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Developing a Stand-Alone Children's Hospital in Southern Nevada: Needs, Opportunities, and Economic Development Considerations

Tripp Umbach

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Developing a Stand-Alone Children's Hospital in Southern Nevada

Needs, Opportunities, and Economic Development Considerations

September 2024



**Tripp
Umbach**
Turning Ideas Into Action

UNLV
THE LINCY
INSTITUTE

 **NHBC**
Nevada Health &
Bioscience Corp.

Table of Contents

Executive Summary	3
Introduction	5
Key Findings	6
Keys to Success	20
Collaboration with Hospitals and Physicians	21
Financial Sustainability	21
Site Selection	21
Community Engagement and Support	21
Regulatory and Legal Requirements	21
Proposed Model	22
Next Steps	23
Recommendations	24
Appendix A: Results from Stakeholder Interviews	25
Appendix B: Key Stakeholders Interviewed	27
Appendix C: Peer Benchmarking Stand-Alone Children’s Hospitals	28
Appendix D: Nevada Rare Disease Advisory Council	29
Appendix E: Child Health Ecosystem in Southern Nevada	30
Appendix F: Focus Group Summary	32
Appendix G: Intermountain Health Community Health Needs Assessment	33
Appendix H: Proposed Governance Structure for the Children’s Hospital of Southern Nevada (CHOSN)	34
Appendix I: Tripp Umbach Qualifications	35



Executive Summary

Southern Nevada's pediatric healthcare infrastructure is inadequate to meet specialized healthcare needs, leading to poor health status for the region's children and reduced economic expansion. Nevada faces many pediatric healthcare challenges, as reflected by its status as a medically underserved and health professional shortage area. The health status of Nevada's children is among the poorest nationally. According to the 2023 Health of Women and Children's Report, Nevada ranks 50th out of 50 states in clinical care.¹ This is a clear testament to the need for a children's hospital to be the hub of a regional coordinated care delivery system.

With anticipated population growth, the need for more pediatric providers and services is a regional economic and social priority. This challenge is further compounded by the region's absence of a comprehensive, academic-based, nonprofit children's hospital. As a result, pediatric subspecialty care is scattered and needs to be coordinated. In contrast, children in other urban areas who are diagnosed with cancer, heart disease, and other rare conditions receive specialized care through children's hospital-based pediatric subspecialty programs, including inpatient and outpatient services offered through a broad, integrated network of centers and institutes.

This independent study developed by Tripp Umbach demonstrates how an independent, research-intensive, stand-alone children's teaching hospital can significantly enhance the health status of Southern Nevada's children, reduce outmigration, attract children from neighboring states, and stimulate the healthcare economy. Tripp Umbach evaluated the need for a children's hospital, the barriers to overcoming its absence, and the advantages of establishing a stand-alone children's hospital in Southern Nevada for diverse audiences throughout Nevada and nationally.

Tripp Umbach concludes that a stand-alone, nonprofit children's hospital in Southern Nevada will fill a gap in the region's pediatric healthcare ecosystem by providing quality, high-acuity, and subspecialty pediatric care. Tripp Umbach recommends a broad-based private, public, and philanthropic partnership with local healthcare entities, medical schools, and potentially Intermountain Health, the broader Mountain West region's most extensive nonprofit health system that has shown interest in partnering on a children's hospital project. The partnership will include a wide range of pediatric providers, subspecialty practices, hospital-based children's hospital services, medical schools, and child advocacy organizations working diligently to care for the region's 500,000 children. Central to the success of this endeavor is the establishment of an independent governance structure that serves as a unifying force for all stakeholders involved in children's health.

¹ United Health Foundation, 2022, Americas Health Rankings, Annual Report, https://assets.americashealthrankings.org/app/uploads/ahr_2023hwc_executivebrief_final_web.pdf

The Southern Nevada community can collectively realize the vision of a high-quality children’s hospital by fostering trust, promoting cooperation, and prioritizing quality care. Shifting from fragmented pediatric services to a centralized model requires buy-in and collaboration from healthcare providers, administrators, and staff. As this report details, creating a hub-and-spoke model focusing on specialized care for the most critically ill children at a state-of-the-art stand-alone children’s hospital while maintaining a shared commitment to pediatric care at existing hospitals provides the best pathway to increase participation among existing players.

Establishing a new stand-alone children’s hospital in Southern Nevada, as recommended by Tripp Umbach, is projected to bring significant economic and social benefits to the region. With an anticipated investment of \$1 billion, the construction phase alone is expected to generate an economic impact of \$2.1 billion, create 11,575 jobs, and yield \$58.2 million in state and local taxes over five years. Beginning with a 150-bed children’s hospital in 2030 and expanding to 250 beds by 2040, this facility will generate billions annually in total economic impact to the region. Tripp Umbach estimates that the operational effects of the new hospital in 2030 will contribute \$1.2 billion annually to the local economy, supporting 5,845 jobs.

The economic benefits of this venture will far exceed the construction and operational impacts listed above, as the hospital will significantly reduce the outmigration of families seeking pediatric care, saving the state approximately \$54.5 million annually in reduced in-patient charges from out-of-state children’s hospitals. Attracting out-of-state patients will generate substantial economic activity, with each visiting family spending around \$3,000 per visit, contributing millions in direct and indirect spending that currently leaves Nevada each year. Moreover, the new hospital will enhance pediatric care quality and access in Nevada, driving improvements in child health outcomes through a coordinated, community-focused care model. This holistic approach will ensure comprehensive care, leveraging partnerships across various sectors and transforming Nevada’s pediatric health landscape.



Introduction

In January 2024, The Lincy Institute at UNLV and the Nevada Health and Bioscience Corporation (NHBC) commissioned Tripp Umbach to evaluate the pressing need for a full-service independent children’s hospital in Southern Nevada. Tripp Umbach was requested to assess the size, services, and funding capacity to develop an appropriately market-sized, stand-alone children’s hospital and determine how a children’s hospital will drive future economic impact through research, workforce development, and patient care while reducing the number of children in Southern Nevada seeking advanced pediatric care in other markets. This report communicates the value of health and well-being metrics associated with high-quality advanced pediatric healthcare availability and outcomes. It highlights social impacts, such as cost savings to the state and communities in Southern Nevada and the Silver State, through increased pediatric health status.

This report’s findings are based on an inventory of pediatric healthcare in Southern Nevada, benchmarking with other stand-alone children’s hospitals in peer markets in the western United States, a review of multiple data sources showing the need for a children’s hospital, and interviews with various parties in Southern Nevada regarding the best path forward to developing a children’s hospital. Finally, the report evaluates the funding and financial sustainability required to sustain a successful children’s hospital.

Methodology

Tripp Umbach’s detailed mix methodology included reviewing published reports and secondary data, conducting interviews with key stakeholders, facilitating a focus group with parents of children who left the market for care, developing a provider inventory, and completing an economic impact analysis. Tripp Umbach benchmarked the Las Vegas Metro against six western or western adjacent peer metros with stand-alone children’s hospitals. These metros include Austin, TX; Denver, CO; El Paso, TX; Omaha, NE; Phoenix, AZ; and Salt Lake City, UT.

Table 1. Benchmarking Children’s Hospitals in the Western United States

Children’s Hospital	Beds	Location	Ownership and Primary Academic Affiliation
Dell Children’s Medical Center	262	Austin, TX	Freestanding, Ascension Health System, Dell Medical School at the University of Texas
Children’s Hospital Colorado	486	Denver, CO	Freestanding, Private, Non-Profit University of Colorado School of Medicine
El Paso Children’s	122	El Paso, TX	Freestanding, Private, Non-Profit, Texas Tech Health Sciences Center El Paso
Children’s Nebraska	186	Omaha, NE	The Nebraska Medical Center
Phoenix Children’s Hospital	352	Phoenix, AZ	Freestanding, Private, Non-Profit University of Arizona College of Medicine-Phoenix
Primary Children’s Hospital	289	Salt Lake City, UT	Freestanding, Intermountain Health, University of Utah School of Medicine

Source: Tripp Umbach

Key Findings

The development of a stand-alone children's hospital in Southern Nevada aims to address child and adolescent healthcare needs by offering to coordinate a high-quality care environment and to deliver highly specialized services currently unavailable within the region. Key findings from the study outlined below address the current strengths and deficits in a local pediatric healthcare capacity and reiterate the aim to improve healthcare outcomes. Our conclusions and recommendations show how a stand-alone children's hospital can enhance the current pediatric care ecosystem and significantly reduce families' need to seek care outside Nevada. An implementation roadmap based on critical findings is designed to foster local pediatric physician training and cutting-edge research, further reassuring child advocacy organizations, existing providers, state policymakers, and potential funders about the possible benefits for the region's children through the development of a stand-alone children's hospital.



Key Finding #1: Southern Nevada needs an independent children’s hospital.

Las Vegas is the only census-defined metropolitan statistical area in the United States, with more than 2 million people without a full-service children’s hospital. Numerous news articles discuss Southern Nevada’s pediatric healthcare delivery system’s challenges, which include poor quality, low patient-provider ratios, and a lack of highly specialized services. These analyses explore how these ratios affect patient care and access to healthcare services for children in the area.² Other articles highlight the scarcity of pediatric healthcare options in Nevada, which causes families to leave the state for better care for their children. The impact that this lack of care for families has on the broader healthcare system in Nevada is also discussed.³ A recent editorial outlined the benefits a children’s hospital would bring to the state and emphasized the importance of prioritizing pediatric healthcare needs.⁴

Pediatric Health Status and Needs

Children in Nevada are a particularly vulnerable community, and their health outcomes rank similarly to adults. Nevada has only 59.5 available pediatricians for every 100,000 children, which significantly limits access and undermines health outcomes. In total, Nevada has 267 pediatricians to serve 640,000 children under the age of 18. For context, California has twice as many pediatricians per capita. While improvements have occurred over the past ten years, Nevada continues to fall behind the national average in quality-of-life metrics. For example, Nevada is 43rd in family and community, 46th in education, and 46th in economic factors.⁵ Each of these deficiencies represents areas that impact a child’s ability to be healthy now and in the future. Additionally, significant gaps exist in clinical care for children in Nevada. According to the Health of Women and Children Report from America’s Health Rankings, Nevada ranks 50th out of 50 states in providing clinical care, a clear testament to the need for a children’s hospital and coordinated care delivery system⁶ (see Table 2).

Table 2. Pediatric Clinical Care Comparisons: Nevada vs United States, 2022

Health Metric		State Rank
Clinical Care		50
Access to Care	ADD/ADHD Treatment	46
	Pediatricians	47
	Uninsured	48
Preventive Clinical Services	Childhood immunizations	37
	HPV Vaccination	40
	Preventive Dental Care	47
	Well-Child Visit	50
Quality of Care	Adequate Insurance	43
	Developmental Screening	46
	Medical Home	50

Source: American Health Rankings Health of Women and Children Report, 2022

² KNPR’s State of Nevada. With low doctor-patient ratios, what is pediatric healthcare like in Las Vegas? 2024

³ Reno Gazette-Journal. The lack of pediatric care forces families to leave Nevada. 2015

⁴ Ibid

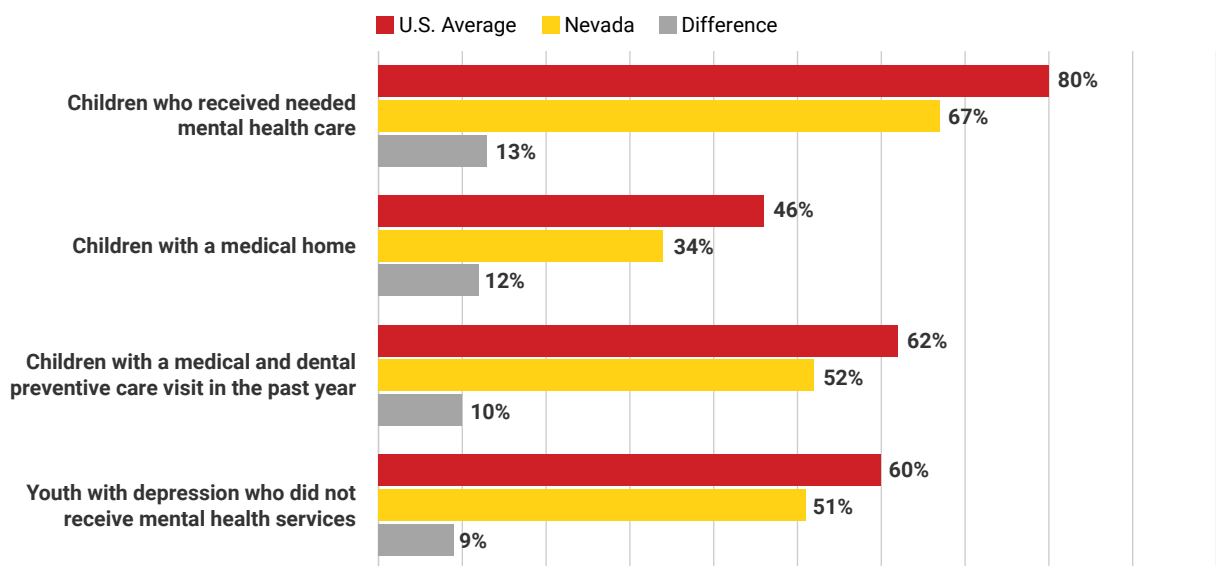
⁵ 2023 Kids Count Data Book: <https://assets.aecf.org/m/databook/aecf-2023kidscountdatabook-embargoed.pdf>

⁶ American Health Rankings Health of Women and Children Report, 2022



Nevada also ranks near or at the bottom of national rankings for children receiving medical care, including adequate prenatal care, well-child visits, immunizations, developmental screenings, and proper insurance.⁷ (see Figure 1).

Figure 1. Child Health Comparisons: Nevada vs. the United States, 2022



Source: Commonwealth Fund. 2023 scorecard state health system performance

⁷ Commonwealth Fund. 2023 scorecard state health system performance

Physician Expansion through Residency and Fellowship Training

A successful children’s hospital relies on a skilled and specialized workforce of pediatric physicians, nurses, and allied health professionals. Developing and expanding pediatric residencies and subspecialty fellowships is critical for long-term success, as a children’s hospital is only as strong as the inflow of providers who admit patients. Along with robust residency training programs and faculty development, the new children’s hospital will provide opportunities for clinical research and scholarly activity for physicians interested in academic medicine. Establishing a close relationship with academic partners – the Kirk Kerkorian School of Medicine at UNLV, as well as the newly developed Roseman University School of Medicine and the existing Touro College of Osteopathic Medicine – is essential to building a culture of teaching, research, discovery, and excellence.

Growing the pediatric provider workforce is vital to proving the level of care required to expand needed services and address the broad spectrum of pediatric health needs. Nevada ranks last among all states in the number of pediatric physicians per 100,000 people; future shortages will drive more children to receive care outside of Nevada because of a need for specialist providers and services. This affects all children, especially those with rare diagnoses.

While Nevada’s limited number of residencies hinders its healthcare economy, the pediatric ecosystem in Southern Nevada faces challenges in developing a local pipeline to develop additional pediatric physicians. Southern Nevada has only one general pediatric residency program with only nine first-year residents in 2024. While the program is accredited for 14 first-year positions, it could not fill five slots. Of the nine pediatric residents who matched in the program, only one graduated from the Kirk Kerkorian School of Medicine at UNLV, four were graduates from D.O. programs, and the remaining four were international medical graduates (see Table 3).

Table 3. Pediatrics Residency Match Statistics Nevada, 2017-2024

Pediatrics PGY-1 main residency Match statistics in Nevada					
Year	Positions	Filled (%)	MD	DO	IMGs
2024	14	64.3	1(7%)	4(28%)	4(28%)
2023	14	42.9	0(0%)	5(35%)	1(7%)
2022	10	60	1(10%)	5(50%)	0(0%)
2021	10	80	4(40%)	4(40%)	0(0%)
2020	10	100	3(30%)	7(70%)	0(0%)
2019	13	53.8	1(7%)	6(46%)	0(0%)
2018	13	100	5(38%)	8(61%)	0(0%)
2017	13	92.3	6(46%)	3(23%)	3(23%)

Source: The Lincy Institute at UNLV

Pediatric specialists and subspecialists suffer significant shortages in Nevada for the following reasons: 1) one-third of physicians are aging out of the profession, 2) fewer physicians are entering these fields because of the high training cost and relatively lower salaries compared to other specialties, and 3) an increase of children in need of pediatric specialists, and currently, there are no pediatric subspecialty programs or fellowships in Nevada. The national crisis in pediatric care is magnified in Nevada as the state is far below the national level with a more significant deficit of pediatric specialists and subspecialists.

One reason Nevada has difficulty recruiting and retaining pediatric specialists in the area is the low reimbursement rates from state-funded Medicaid and other insurance companies. Assembly Bill 108, passed in 2017, requiring the state to review Medicaid rates every four years, offers hope as rates have increased slightly for providers and more dramatically for in-patient facilities.

Need for a Hospital with Services for Children with Behavioral Health Disabilities

Nevada does not provide children with behavioral health disabilities adequate community-based services. Instead, Nevada relies on segregated, institutional settings, such as hospitals and residential treatment facilities, to serve children with behavioral health disabilities. Children experience frequent and lengthy stays in these institutional settings. More than 1,700 Nevada children were admitted to a hospital for psychiatric care in fiscal year 2020. The number of children who received intensive care coordination through Wraparound in Nevada for Children and Families, a statewide, community-based program that offers a tiered care coordination approach for children and youth with severe emotional disturbances and complex behavior and mental health needs, in fiscal year 2020 was less than a fifth of the children with behavioral health disabilities. Lack of access to these services results in unnecessary reliance on segregated placements.

Because Nevada struggles to ensure access to community-based services, including crisis support, children and families frequently turn to hospitals for initial treatment. Children often begin their path toward institutionalization in hospital emergency departments. The Clark County Children’s Mental Health Consortium recently described the dynamic: “Without easy access to crisis intervention and stabilization services, families have been forced to utilize local emergency rooms to obtain behavioral health care for their children.”⁸ In 2020, Nevada hospitals treated 4,280 children for behavioral health conditions in emergency departments.

The state published a white paper acknowledging that “hospital emergency departments are the primary means by which people in Nevada gain access to necessary behavioral health services.”⁹ Although mobile crisis services should be used to prevent hospital visits, mobile crisis response teams in Nevada are often only called once a child has arrived. State data show that the most significant percentage of calls to the state’s mobile crisis line come from hospital emergency departments. Mobile crisis response staff are often deployed to emergency departments to determine whether a child meets the criteria for psychiatric hospitalization.

Need for Increasing Prenatal Care

Though Nevada has expanded efforts in recent years to make syphilis testing more accessible for expectant mothers, health officials acknowledge that people still face barriers to accessing medical care, which is leading to rising rates of babies born with syphilis. The rate of babies born with syphilis in Nevada remains among the nation’s highest. The Centers for Disease Control and Prevention ranked Nevada as the fourth-highest state in the country with babies born with syphilis in 2020. In 2022, according to the latest national data, Nevada improved to eighth. Assembly Bill 192, which passed in 2021, requires emergency rooms at hospitals and other medical facilities admitting pregnant women to examine women for syphilis.

The 2024 State Scorecard on Women’s Health and Reproductive Care produced by the Commonwealth Fund further highlights Nevada’s poor health outcomes related to birth or pregnancy. Nevada ranked 14th (out of 43 states) for maternal deaths while either pregnant or within 42 days of terminating a pregnancy per 100,000 live births; 30th in infant mortality per 1,000 live births; 37th in share of reported live births where the baby was born before 37 weeks of pregnancy; and 33rd in the share of live births where prenatal care did not begin during the first to third month of pregnancy (among birth records that specified a period when prenatal care began).¹⁰

A stand-alone children’s hospital coordinating wraparound services for pre- and post-natal care for high-risk pregnancies and vulnerable sub-populations will improve birth outcomes in Southern Nevada and reduce future demands for government services for affected mothers and children.

⁸ Clark County Children’s Mental Health Consortium. 2021 Status Report

⁹ Nevada Department of Health and Human. Division Of Public and Behavioral Health

¹⁰ Commonwealth Fund State Scorecard on Women’s Health and Reproductive Care, 2024.

Key Finding #2: A stand-alone children’s hospital will enhance Southern Nevada’s existing pediatric care continuum.

The Southern Nevada child healthcare ecosystem comprises several critical stakeholders dedicated to providing comprehensive care and advancing pediatric health. UMC Children’s Hospital, recognized as an associate Children’s Hospital Association member, offers Nevada’s highest level of pediatric care, including the only Designated Pediatric Trauma Center, Verified Pediatric Burn Center, and Transplant Center in the state and 24/7 coverage by board-certified pediatric specialists. HCA Inc.’s Sunrise Children’s Hospital, Nevada’s largest and most comprehensive children’s hospital, features a 72-bed Level III NICU and a 24-bed PICU, along with specialized pediatric cardiology, emergency care, diagnostic imaging, and rehabilitation services. Sunrise Children’s Hospital in Las Vegas recently added 60 pediatric beds in an expansion project that is part of a \$75 million capital improvement program. The Department of Pediatrics at the Kirk Kerkorian School for Medicine at UNLV contributes to education, research, and multi-specialty care, supported by a diverse faculty in fields such as endocrinology, infectious diseases, and neurology.

Cure 4 The Kids Foundation, affiliated with Roseman University, addresses treating and preventing childhood cancers and rare diseases, filling a critical local service gap. Children’s Heart Center Nevada, the state’s only congenital cardiology practice, has expanded significantly since 1980 and includes a Cardiac Genetics Program, previously unavailable locally. Child health advocacy groups, such as the Children’s Advocacy Alliance of Nevada, the Rare Disease Advisory Council, and the Clark County Children’s Mental Health Consortium, work to improve policies, access to care, and resources for children’s health. Act4Kids Nevada hopes to grow support throughout the state so that its motto, “action now for tomorrow’s future,” becomes a reality for Nevada’s children. The state recently enacted legislation to expand Medicaid coverage, increase funding for early learning programs, and invest in graduate medical education for pediatric specialties, an effort to address workforce shortages and enhance local medical training and retention (see Appendix D).

Tripp Umbach also interviewed representatives from Intermountain Health and included its wholly owned and operated children’s hospital, Primary Children’s, in the benchmark analysis. Primary Children’s Hospital in Salt Lake City provides specialized care for complex pediatric cases and collaborates with the University of Utah and Intermountain Health, a nonprofit health system with more than 66,000 caregivers that serves the broader Mountain West region and integrates with clinics, hospitals, and healthcare services. Intermountain Health continues to evaluate the Southern Nevada market, an effort that began in 2020, and is interested in partnering with the community to develop a stand-alone children’s hospital and medical clinic facility.



Benefits of a Stand-Alone Independent Children's Hospital

According to the Children's Hospital Association, about 100 acute-care children's hospitals nationally provide most of the comprehensive pediatric clinical programs, with many serving as regional and national referral centers for the most acutely ill children. Typically, these programs are housed in academic medical centers, advancing the pediatric missions of clinical care, training, and research. Most children's hospitals operate as part of larger adult healthcare systems, and their lower care volumes and higher costs per patient require pediatric and adult programs to share many patient care and support services.

More than half of the children's hospitals in the United States operate freestanding. These hospitals have higher volumes of support for pediatric operations and facilities dedicated solely to the needs of children. Most of these freestanding hospitals, often among the nation's largest children's hospitals, are independently governed. Stand-alone children's hospitals provide programs where surgeons, anesthesiologists, radiologists, and allied health professionals are sufficiently numerous, trained, and motivated to obtain the best results.¹¹ Successful stand-alone children's hospitals offer seamless access to pediatric subspecialists, such as neurologists and pulmonologists, to consumers and partner physicians. Because of higher costs, stand-alone children's hospitals must optimize efficiency by reducing unnecessary hospital stays and involving family members in care programs.

Independent freestanding children's hospitals provide specialized, multidisciplinary care for complex diseases and newborns with malformations, requiring deep regional collaboration. The landscape of pediatric diseases is changing, with more children surviving extreme prematurity, rising chronic disease rates, increasing obesity factors, and a growing crisis in mental health issues among children and adolescents. Children's hospitals are especially crucial for children from poorer backgrounds. In the United States, half of the care provided in children's hospitals serves disadvantaged children, with about six percent of cases involving medically complex conditions requiring ongoing care.

Rare diseases are far more common than "rare disease" implies, as approximately 10 percent of all children and adults have a condition requiring highly specialized care. Rare diseases are a significant contributor to chronic illness, disability, and premature death in both children and adults. Children being treated for rare diseases consume a disproportionate share of healthcare dollars and generate an enormous administrative burden on the healthcare industry because of the complexity and the lack of coordinated care available at a high-quality children's hospital.

A stand-alone facility anchoring a child health ecosystem is the key to mending the community's confusing and fragmented pediatric healthcare landscape. Without a stand-alone, private, nonprofit children's hospital, care for children in Southern Nevada with complex conditions is inconsistent. Because for-profit organizations cannot invest in pediatric services that do not make money, these organizations do not have a viable business model for investing in a full-service stand-alone children's hospital.¹² For this reason, none of the stand-alone children's hospitals operate as for-profit entities. Most are independent, private nonprofits or affiliated with a university or large academic medical center.

Proper funding and investment in an independent not-for-profit pediatric healthcare model are essential to ensure high-quality, coordinated pediatric care and well-compensated healthcare professionals. A nonprofit organizational model with funding from multiple sources – private, public, and philanthropic – is vital for investing in residency training, research, retaining staff, and attracting new talent. Investing in healthcare for children and adolescents offers high long-term returns through prevention and early detection.

¹¹ *Frontiers in Pediatrics*, July 23, 2019, doi: 10.3389/fped.2019.00305

¹² HCA owns and operates children's hospital units at Methodist Hospital (Methodist Children's Hospital of South Texas) in San Antonio, TX; Oklahoma University Medical Center (Oklahoma Children's Hospital at OU Medical Center), Oklahoma City, OK; and Sunrise Hospital & Medical Center (Sunrise Children's Hospital), Las Vegas.

Key Finding #3: A highly specialized, 150-bed stand-alone children’s hospital developed through a regional partnership is the most feasible and financially viable option for Southern Nevada.

It is important to note that a limited number of beds will be needed to solve the issues presented in this report related to pediatric care, as the region already has several hospitals that provide children with in-patient care. The most important step is to secure more specialists; payment reform and growing residencies are crucial to this solution. More high-quality pediatric sub-specialties will lead to more children staying in the region, driving the need for more beds. However, since it takes time to build more beds, the hospital project must move forward and be up and running on or before 2030.

Tripp Umbach’s evaluation of a stand-alone children’s hospital in Southern Nevada indicates that a 150-bed hospital, emergency department, medical offices, and clinics will cost approximately \$1 billion and take up to five years to plan and build. Therefore, if a decision to move forward can be made in early 2025, the opening of such a campus is most likely to occur in 2030. Further, Tripp Umbach predicts that Southern Nevada will be able to support a 250-bed children’s hospital campus by 2040.

While the average bed size based on peer markets evaluated in benchmarking analysis for Southern Nevada is 283 beds, Tripp Umbach recognizes that the region already has 116 pediatric in-patient beds (see Table 4).

Table 4. Pediatric Bed Capacity in Southern Nevada, 2024

Hospital	Pediatric	Pediatric Intensive Care Unit	Pediatric Cardiac Intensive Care Unit	Pediatric Neonatal Intensive Care Unit NICU-III
HCA Sunrise	43	24	14	72
UHS Summerlin	35	12	0	53
UMC	30	20	0	25
Dignity Siena	8	6	0	26
UHS Henderson Hospital	0	0	0	34
UHS Spring Valley	0	0	0	30
UHS Centennial Hills	0	0	0	25
HCA Mountain View	0	0	0	24
HCA Southern Hills	0	0	0	15
Dignity San Martin	0	0	0	6
UHS West Henderson	0	0	0	0
Total	116	62	14	310

Note: NICU stands for Neonatal Intensive Care Unit.

Source: Tripp Umbach

Size of a Stand-Alone Children's Hospital Facility to Meet Southern Nevada's Market Needs

Based on national standards, Southern Nevada should have 275 to 300 pediatric beds as the market grows to 3 million residents by 2040. Therefore, by developing a right-sized 150-bed facility, the area will save considerable capital costs that can be invested in pediatric research, medical education, and technology best to coordinate care among multiple sites in a hub-and-spoke model. It is important to note that the region has an excess number of Level III NICU beds. This is because of favorable reimbursement rates for hospitals that offer NICU service lines. However, critical physician and child advocacy community stakeholders question the quality of care at facilities that do not provide maturity, delivery, or other allied women's health services.

Financial Viability of a Stand-Alone Children's Hospital Facility to Meet Southern Nevada's Market Needs

Financial viability is contingent on securing funding for construction costs and developing an economic model that incorporates ongoing operational support from a private, not-for-profit hospital system, patient revenue from Medicaid, and one or more named donors. Recent changes in Nevada Medicaid payments for in-patient pediatric care, which went into effect on January 1, 2024, will improve the financial sustainability of a stand-alone children's hospital. Before the change in reimbursement, healthcare leaders believed that a full-scale, stand-alone children's hospital would lose \$40 million to \$60 million per year. Tripp Umbach's analysis suggests that the new rates, which are on par with commercial rates, will allow the latest hospital to operate with a slight profit margin.

A detailed financial analysis is outside the scope of this study; however, Tripp Umbach estimates from national benchmarking that the cost of an appropriately market-sized stand-alone children's hospital will require \$1 billion in 2024 dollars. Construction of the facility will take five years to plan, finance, and build, with an expected opening in 2030.



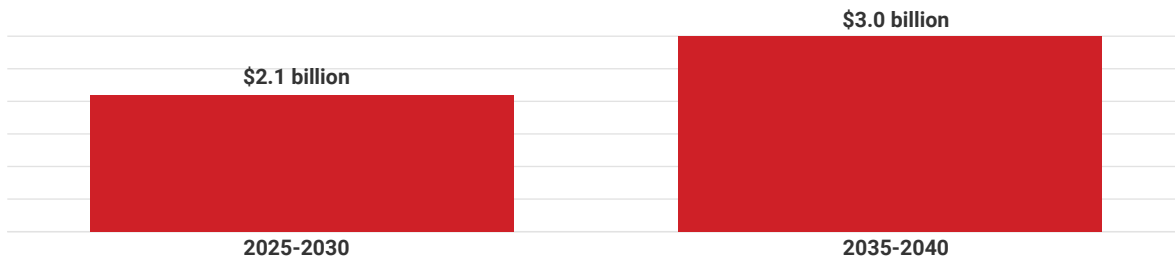
Key Finding #4: A stand-alone children’s hospital will have significant economic and social impacts on Southern Nevada.

Tripp Umbach’s economic impact analysis of future financial and societal benefits is based upon the introduction of a market-size appropriate, stand-alone children’s hospital that captures 1) construction impacts, 2) operational impacts five years after opening, and 3) operational and cost savings impact ten years after opening.

Construction Impact of a Stand-Alone Children’s Hospital in Southern Nevada

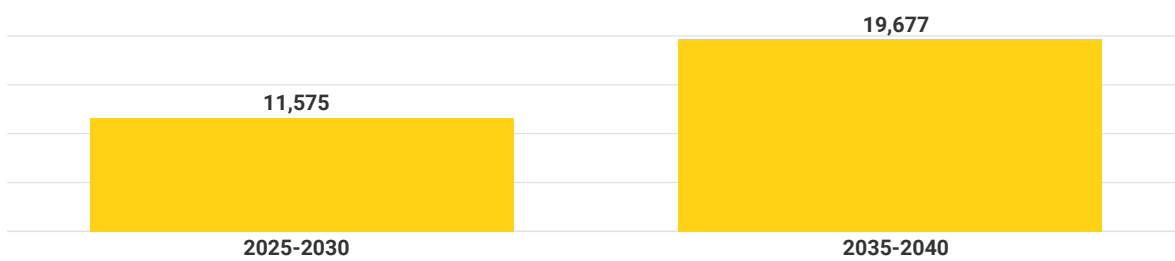
A fully operational children’s hospital will offer expanded pediatric healthcare programs and services while expanding the health sector economy in Southern Nevada. Assuming a total investment of \$1 billion to structure the children’s hospital, Tripp Umbach estimates the project will generate an economic impact of \$2.1 billion, support 11,575 total jobs throughout the project, and produce \$58.2 million in state and local tax revenue over a five-year development and construction period. Constructing a 100-bed addition to this hospital by 2040 will increase the total effect of the construction to nearly \$3 billion over the next 15 years (see Figure 3).

Figure 3. Economic Impact of the Construction of a Stand-Alone Children’s Hospital in Southern Nevada, 2025-2040



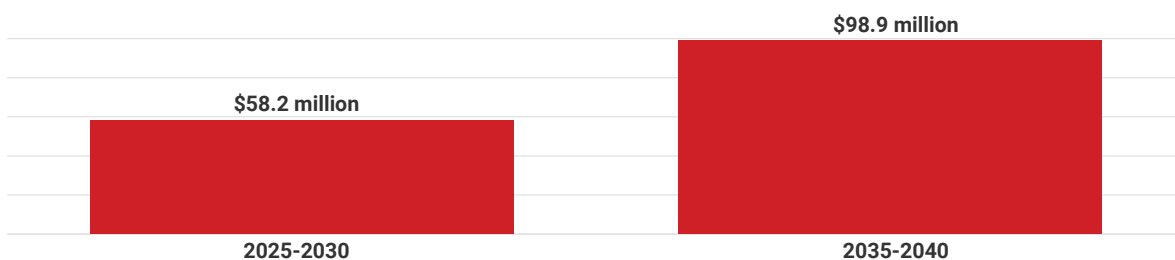
Source: Tripp Umbach

Figure 4. Jobs Impact of a Stand-Alone Children’s Hospital in Southern Nevada, 2025-2040



Source: Tripp Umbach

Figure 5. Tax Revenue Impact of a Stand-Alone Children’s Hospital in Southern Nevada, 2025-2040



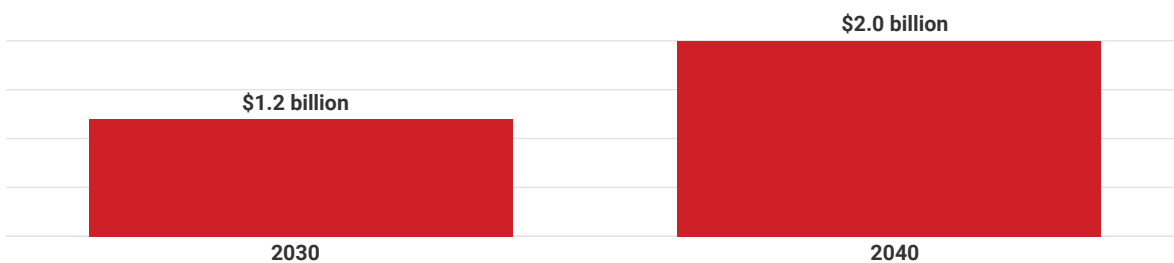
Source: Tripp Umbach



Annual Economic Impact from Operations of a 150-Bed Children’s Hospital in Southern Nevada

A new children’s hospital in Southern Nevada will contribute to the region’s economic success, directly or indirectly impacting residents daily through clinical care services/activities, employment, and operational spending. Tripp Umbach estimates from peer comparisons with six other facilities in the western United States that a children’s hospital’s total economic impact on Southern Nevada when fully operational in 2030 will equal \$1.2 billion. See Appendix C. By 2040, an additional 100 beds may be added, bringing the total annual economic impact to approximately \$2 billion (see Figure 6).

Figure 6. Economic Impact of a Stand-Alone Children’s Hospital in Southern Nevada, 2030 and 2040



Source: Tripp Umbach

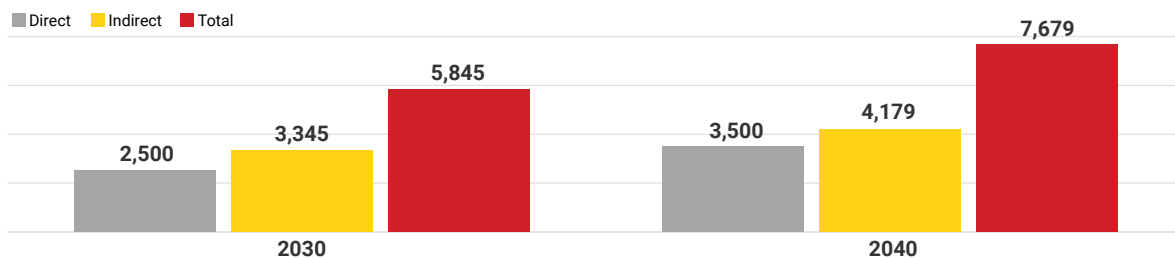
Employee and visitor spending at the new children’s hospital will also benefit the Southern Nevada economy. Many industry sectors throughout the region rely on local expenditures attributed to the hospital. Hospital spending will help suppliers and vendors in business operations as it drives the regional and state economies by creating high-paying jobs in Southern Nevada and throughout Nevada.

Employment Impact on Southern Nevada

Spending by the hospital, its employees, and visitors is also crucial to the Southern Nevada economy. Many industry sectors throughout the region rely on local expenditures attributed to the children’s hospital and pediatric healthcare delivery system. The spending generated by the new children’s hospital will benefit suppliers and vendors in business operations and help residents in Southern Nevada by creating additional high-paying jobs. Industries in which these jobs are created include healthcare, real estate, insurance carriers, construction, retail, food and beverage establishments, and legal services.

Tripp Umbach projects that by 2030, the new Southern Nevada children’s hospital will support 5,845 total jobs, with approximately 2,500 direct jobs supported by the proposed children’s hospital operations throughout the county. By 2040, when the stand-alone facility has 250 beds, the hospital will support 7,679 total jobs in the region, with approximately 3,500 direct jobs (see Figure 7).

Figure 7. Employment Impact of a Stand-Alone Children’s Hospital in Southern Nevada, 2030 and 2040

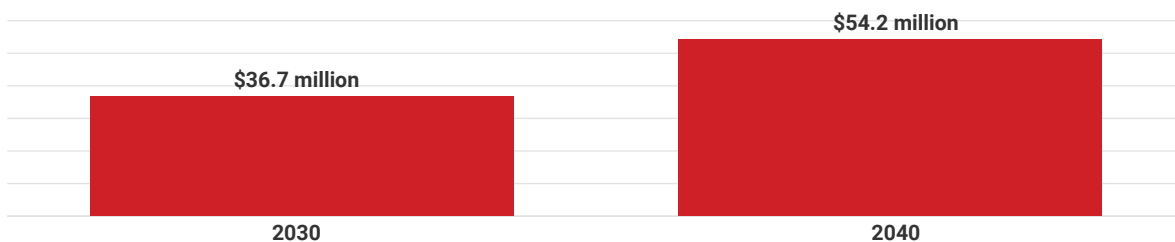


Source: Tripp Umbach

Tax Impact on Southern Nevada

When the hospital opens in 2030, operations will generate \$36.7 million in local tax revenue, including direct taxes paid to local economies and additional indirect tax payments. Spending within the region creates tax revenue through sales tax and other taxes paid by the companies receiving revenue from the hospital. By 2040, when the stand-alone facility is at a total capacity of 250 beds, the hospital will generate \$54.2 million in total tax revenue for the region (see Figure 8).

Figure 8. Tax Impact of a Stand-Alone Children’s Hospital on Southern Nevada, 2030 and 2040



Source: Tripp Umbach

Economic Benefits from the Reduction in the Outmigration of Families Seeking Care

Media stories and articles contend that 50,000 Nevada children travel out of state for care. Data Tripp Umbach collected and analyzed tell a different and more nuanced story. While children do leave Nevada for care, sometimes for other children's hospitals, out-migration for in-patient care is not a significant enough reason, on its own, to support the need for a stand-alone children's hospital. A better estimate is that approximately 30,000 children received out-of-state services, with very few receiving in-patient care at another children's hospital.

The total cost to Nevada's Medicaid program in the last fiscal year for services paid out of state for children was \$123.8 million, with \$54.4 million lost because of inpatient services that could have been provided locally. Because federal Medicaid funds financed roughly 60 percent of these costs, the actual cost to Nevada taxpayers is around \$20 million. Tripp Umbach's analysis indicates that approximately 1,500 children in Southern Nevada must leave the region annually to receive care not offered locally. Beyond these children who leave the state, thousands more forgo treatment and have long-term, expensive health issues and poor quality of life. Therefore, 1,500 children could remain in Nevada, and thousands more can receive quality care if the area develops a stand-alone children's hospital offering highly subspecialized care.

Based on Nevada Medicaid claims data, children seek care out of state to receive various professional services. Out-of-state providers' top six professional services include special polycarbonate lenses, cylinder lenses, lipid panels, and hemoglobin labs. In 2023, 590 children on Medicaid received in-patient care outside of Nevada, costing the state program \$92,345 per child (see Table 5).

Table 5: Utilization of Out-of-State Services for Nevada Children, 2023

Children (<21 Years Old)					
Service Type	Member Count	Claim Count	Paid Amount	Cost per Member	Cost per Claim
Professional	27,190	57,423	\$9,405,452	\$346	\$164
Outpatient	2,773	4,585	\$2,294,380	\$827	\$500
Pharmacy	2,250	15,162	\$57,385,866	\$25,505	\$3,785
Dental	782	1,393	\$251,012	\$321	\$180
Inpatient	590	2,000	\$54,483,724	\$92,345	\$27,242
Long Term Care	0	0	\$0	\$0	\$0
Total	29,802	80,563	\$123,820,434	\$4,155	\$1,537

Source: Nevada Medicaid, 2023

The top five in-patient claims for Nevada children include pediatric and nursery services (Table 6).

Table 6: Top Five In-Patient Services Paid by Nevada Medicaid, 2023

Inpatient					
Top 5 Services	Member Count	Claim Count	Paid Amount	Cost per Member	Cost per Claim
0123-R&B 2 BED-PEDIATRIC	199	250	\$16,945,066	\$85,151	\$67,780
0100-ALL INCLUSIVE RATE (R&B + ANCILLARY)	190	1,460	\$13,537,596	\$71,251	\$9,272
0170-NURSERY-GENERAL LOC/NEWBORN NURSERY	45	45	\$23,871	\$530	\$530
0203-ICU-PEDIATRIC	43	49	\$8,796,474	\$204,569	\$179,520
0171-NURSERY-(LEVEL 1)/GENERAL LOC/NEWBORN NURSERY	33	33	\$176,646	\$5,353	\$5,353

Source: Nevada Medicaid, 2023

Economic Benefits of Attracting Children from Outside Nevada

Children from outside of Nevada are already drawn to specialty practices in Southern Nevada, and the economic benefits from in-migration are poised to significantly escalate with the development of a new stand-alone children's hospital. The hospital will also draw children from fast-growing northern Arizona and southern Utah regions. Cure 4 The Kids Foundation data reveal that in 2023, the organization treated 200 patients from 31 states, resulting in more than \$7 million in medical charges at their facility, not including additional inpatient hospital charges, surgery billing, diagnostic testing (laboratory and imaging), or retail pharmacy charges. Tripp Umbach estimates that based on national cost ratios, Cure 4 The Kids attracted more than \$10 million in revenue to Nevada from other states. While data was not provided to Tripp Umbach, the more established Nevada Children's Heart program will likely attract even more out-of-state revenue.

Besides attracting healthcare dollars from other states, families traveling with children to Nevada contribute to the state's economy. Tripp Umbach estimates that each family traveling with a child to Nevada for care spends \$3,000 per multi-day visit; based on Cure 4 The Kids data, family visits for 200 children generated \$600,000 in direct spending, resulting in more than \$1 million in total economic impact on the regional economy. These numbers will increase dramatically as patients from Arizona, California, and Utah as well as throughout the United States travel to Southern Nevada to receive care at the new children's hospital.

Data from a newly established children's hospital in Northwest Arkansas (Arkansas Children's Northwest) indicate that after only two years in operation, the new hospital attracted more patients to the region than left for pediatric care, resulting in a net increase in economic impact from visitors. Tripp Umbach expects the same to happen in Southern Nevada, as more patients will seek care in Nevada than the roughly 1,500 who are now forced to leave the region for care.

Child Health Benefits

The field of pediatrics has historically aimed to enhance outcomes for all children, but current practice models often limit pediatricians' capacity to prioritize population health. Until recently, the pediatric care delivery model was based on financial rewards for individual clinical encounters, restricting efforts to address population health comprehensively. Whereas Nevada currently ranks at the bottom nationally, a new stand-alone children's hospital based on community health versus a for-profit model can transform care delivery, significantly improve Nevada's health outcomes, and reduce future demands on the region's healthcare system.

A coordinated pediatric health and quality care system is a pressing need in Nevada. Currently, many children lack a medical home, leading to significant gaps in care quality exacerbated by economic disparities. Pediatricians have historically engaged in advocacy and public health initiatives, contributing to programs like the Supplemental Nutrition Program commonly referred to as SNAP and WIC, the Special Supplemental Nutrition Program for Women, Infants, and Children, and supporting policies for better child health outcomes. Children's hospitals and the Children's Hospital Association also play crucial roles in community care, focusing on quality, safety, and access.

To bridge this gap, children's hospitals owned by sizeable integrated health systems with closely allied academic relationships target population-level outcomes involving many stakeholders, including traditional healthcare providers, non-healthcare partners, schools, and community organizations. This coordinated approach is crucial for ensuring that all children in Nevada receive high-quality care, regardless of their healthcare provider or payer.

The children's hospital will drive future economic impact through research, patient care, and keeping children in Southern Nevada for advanced pediatric care through operations, research, visitors, medical education, workforce development, and commercial spin-offs.

Keys To Success

Establishing an independent, high-quality, stand-alone children’s hospital in Southern Nevada requires a concerted effort from multiple stakeholders to address the gaps in pediatric healthcare services. By adopting a collaborative approach, leveraging existing resources, and implementing innovative care delivery models, the region can ensure that children in Southern Nevada and throughout the state can access comprehensive, high-quality pediatric care. Through a partnership with local providers, an established national children’s hospital partner, universities, medical schools, and advocacy organizations sharing a commitment to the well-being of the youngest citizens, the region can build healthier lives for future generations. A coordinating board would ensure that the children’s hospital operates transparently and is accountable. By establishing a coordinating board with representatives from diverse interests, the stand-alone children’s hospital in Southern Nevada can ensure comprehensive governance, high-quality care, and strong community engagement. This structure will support the hospital’s mission to provide exceptional pediatric healthcare and address the needs of children and families in the region.

With diverse representation, the board can provide balanced decision-making that considers the interests of various stakeholders. Involvement from a successful, nationally recognized children’s hospital can bring best practices and high standards of care to the new facility, elevating the overall quality of pediatric healthcare in the region. Adding representatives from local hospitals, pediatric practices, and child advocacy groups can foster collaboration, leading to better resource utilization, reduced duplication of services, and comprehensive care for children. Since the board will oversee strategic planning, this will ensure that the hospital meets the community’s current and future healthcare needs. This includes addressing service gaps, expanding specialties, and integrating new technologies and treatments. Finally, including child advocacy groups and local pediatricians ensures the hospital remains connected to its community. These representatives can provide valuable insights into local needs and help in outreach and educational initiatives.

A well-rounded board will advocate for policies that benefit pediatric healthcare locally, in the state, and nationally. This can lead to improved funding, regulatory support, and public awareness of pediatric health issues. The board will also provide more robust financial oversight, ensuring the hospital operates sustainably. This includes budget planning, fundraising efforts, and efficient resource allocation.



Collaboration with Hospitals and Physicians

A vital aspect of this unified approach involves breaking down silos between different healthcare entities. Therefore, an independent community board with diverse representation from healthcare providers, community leaders, and advocacy groups is recommended to ensure the hospital aligns with community needs and maintains independence. Further work is required in the implementation phase to define roles, responsibilities, and expectations within the charter to prevent conflicts of interest and ensure a community-focused mission.

Children’s Hospital Integrated with a Regional Pediatric Care System

Establishing referral pathways, care coordination protocols, and partnerships with primary care providers, specialty clinics, and academic medical centers is essential for seamless care transitions and optimizing patient outcomes. The significance of trust becomes apparent in pediatric care, where coordination and collaboration are paramount. Fragmentation within the healthcare system, particularly in pediatric subspecialties, leads to suboptimal quality of care. The proliferation of Level III NICU nurseries across the market dilutes the quality of care, highlighting the urgent need for a coordinated system. Trust-building efforts are essential to ensure physician buy-in and the establishment of a unified pediatric ecosystem focused on enhancing quality standards.

Financial Sustainability

Moving forward in an environment with higher pediatric care payments for inpatient care represents an excellent opportunity to finally launch a stand-alone children’s hospital that has been needed for decades. Launched in January 2024, the new Medicare rate program increased payments to hospitals by more than \$700 million annually, paying at the average commercial rate, the most significant scale in the United States. With the new payment rates, a stand-alone children’s hospital in Nevada is projected to be financially sustainable without additional state support. It is encouraging that the State of Nevada is considering addressing pediatric healthcare workforce shortages through a \$100 million investment in graduate medical education for pediatrics and subspecialties, with potential federal matching funds. Future state initiatives will include expanding residency programs and fellowships to increase residency programs in pediatric subspecialties and enhancing local medical training and retention of healthcare professionals.

Site Selection

While site selection is not a focus of Tripp Umbach’s study, input from multiple stakeholders suggests the optimum site for the children’s hospital at the Harry Reid Technology Center at UNLV. That location offers strategic advantages, including highway access via the 215 Beltway and proximity to emergency departments and healthcare providers. This location ensures accessibility for all stakeholders and maximizes the hospital’s reach within the region. Final site selection should follow a rigorous, transparent process that ensures the optimum location for this critical healthcare asset in the area.

Community Engagement and Support

Building community trust and garnering support for the children’s hospital project is not just important but essential for success. Engaging with community stakeholders, including patients, families, advocacy groups, and local leaders, is crucial for understanding community needs and priorities. Communicating the benefits of a stand-alone children’s hospital, such as improved access to specialized pediatric care and enhanced patient outcomes, can help generate community support and secure philanthropic contributions.

Regulatory and Legal Requirements

According to interviews with Nevada health and human service officials, a specialty license for a new children’s hospital can be created by regulation without specific statutory authority. The Division of Public and Behavioral Health’s Bureau of Health Care Quality and Compliance (HCQC) has administered this process for other facility types, such as psychiatric residential treatment facilities, providing that the facility is necessary to protect the general public’s health.



Proposed Model

Tripp Umbach, the independent consulting firm retained by The Lincy Institute at UNLV and NHBC, concludes that a stand-alone, nonprofit children's hospital in Southern Nevada will fill an essential gap in the region's pediatric healthcare ecosystem by providing quality care for high-acuity patients who require high levels of medical care and monitoring and subspecialty pediatric care. Tripp Umbach recommends a broad-based private, public, and philanthropic partnership with local healthcare entities, the Kirk Kerkorian School of Medicine at UNLV, and an established national children's hospital such as Intermountain Health. The partnership will include a broad range of pediatric providers, subspecialty practices, hospital-based children's hospital services, medical schools, and child advocacy organizations working diligently to care for the region's 500,000 children. The recommended model includes the following elements:

- **Independent Nonprofit Charter:** Establish the hospital with an independent community board that includes representatives from healthcare organizations, civic groups, and child health advocacy groups, ensuring that the hospital is community-oriented and not perceived as an external entity.
- **Develop a Hub and Spoke Pediatric Consortium with Hospitals Offering Pediatric Services:** Establish the children's hospital as a "hub" for high-acuity and rare disease care while integrating with "spoke" services at existing healthcare facilities that currently provide specialized pediatric services. For instance, patients needing initial emergency care could be directed to the University Medical Center (UMC) to utilize its Level 1 trauma center and then transferred to the children's hospital for subsequent specialized treatment.
- **National Children's Hospital Partner:** Leverage the expertise and financial resources of an experienced national children's hospital such as Intermountain Health to develop and operate the proposed children's hospital.
- **Medical Schools:** Collaborate with the medical schools (UNLV, Roseman, and Touro) to strengthen clinical support, residency training, and research initiatives.
- **Children's Advocacy Agencies:** Engage with nonprofit organizations to ensure community needs and perspectives shape hospital policies and patient care models.
- **Mixed Funding Model:** Use a mix of public funding, private investments, and philanthropic contributions to support the initial setup and operational costs. As with the development of many stand-alone children's hospitals across the United States, an identified donor or donors will move the project forward.
- **State and Local Government Support:** Advocate for policies that enhance Medicaid reimbursements for pediatric care and secure sustainable funding streams.

Next Steps

Tripp Umbach recommends the following next steps.

Public presentation of this report to a gathering of Southern Nevada stakeholders on September 4, 2024. The presentation should include an open forum where the audience can ask questions about report findings and recommendations and hold a dialogue with hospitals, physicians, medical schools, and child advocacy organizations.

Create a broad-based commission that includes representation from local hospitals and physicians, medical schools, pediatric providers, and advocacy groups to accomplish the following:

- A business plan that recommends the optimal site for housing the facility.

- Expand and create pediatric residency and fellowship programs in identified areas.

- A policy plan that clarifies specific language in state law to describe the scope and range of services a stand-alone children's hospital provides to meet the community's pediatric needs and speaks to ongoing reform of Medicaid physician reimbursements to promote long-term operational stability.

- Develop an implementation plan to begin in early 2025 to open a new stand-alone children's hospital on or before 2030.

- Establish an independent 501(c)3 organization with a shared collaborative governance structure to guide the stand-alone children's hospital's planning, development, opening, and ongoing operations.





Recommendations

The success of a stand-alone children's hospital in Southern Nevada hinges on fostering a collaborative relationship among local stakeholders. This includes partnering with healthcare providers, advocacy agencies, and a national, experienced children's hospital such as Intermountain Health, which can bring experience in operating such a facility to the region. Working together, Southern Nevada can overcome barriers such as poor Medicaid payments and financial viability concerns by forming a coalition of organizations committed to pediatric care. Below are Tripp Umbach's recommendations:

Develop a Governance Structure: A public-private partnership model is proposed to address funding challenges and build confidence in the project. This model involves collaboration among government entities, private healthcare providers, and philanthropic organizations to secure funding and operational support for the children's hospital. By pooling resources and expertise, Southern Nevada can establish a not-for-profit children's hospital that meets the region's needs while ensuring financial sustainability. Appendix H provides a framework detailing the board's composition, roles and responsibilities, organization, and processes.

Regional Pediatric Care System: Adopting a regional approach to pediatric care is essential to ensure sustainability and accessibility. Data from the Center for Medicare & Medicaid Services (CMS) indicates that approximately 50,000 procedures, office visits, and encounters are paid annually by Medicaid and Medicare outside Nevada. While not all these encounters represent unique children, these data demonstrate a significant demand for pediatric services. An estimated 1,500 children leave Southern Nevada annually for specialized care, highlighting the need for comprehensive pediatric facilities within the region. While existing programs like Cure 4 The Kids and nationally recognized pediatric heart programs serve critical needs, gaps persist in subspecialties outside cancer and heart diseases, particularly in rare diseases and higher acuity care. Establishing a stand-alone children's hospital will enable the development of specialized programs to address these gaps, ensuring that children receive the highest quality of care close to home.

A hub-and-spoke model is recommended for pediatric care delivery. Under this model, pediatric services at hospitals such as Sunrise and UMC will continue, with the stand-alone children's hospital serving as a hub for higher acuity cases. Emergency departments across the region will remain open to pediatric patients, transferring only those needing specialized care to the children's hospital, optimizing resources, and minimizing costs.

Data and Technology Enhancement: Improving data technology is crucial for understanding current pediatric care patterns and addressing fragmented care. Additionally, comprehensive care programs focused on child health, prevention, and post-inpatient care must be developed to ensure continuity of care and better health outcomes for children in the region.

Appendix A: Results From Stakeholder Interviews

Key Findings from Stakeholder Interviews:

By prioritizing trust-building efforts, fostering physician buy-in, and advocating for policy changes, stakeholders can collectively pave the way for a unified pediatric healthcare ecosystem. Through collaboration and a shared commitment to quality, the goal of establishing a top-tier children's hospital that meets the diverse needs of the Southern Nevada community can be achieved. Establishing an independent quality children's hospital in Southern Nevada requires a concerted effort from all stakeholders to address the critical gaps in pediatric healthcare services. By adopting a collaborative approach, leveraging existing resources, and implementing innovative care delivery models, the region can ensure that children in Southern Nevada access comprehensive, high-quality pediatric care. This project can succeed through partnerships, innovation, and a commitment to the well-being of children.



The significance of trust and fostering solid relationships in establishing a high-quality children’s hospital in Southern Nevada cannot be overstated. Tripp Umbach’s interviews highlight the pivotal role of trust and relationships in realizing the goal of developing a top-tier pediatric healthcare ecosystem, drawing insights from the intricate dynamics within the Southern Nevada healthcare community. One of the primary concerns voiced by local providers was the fear of Intermountain Health establishing an undersized children’s hospital in the city, potentially aiming to transfer patients to Utah for specialized care. This apprehension underscored the pivotal need for trust and collaboration in developing a children’s hospital that genuinely serves the needs of Southern Nevada. Recognizing this, Intermountain shifted its approach toward fostering a collaborative model, acknowledging the importance of establishing a stand-alone, not-for-profit hospital with local governance representation.

Fragmentation within the healthcare system, particularly in pediatric subspecialties, leads to suboptimal quality of care. The proliferation of Level III NICU nurseries across the market dilutes the quality of care, highlighting the urgent need for a coordinated system. Trust-building efforts are essential to ensure physician buy-in and the establishment of a unified pediatric ecosystem focused on enhancing quality standards.

A vital aspect of this unified approach involves breaking down silos between different healthcare entities, particularly between obstetrics and pediatrics. Integrating obstetric care into the continuum of pediatric services is imperative for providing comprehensive care from prenatal to postnatal stages. This integration enhances patient outcomes and facilitates the efficient management of high-risk pregnancies. Collaboration between hospitals, such as Sunrise Hospital, and the proposed children’s hospital presents an opportunity to optimize resources and improve care delivery.

Pursuing a coordinated pediatric care model acknowledges the importance of physician engagement and a spirit of partnership with multiple health systems. A hub-and-spoke model focusing on specialized care for the most critically ill children underscores the commitment to quality over quantity. However, achieving this vision necessitates policy changes to address reimbursement rates and incentivize physician retention in Southern Nevada. A sustainable financial framework, possibly through a provider tax or children’s hospital taxing district, could bridge the gap in Medicaid reimbursement rates and ensure the economic viability of pediatric healthcare services within the state.

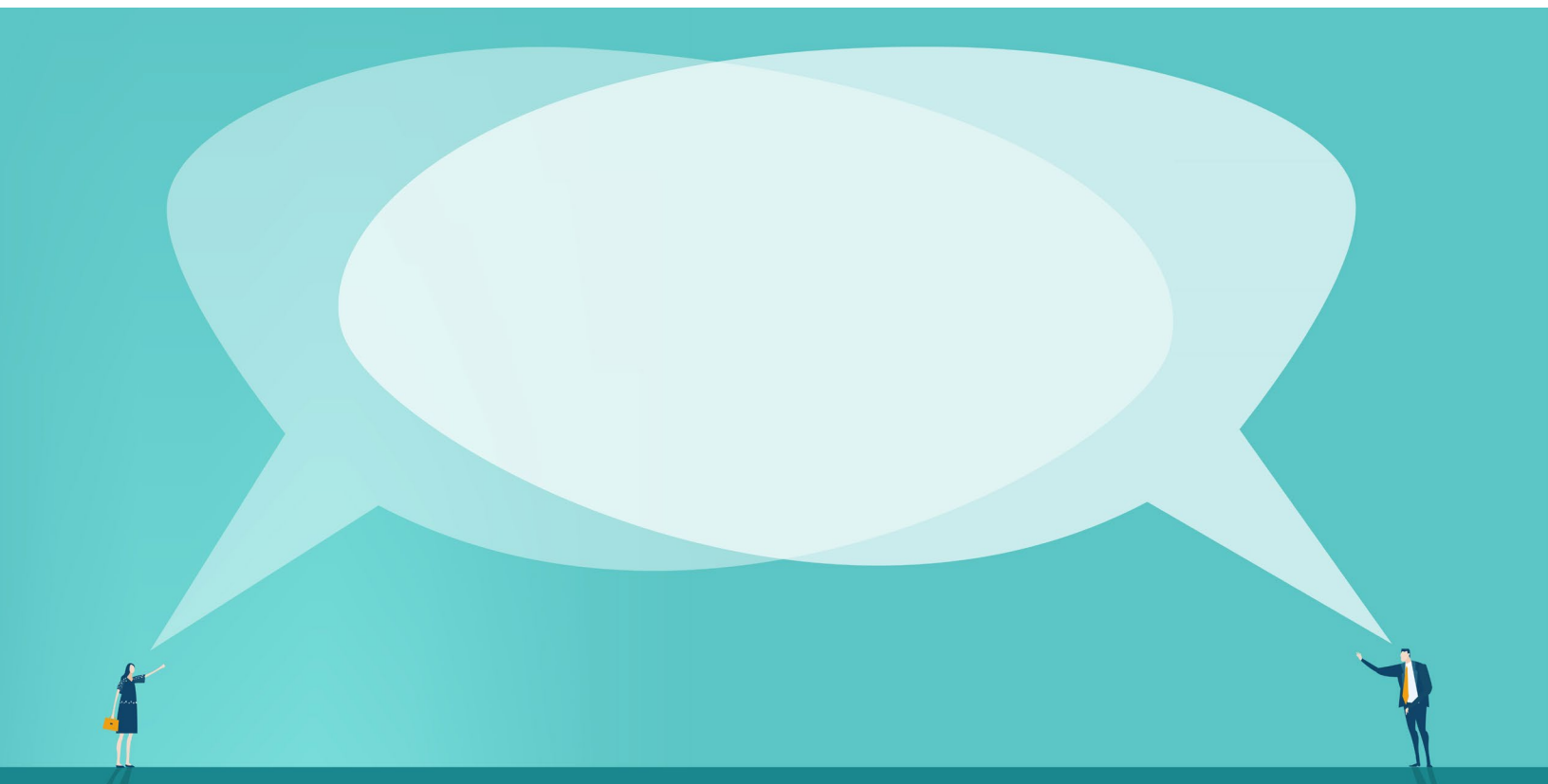
Central to the success of this endeavor is the establishment of an independent governance structure that serves as a unifying force for all stakeholders involved in children’s health. This governance structure provides a platform for collaboration, ensuring every organization feels invested in the regional solution. The Southern Nevada healthcare community can collectively realize the vision of a high-quality children’s hospital by fostering trust, promoting cooperation, and prioritizing quality care.

Integrating a new stand-alone children’s hospital into the existing healthcare ecosystem requires a plan that details expectations for collaboration and coordination with multiple healthcare providers, institutions, and groups. Another phase of this project will be needed to establish referral pathways, care coordination protocols, and partnerships with primary care providers, specialty clinics, and medical schools — essential for ensuring seamless care transitions and optimizing patient outcomes. Implementing a stand-alone children’s hospital represents a significant cultural and organizational change for the local healthcare community. Shifting from fragmented pediatric services to a centralized model requires buy-in from everyone.

Establishing a children’s hospital in Southern Nevada is imperative to address the critical gaps in pediatric healthcare services in the region. Recognizing the need for collaboration among stakeholders, persons interviewed by Tripp Umbach favor a strategy to develop a stand-alone children’s hospital in partnership with local healthcare providers, advocacy agencies, academic institutions, and experienced regional health systems such as Intermountain Health. This collaborative initiative can elevate pediatric care in Southern Nevada and ensure better health outcomes for children across Nevada and neighboring states by leveraging existing resources and expertise while addressing funding challenges and improving data technology.

Appendix B: Key Stakeholders Interviewed

Dr. Barbara Atkinson	Medical Liaison, Nevada Health and Bioscience Corporation
Gary Ackerman	Board Chair, Grant a Gift Autism Foundation
Lawrence Bernard	Regional AVP of Pediatrics, Intermountain Health
Matthew Driscoll	Healthcare lobbyist
Dr. Williams Evans	Pediatric Cardiology, Children's Heart Center Nevada
Vance Farrow	Governor's Office of Economic Development
Dr. Nick Fiore	Pediatric General Surgery
Brian Hager	President, Grant a Gift Autism Foundation
Annette Logan-Paker	Cure 4 The Kids, Founder, Chief Advocacy and Innovation Officer
Dr. Gary Mayman	Pediatric Cardiology, Children's Heart Center Nevada
Dr. Deepa Nagar	Neonatologist, at St. Rose Dominican Hospital
Dr. Andria Peterson	Roseman, University of Health Sciences, Executive Director of the EMPOWERED Program
Daniel Stewart	Former Advisor to Governor Sisolak, now represents Intermountain Health
Stacie Weeks	Medicaid Director, State of Nevada
Richard Whitley	Director, Department of Human Services, State of Nevada



Appendix C: Peer Benchmarking Stand-Alone Children's Hospitals

Name	MSA	Metro Pop	Estimated Number of Employees	Total Staffed Beds	Total Patient Revenue	Total Discharges	Total Patient Days
Dell Children's Medical Center	Austin, TX	2,230,000	4,585	262	\$1,973,410,432	8,689	60,860
El Paso Children's Hospital	El Paso, TX	863,807	2,135	122	\$433,810,213	4,324	24,294
Children's Nebraska	Omaha, NE	959,306	3,255	186	\$1,070,835,240	4,336	39,366
Phoenix Children's Hospital	Phoenix, AZ	4,790,000	6,160	352	\$4,091,840,391	15,406	96,042
Children's Hospital Colorado - Anschutz Medical Campus, Aurora	Aurora, CO	2,940,000	8,505	486	\$3,856,206,831	17,152	113,609
Primary Children's Hospital	Salt Lake City, UT	1,240,000	5,023	287	\$1,523,530,475	13,840	80,655
Average		2,170,519	4,944	282.5	\$2,158,272,264	10,625	69,138

Source: Tripp Umbach

Name	MSA	Economic Impact on Region	Total Jobs supported in the region	Total State and Local Taxes in Region
Dell Children's Medical Center	Austin, TX	\$2,112,903,192	10,225	\$63,387,096
El Paso Children's Hospital	El Paso, TX	\$983,870,952	4,761	\$29,516,129
Children's Nebraska	Omaha, NE	\$1,499,999,976	7,259	\$44,999,999
Phoenix Children's Hospital	Phoenix, AZ	\$2,838,709,632	13,737	\$85,161,289
Children's Hospital Colorado - Anschutz Medical Campus, Aurora	Aurora, CO	\$3,919,354,776	18,966	\$117,580,643
Primary Children's Hospital	Salt Lake City, UT	\$2,314,516,092	11,200	\$69,435,483
Average		\$2,278,225,770	11,025	\$68,346,773

Source: Nevada Medicaid, 2023



Appendix D: Nevada Rare Disease Advisory Council

The passage of Senate Bill 315 during the 2019 session of the Nevada Legislature launched the Nevada Rare Disease Advisory Council (NV-RDAC). The Council is charged with several specific duties, such as performing a statistical and qualitative examination of the incidence, causes, and economic burden of rare diseases in Nevada, including the development of a registry of rare diseases diagnosed in Nevada to determine the genetic and environmental factors that contribute to such rare diseases. Duties also include increasing awareness of the burden caused by rare diseases, including improving awareness among healthcare providers of the symptoms and care required for patients with rare diseases.

The NV-RDAC prepares several critical deliverables, including:

1. Developing a statewide registry of rare diseases diagnosed in Nevada to help the state better understand the prevalence and burden of rare diseases affecting the people of Nevada.
2. Evaluating the systems for treatment delivery for rare diseases in place statewide and developing recommendations to increase the survival rates and quality of life of patients with rare diseases.
3. Establishing a comprehensive plan for managing rare diseases in Nevada, including recommendations for state and local health authorities, public and private organizations, businesses, and potential funding sources.

The initial focus established in 2020 is on three primary categories of rare diseases:

1. All childhood cancers
2. Factor deficiencies and inherited platelet disorders
3. Newborn screening conditions: currently, newborn screening in Nevada covers 46 conditions

Appendix E: Child Health Ecosystem In Southern Nevada

The Pediatric Ecosystem in Southern Nevada

UMC Children's Hospital: UMC Children's Hospital offers Nevada's highest level of pediatric care, providing exclusive and highly specialized services to our community's youngest patients. UMC Children's Hospital is home to Southern Nevada's only Designated Pediatric Trauma Center and the state's only Verified Pediatric Burn Center and Transplant Center. UMC is the state's only hospital recognized and accepted as an associate Children's Hospital Association member. UMC Children's Hospital is staffed 24/7 by board-certified and fellowship-trained pediatric emergency medicine and critical care physicians. Sunrise Children's Hospital: Sunrise Children's Hospital is Nevada's largest and most comprehensive children's hospital. A dedicated team of pediatric physicians, nurses, and specialists is committed to providing world-class care to Nevada's pediatric population. This Las Vegas hospital includes a 72-bed Level III Neonatal Intensive Care Unit (NICU) and a 24-bed Pediatric Intensive Care Unit (PICU). The pediatric center offers expertise in specialties specifically for children, including pediatric cardiology, pediatric emergency care, pediatric diagnostic imaging services, and pediatric rehabilitation.

Kirk Kerkorian School for Medicine at UNLV: The faculty of the Kirk Kerkorian School of Medicine at UNLV's Department of Pediatrics provide education for students and residents, participate in scholarly activities/research, and care for southern Nevada children in a multi-specialty faculty practice. The academic full-time faculty specializes in adolescent medicine, developmental/behavioral pediatrics, endocrinology, gastroenterology, general pediatrics, infectious diseases, neurology, and pulmonology. Community faculty who supports educational endeavors serve in multiple fields across pediatrics.

Primary Children's Hospital: Primary Children's Hospital is a 289-bed, not-for-profit, free-standing children's hospital in Salt Lake City, Utah, providing quality healthcare for children with complex illnesses and injuries across the United States. While services are provided at Primary Children's Hospital, the physicians, dentists, and other clinicians providing those services are employees of the University of Utah, employees of Intermountain Health, or in private practice.

Intermountain Health: An organization with more than 66,000 caregivers who serve the healthcare needs of people across the Intermountain West, primarily in Utah, Idaho, Nevada, Colorado, Montana, and Wyoming. Intermountain Health is an integrated, nonprofit health system with clinics, a medical group, affiliate networks, hospitals, home care, telehealth, health insurance plans, and other services.

Cure 4 The Kids: Cure 4 The Kids Foundation is a Southern Nevada treatment center for children battling cancer and rare diseases. The organization is dedicated to advancing the treatment and prevention of childhood diseases through clinical expertise, cutting-edge research, and innovative approaches. As a 501(c)(3) tax-exempt organization and an independent division of Roseman University of Health Sciences, it understands the importance of caring for all aspects of patients' care. The creation of C4K addressed a significant local service gap and responded strategically to the critical shortage of qualified healthcare providers necessary to deliver essential medical services to children safely.

Children's Heart Center Nevada: Established in 1980, Children's Heart Center Nevada is the only congenital cardiology practice in Nevada and has grown into one of the largest such programs in the country. Comprised of thirteen pediatric cardiologists and two congenital heart surgeons and supported by a nursing department and staff of more than 100, Children's Heart Center Nevada continues to make Nevada a worldwide center for treating children and adults with congenital heart disease. Children's Heart Center Nevada serves patients in five offices throughout the state and most Nevada hospitals. The Congenital Heart Center Nevada's Cardiac Genetics Program filled a gap in care for Nevada patients and the community. The program serves hundreds of patients and their families who previously had to travel out of state to see a cardiac genetic specialist.

UNLV Practice: The UNLV Partnership for Research, Assessment, Counseling, Therapy, and Innovative Clinical Education, or UNLV PRACTICE, is a dynamic community mental health clinic on UNLV's main campus. It offers individual and group psychotherapy, psychological assessments, and specialty clinics to treat mental health needs, including those for children and adolescents.

Child Health Advocacy Groups: Nevada ranks as one of the least supportive states for children, according to a 2022 report that outlines factors contributing to this ranking. Multiple groups advocate for policy changes to improve child support in the state.

The Children's Advocacy Alliance of Nevada: The Children's Advocacy Alliance of Nevada has fought for changes in Medicaid coverage for postpartum care and to keep children enrolled in Medicaid coverage, even if they lose eligibility. This Alliance promotes needed access to health insurance programs for children and families, including CHIP, Medicaid, and subsidized health insurance, as well as expanded access to child mental health services by reducing barriers to quality behavioral healthcare providers.

The Nevada Rare Disease Advisory Council: A member of the National Organization of Rare Disorders, was formed under SB 315 during the 2019 session of the Nevada Legislature. The Council's duties are to perform a statistical and qualitative examination of the incidence, causes, and economic burden of rare diseases in Nevada; receive and consider reports and testimony concerning rare diseases from persons, community-based organizations, providers of healthcare, and other local and national organizations whose work relates to rare diseases; increase awareness of the burden caused by rare diseases in Nevada; and identify evidence-based strategies to prevent and control rare diseases.

The Clark County Children's Mental Health Consortium: The Clark County Children's Mental Health Consortium, established in 2001, brings together professionals and parents from various disciplines and organizations to focus on bettering the services and resources for children's mental health in Clark County, NV.

Act4Kids Nevada: Act4Kids Nevada is a grassroots movement advocating for comprehensive healthcare for Nevada's children, comprising parents and professionals working toward measures to help support a comprehensive freestanding children's hospital and health system for Nevada.

State of Nevada: The legislature and governor agreed in 2023 to pass important legislation that positively impacted children and families. This included expanding Medicaid coverage for postpartum care (SB232) and an increased eligibility threshold for pregnant persons (BA 3158-E367); historic education funding including new investments in pre-kindergarten and early learning programs (AB400); reforming juvenile interrogation practices (AB193); modernizing the Early Childhood Advisory Council (AB114); and securing funding from Medicaid to support access to behavioral health services for children (SB435).





Appendix F: Focus Group Summary

On May 6, 2024, Paul Umbach, lead consultant for the Tripp Umbach consulting team, facilitated a focus group with parents of children who left Southern Nevada for specialty pediatric care. The focus group, held by Zoom, was organized by Cure 4 The Kids, and lasted approximately two hours. The moderator began by expressing heartfelt empathy as a parent and grandparent, acknowledging the unimaginable challenges faced by families dealing with serious health issues. This individual emphasized the importance of the time spent discussing these issues, as it would contribute to a significant report highlighting the necessity for specialized pediatric care in their community.

A participant noted a prevalent misconception that existing children's hospitals in regions like Southern Nevada are sufficient, pointing out the ignorance surrounding the need for subspecialty care. Another participant appreciated the efforts of those working in the pediatric space in Southern Nevada, expressing a desire to support and expand their work toward establishing a comprehensive children's hospital. They emphasized their intent not to criticize the existing efforts but to help the local healthcare delivery system evolve into a more comprehensive model of care. Participants reiterated the need for a stand-alone facility and network to complement and enhance vital programs, such as the Children's Heart Program and Cure 4 The Kids. Several participants acknowledged the emotional and professional toll on healthcare providers who have dedicated their lives to improving children's care but are still forced to send many children out of state for treatment because of inadequate local resources.

All participants shared personal stories. One participant described their family's harrowing experience with their youngest child, diagnosed with Pompe disease. Initially treated at Sunrise Hospital during an RSV outbreak, their child endured severe overcrowding and inadequate care, resulting in the child contracting additional infections and ultimately being intubated and put on life support. The lack of coordination and resources in the hospital led to further complications and a prolonged, distressing hospital stay. Eventually, they had to seek specialized care out of state, enduring significant emotional and financial strain.

Another participant recounted their struggle with getting a proper diagnosis for their son, who had a fatal genetic disease called Niemann-Pick disease type C. After multiple misdiagnoses and dismissive responses from local healthcare providers, they left Nevada to seek expertise from out-of-state hospitals, including Primary Children's Hospital in Salt Lake City and UCLA, enduring considerable hardship. They faced financial burdens, lengthy travel, and separation from their other children. Finally, after numerous attempts, the parents secured the necessary genetic testing and treatment at Cure 4 The Kids, but not before significant delays and emotional tolls on their family. This participant highlighted the systemic failures and the critical need for a local comprehensive children's hospital.

Participants collectively underscored the dire need for a children's hospital, noting the emotional, financial, and logistical challenges they faced because of the lack of local specialized pediatric care. They shared personal experiences illustrating the severe impact on families and careers, emphasizing that the current for-profit healthcare system prioritizes profit over essential children's services. Their stories revealed the gaps in the healthcare system and the urgent need for a community-owned, nonprofit children's hospital that can provide comprehensive care without profitability constraints.

Appendix G: Intermountain Health Community Health Needs Assessment

A recent community health needs assessment conducted by Intermountain Health identified behavioral health conditions and frequent mental distress as the most significant public health concerns among community leaders in Nevada, especially for youth. While Nevada slowed its teen suicide rates in recent years, the state remains 15th-highest in the nation for death by suicide and is ranked 51st in youth mental health measures, indicating high mental health needs and low access to care. Mental health among youth continues to be a significant issue in the state, and the trend is expected to worsen when future data is released. Additionally, all 17 counties in Nevada are designated Health Professional Shortage Areas, resulting in a severe lack of access to support or prevent mental health suicides and concerns among youth in Nevada. Policy level gaps were frequently referenced during the pediatric interviews. Specifics included concerns about an underfunded public health system with meager Medicaid reimbursement rates, a need for workforce development, and a highly competitive and profit-driven healthcare environment that does not always serve underrepresented communities. The pediatric interviews also referenced other social needs, including food insecurity, low educational attainment, and income instability.



Appendix H: Proposed Governance Structure for the Children's Hospital of Southern Nevada (CHOSN)

Potential Structure of the Children's Hospital Coordinating Board

1. Composition

- Nationally Recognized Children's Hospital Representative: 1-2 members with pediatric healthcare and hospital management expertise.
- Local Hospital Representatives: 2-3 members from hospitals that provide pediatric in-patient and outpatient services.
- Large Pediatric Multi-Specialty Practices Representatives: 1-2 members from prominent pediatric practices in the region.
- Pediatricians: 2-3 members who are practicing pediatricians within the community.
- Child Advocacy Groups: 1-2 members from organizations focused on children's health and welfare.
- Community Representatives: 1-2 members from the local community, ensuring the hospital's actions align with community needs and values.
- Ex-Officio Members: Non-voting members such as the hospital CEO, CFO, and a legal advisor.

2. Roles and Responsibilities

- Chairperson: Leads the board, sets the agenda, and facilitates meetings.
- Vice-Chairperson: Assists the Chairperson and stands in during their absence.
- Secretary: Maintains records of meetings and board decisions.
- Treasurer: Oversees financial matters and ensures transparency and accountability in financial operations.

3. Committees

- Executive Committee: Handles urgent matters between board meetings and makes recommendations to the full board.
- Quality and Safety Committee: Focuses on patient care standards, safety protocols, and continuous improvement.
- Finance and Audit Committee: Manages financial oversight, budgeting, and audits.
- Strategic Planning Committee: Develops and monitors the hospital's strategic plan, ensuring alignment with long-term goals.
- Community and Advocacy Committee: Engages with the community, promotes health education, and advocates for children's health issues.

4. Meetings

- Frequency: The board should meet quarterly, with additional meetings as needed.
- Format: Meetings can be held in person or virtually, ensuring flexibility and participation from all members.
- Agenda: The agenda should include committee reports, financial updates, strategic planning discussions, and community feedback sessions.

5. Decision-Making Process

- Consensus Building: Encourage discussions to reach a consensus, ensuring all voices are heard.
- Voting: Implement a voting process for major decisions, with a simple majority required for approval.
- Conflict Resolution: Establish a clear conflict resolution process, including mediation and arbitration if necessary.

6. Training and Development

- Orientation: Provide new board members with comprehensive orientation, including hospital operations, board responsibilities, and healthcare regulations.
- Ongoing Education: Offer regular training sessions on relevant topics such as healthcare trends, governance best practices, and financial management.

7. Evaluation and Accountability

- Performance Reviews: Conduct regular performance reviews of the board and its members to ensure effectiveness and accountability.
- Feedback Mechanisms: Implement mechanisms for receiving feedback from staff, patients, and the community to continuously improve governance and hospital operations.



Appendix I: Tripp Umbach Qualifications

Founded in 1990, Tripp Umbach is among the most established and respected private consulting firms in the United States. Tripp Umbach has a rich history rooted in community assessment, economic impact assessment, and economic development. Tripp Umbach is a national leader in conducting feasibility analysis/economic impact studies and consultation services for leading children's hospitals, medical schools, and teaching hospitals. Tripp Umbach has consulted more than 40 new or expanded medical schools over the past 30 years. In 2024, 50 of the top 100 hospitals ranked by U.S. News & World Report are clients of Tripp Umbach. Tripp Umbach enjoys a long history of conducting independent studies in Southern Nevada with The Lincy Institute. Since 1990, Tripp Umbach has completed studies for more than 25 children's hospitals.

Children's Hospital clients include:

- Akron Children's Hospital, OH
- Ann & Robert H. Lurie Children's Hospital of Chicago, IL
- Boys Town National Research Hospital, NE
- Children's Healthcare of Atlanta, GA
- Children's Hospital New Orleans, LA
- Children's Hospital of Boston, MA
- Children's Hospital of Philadelphia, PA
- Children's Mercy Kansas City, MO
- Children's Nebraska, NE
- Children's Wisconsin, WI
- Cincinnati Children's Hospital Medical Center, OH
- Cleveland Clinic Children's, OH
- Johns Hopkins All Children's Hospital, MD
- Nationwide Children's Hospital, OH
- Our Lady of the Lake Children's Hospital, LA
- Penn State Children's Hospital, PA
- Riley Children's Health, IN
- Shodair Children's Hospital, MT
- St. Christopher's Hospital for Children, PA
- St. Jude Children's Research Hospital, TN
- UPMC Children's Hospital of Pittsburgh, PA
- Valley Children's Healthcare, CA
- Wake Forest Baptist Health - Brenner Children's Hospital, NC
- WVU Medicine Children's, WV



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