



Los Angeles Orthopaedic Hospital

HEALING | RESEARCH | EDUCATION

IN ALLIANCE WITH **UCLA** Health System



Los Angeles Orthopaedic Hospital Progress Report

Los Angeles Orthopaedic Hospital

100 Years of Healing

As a century-old institution, Los Angeles Orthopaedic Hospital has reached a significant milestone. For 100 years, LAOH has looked after the health of children in the Los Angeles community and advanced the forefront of musculoskeletal medicine worldwide through research and education. This commitment to service continues unabated today, as LAOH continues to develop innovative and effective ways to bring expert and compassionate medical care to children and adults with disabling musculoskeletal injuries and disorders.

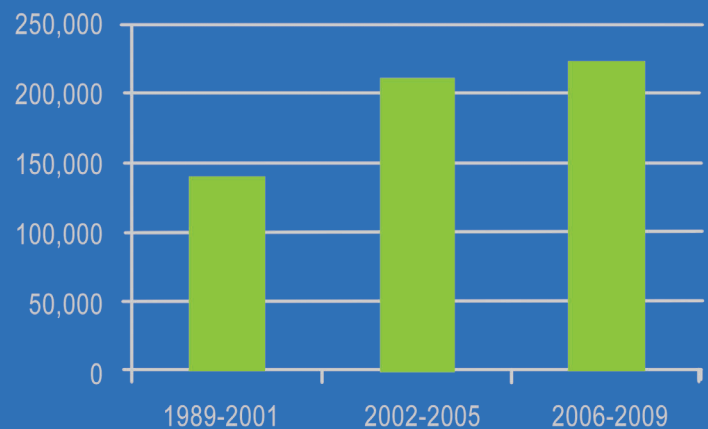
Patient Care

Patient care and responding to the needs of the downtown community have always been at the core of the LAOH mission. Initially, this meant the pediatric orthopaedic health care needs of the neighborhoods geographically adjacent to the Singleton Estate property, which was – and still is – the core of our downtown Los Angeles campus. These neighborhoods have historically been, and continue to be, low-income and their residents have significant health care needs and limited insurance options.

This need has been reflected in the surge in demand for services at the downtown campus, where Urgent Care and Pediatric Outpatient Clinics are located.

There is also an increasing need for services and expertise in West Los Angeles. In response, the Renee and Meyer Luskin Children's Clinic was established in May 2009, expanding Los Angeles Orthopaedic Hospital services. The number of patient visits at this site has grown steadily since its opening.

TOTAL PATIENT VISITS
1989-2009



“We have significantly expanded our research efforts over the past two years.”

Research

Research has been integral to the mission of Los Angeles Orthopaedic Hospital since 1959. It is the cornerstone in today's battle to ensure affordability of treatment and to secure access to quality health care for all.

Research efforts have significantly expanded over the past two years. The J. Vernon Luck, Sr., M.D., Orthopaedic Research Center continues to work independently and collaboratively with organizations throughout the orthopaedic community to develop powerful, multi-disciplinary solutions to critical orthopaedic problems. Augmenting this, the Orthopaedic Hospital Research Center, located on the University of California, Los Angeles campus, completed a dynamic growth phase in the ambitious effort to solve some of the critical puzzles in the care, treatment and prevention of musculoskeletal diseases and disorders.

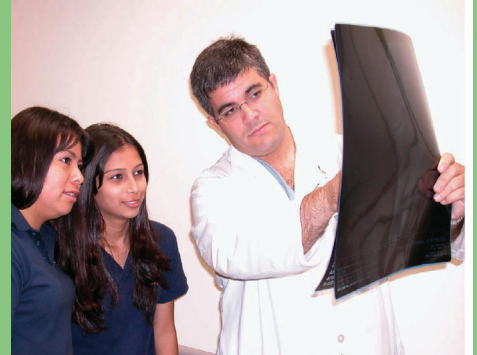


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Education

Los Angeles Orthopaedic Hospital has had a long history of providing education. Today, LAOH medical education programs work to educate the next generation of medical professionals.

The Orthopaedic Hospital Medical Magnet High School, established in conjunction with the Los Angeles Unified School District, prepares students for post-secondary study and careers in health care and medical science, and recent graduates have attended such prestigious institutions as Dartmouth and UCLA. This past year, the school received a Silver Medal Ranking from U.S. News and World Report in its annual listing of top high schools in the country, indicating its ranking as within the top six percent across the country.



The Los Angeles Orthopaedic Hospital Pediatric Orthopaedic Surgery Fellowship program is one of the most highly competitive in the nation. Qualified candidates come from diverse locales and boast rich clinical and academic backgrounds. LAOH currently hosts 33 residents in the Orthopaedic Hospital/UCLA Residency in Orthopaedic Surgery program. This robust institutional training environment ensures excellence in orthopaedic care across the country.

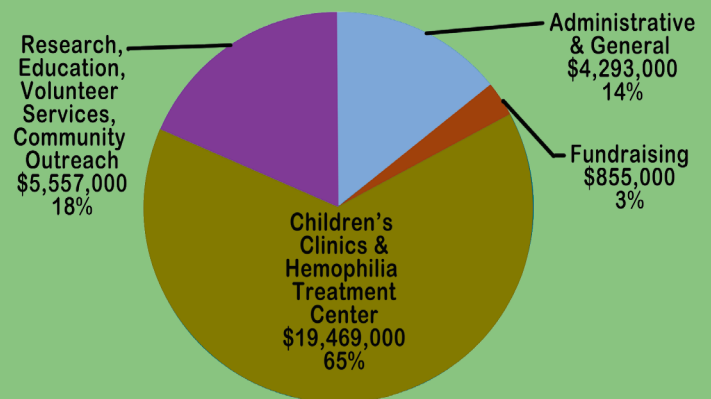
Financial Stability

Laying a firm foundation for the future and ensuring a stable financial picture will allow LAOH to continue to treat children for the next 100 years.

There continues to be an enormous need for public financial support. Only 39 percent of the cost to operate the children's clinics is covered by third-party reimbursement, including government subsidy programs. The amount recovered to provide care for children is expected to decline as the need continues to increase and reimbursement rates decrease as a result of state budget problems.

Increasing efficiency and effectiveness, while maintaining outstanding care, continues to be a priority at LAOH. This commitment does not come without a cost: staff furlough programs were implemented, staff salaries were frozen and departments were reduced in size. While this was a painful process, the financial picture for LAOH is stronger than it has been in many years. Fundraising costs decreased by 60 percent over 2009, while the total percentage of dollars spent on patient care, research and education increased by six percent over 2009.

2010 Operating Expenses



Alliance with UCLA

Santa Monica-UCLA Medical Center and Orthopaedic Hospital may be the most visible component of the alliance with UCLA that was announced in 1998. The hospital will open its doors in Fall 2011.

The opening of the hospital will also present enhanced opportunities for research and education. Having scientists and clinicians working together in close proximity stimulates the cross-fertilization of knowledge and



experience that generates valuable new ideas and practices, moving breakthroughs from bench to bedside quickly and safely.

Looking Ahead

With a vast portfolio of achievements, there is always the temptation to relax and bask in the glow of such a significant century of work. But Los Angeles Orthopaedic Hospital has always had a culture of seeking the next great challenge. This is fortuitous, as the future of health care delivery faces a number of challenges.

Research will be a key component in holding down health care costs so that access to equitable health care grows. Advances in gene therapy, novel approaches to the treatment of infection and the development of new materials — which LAOH has a history of realizing and is today deeply invested in advancing — will produce more effective and cost-effective care, benefitting both the individual and society. However, Los Angeles Orthopaedic Hospital will never shy from the vision of its founder: to treat all children in need, without regard to their family's financial circumstances.

A Successful Collaboration

The success of Los Angeles Orthopaedic Hospital and the impact on thousands of patients, their families and the community-at-large is the result of an inspiring collaboration between the institution, its financial supporters, volunteers and employees. This remarkable commitment to serving children with musculoskeletal diseases and disorders is truly the foundation for everything that Los Angeles Orthopaedic Hospital has accomplished over the past 100 years, and will be the basis for continued excellence in orthopaedic care into the next century.

"The organization has undergone many changes during its lifetime, but none more dramatic — or with the potential for such broad and lasting impact — than the growth and transformation happening today."

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