



ChildrensHospitalLosAngeles

International Leader in Pediatrics

Walter W. Noce, Jr.
President and CEO

Summer 2004

Dear Friend:

At Childrens Hospital Los Angeles, the health and healing of children is at the heart of our mission. Each day we come to know the courage of children under our care – from the fragile newborn fighting leukemia to the teenager relearning to take her first steps after a devastating automobile accident. These children give us strength; they inspire us. And they remind us daily of the urgency surrounding their needs.

When faced with the State mandate to either retrofit or rebuild our acute care inpatient facility to meet upgraded seismic safety standards, we knew we had the opportunity to make a profound difference in children's lives for decades to come. We launched Living Proof: The Campaign for Childrens Hospital Los Angeles, a \$500 million fund-raising effort for new facilities as well as for endowment, program and annual support. This unprecedented campaign will keep our institution at the forefront of patient care, medical education and scientific research.

The centerpiece of the Campaign for Childrens Hospital Los Angeles is our New Hospital building, a 280-bed inpatient tower that will be the finest medical and surgical environment for seriously ill and injured children in the United States. It will cost more than \$300 million, and we are seeking \$200 million in philanthropy to construct and equip this state-of-the-art facility that is so essential to our health and healing mission, and will provide a model healing environment for children and families.

The Mary Duque building, our current inpatient facility, was designed in the 1960s to support the standard of care in common practice – children were admitted to the hospital, treated, healed and discharged to the care of their families. But, medical care technologies have evolved over the past four decades; we now encourage parents to *participate* as an integral part of the healing process. It is our responsibility to ensure that families have the knowledge, the skills and the confidence to care for their children at discharge. If we support the parents – provide facilities for them to be close to their children, help them learn about the challenges of a particular illness or injury and make it easier to manage their lives – we empower them to be better caregivers, better parents.

The New Hospital will reflect our long-range vision for providing the best in interdisciplinary, family-centered care. This new facility will provide the necessary infrastructure to incorporate the latest medical technologies and realize the potential of future advances in pediatric medicine.

Today, Childrens Hospital is a sanctuary for all young patients who require our specialized services and a critical "safety net" for the community's poorest and most vulnerable children. Each year we admit nearly 11,500 seriously ill and injured children. There are more than 289,000 visits annually to our 29 outpatient clinics and laboratories. We offer specialized surgical and medical services that are often unavailable at other hospitals and we receive patients from other healthcare institutions that are unable to provide our level of high-acuity pediatric care.

Respect • **Service** • **Excellence** • **Knowledge** • **Teamwork**

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We set the standard for pediatric medical care, not only in Los Angeles and throughout California but also nationally and, increasingly, internationally. Our physicians, nurses and other caregivers are highly skilled in meeting the unique needs of developing children and their families as they treat the most complex pediatric illnesses and injuries. Our medical staff includes 577 physicians (83 percent are board-certified), 1,114 nurses, as well as other clinical support staff, all of whom make it possible for us to provide leading-edge, interdisciplinary treatment in 33 pediatric subspecialties.

The Joint Commission on Accreditation of Healthcare Organizations (JCAHO), which evaluates and accredits nearly 17,000 healthcare organizations, awarded Childrens Hospital Los Angeles its Gold Seal of Approval for the three-year period ending July 2006. We are among only seven percent of hospitals nationwide to receive a JCAHO score of 98 or better.

We operate one of the largest neonatal and pediatric emergency transport programs dedicated exclusively for children, triaging more than 3,000 patients a year. In our Emergency Department alone, we treat nearly 56,000 patients annually. It is designated as a Level I Pediatric Trauma Center by the Los Angeles County Emergency Medicine Services Agency, and it is one of only two Level I Pediatric Trauma Centers in Los Angeles County – and only 13 nationwide – verified by the American College of Surgeons. As emergency rooms throughout Southern California close due to economic pressures – and more than 20 emergency departments in Los Angeles County have closed in the past decade – the need for our specialized emergency and trauma services will continue to expand.

Childrens Hospital Los Angeles must sustain and grow its mission in an increasingly difficult economic climate. The State's budget deficit threatens reimbursement for services by hospitals and physicians. Urban and children's hospitals, like Childrens Hospital Los Angeles, are particularly vulnerable because of the large number of poor and severely ill children they treat. There continues to be serious erosion of the "safety net" in Los Angeles County, resulting in fewer providers willing and able to provide services to Medi-Cal and uninsured patients.

As the largest provider of pediatric inpatient care in California, Childrens Hospital is a major referral center for young patients requiring highly complex subspecialty care and life-saving procedures. For example, we perform more pediatric heart and lung transplants than any other institution in California. Over the last six years, the number of patients admitted for specialized inpatient care has grown from 10,500 in 1997 to 11,500 in 2003.

As I mentioned earlier, we view the family as an integral part of the healthcare team and are committed to supporting parents in their role as a child's primary caregiver, both during treatment in the hospital and after discharge. As our Vice President and Chief Nursing Officer Mary Dee Hacker, RN, MBA, says: "Pediatric injury and disease is a crisis time, perhaps one of the most critical times in the life of an entire family. It is our responsibility to give our families the skills and strength to help their children be the best they can be."

The New Hospital will be a national model for the delivery of family-centered care. Every patient room in the New Hospital will allow parents to sleep comfortably at their child's bedside. To give families greater privacy, 80 percent of the beds in the New Hospital will be in single rooms. This change will be especially dramatic in areas such as our Center for Newborn and Infant Critical Care, which currently consists of three large, open wards and does not provide sleeping accommodations for parents at their baby's bedside. Semiprivate rooms also will be built for children who will benefit from socialization with other children, often so important for young patients with chronic disease.

All patient rooms will be warm and welcoming, with natural light, bright colors and an enchanting canopy on the ceiling. Each room will have three zones: a clinical zone just inside the door for caregivers and their equipment; a patient zone in the middle of the room that will feature lighting and designs to help children feel at home; and a family zone, complete with a pull-out bed, a workspace equipped for telephones and computers, and storage space for personal belongings.

Care at Childrens Hospital reflects the understanding that fighting illness takes more than just the right medications, surgery or therapy. Our treatment teams include psychologists, social workers, child life specialists and chaplains who support the psychosocial needs of the child and family. To engage children in therapeutic play and creative activities, the New Hospital will have seven Chase Place playrooms – child-friendly spaces where our child life specialists will use play therapy to help patients and family members cope with and prepare for surgeries and other medical procedures. Chase Places also will offer children and families the healing power of laughter, play, art and music, as well as a sense of normalcy in an “ouch-free” environment.

To empower parents in caring for their child, the New Hospital will feature a Family Resource Center with multilingual reference materials, computers with Internet access, study areas and information about support groups. The Family Resource Center will give parents a welcoming environment in which to learn about their child’s medical condition, treatment, family adjustment issues and follow-up care.

Interdisciplinary patient care – the integrated involvement of specialists from several fields of medicine – is recognized as critical to achieving the best patient outcomes. The efficient use of space in the New Hospital will enhance interdisciplinary patient care. Programs that are currently split between several floors or buildings will be consolidated on one or two adjacent floors. For example, inpatient and outpatient cardiology services, which now are located on two separate floors, will be united on one floor of the New Hospital so our heart specialists can more easily support each other when caring for patients, as well as more quickly respond to children who are in a critical state.

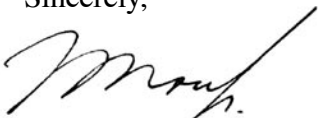
The New Hospital also will allow us to increase the number of children served in high-acuity areas where patient demand is steadily increasing – our Bone Marrow Transplant Unit, Cardiothoracic Intensive Care Unit, Pediatric Intensive Care Unit, Center for Newborn and Infant Critical Care and Cancer Center Day Hospital. Intensive care will account for a total of 102 beds in the New Hospital.

To ensure that every child requiring urgent, highly specialized care can be treated immediately, the New Hospital will feature a larger Emergency Department, equipped to handle approximately 60,000 patient visits per year. Dedicated diagnostic imaging capabilities for the department will replace the equipment that is now shared by both inpatient and outpatient departments. To support the efforts of our transport program, the New Hospital will feature a larger helipad for multiple emergency airlifts.

In planning for our next century of care, we have ensured that the New Hospital will address the evolving needs of modern clinical practice, yet it will be built with the flexibility to incorporate the newest medical technologies – including robotics, minimally invasive surgery, virtual reality software and digital databanks.

I look forward to sharing more details about the New Hospital in future white papers. Meanwhile, I hope that you will share your thoughts with me.

Sincerely,



Walter W. Noce, Jr.
President and Chief Executive Officer

THE NEW HOSPITAL AT A GLANCE

ARTIST'S RENDERING OF THE NEW HOSPITAL



When the New Hospital opens in 2008, it will be the finest medical and surgical environment for seriously ill and injured children in the United States.

The new facility also will improve seismic performance to not only *withstand* a major earthquake, but also be *fully operational* after a major seismic event to meet the standard mandated by law.

GROUND LEVEL

Emergency Department/Trauma Center
Inpatient Imaging and Radiology

LEVEL 1

Cafeteria & Outdoor Dining Garden
The Joyce and Stanley Black and Family
Healing and Meditation Garden
The Healing and Play Garden
Conference Center
Family Resource Center
Convenience Store

LEVEL 2

The Heart Institute

- Cardiothoracic Intensive Care Unit- 24 beds
- Cardiovascular Acute Care- 21 beds
- Two Catheterization Laboratories

Chase Place playground
Family Lounge

LEVEL 3

Center for Newborn and Infant Critical Care- 40 beds
Pediatric Intensive Care Unit- 24 beds
Blood Bank
Family Lounge

LEVEL 4

Childrens Center for Cancer and Blood Diseases

- Bone Marrow Transplant Unit- 14 beds
- Hematology/Oncology Acute Care- 32 beds
- Day Hospital with extended hours

Two Chase Place playgrounds
Family Lounge

LEVEL 5

Childrens Center for Cancer and Blood Diseases

- Hematology/Oncology Acute Care- 29 beds

Acute Medical/Surgical Rooms- 32 beds
Audiology Testing Rooms
Two Chase Place playgrounds
Chase Place Teen Lounge
Family Lounge

LEVEL 6

Physical and Occupational Therapy Facility
Hydrotherapy Room
Acute Medical/Surgical Rooms- 64 beds
Two Chase Place playgrounds
Family Lounge

ROOFTOP

Helipad
Two Transport Elevators