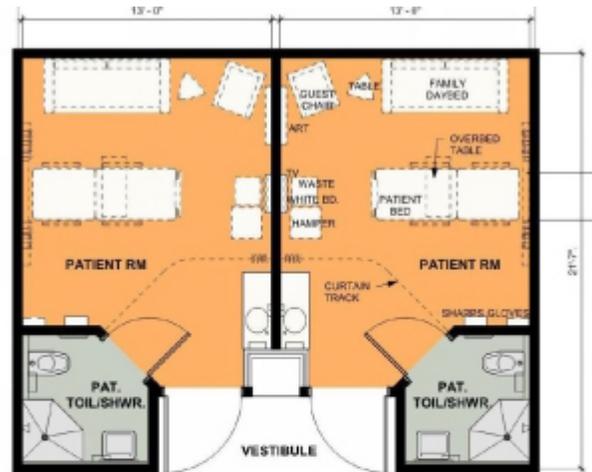
Our patients

tell us the rooms are too small and uncomfortable for them and their visitors. The rooms also do not provide our nurses and physicians with enough storage or room to care for their patient. Computers were not largely used in health care until the late 1970s, so there is little room for them now, in an age where we rely on the latest technology. For comparison, the patient rooms in the Mineral King wing range from 117 sq. ft. to 142 sq. ft., but building code now

requires that a hospital room built today must be 245 sq. ft., the size of our proposed new rooms.

## EARTHQUAKE STANDARDS

To better serve our patients, staff, and physicians, we will need to replace the Mineral King Wing. The state agrees. After the Northridge earthquake of



### NET AREAS:

**PATIENT ROOM: 205 SF**

**TOILET ROOM: 40 SF**

**TOTAL: 245 SF**

**PROPOSED FLOOR PLAN: 245 SQ FT**

1994, the state passed SB 1953. This law requires that hospital buildings like the Mineral King wing may no longer be used after 2030. Other parts of our hospital meet standards, but unless the law changes, the 221 beds in Mineral King (of the total 404 beds in our downtown hospital) must be replaced or closed. If we do not replace these 221 beds, it would limit our ability to care for our community. We would be a very different hospital than we are today.

## LIMITED FUNDING

Kaweah Delta is a public hospital. We see every patient that comes to us. No one is turned away, even if they cannot pay. The percentage of residents in our county covered by Med-Cal is the highest in the state. This is our community, which we are honored to care for, but we likely cannot afford to fund the construction of a new hospital building on our own. Like other district hospitals throughout California, Kaweah Delta can issue general obligation bonds to fund capital projects. These bonds are repaid by property taxes paid by local property owners. It is our intent to fund two-thirds of any construction project ourselves and only ask the community to support one-third of the cost.

## **MEASURE H: A MISTAKE**

Measure H in 2016 was a bond that would have funded the replacement the Mineral King wing. In 2015, we hired an architecture firm to design a new hospital that included 221 beds, a new cafeteria, a new pharmacy, a new central utility plant, etc. The total cost of this would have been \$550 million. Kaweah Delta was prepared to fund \$208 million, by spending down the most we could of cash reserves and maxing out our borrowing capacity to the amount legally allowable by the state for district hospitals, but we needed the community to support the remaining \$327 million through property taxes at \$48 for every \$100,000 of assessed value. We made mistakes with Measure H. We did not communicate well and the bond measure was defeated.

# THE ROAD AHEAD

The Mineral King Wing still must be replaced, so we have gone back to the drawing board. Our design firm was selected by Kaweah Delta, its board, and unanimoously by members of our community advisory committees. RBB is renowned for building efficient hospitals for less money. This time we are committed to better communicating with our community. We want you involved. We want your ideas and opinion. We will be sharing everything on this website, but we will also be hosting town hall meetings and special meetings to communicate with you about the new design, its costs, and how it affects you.

## REPLACEMENT OR REPURPOSE

We are currently studying options to either replace the Mineral King Wing or repurpose. We're looking at more than a dozen design options that will provide us with the number of acute care beds that we would need to care for our community in the future. This Spring, with the completion of the fifth and six floors of our Acequia Wing, we will add 47 acute care beds to our Medical Center, but in the future, it is predicted that even with our work to reduce the amount of time someone is in our hospital and to shift services to an outpatient setting, our community will continue to grow and age. This will require us to add beds to meet the higher demand. We are looking for a design that would allow us flexibility in funding so that we could build in phases and/or take an incremental approach.

## EXPANDING SERVICES

As our community has grown dramatically since 1969, so has Kaweah Delta. We have added new clinical services so that residents of the valley can get great care, right here at home. In 1996, we started doing open heart surgery. Today we are a top 50 cardiac surgery hospital in the U.S. In 2009, we became a certified trauma center - the only one between Bakersfield and Fresno. We continue to add services in heart care, neurosurgery, cancer care, vascular surgery, stroke care, and more. All of these services require new state-of-the-art facilities.

## REDISTRICTING: AN UNANSWERED QUESTION FROM MEASURE H

During Measure H we also heard from the voters that we should consider merging Kaweah Delta Health Care District with other districts in Tulare County. There are several health care districts that no longer operate hospitals. We listened to the voters and we have conducted a study regarding the process of merging districts and the impact a merger would have. Our leaders have shared the contents of this report during many public meetings. We have also been in communication with LAFCO, the agency that oversees health care districts, and we are now beginning discussions with other districts. We will continue to keep you informed regarding these district issues.

## PLANNING FOR THE FUTURE

Our community looks a lot different than it did in 1969; and it will look a lot different 50 years from now. Kaweah Delta is committed to expanding our facilities and improving our services so that we can provide our community with world-class care and be here for your children and their children.

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### NEWS & UPDATES AT KAWEAH DELTA

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Stay up-to-date with the most recent happenings in the district.

[VIEW ALL NEWS POSTS](#)

### PATIENT SUCCESS STORIES

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Our satisfied patients are a testament to the excellent care provided at Kaweah Delta.

[HEAR THEIR STORIES](#)

### UPCOMING EVENTS

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Check out some of the events and classes that we have to offer!

[EVENTS CALENDAR](#)

# KAWEAH DELTA HEALTH CARE DISTRICT

**\$973 MILLION**

Total Economic Impact



**7382**

Total Jobs Supported



**\$444 MILLION**

Total Household Earnings



**\$19.4 MILLION**

From New Physician Recruitment



**\$1.7 MILLION**

Estimated Local Tax Revenue

## REGIONAL IMPACT



**\$550.4 MILLION**

Total impact on Tulare County's gross area product, equivalent to 3.2% of total County economy



**\$5 MILLION**

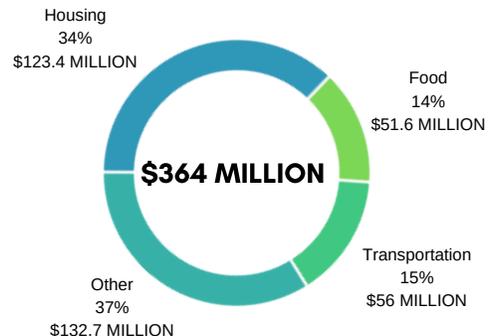
Total Economic Impact Unreimbursed Charity Care



**\$102 MILLION**

Total Economic Impact Contract Physician Fees

## Local Consumer Expenditures



## FUTURE EXPANSION

**\$1.1 BILLION**

Total Economic Impact

**8115**

Total Jobs Supported

**\$488 MILLION**

Total Household Earnings

# A REPORT OF THE ECONOMIC IMPACT OF THE KAWEAH DELTA HEALTH CARE DISTRICT IN VISALIA, CA

October 3, 2019

Prepared for:

Tulare County Economic Development Corporation &  
Kaweah Delta Health Care District

Prepared by:



## PURPOSE & LIMITATIONS

This economic and fiscal impact report was produced by the Austin, TX based economic consulting firm, Impact DataSource. The report includes estimates, assumptions, and other information developed by Impact DataSource from its independent research effort.

The analysis relies on prospective estimates of business activity that may not be realized. Impact DataSource made reasonable efforts to ensure that the project-specific data used in the analysis reflects realistic estimates of future activity.

No warranty or representation is made by the Tulare County Economic Development Corporation & or Impact DataSource that any of the estimates or results contained in this study will actually be achieved.

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*Study Highlights*

- Kaweah Delta Health Care District employs 5,000 workers in the City of Visalia serving the medical needs of residents in the region. The average salary for employees is approximately \$68,323.
- Currently, the District supports \$973.5 million of economic output each year and accounts for \$550.4 million of Tulare County's gross area product. In other words, the District - through its direct and spin-off economic activity - represents approximately 3.2% of Tulare County's economy.
- The impact of the Kaweah Delta Health Care District is projected to expand to in economic output to \$1.1 billion and contribute \$605.1 million in gross area product if current expansion plans proceed.
- The District's employees and the employees supported in indirect and induced businesses in the region have a significant impact on the local economy. At current levels, total employment supported by the District is 7,382 and total compensation paid to these workers is estimated to be \$444.0 million. Ultimately, these workers support \$364.0 million in personal consumer expenditures in the region.
- A significant portion of the District's impact comes in the form of Physician Fees - fees paid to contract physicians. Physician fees represent an annual expense of approximately \$75.0 million for Kaweah Delta Health Care District. The economic impact of these fees paid to contract physicians support a total economic impact of \$102.4 million, 598 total jobs and \$42.9 million in compensation paid to workers. Note, these impacts from physician fees are a subset of the current total impact of the District.
- Unreimbursed charity care represents a significant benefit to the community and at the same time a significant cost to the Kaweah Delta Health Care District. Charity care for which the district provides services but is unreimbursed is estimated to be approximately \$3.6 million per year. The economic value of this unreimbursed charity care has not otherwise been accounted for in this study. If we were to estimate the economic impact of this care, it would represent an additional impact of \$5.0 million in economic output, 29 jobs, and \$1.8 million in compensation paid to workers.
- Kaweah Delta Health Care District is actively recruiting additional physicians to the region to support the healthcare needs of the community. A new physician's office benefits the community in several ways. This report estimates that a new primary care physician would generate an additional \$2.1 million in net annual revenue for the District. This results in an economic impact of \$2.9 million in economic output, 17 jobs, and \$1.2 million in compensation paid to workers.

**Indirect and induced impacts** represent the spin-off economic activity resulting from the business-to-business expenditures initiated by the company and the consumer-to-business expenditures initiated by workers spending a portion of their earnings on goods and services in the economy. **Economic output** is gross output and is the sum of the intermediate inputs and final use. This is a duplicative total in that goods and services will be counted multiple times if they are used in the production of other goods and services. Economic output can be thought of as the value of goods and services sold in the economy or revenues for businesses in the economy. **Value added** is defined as the value of gross output less intermediate inputs. **Household earnings** or earnings consist of wages and salaries, employer provided benefits, and proprietors' income. **Employment** consists of a count of jobs that include both full-time and part-time workers.

## Introduction

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This report presents the results of an economic impact analysis performed by Impact DataSource, an Austin, Texas-based economic consulting and research firm. The report estimates the impact that the Kaweah Delta Health Care District Hospital has on the local economy.

## Description of the Project

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Kaweah Health Care District, operating the largest hospital in the southern San Joaquin Valley, is a vital member of the community. The District offers a wide range of services including physician practices, home health, rehabilitation, mental health, hospice, fitness, and operates a health plan. With approximately 5,000 employees, the Kaweah Delta Hospital District is one of the largest employers in the region. In addition, due to state restrictions on employing physicians, the district also contracts with several large physician groups. A significant portion of the patients treated by the District are on Medi-Cal or do not have insurance, requiring a significant amount of charges to charity care.

## Economic Impact Overview

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### *Economic Impact*

The economic impact of the hospital was measured in employment, household earnings (or compensation to employees), economic output and value added. The total economic impact of the District extends beyond the workers it employs directly, the salaries it pays, and its sales. The direct economic activity ripples through the economy supporting additional economic impacts in the form of indirect and induced jobs, household earnings, and economic output. The economic impact estimates in this report are based on the Regional Input-Output Modeling System (RIMS II), a widely used regional input-output model developed by the U. S. Department of Commerce, Bureau of Economic Analysis.

The table below illustrates the total annual economic impact of the District in Tulare County as well as the future impact based on planned growth. During Fiscal Year 2018, the District is estimated to have supported \$1.0 billion in economic output. Additionally, this economic activity supported 7,382 jobs and \$444.0 million in household earnings. All of this economic activity contributes \$550.4 million in gross area product or value added to the county economy.

**Table 1. Economic Impact of Kaweah Delta Medical Center**

	FY 2018	Future Expansions
<b>Economic Output:</b>		
Direct	\$710,983,370	\$781,655,117
Indirect & Induced	\$262,495,060	\$288,587,069
<u>Total Economic Output</u>	<u>\$973,478,430</u>	<u>\$1,070,242,186</u>
<b>Value Added:</b>		
<u>Total Value Added</u>	<u>\$550,372,227</u>	<u>\$605,079,226</u>
<b>Jobs:</b>		
Direct	5,000.0	5,497.0
Indirect & Induced	2,381.5	2,618.2
<u>Total Jobs</u>	<u>7,381.5</u>	<u>8,115.2</u>
<b>Household Earnings:</b>		
Direct	\$341,613,889	\$375,570,310
Indirect & Induced	\$102,415,844	\$112,595,979
<u>Total Household Earnings</u>	<u>\$444,029,733</u>	<u>\$488,166,288</u>

Source: Application of the RIMS II model by Impact DataSource using estimates from Kaweah Delta Health Care District.

The economic impact of the hospital supports activity in many other industries in the area. The following chart presents a graphical illustration of the total value added by industry. In total, the development supports \$550.4 million in value added or gross area product. As expected, the sector seeing the largest increase in gross area product is the Health care and social assistance sector - inclusive of hospitals. Other sectors benefit but to a much smaller degree.

Figure 1. Annual Contribution to Gross Area Product by Industry Sector

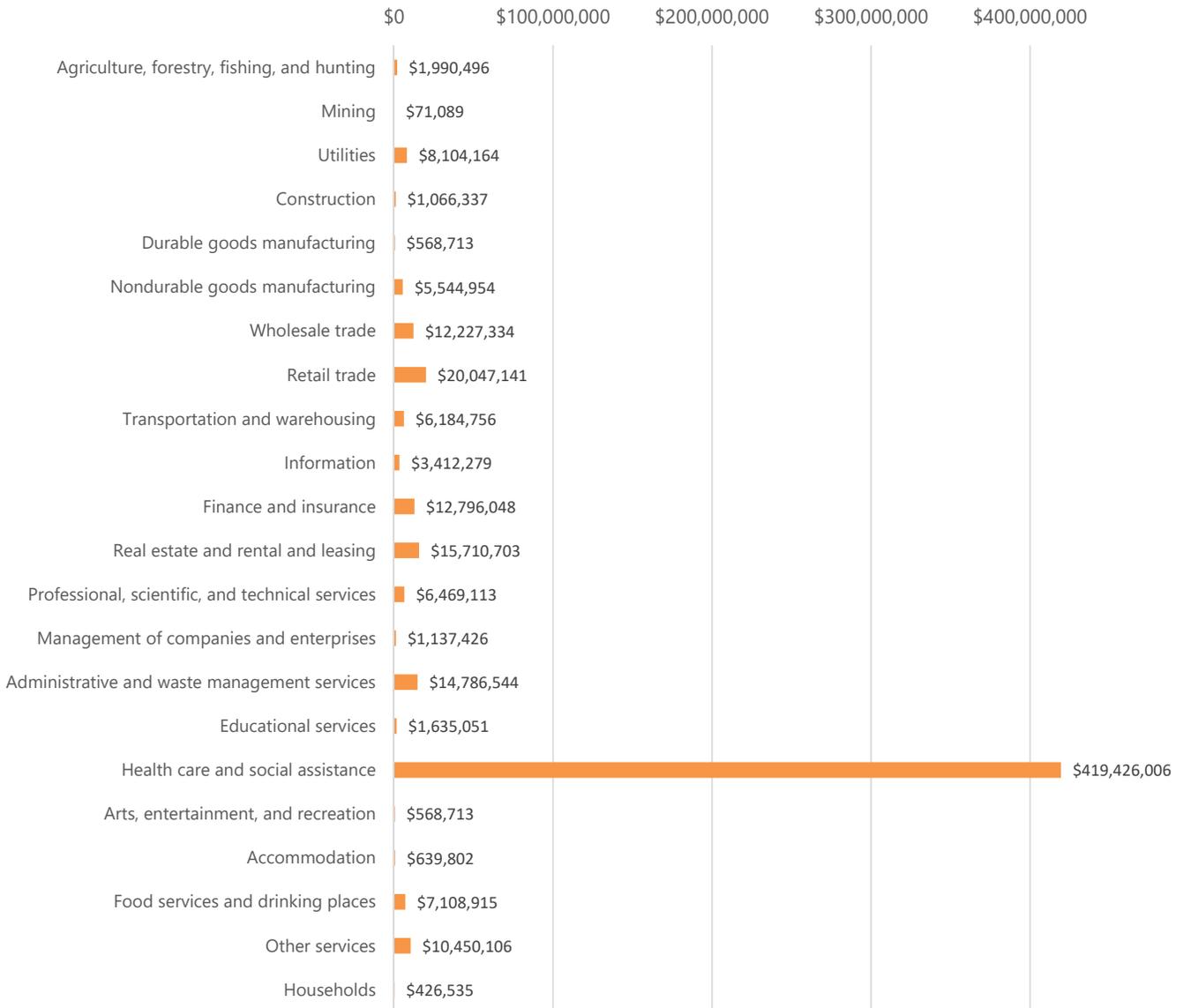


Table 2. Total Economic Impact in the County by Industry Sector

	Employment	Household Earnings	Economic Output	Value Added
Agriculture, forestry, fishing, and hunting	22.4	\$1,273,073	\$4,265,589	\$1,990,496
Mining	0.2	\$0	\$71,093	\$71,089
Utilities	22.4	\$2,818,948	\$15,142,840	\$8,104,164
Construction	11.5	\$636,537	\$1,919,515	\$1,066,337
Durable goods manufacturing	7.1	\$363,735	\$1,492,956	\$568,713
Nondurable goods manufacturing	62.4	\$3,455,484	\$18,199,845	\$5,544,954
Wholesale trade	85.3	\$6,547,233	\$18,057,659	\$12,227,334
Retail trade	382.0	\$12,457,930	\$30,001,307	\$20,047,141
Transportation and warehousing	104.1	\$5,183,226	\$11,872,555	\$6,184,756
Information	17.4	\$1,454,941	\$5,687,452	\$3,412,279
Finance and insurance	87.9	\$6,638,167	\$22,820,899	\$12,796,048
Real estate and rental and leasing	153.3	\$4,728,557	\$22,252,154	\$15,710,703
Professional, scientific, and technical services	97.6	\$5,546,962	\$9,881,947	\$6,469,113
Management of companies and enterprises	8.9	\$1,000,272	\$1,919,515	\$1,137,426
Administrative and waste management services	376.9	\$12,639,798	\$20,261,546	\$14,786,544
Educational services	44.9	\$1,545,875	\$2,630,446	\$1,635,051
Health care and social assistance	5,409.8	\$362,462,117	\$752,734,216	\$419,426,006
Arts, entertainment, and recreation	18.2	\$454,669	\$1,066,397	\$568,713
Accommodation	9.7	\$363,735	\$1,066,397	\$639,802
Food services and drinking places	247.3	\$5,092,293	\$13,294,418	\$7,108,915
Other services	171.9	\$8,820,578	\$18,839,683	\$10,450,106
Households	40.4	\$545,603	\$0	\$426,535
<b>Total</b>	<b>7,381.5</b>	<b>\$444,029,733</b>	<b>\$973,478,430</b>	<b>\$550,372,227</b>

### Consumer Expenditure Detail

Based on the total household earnings supported by the District, the following tables illustrate the impact on income and spending in the county.

Table 3. Estimated Income Supported

	Total Amount	Amount Per Job
Personal Income	\$444,029,733	\$60,154
Personal Disposable Income	\$390,145,563	\$52,855
Consumer Expenditures	\$364,020,307	\$49,315
Deposits for Financial Institutions	\$26,125,256	\$3,539

The total increase in consumer expenditures of \$364.0 million was converted into the estimated expenditure by category based on data from the Bureau of Labor Statistics' Consumer Expenditure Survey. The chart below shows the spending by broad category and more detail on these categories is provided on the next page.

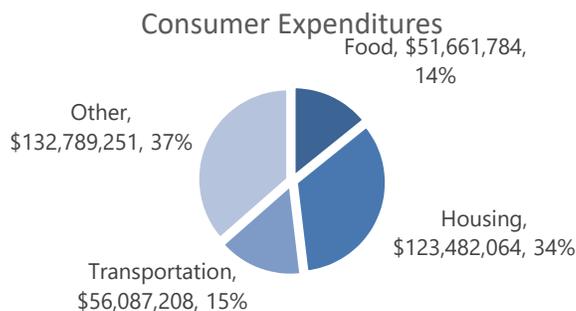


Table 4. Consumer Expenditures Supported by the Total Employment Impact

	Expenditure Amount	Percent of Expenditures
<u>Food</u>		
Groceries (Food at home)	\$26,462,337	7.3%
Restaurants (Food out)	\$21,198,524	5.8%
Alcoholic beverages	\$4,000,923	1.1%
<i>Subtotal</i>	<i>\$51,661,784</i>	<i>14.2%</i>
<u>Housing</u>		
Mortgage/Rent (Shelter)	\$78,384,128	21.5%
Utilities, fuels, and public services	\$20,535,241	5.6%
Household operations	\$8,415,734	2.3%
Housekeeping supplies	\$4,775,637	1.3%
Household furnishings & equip	\$11,371,323	3.1%
<i>Subtotal</i>	<i>\$123,482,064</i>	<i>33.9%</i>
<u>Transportation</u>		
Vehicle purchases (net outlay)	\$24,509,632	6.7%
Gasoline and motor oil	\$11,822,356	3.2%
Other vehicle expenses	\$15,191,833	4.2%
Public and other transportation	\$4,563,387	1.3%
<i>Subtotal</i>	<i>\$56,087,208</i>	<i>15.4%</i>
<u>Other</u>		
Apparel and services	\$11,254,585	3.1%
Health care	\$25,958,242	7.1%
Entertainment	\$19,967,471	5.5%
Personal care products and svcs	\$4,664,206	1.3%
Reading	\$636,752	0.2%
Education	\$8,389,203	2.3%
Tobacco prod. & smoke supplies	\$1,353,097	0.4%
Miscellaneous	\$6,924,674	1.9%
Cash contributions	\$11,944,400	3.3%
Personal insurance & pensions	\$41,696,621	11.5%
<i>Subtotal</i>	<i>\$132,789,251</i>	<i>36.5%</i>
<b>Total</b>	<b>\$364,020,307</b>	<b>100.0%</b>

### Annual Local Tax Impact

The economic activity supported by the District and patient visitor spending associated with the District generates tax revenues for the City of Visalia and Tulare County. The table below summarizes the taxes estimated to be collected by local jurisdictions during Fiscal Year 2018.

Table 5. Estimated Local Tax Revenue

	City of Visalia	Tulare County	Total
Sales Taxes	\$1,092,911	\$468,391	\$1,561,302
Transient Occupancy Tax	\$180,664	\$0	\$180,664
<b>Total</b>	<b>\$1,273,575</b>	<b>\$468,391</b>	<b>\$1,741,966</b>

Sales tax revenue was estimated on a portion of worker spending assumed to occur locally, patient visitor spending, and the District's reported taxable purchases and taxable sales. Transient occupancy tax was estimated based on the assumption that some visitors would spend the night in a local hotel.

Breakout: Economic Impact of Contract Physician Fees

The total economic impact of the hospital was shown on previous pages. This section is intended to break out a subset of that total economic impact - the economic impact associated with the District's expenditure for contract physician fees. Again, total economic impact of the District's \$75.0 million expenditure for physician fees extends beyond the initial expenditure. The direct expenditure ripples through the economy supporting additional economic impacts in the form of indirect and induced jobs, household earnings, and economic output. The economic impact associated with physician fees was estimated using the RIMS II model as discussed above.

The table below illustrates the annual economic impact of the contract physician fees paid by the District in Fiscal Year 2018. The District is estimated to have supported \$102.4 million in total economic output, 598 jobs and \$42.9 million in household earnings. This economic activity contributes \$63.7 million in gross area product or value added to the county economy.

Table 6. Economic Impact of Contract Physician Fees Paid by Kaweah Delta Medical Center

	FY 2018
<u>Economic Output:</u>	
Direct	\$75,049,000
Indirect & Induced	\$27,377,875
<u>Total Economic Output</u>	<u>\$102,426,875</u>
<u>Value Added:</u>	
<u>Total Value Added</u>	<u>\$63,671,572</u>
<u>Jobs:</u>	
Direct	397.9
Indirect & Induced	200.1
<u>Total Jobs</u>	<u>598.0</u>
<u>Household Earnings:</u>	
Direct	\$34,573,339
Indirect & Induced	\$8,332,175
<u>Total Household Earnings</u>	<u>\$42,905,513</u>

Source: Application of the RIMS II model by Impact DataSource using estimates from Kaweah Delta Health Care District.

Economic Impact of Unreimbursed Charity Care

Unreimbursed charity care represents a significant benefit to the community and at the same time a significant cost to the Kaweah Delta Health Care District. Charity care for which the district provides services but is unreimbursed is estimated to be approximately \$3.6 million per year. The economic value of this unreimbursed charity care has not otherwise been accounted for in this study.

This section is intended to estimate the economic value of the unreimbursed charity care that is not captured in the study. The total economic impact of the District's \$3.6 million cost for unreimbursed charity care includes indirect and induced economic impacts and extends beyond just the \$3.6 million unreimbursed cost.

The table below illustrates the annual economic impact of the reimbursed charity care provided by the District in Fiscal Year 2018. The charity care is estimated to support \$5.0 million in total economic output, 29 jobs and \$1.8 million in household earnings. This economic activity would contribute \$2.8 million in gross area product or value added to the county economy.

Table 7. Economic Impact of Unreimbursed Charity Care Provided by Kaweah Delta Medical Center

	FY 2018
Economic Output:	
Direct	\$3,627,000
Indirect & Induced	\$1,339,088
<u>Total Economic Output</u>	<u>\$4,966,088</u>
Value Added:	
<u>Total Value Added</u>	<u>\$2,807,661</u>
Jobs:	
Direct	20.0
Indirect & Induced	9.5
<u>Total Jobs</u>	<u>29.5</u>
Household Earnings:	
Direct	\$1,362,567
Indirect & Induced	\$408,497
<u>Total Household Earnings</u>	<u>\$1,771,064</u>

Source: Application of the RIMS II model by Impact DataSource using estimates from Kaweah Delta Health Care District.

Economic Impact of Recruiting Additional Physicians to the Region

Kaweah Delta Health Care District is actively recruiting additional physicians to the region to support the healthcare needs of the community. A new physician's office benefits the community in several ways. According to the District, Tulare County is extremely underserved by physicians, including shortages in the number of primary care physicians and in key specialties such as gastroenterology, mental health, general surgery, and urology.

The benefit of a new physician to the hospital district extends beyond the salary a single physician earns. Physicians typically generate considerably more in "downstream revenue" for the hospital - revenue that would exceed their direct earnings. The physician would employ staff and support other workers in the community as well.

This section is intended to estimate the economic impact of new physicians recruited to Tulare County. Based on data from the 2019 Physician Inpatient/Outpatient Revenue Survey published by Merritt Hawkins, we estimate the total economic impact including jobs and household earnings. The calculations rely on the average net annual revenue generated by physicians for their affiliated hospitals as tracked by the 2019 survey. This revenue estimate is used as the direct economic output to estimate the total economic impacts.

A new physician would support additional total employment in the region of 14.5 to 23.6 new jobs depending on the type of physician. These new employees are expected to earn approximately \$72,000 per year on average.

Table 8. Economic Impact of Recruiting Additional Physicians to the Region

	Primary Care Physicians	Specialist Physicians	Gastro- enterology	General Surgery	Psychiatry	Urology
<b>Economic Output:</b>						
Direct	\$2,133,273	\$2,446,429	\$2,965,277	\$2,707,317	\$1,820,512	\$2,161,458
Indirect & Induced	\$778,218	\$892,457	\$1,081,733	\$987,629	\$664,123	\$788,500
<u>Total Economic Output</u>	<u>\$2,911,491</u>	<u>\$3,338,886</u>	<u>\$4,047,010</u>	<u>\$3,694,946</u>	<u>\$2,484,635</u>	<u>\$2,949,958</u>
<b>Value Added:</b>						
<u>Total Value Added</u>	<u>\$1,809,869</u>	<u>\$2,075,550</u>	<u>\$2,515,741</u>	<u>\$2,296,888</u>	<u>\$1,544,522</u>	<u>\$1,833,781</u>
<b>Jobs:</b>						
Direct	11.3	13.0	15.7	14.4	9.7	11.5
Indirect & Induced	5.7	6.5	7.9	7.2	4.9	5.8
<u>Total Jobs</u>	<u>17.0</u>	<u>19.5</u>	<u>23.6</u>	<u>21.6</u>	<u>14.5</u>	<u>17.2</u>
<b>Household Earnings:</b>						
Direct	\$982,750	\$1,127,013	\$1,366,035	\$1,247,198	\$838,668	\$995,734
Indirect & Induced	\$236,843	\$271,610	\$329,214	\$300,575	\$202,119	\$239,972
<u>Total Household Earnings</u>	<u>\$1,219,592</u>	<u>\$1,398,623</u>	<u>\$1,695,249</u>	<u>\$1,547,773</u>	<u>\$1,040,787</u>	<u>\$1,235,706</u>

Source: Application of the RIMS II model by Impact DataSource using estimates from the 2019 Physician Inpatient/Outpatient Revenue Survey published by Merritt Hawkins.

Overview of Methodology

This report presents the results of an analysis undertaken by Impact DataSource, an Austin, TX based economic consulting firm.

Economic impacts can be categorized into two main types of impacts. First, the direct economic impacts are the jobs and payroll directly created by the District. Second, this economic impact analysis calculates the indirect and induced impacts that result from the District. Indirect jobs and salaries are supported in area firms, such as maintenance companies and service firms, that may supply goods and services for the facility. In addition, induced jobs and salaries are supported in local businesses, such as retail stores, gas stations, banks, restaurants, and service companies that may supply goods and services to workers and their families.

The RIMS II multipliers used in this analysis are shown below along with additional information about the RIMS II model.

RIMS II Industry	Final-demand Output	Final-demand Earnings	Final-demand Employment	Final-demand Value-added	Direct-effect Earnings	Direct-effect Employment
622000 Hospitals	1.3692	0.4883	8.9686	0.7741	1.2998	1.4763
621100 Offices of physicians	1.3648	0.5717	8.7980	0.8484	1.2410	1.5030

Regional Input-Output Modeling System (RIMS II)

The economic impact estimates in this report are based on the Regional Input-Output Modeling System (RIMS II), a widely used regional input-output model developed by the U. S. Department of Commerce, Bureau of Economic Analysis. The RIMS II model is a standard tool used to estimate regional economic impacts. The economic impacts estimated using the RIMS II model are generally recognized as reasonable and plausible assuming the data input into the model is accurate or based on reasonable assumptions. The RIMS II model is described in basic detail below.

Generally speaking, input-output modeling attempts to estimate the changes that occur in all industries based on a change in the demand for the output of an industry. An input-output model allows an analyst to identify the subsequent changes occurring in various industries within a regional economy in order to estimate the total impact on the economy. Total economic impact is the sum of three components: (1) direct, (2) indirect, and (3) induced impacts.

If the demand for the output of an industry, measured by industry sales or revenue, increases by \$1.0 million, total regional output increases by \$1.0 million. This initial change in output is called the change in direct economic output and also referred to as the direct expenditure effect. The change in total economic output in the region resulting from the initial change does not stop with the change in direct economic output. Businesses in a variety of industries within the region will be called upon to increase their production to meet the needs of the industry where the initial increase in demand occurs. Further, other suppliers must also increase production to meet the needs of the group of initial supplier firms to the industry. This increase in expenditures by regional suppliers is considered the indirect economic impact of the initial \$1.0 million in sales, and is classified as indirect expenditures of the total economic impact or the change in indirect economic output.

The total economic impact of the \$1.0 million in sales includes one more component, the induced impact. All economic activity, whether direct or indirect, that results from the initial increase in demand of \$1.0 million, requires workers, and these workers must be paid for their labor. This means that part of the direct and indirect expenditures is actually in the form of wages and salaries paid to workers in the various affected industries. These wages and salaries will in turn be spent in part on goods and services produced locally in the region. This spending is another part of the regional economic impacts referred to as induced impacts and is classified as induced expenditures or the change in induced economic output.

Based on the initial direct impact, the RIMS II model can be used to estimate the direct, indirect and induced impacts on economic output, value added, earnings and employment in a given region. Economic output is gross output and is the sum of the intermediate inputs and final use. This is a duplicative total in that goods and services will be counted multiple times if they are used in the production of other goods and services. Value added is defined as the value of gross output less intermediate inputs. Workers' earnings or earnings consist of wages and salaries, employer provided benefits and proprietors' income. Employment consists of a count of jobs that include both full-time and part-time workers.

The RIMS II model is based on regional multipliers, which are summary measures of economic impacts generated from changes in direct expenditures, earnings, or employment. Multipliers show the overall impact to a regional economy resulting from a change in demand in a particular industry. Multipliers can vary widely by region. Multipliers are higher for regions with a diverse industry mix. Industries that buy most of their materials from outside the state or region tend to have lower multipliers. Multipliers tend to be higher for industries located in larger areas because more of the spending by the industry stays within the area.

The RIMS II model generates six types of multipliers for approximately 400 industrial sectors for any region in the United States. The multipliers include four "final-demand" multipliers and two "direct-effect" multipliers. Final demand multipliers indicate the impact of changes in final demand for the output of a particular regional industry on total regional output, earnings, employment and value added. Direct-effect multipliers indicate the impact of changes in regional earnings or employment within a particular industry on total employment or earnings within a region.

Final-demand output multipliers indicate the total regional output (direct, indirect and induced expenditures) that results from an increase in direct expenditures for a good produced by a particular regional industry. For example, if an industry in a particular region is said to have a final demand output multiplier of 2, this tells us that a \$1 increase in final demand for the good produced by that industry results in a \$2 increase in total output or expenditures within the regional economy. Final-demand earnings multipliers indicate the impact of an increase in final demand for the good of a particular regional industry on the total earned income of households within the region. Final-demand employment multipliers indicate the increase in total regional employment that results from a \$1.0 million increase in final demand for the good produced by a particular regional industry. Final-demand value-added multipliers indicate the increase in total regional value added that results from a \$1.0 million increase in final demand for the good produced by a particular regional industry. Direct-effect earnings multipliers indicate the impact of a \$1 change in earnings within a particular regional industry on total earnings in all industries within a region. Direct-effect employment multipliers indicate the impact of a change in employment in a particular regional industry on total employment in all industries within a region.

Theoretically, changes in final demand drive the total change in economic output, earnings, and employment. However, these multipliers relationships can be used to estimate impacts in other ways if only limited information is known about a project. For example, the multiplier relationships can be used to estimate the increase in direct economic output based on a given level of employment in a specific industry.

#### Additional Notes on RIMS II

RIMS II multipliers are based on the average relationships between the inputs and outputs produced in a local economy. The multipliers are a useful tool for studying the potential impacts of changes in economic activity. However, the relative simplicity of input-output multipliers comes at the cost of several limiting assumptions.

- Firms have no supply constraints—Input-output based multipliers assume that industries can increase their demand for inputs and labor as needed to meet additional demand.
- Firms have fixed patterns of purchases—Input-output based multipliers assume that an industry must double its inputs to double its output.
- Firms use local inputs when they are available—The method used by RIMS II to develop regional multipliers assumes that firms will purchase inputs from firms in the region before using imports.

RIMS II, like all input-output models, is a “static equilibrium” model. This means that there is no specific time dimension associated with the results using the model. For the RIMS II model, it is customary to assume that the impacts occur in one year because the model is based on annual data.

The fiscal impacts calculated in this report are described in the text of the report.

## About Impact DataSource

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Impact DataSource is an Austin economic consulting, research, and analysis firm founded in 1993. The firm has conducted over 2,500 economic impact analyses of firms, projects, and activities in most industry groups in California and more than 30 other states.

In addition, Impact DataSource has prepared and customized more than 100 economic impact models for its clients to perform their own analyses of economic development projects. These clients include the New Mexico Economic Development Department and the Tennessee Department of Economic and Community Development.

The New Mexico Department of Economic Development uses Impact DataSource’s computer model to project the economic impact of new or expanding firms in the state, including costs and benefits for the State of New Mexico, as well as each local taxing district. The model also analyzes the amount of eligible state and local incentives and calculates a rate of return and payback period for these incentives.