

CALIFORNIA LEGISLATURE

STATE CAPITOL
SACRAMENTO, CALIFORNIA
95814

Mike Boswood
President and Chief Executive Officer
Truven Health Analytics
777 E. Eisenhower Parkway
Ann Arbor, MI 48108

Dear Mr. Boswood:

We are writing to express our appreciation that Truven Health Analytics removed Desert Valley Hospital from its list of *100 Top Hospitals*, and to continue the dialogue we have had concerning other Prime Healthcare Services hospitals.

As you will recall, we wrote you last year to express concerns about Truven's glowing evaluation, and high ranking, of a number of Prime hospitals and the Prime system as a whole. We wrote that our concern was based on the fact that this evaluation was so at odds with the company's well-documented reputation and record here in California. In your response letter last September, you noted that "Truven Health has rescinded awards based on admission of guilt, sanctions and convictions of wrongdoing." However, you went on to state that "none of these circumstances is yet present with Prime Health Services."

We were pleased, then, to learn that you rescinded two years of *Top 100* recognition you had awarded Desert Valley Hospital, one of Prime Healthcare's facilities, based on a sanction imposed by the California Department of Public Health (CDPH) for the failure to ensure the health and safety of a patient. Yet this action by Truven raises the obvious question about why similar action hasn't been taken with regard to other *Top 100* ranked hospitals owned by Prime Healthcare that have also been similarly sanctioned by CDPH.

Specifically, Garden Grove Hospital and Medical Center in Orange County was issued a severe "immediate jeopardy to the health and safety of a patient" penalty by CDPH, for an incident in 2012 involving a fatal patient overdose of a sedative medication. After an investigation, CDPH issued this penalty in September of 2013. Yet Garden Grove Hospital was included among Truven's *Top 100 Hospitals* in the list released in February of 2013, and again in the list released

in March of 2014. Will Truven also be rescinding the ranking of Garden Grove Hospital from its *Top 100 Hospitals* list?

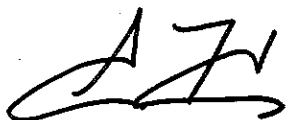
Similarly, while we were pleased to see that Prime Healthcare Services did not make the Truven's list of the top 15 health systems in the nation this year, Prime did make this ranking in the list released last year, based on your 2012 study. In addition to Desert Valley Hospital and Garden Grove Hospital, yet another Prime hospital was given an "immediate jeopardy" sanction by CDPH for an incident occurring in 2012. Last October, CDPH issued an immediate jeopardy penalty to Alvarado Hospital Medical Center, based on a violation of a "fall reduction policy" that led to a patient death. With three of Prime Healthcare Services given the highest disciplinary sanction available to California's hospital licensing department in 2012, we ask whether Truven will also rescind the "Top 15 Health System" it awarded Prime in 2013.

Finally, we would again urge Truven to revisit its ranking of Shasta Regional Medical Center as a *Top 100 Hospital*, given its incredulous and well-documented practice of billing Medicare for the rare malnutrition disorder known as Kwashiorkor at 70 times the statewide average for other hospitals. When this practice was revealed by investigative news articles, Shasta suddenly stopped this highly suspicious billing practice, making the earlier diagnoses even more suspect.

Again, we appreciate the fact that Truven revisited its ranking of Desert Valley Hospital based on a sanction by CDPH. We would ask that you apply this same basis to revoke the ranking given to Garden Grove Hospital and Medical Center, and to evaluate whether a system with these two hospitals, as well as with the similarly penalized Alvarado Hospital, should ever have been given a *Top 15 Health System* award.

We thank you for giving this matter your attention and for your dialogue on this important issue for health care consumers.

Sincerely,



ED HERNANDEZ, O.D.

Chair, Senate Committee on Health



RICHARD PAN, M.D.

Chair, Assembly Committee on Health