



# HASC Briefs

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## Concern Persists Over Data Breaches

Data breaches continue to dog hospitals across the country, with facilities in California, Indiana, Maryland, Massachusetts, North Carolina and Ohio responding to incidents over the past month.

So far this year, at least 32 hacker-caused breaches have hit health care providers, the U.S. Department of Health and Human Services Office for Civil Rights reports. Close to 65 percent of health care organizations surveyed reported some kind of information security incident over the past two years, reported the Pomenon Institute, an information-security think tank.

The same study from the Pomenon Institute pegs the nationwide cost of such breaches at close to \$6 billion. Several states, including California, have witnessed class-action and other lawsuits stemming from incidents.

Various commentators from the regional media have recommended that health care providers do more to secure data — and to establish additional layers of protection for their operations.

An Aug. 17 *L.A. Times* story documented how health care and other businesses are increasingly discussing cyber security in board rooms.

In another *L.A. Times* story last month, Dr. Deborah Peel of Texas-based Patient Privacy Rights said that systems now in place do not make security their top priority. “Health care records are the new credit card data for international theft rings,” she said.

The average hospital uses between 150 and 650 specialized software systems, Peel added last week. “The thing people don’t understand is that the current (hospital software) systems cannot prevent breaches,” Peel told *HASC Briefs*.

“They’re so leaky, that the basic technology needs to be radically redesigned.

A leading health care law firm recently identified specialized insurance as an area hospitals might explore to create more protection.

Hospitals and health systems “should verify whether their existing insurance covers them in the event of a breach,” the report stated. “Although the market for cyber security is still nascent, there are carriers that offer first-party cyber security insurance policies.”

Early this year, HASC teamed with insurance provider AIG and insurance broker AmWINS to create a coverage package designed to protect health care providers.

The CyberEdge® Cyber Liability Insurance Policy, co-developed by HASC, is not sold by the association. Dave Weller and Emily Agramonte of AmWINS Insurance Brokerage of California, LLC can answer questions about the product. Weller can be reached at (213) 254-2245 or [dave.weller@amwins.com](mailto:dave.weller@amwins.com). Agramonte can be contacted at (213) 254-2229 or [emily.agramonte@amwins.com](mailto:emily.agramonte@amwins.com).

As of this month, two hospitals have retained the coverage. Several more are in the process of acquiring it, said Scott Twomey, HASC’s senior vice president and chief financial officer.

Not all insurance policies are the same, of course. Experts advise facilities and organizations to study and understand what is and what is not covered.

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*“Health care records are the new credit card data for international theft rings.”*

*—Dr. Deborah Peel, patient privacy advocate*

## Rancho Los Amigos Launches Renovation



**Los Angeles County Supervisor Don Knabe (center) emphasized military veterans' need for rehabilitation services at an Aug. 19 groundbreaking for expanded facilities at Rancho Los Amigos National Rehabilitation Center in Downey. Construction already underway on the 48-acre campus is visible at rear in this view. (HASC photo)**

Rancho Los Amigos National Rehabilitation Center, a Downey hospital dedicated to rehabilitative medicine, is adding a Wellness & Aquatic Therapy Center and other facilities as part of a \$418 million construction project.

With care for veterans a growing regional need, demand for rehabilitative and other programs at the hospital continue to rise. Speaking before an Aug. 19 kickoff event, Los Angeles County Supervisor Don Knabe called the new facility “the jewel of

Los Angeles County’s health care system.”

An important component of the multi-year effort is to bring aging structures into compliance with current seismic standards. While completion of the new therapy pool and wellness center is scheduled for the end of next year, seismic and other facility upgrades will continue through 2020. Phase 2 work also includes the addition of a central entrance and the refurbishment of the campus’ historic Harriman Building.

Originally founded in 1888

to treat farmworkers who could not afford medical care, Rancho Los Amigos has also previously served as a facility for mental health and polio patients. Now sited on a 48-acre campus, the hospital will remain open, continuing to serve patients with rehabilitative needs during the 5-year construction period, CEO Jorge Orozco said.

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### Quotable

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*If we could give every individual the right amount of nourishment and exercise, not too little and not too much, we would have found the safest way to health.*

—Hippocrates,  
c. 460-370 B.C.

*The best physician is also a philosopher.*

—Galen,  
c. 130-200

*Medicine considers the human body as to the means by which it is cured and by which it is driven away from health.*

—Avicenna,  
c. 980-1037

### Planning Proceeds for HASC Annual Meeting

Mark your calendar and plan to attend the association’s annual meeting, now set for April 13 through 15 at the St. Regis Monarch Beach resort at Dana Point in Orange County. This week, planners selected Uber Bold: Moving Health Care Beyond Incremental Change as the event’s theme.

## Hospital Attains Its Seismic Goals



Goleta Valley Cottage Hospital Vice President Arie Dejong looks over a row of hyperbaric oxygen chambers located in the Ridley-Tree Center for Wound Management. (GVCH photo)

Goleta Valley Cottage Hospital in Santa Barbara County recently celebrated the opening of a 152,000-square-foot structure built to comply with state seismic standards.

“In 1994, the State of California passed an unfunded mandate that (required) hospitals to be retrofitted to withstand a 6.0 earthquake,” CEO Ronald Werft explained at a ceremony held Aug. 15. “We looked at this as an opportunity to build a new hospital ... We are grateful to the community for supporting this effort,” Werft said.

The new building houses

all of the hospital’s 52 inpatient rooms. To accommodate future growth, the new facility is also designed to support a future third story. A new medical office building, currently under construction nearby, is scheduled to open next year.

Officials have slated the old hospital, located next door to the new structure, for demolition this autumn.

The hospital’s dedication marked a successful end to a sustained fundraising challenge, added Werft. Funding from a combination of sources financed construction of the \$126 million facility,

including \$14 million in community fundraising, \$16 million in tax-exempt bond issues and \$96 million from its operating reserve fund.

“While close to 80 percent of the state’s hospital structures now comply with seismic standards, dozens of others remain scheduled for upgrade work,” said Marty Gallegos, HASC’s senior vice president for health policy and communications.

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## Tournament Day Is Approaching

The last day to register for the 2015 HASC Charity Golf Classic is Monday, Sept. 21.

The tournament takes place on Monday, Oct. 5 at Oakmont Country Club in Glendale.

It supports the National Health Foundation’s efforts to improve health care access in the state’s underserved communities. Play starts at 10 a.m.

More information, including a registration form, can be found at [www.hasc.org/special-event/2015-hasc-charity-golf-classic](http://www.hasc.org/special-event/2015-hasc-charity-golf-classic).



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*“We looked at this as an opportunity to build a new hospital.”  
—Ronald Werft, CEO, Goleta Valley Cottage Hospital*

## Call Goes Out for PathWays Nominations

Health Care Executives of Southern California (HCE) is organizing its next group for PathWays: Healthcare Policy in Action to begin this September.

PathWays is a career-development program offered by HCE and HASC. The program educates early-career professionals about key health policy issues, including the 1115 Waiver, changes in Medicare reimbursement and insurance expansion — and prepares them for the changing health care industry.

CEOs and upper managers may nominate and sponsor an early-career member from their organization to participate in the program. Candidates must be nominated by

Monday, Sept. 7, and enrollment is limited to 40 participants.

PathWays also helps participants connect with industry leaders and academic experts over the course of four comprehensive sessions. The first session will take place Thursday, Sept. 24, and each session will be held from 3:30 p.m. to 6:30 p.m. in Los Angeles County.

Scheduled speakers include the following:

- Duane Dauner, CEO, California Hospital Association
- Don Crane, CEO, CAPG
- Mike Gatto, California Assembly Member, Dist. 43
- Dimitrios Alexiou, FACHE, CEO, Hospital Association of San Diego and Imperial Counties

• Jim Barber, FACHE, CEO, Hospital Association of Southern California

• Jeff Conklin, VP, Payer & Network Strategies/President, Adventist Health Managed Care

• Martin Gallegos, Sr. VP, Healthcare Policy, Hospital Association of Southern California

• Susan Gallagher, Ph.D, Director, Celebration Institute

Nominee registration, including fee payment, can be completed at <http://bit.ly/1DT6Qyy>.

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## Lean Fundamentals Launches on Oct. 19

HASC, with Healthcare Performance Partners, will offer a 4-day, 32-hour course on lean management for the health care field this autumn.

The Lean Fundamentals for Healthcare Certificate Course offers an introduction to enhancing efficiency and eliminating waste in health care. The sessions incorporate real-world simulations

and exercises that teach participants to apply the techniques.

The course takes place Oct. 19, 20, 21 and 22 at Torrance Memorial Medical Center. The cost is \$2,500 per person for HASC members.

A discounted rate of \$2,250 is available for groups of six or more from the same facility, registering at the same time.

The deadline to register is Monday, Oct. 5. To secure seats, or learn more, visit

[www.hasc.org/lean-fundamentals-course](http://www.hasc.org/lean-fundamentals-course).

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## Disaster Management Training Date Is Oct. 6

The association's next Hospital Disaster Management Training is scheduled for Tuesday, Oct. 6 and Wednesday, Oct. 7 at LAC+USC Medical Center in Los Angeles. Trainings will take place from 7 a.m. to 5 p.m. The per-student fee

is \$175.

The coursework covers planning for and response to natural disasters and chemical, biological, radiological, nuclear and explosives (CBRNE) incidents. The training is designed for physicians, nurses, administrators, first responders and other

health care workers.

The upcoming session is limited to 35 participants.

To reserve a spot, go to <http://events.signup4.com/HDMT2015>.

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## On the Calendar



**Southern California Patient Safety First In-person Meeting: Collaborating for High Reliability in California**  
8 a.m. to 5 p.m., Tues., Sept. 15  
Pacific Palms Resort & Conference Center  
City of Industry, Calif.

**Accreditation & Licensure Committee Meeting**  
8 to 10 a.m., Wed., Sept. 16  
HASC Board Room  
515 South Figueroa St., Suite 1300  
Los Angeles, Calif.

**HASC Board Meeting**  
9 a.m. to noon, Thurs., Sept. 24  
HASC Board Room  
515 South Figueroa St., Suite 1300  
Los Angeles, Calif.

**Learn more about these and other HASC events at [www.hasc.org/calendar](http://www.hasc.org/calendar)**