By Jeff Landa

By the time Keith Hobbs, a 23-year employee at Children’s Hospital Los Angeles, joined USC Verdugo Hills Hospital in Glendale as its chief executive, the once independent hospital had already spent more than two years under the Keck Medicine of USC banner.

Along with the usual growing pains associated with an acquisition, Verdugo Hills Hospital had spent 2014-15 negotiating a new contract with unionized nurses who complained about staffing shortages as well as unsafe conditions and patient care.

Around that same time, a case of a “superbug,” carbapenem-resistant enterobacteriaceae, was reported at Verdugo Hills.

The superbug was immediately treated, and nurses agreed to a 14-month contract in April 2015, but the dubious reputation remained.

“I knew it was going to be a challenge,” Hobbs said. “If you just take a look at the national landscape for independent hospitals — specifically, not having the resources as an independent hospital to keep up with the latest technology — that was a tremendous factor in Verdugo Hills falling behind the times and some of the negative reputation [people] were aware of.”

Hobbs replaced interim chief executive Paul Craig in January 2016 with an eye on leveraging both his time as a La Crescenta resident and USC’s resources to help steer the hospital in the right direction.

Armand Dorian, associate chief medical officer at USC Verdugo Hills, was a senior physician prior to the acquisition, and he...
said he knew several years ago that the time would come where the transformation of healthcare meant the then standalone hospital would need to affiliate with a larger system.

“Verdugo had to make a decision … At that time, it decided that its best interests were preserved by joining USC,” Dorian said.

Dorian said once the “honeymoon phase” of the post-acquisition was over, the challenge of streamlining the USC- and Verdugo Hills relationship was a large undertaking that has only recently turned around.

“In the last 18 months, the hospital is on a high that I have never experienced at another place,” Dorian said. “Almost every department at the hospital is on a massive trajectory of improvement.”

As chief executive, Hobbs said he’s taken a “multipronged approach” during the past 18 months, starting with getting more competitive wages for staff as well as USC tuition remuneration. The hospital has hired 40 nurses since the start of this year, losing only six.

According to Hobbs, a bimonthly survey asking about 60% of staff whether they would recommend the hospital as a good place to work, 96% said it was either “good” or “great.” In previous surveys, only about 70% of the employees interviewed gave positive responses.

However, the turnaround can be attributed to more than just salary hikes, Hobbs said. A shift in leadership culture began when Hobbs and other senior hospital officials made routine visits with staff in their workplace to ask about their concerns and how to be more present leaders.

“When we first started doing rounds, staff would be like, ‘oh my gosh, why is the CEO and senior leadership walking on my floor?’” Hobbs said. “Where now, a year and a half later, they are saying, ‘Hey Keith, I haven’t seen you on our floor in the last month, where have you been?’”

Hobbs said he also requires senior leadership to serve on a community group or organization such as chambers of commerce in Montrose and La Cañada Flintridge. Community engagement through health seminars and fairs is also a central tenet for the hospital now, he said.

With the USC name comes money and investments for the 158-bed facility, including $30 million in capital improvements.

Still, even with the installation of the Da Vinci robot that performs minimally invasive surgeries, and Xenex, a robot that can disinfect a hospital room in minutes, Hobbs said his early background in healthcare finance meant everything had to have a return on investment.

“Many of these things … where we’ve made an investment, we talked about business plans around each one of these to make sure that they make sense, that if we were going to make the capital investment, it’s going to have the financial return on the back end,” he said.

Just as Hobbs was named chief executive, he announced that his first major project would be the addition of a neonatal-intensive-care unit, or NICU, to the hospital so that babies requiring extra care would not be separated from their mothers.

Hobbs said it was a passion project for him, given that all three of his children were born at Verdugo Hills Hospital, and although none of those births required a NICU, knowing residents in the community would benefit was “very personal” to him.

The $2.5-million, 3,100-square-foot NICU is expected to open in September.

“When I interviewed for the job, I thought this journey was going to [take three years] to be as far along as we currently are,” Hobbs said. “So to be sitting here today at a year and a half … based on my personal goal … we are about a year and a half ahead of that schedule.”