

San Francisco Department of Public Health San Francisco Charity Care Report Fiscal Year 2009



With Thanks to the San Francisco Charity Care Project Participating Hospitals:

- California Pacific Medical Center, including St. Luke's Hospital
- Chinese Hospital
- Kaiser Foundation Hospital, San Francisco
- St. Francis Memorial Hospital
- San Francisco General Hospital
- St. Mary's Medical Center
- University of California, San Francisco Medical Center

I.	INTRODUCTION.....	3
II.	SIGNIFICANT CHANGES SINCE THE ENACTMENT OF CHARITY CARE ORDINANCE.....	4
	A. Healthy San Francisco (HSF)	4
	B. AB 774 (Chan).....	4
	C. Health Reform.....	5
	D. Intersection of Charity Care Regulations.....	7
III.	REPORTING HOSPITALS	8
	A. Catholic Healthcare West: St. Francis Memorial Hospital (SFMH)	8
	B. Catholic Healthcare West: St. Mary’s Medical Center (SMMC)	9
	C. Chinese Hospital	10
	D. Sutter Health: California Pacific Medical Center (CPMC) & St. Luke’s Campus	11
	E. Kaiser Permanente: Kaiser Foundation Hospital –SF (KFH-SF).....	12
	F. City & County of San Francisco – San Francisco General Hospital (SFGH)	13
	G. Regents of the University of California: University of California, San Francisco Medical Center (UCSFMC).....	14
IV.	CHARITY CARE POLICIES, APPLICATIONS, SERVICES, AND COSTS	15
	A. Hospital Charity Care Policies.....	15
	B. Charity Care Applications.....	16
	C. Charity Care Recipients	17
	D. Charity Care Expenditures.....	19
V.	ANALYSIS AND DISCUSSION	25
	A. Charity Care by Supervisorial District.....	25
	B. Charity Care Patients’ in Hospitals’ ZIP Codes	27
	C. Out-of-County Charity Care Patients.....	27
	D. Trends/Changes in the Quantity of Charity Care Provided	28
	E. Trends/Changes in the Type of Charity Care Provided.....	29
VI.	CONCLUSIONS AND RECOMMENDATIONS.....	34
	A. San Francisco Leads the Way in Charity Care Improvements	34
	B. The Community Benefits Partnership Enhances Charity Care Services throughout San Francisco	35
	C. Healthy San Francisco Organizes and Improves Services for the Uninsured	36
	D. The Need for Charity Care Services Continues.....	36
	E. The San Francisco’s Charity Care Ordinance Remains Relevant	36

FY 2009 Charity Care Report

I. Introduction

In 2001, the San Francisco Board of Supervisors approved San Francisco Ordinance Number 163-01, the Charity Care Policy Reporting and Notice Requirement Ordinance (the *Charity Care Ordinance*). Charity care is defined as emergency, inpatient, and outpatient medical care, including ancillary services, provided to those who cannot afford to pay and without expectation of reimbursement. The Charity Care Policy Reporting and Notice Requirement, explains that “charity care is vital to community health, and that private hospitals, nonprofits in particular, have an obligation to provide community benefits in the public interest in exchange for favorable tax treatment by the government.” As such, certain hospitals in the City and County of San Francisco are required to report data related to charity care on an annual basis for informational and planning purposes.

The Charity Care Ordinance also requires that the San Francisco Department of Public Health (DPH) report these charity care findings annually to the Health Commission. All San Francisco hospitals provide data for the annual report, whether required to or not. Required hospitals include: California Pacific Medical Center (CPMC), St. Luke’s Hospital, Chinese Hospital, St. Francis Memorial Hospital (SFMH) and St. Mary’s Medical Center (SMMC). The remaining hospitals in San Francisco, Kaiser Foundation Hospital – San Francisco (KFH – SF), University of California San Francisco Medical Center (UCSFMC) and San Francisco General Hospital (SFGH) report voluntarily.

The Charity Care Project (CCP) committee provides the forum at which hospitals discuss issues related to the Charity Care Ordinance, plan for improved ways to report the data and work together to finalize the annual report. In addition, there is the San Francisco Community Benefits Partnership (CBP), a public-private policy organization that reports independently on hospital community benefits. Hospitals provide additional services and analyses that go beyond the provision of charity care services to the un- and underinsured. The CBP seeks to harness the collective energy and resources of these private non-profit hospitals, City departments (Public Health and Human Services), community clinics, health plans, and non-profit providers and advocacy groups to improve the health status of San Francisco residents. This report would not have been possible without the support and cooperation of the members of these groups.

This report provides a detailed description of San Francisco’s charity care landscape from FY2009. Section II focuses on how both Healthy San Francisco and health reform intersects with and enhances charity care programs. Section III provides a description of each hospital. Section IV provides data describing in numbers and financial terms what each hospital is providing for free through individual charity care programs. Section V goes above and beyond the strict definition of charity care, by describing the work of the CBP. Section VI will describe what we know of the users of charity care in San Francisco, and share findings over time and Section VII concludes the report.

II. Significant Changes since the Enactment of Charity Care Ordinance

A. Healthy San Francisco (HSF)

HSF is an innovative program that provides universal, comprehensive, affordable health care to uninsured adults in households with incomes up to 500 percent of the federal poverty level irrespective of the person's employment or immigration status, or pre-existing medical conditions. HSF is not health insurance, but rather a restructuring of the existing health care safety net system (both public and non-profit) into a coordinated, integrated system. It improves access to services and delivery of appropriate care for San Francisco's uninsured residents.

The program is administered by DPH and began with SFGH, the Department's hospital- and community-based clinics, and the San Francisco Community Clinic Consortium (SFCCC) providing health care to HSF enrollees. However, HSF's continued success was dependent upon going beyond DPH's usual safety-net facilities to care for the over 43,000 members¹ that were enrolled in 2009. By that time, all of the City's non-profit hospitals were participating in HSF, including KFH-SF. Today, HSF participants may choose between 33 medical homes, including 14 DPH clinics, 14 SFCCC sites, Sister Mary Philippa Clinic (Catholic Healthcare West), CCHCA/Chinese Hospital, and Kaiser Permanente. At this time, UCSFMC provides emergency and radiological services.

FY 2009 marked the second year of HSF's operations. Last year, however, this report was not able to account for any of the HSF-related charity care services that hospitals provided because the systems were not in place for the collection of data. This reporting year, hospitals were able to provide data on their HSF charity care services for inclusion in this report. Care provided by hospitals to HSF patients is considered charity care, and as such, hospitals are able to meet their charity care obligation in this manner.

B. AB 774 (Chan)

In keeping with San Francisco's Charity Care policy effective in 2001, the California legislature passed AB 774 in 2006. According to the Office of Statewide Health Planning and Development (OSHPD)², the intent of the legislation is to lessen the impact of high medical costs on the un- and underinsured who need health care in California. To meet this goal, AB 774 requires that hospitals:

- Make available information regarding the availability of charity care, discounts, and government-sponsored health insurance; and
- Standardize procedures for determining charity care eligibility, and for billing and collection processes.

AB 774, which became effective on January 1, 2007, requires hospitals to offer charity care services to patients who are below 350 percent of the federal poverty level, and are either

¹ HSF enrollment was 43,225 as of June, 27, 2009, and was 54,181 as of September 10, 2010.

² <http://www.oshpd.ca.gov/HID/Products/Hospitals/FairPricing/FAQGen.html#GQ1>

uninsured or insured with high medical costs. To track that hospitals are following these rules, OSHPD requires reporting every other year starting in 2008. The reports must include:

- Charity Care Policy,
- Discount Payment Policy,
- Eligibility Procedures for those policies,
- Review Process, and
- Application Form.

C. Health Reform

The Patient Protection and Affordable Care Act (ACA), enacted on March 23, 2010, includes new requirements with which non-profit hospitals must comply in order to maintain their tax-exempt status. Many of these provisions closely align with existing state and local laws with which San Francisco hospitals must already comply.

Because compliance with these provisions affect a hospital's tax-exempt status, the Internal Revenue Service (IRS) will be responsible for enforcement. Notice 2010-39, published for comment on May 27, 2010, provided guidance on how the IRS proposes to implement these provisions. Public comment closed on July 22, 2010. The IRS is currently reviewing the comments submitted and will consider what regulatory and other type of guidance may be needed to assist hospitals in meeting the new requirements. No specific time frame has been provided as to when any guidance will be issued.

1. Community Health Needs Assessment

At least once every three years, non-profit hospitals must conduct a community health needs assessment (CHNA). The CHNA must (1) take into account input from persons who represent the broad interests of the community served by the hospital facility, including those with special knowledge of or expertise in public health and (2) be made widely available to the public.

Once the hospital has identified community needs, it must adopt an implementation strategy to meet those needs. Additionally, hospitals must submit audited financial statements and a description of how the hospitals is addressing the needs identified in the CHNA and a description of any needs that are not being addressed and why they are not being addressed.

This new federal law mirrors the requirement that already exists for California hospitals pursuant to California Senate Bill 697 enacted in 1995.

2. Financial Assistance Policy

Each non-profit hospital must adopt, implement, and make widely available a written financial assistance policy. The policy must specify eligibility criteria, including if the assistance includes free or discounted care, the method for applying for assistance, and how the hospital calculates the amounts that are billed to patients. For a hospital that does not have separate billing and collections policies, the hospital must have a policy that accounts for the actions that the hospital takes in the event of non-payment, including collections action and reporting to credit agencies. These provisions are substantially similar to those established in California's AB 774.

Additionally, non-profit hospitals must adopt a policy to provide emergency medical care to all individuals, regardless of their eligibility under the financial assistance policy.

3. Restrictions on Patient Charges

Non-profit hospitals must limit charges for “emergency or other medically necessary care” to those who qualify under the financial assistance policy to not more than the amounts generally billed to individuals who have insurance. It is intended that amounts billed to those who qualify for financial assistance may be based on either the best, or an average of the three best, negotiated commercial rates, or Medicare rates.

The hospital may not use “gross charges” when billing individuals who qualify for financial assistance. The term “gross charges” is not defined by the new law. Generally speaking, however, gross charges are considered the full amount a hospital charges for services, without taking into account any discounts negotiated with insurance providers.

Similarly, California’s AB 774 includes provisions restricting non-profit hospitals’ expectations of payment from low-income patients.

4. Limitation on Collections Practices

Non-profit hospitals cannot take “extraordinary” collection actions before making a “reasonable effort” to determine whether a patient is eligible for assistance under the financial assistance policy. “Extraordinary collection actions” has been defined to include lawsuits, liens on residences, arrests, body attachments, or other similar collection processes. “Reasonable efforts” include notification by the hospital of its financial assistance policy upon admission as well as written and oral communications with the patient regarding the patient’s bill before collection action or reporting to credit agencies is initiated.

5. Mandatory Review of Tax Exemption for Hospitals

The Secretary of the Treasury shall be required at least once every three years to review the tax exemption and community benefit activities of each non-profit hospital organization. If a non-profit hospital organization operates more than one hospital facility, each facility within the organization will be individually subject to these new requirements.

6. Additional Reporting Requirements

Non-profit hospitals must submit audited financial statements and a description of how the hospitals is addressing the needs identified in the community health needs assessment and a description of any needs that are not being addressed and why they are not being addressed.

7. Charity Care Report

The Secretary of the Treasury, in consultation with the Secretary of Health and Human Services, must submit to the relevant House and Senate Committees an annual report on charity care provided by all hospitals. The report shall include the levels of charity care provided, bad debt expenses, and the unreimbursed costs for means-tested and non-means tested government

programs. The report must also include costs incurred by non-profit hospitals for community benefit activities. Further, beginning five years after enactment, a report on charity care trends is required.

The new federal requirement for a charity care report is comparable to this report produced pursuant to San Francisco's Charity Care Ordinance.

8. Effective Dates

Non-profit hospitals must comply with most of the new rules for tax years beginning after March 23, 2010. Hospitals have two additional years to comply with the CHNA requirements, which become effective for tax years beginning after March 23, 2012.

D. Intersection of Charity Care Regulations

State and federal law relating to non-profit hospital charity care enacted since passage of San Francisco's Charity Care Ordinance substantiate San Francisco's early policymaking in this area. Nearly all of the components of San Francisco's Charity Care ordinance have been replicated by either California's AB 774 or provisions of Health Reform. Below is a chart that shows the intersection of local, state and federal law relating to charity care and community benefit by non-profit hospitals:

Key Charity Care/Community Benefit Requirements for Non-Profit Hospitals	Effective Dates		
	SF	CA	US
• Hospitals to conduct a community needs assessment at least once every three years		7/1/96	3/23/12
• Hospitals to submit a community benefits plan annually		4/1/96	3/23/12
• Hospitals to maintain charity care and discount payment policies	7/20/01	1/1/07	3/23/10
• Hospitals to submit charity care and discount payment policies, procedures, and applications	7/20/01	1/1/08	
• Hospitals to limit expected payment for services for low income patients		1/1/07	3/23/10
• Hospitals to make "reasonable efforts" before initiating collection process		1/1/07	3/23/10
• Hospitals to submit annual reports on the levels and types of charity care provided	7/20/01		12/20/07*

Key Charity Care/Community Benefit Requirements for Non-Profit Hospitals	Effective Dates		
	SF	CA	US
<ul style="list-style-type: none"> Annual report of hospital charity care to be compiled and prepared by governing agency 	7/20/01		3/23/10
<ul style="list-style-type: none"> Mandatory review of tax exempt status by Secretary of the Treasury at least once every three years 			3/23/10

* The Internal Revenue Service issued a redesigned Form 990, Return of Organization Exempt from Income Tax, on 12/20/07. While hospitals reported charity care information on previous versions of the form, the revamped form requires substantially more information on community benefit and charity care for non-profit hospitals. 2009 is the first tax year for which the new form is to be used.

III. Reporting Hospitals

This section provides a description of each hospital that participates in the Charity Care project/report. The data found in these descriptions illustrates the work that the hospitals do overall, showing the total number of patients seen and services rendered.

A. Catholic Healthcare West: St. Francis Memorial Hospital (SFMH)

SFMH, established in 1906, is a general adult medical/surgical hospital in downtown San Francisco with 150 staffed beds and 356 licensed beds (including 287 acute licensed beds). It is a non-profit hospital, required by City Ordinance to report Charity Care data, and a member of the Catholic Healthcare West system. SFMH serves all San Franciscans primarily from the surrounding neighborhoods of Nob Hill, Polk Gulch, Tenderloin, Chinatown and North Beach. Many of San Francisco's visitors and tourists are also treated at SFMH due to the proximity to the major tourist attractions and hotels.

It is home to the only verified Burn Center in the San Francisco Bay Area, the Bothin Burn Center. Additionally SFMH specializes in orthopedic services through the Spine Care Institute of San Francisco, the Total Joint Center and provides Occupational Medicine Services at clinics on the main campus and at ATT Ballpark and Sports Medicine Services at clinics in San Francisco, Marin and Walnut Creek. The hospital also serves the community through its Emergency Department, its partnership with Glide Health Services and programs with other primary care clinics in the Tenderloin neighborhood. SFMH has served many HSF patients since the program's inception through its Emergency Department and its relationship with Glide Health Services.

FY09 SFMH Patient Population and Services

- Total - 49,289 unduplicated patients
 - 4,441 inpatients
 - 44,848 outpatients
- Hospital Services:
 - 52,804 adjusted patient days³
 - 186,450 outpatient visits
 - 25,511 emergency room visits
- Race & Ethnicity of Patient Population:
 - Caucasian: 61%
 - Asian: 16%
 - African American: 9%
 - Hispanic: 6%
 - Other: 7%

B. Catholic Healthcare West: St. Mary's Medical Center (SMMC)

SMMC has cared for the people of the San Francisco Bay Area since its founding in 1857. A member of Catholic Healthcare West, SMMC is a 501 (c) 3 not-for-profit hospital. As such, it is mandated by San Francisco local ordinance to provide annual Charity Care data. SMMC is one of the largest not-for-profit, community-based healthcare providers in Northern California. The hospital and Sister Mary Phillipa Health Center are located in the Western Addition neighborhood. Its main site is on Stanyan Street, and there are three satellite sites.

SMMC is committed to providing high-quality, affordable healthcare to the community we serve. SMMC is licensed for a total of 400 beds, with 160 staffed beds, more than 650 physicians, and 1,100 employees. SMMC sponsors and operates the Sister Mary Phillipa Health Center serving over 3,500 patients annually for internal medicine, specialty, and subspecialty care. A full-service acute care facility, SMMC specializes in adult medical care and is recognized for excellence in bariatric surgery, cardiovascular care, emergency services, orthopedics, and acute rehabilitation, among other services. SMMC began its formal affiliation with HSF in July of 2008 and began enrolling patients in September of that year.

FY09 SMMC Patient Population and Services

- Hospital Services:
 - 57,390 adjusted patient days
 - 129,294 outpatient visits
 - 14,949 emergency room visits
- Race & Ethnicity of Inpatient Population:
 - Caucasian: 60%
 - Asian: 21%
 - Black: 8%
 - Hispanic: 6%
 - Other: 6%

³ Adjusted patient days, according to the Office of Statewide Health Planning & Development, adjusts the number of patient days (usually by increasing) to compensate for outpatient services.

- Race & Ethnicity of Outpatient Population:
 - Caucasian: 58%
 - Asian: 23%
 - African American: 8%
 - Hispanic: 7%
 - Other: 5%

C. Chinese Hospital

Located in Chinatown, Chinese Hospital was established in 1929 and primarily serves San Francisco's Chinese community. The stand-alone acute care, community-owned, nonprofit small hospital (30 staffed and 54 licensed beds) offers a range of medical, surgical and specialty programs. Additionally, Chinese Hospital operates three community clinics located in the Sunset, Excelsior neighborhoods in San Francisco and Daly City. Chinese Hospital owns a Knox-Keene licensed, integrated, prepaid health plan, Chinese Community Health Plan (CCHP), which provides low-cost insurance products to the community. Without these low-cost insurance products many of CCHP's members would otherwise access health care services through the charity care program.

Chinese Hospital is unique in providing healthcare services in bilingual Chinese and English. Approximately 95% patients are from San Francisco and 5% are from outside San Francisco. The vast majority (80%) of patients seen at Chinese Hospital are seniors covered by Medicare. Of these individuals, 80 percent also have Medi-Cal. Despite the low income of the majority of patients, Chinese Hospital only qualifies for 12 percent of federal Disproportionate Share Hospital (DSH) reimbursement because of the small size. (To qualify for DSH, hospitals must have at least 100 licensed beds.) More than 11 percent of patients are covered by Medi-Cal and one percent of patients have no insurance coverage. Chinese Hospital is an active participant in a variety of public health coverage programs, including HSF that started on 7/1/08, Medi-Cal, Healthy Families and Healthy Kids. Chinese Hospital also sponsors a non-profit private agency, the Chinese Community Health Resource Center (CCHRC) that provides linguistically and culturally sensitive community education, wellness programs and counseling services.

FY09 Chinese Hospital Patient Population and Services

- Hospital Services:
 - 29,313 adjusted patient days
 - 71,403 outpatient visits
 - 4,751 emergency room visits
- Total – 12,707 unduplicated patients
 - Caucasian: 310 (2.4%)
 - Asian: 12,224 (96.2%)
 - Pacific Islander: 13 (0.1%)
 - African American: 70 (0.6%)
 - Hispanic: 86 (0.7%)
 - Native American: 4 (0%)

D. Sutter Health: California Pacific Medical Center (CPMC) & St. Luke's Campus

CPMC is an affiliate of Sutter Health, a not-for-profit health care system. CPMC was created in 1991 by the merger of Children's Hospital and Pacific Presbyterian Medical Center. In 1996, CPMC became a Sutter Health affiliate. In 1998, the Ralph K. Davies Medical Center merged with CPMC. Nine years later, in 2007, St. Luke's Hospital merged with CPMC. CPMC consists of four campuses:

- The Pacific Campus (located in Pacific Heights) is the center for acute care including, oncology, orthopedics, ophthalmology, cardiology, liver, kidney, and heart transplant services.
- The California Campus (located in Laurel Heights) is the center for prenatal, obstetrics, and pediatric services.
- The Davies Campus (located in the Castro District) is the center for neurosciences, microsurgery, and acute rehabilitation.
- The St. Luke's Campus (located in the Mission District) is considered one of the City's largest privately managed not-for-profit "safety-net" community hospitals serving underinsured residents in the South-of-Market districts.

These four locations have a total of 1,143 licensed beds (914 at Pacific/California/Davies and 229 at St. Luke's) and 644 staffed beds (514 at Pacific/California/Davies and 130 at St. Luke's). In addition to the acute-care hospital, CPMC directly manages several clinics offering primary care services to underinsured patients. The St. Luke's Health Care Center (St. Luke's Campus) provides pediatric, adult, and women's services to a panel of over 14,000 patients. The Family Health Center (California Campus) provides pediatric, adult, and women's services utilizing medical preceptors and medical residents. The Bayview Child Health Center (Bayview Hunters Point) provides pediatric primary care services for a panel of 1,000 children, nearly all of whom are insured by Medi-Cal. CPMC also participates in the HSF program as an inpatient partner for the North East Medical Service, which primarily serves underinsured residents of Chinatown, Richmond, and Sunset districts. This partnership started in January, 2009.

FY09 CPMC & St. Luke's Patient Population and Services

- Total – 275,927 unduplicated patients
 - 84% served at Pacific, California and Davies campuses
 - 15% served at the St. Luke's campus
- Hospital Services (Pacific, California and Davies campuses)
 - 254,164 adjusted patient days
 - 506,893 outpatient visits
 - 41,891 emergency room visits
- Hospital Services (St. Luke's)
 - 56,801 adjusted patient days
 - 6,457 outpatient visits
 - 26,051 emergency room visits

- Race & Ethnicity of Patient Population (Pacific, California and Davies campuses):
 - Caucasian: 56%
 - Asian/Pacific Islander: 26%
 - Hispanic: 9%
 - African American: 5%
 - Other: 4%
- Race & Ethnicity of Patient Population (St. Luke's)
 - Caucasian: 26%
 - Asian/Pacific Islander: 16%
 - African American: 16%
 - Hispanic: 40%
 - Other: 2%

E. Kaiser Permanente: Kaiser Foundation Hospital –SF (KFH-SF)

As part of the Kaiser Permanente integrated health system, KFH-SF provides hospital services to Kaiser Foundation Health Plan (KFHP) members and other patients. KFH-SF was established in 1954 as a not-for-profit hospital and is located at 2425 Geary Boulevard. KFH-SF has 247 licensed and staffed beds. KFH-SF is not required by the City ordinance to report Charity Care data and provides this data voluntarily. KFH-SF is part of a larger integrated health care system in San Francisco, including the KFH Medical Office Building at 2238 Geary Boulevard in the Western Addition and the French Campus at 4141 Geary Boulevard in the Richmond District. Primary Care Services are provided by The Permanente Medical Group to KFH members.

KFH-SF services include such specialties as cardiovascular surgery and critical care services, high-risk obstetrics and neonatal intensive care, HIV care and research. The hospital is a Joint Commission Certified Primary Stroke Center.

KFH-SF began accepting HSF patients on July 1, 2009. HSF patients receive their full range of eligible services within the Kaiser Permanente integrated health care system in the San Francisco Service Area.

FY09 KFH-SF Patient Population and Services

- Total – 10,505 unduplicated patients
- Hospital Services:
 - *Adjusted patient days not available.*
 - 5,541 outpatient visits
 - 21,997 emergency room visits
- Race & Ethnicity of Patient Population:
 - Caucasian: 48%
 - Asian/Pacific Islander: 25%
 - African American: 10%
 - Hispanic: 14%
 - Other: 2%

F. City & County of San Francisco – San Francisco General Hospital (SFGH)

SFGH was founded in 1872 and is located in the Potrero Hill neighborhood of San Francisco, on the edge of the Mission District. It is a general acute care hospital with 463 budgeted beds and 686 licensed beds. SFGH is owned by the City and County of San Francisco and operated by DPH's Community Health Network (CHN), which is responsible for the hospital's administration. SFGH reports Charity Care data on a voluntary basis.

SFGH attracts patients from well beyond its physical location for two main reasons. First, because of its unique position as the county's public hospital, specializing in care for the uninsured and others who have difficulty accessing adequate health care services. In addition, SFGH operates the only Level I Trauma Center for San Francisco and northern San Mateo County. Individuals who are seriously injured in San Francisco and in parts of San Mateo County are brought to SFGH's emergency room for care.

SFGH has maintained a teaching and research partnership with the UCSF Medical School for more than 130 years, and provides inpatient, outpatient, emergency, skilled nursing, diagnostic, mental health, and rehabilitation services for adults and children. It is the largest acute inpatient and rehabilitation hospital for psychiatric patients in the City, and the only acute hospital in San Francisco that provides 24-hour psychiatric emergency services. SFGH participates in the Charity Care Work-Group and reports charity care-related data on a voluntary basis.

The CHN operates three primary care clinics on the SFGH campus, including the Children's Health Center, Family Health Center and General Medical Clinic. In addition, there is a network of affiliated community clinics spread throughout San Francisco, in neighborhoods with the greatest need for access to health care services. SFGH has been a key provider for HSF since enrollment began in July 2007, providing specialty care, emergency care, pharmacy, diagnostic, and inpatient services for HSF members. SFGH is recognized as a DSH by the California state and Federal governments, meaning that it provides care to a disproportionate share of Medi-Cal and uninsured individuals.

FY09 SFGH Patient Population and Services

- Total - 98,698 unduplicated patients
- Hospital Services:
 - 215,392 adjusted patient days
 - 770,848 outpatient visits
 - 33,887 emergency room visits
- Race & Ethnicity of Patient Population:
 - Caucasian: 24%
 - Asian/Pacific Islander: 21%
 - African American: 18%
 - Hispanic: 31%
 - Other: 5%

G. Regents of the University of California: University of California, San Francisco Medical Center (UCSFMC)

The University of California – San Francisco (UCSF) was founded in 1864 as Toland Medical College in San Francisco and became affiliated with the UC system in 1873. UCSF Medical Center is a non-profit hospital affiliated with the UC system, and consequently is not subject to San Francisco’s Charity Care Ordinance, but reports voluntarily. UCSF Medical Center is a Disproportionate Share Hospital.

UCSF Medical Center operates as a 722-licensed bed tertiary care referral center with two major sites (Parnassus Heights and Mount Zion). During FY 2009, there were a total of 660 available beds through these two hospitals. A third location, a 289-bed women’s, children’s, and cancer hospital complex at Mission Bay, is scheduled to open in January 2015. UCSF Children’s Hospital, recently renamed UCSF Benioff Children’s Hospital, currently operates at the Parnassus site. UCSF Medical Center and UCSF Children’s Hospital are world leaders in health care. UCSF’s expertise covers virtually all specialties, including cancer, heart disease, neurological disorders, and organ transplantation, as well as special services for women and children. UCSF has the only nationally designated Comprehensive Cancer Center in Northern California. UCSF Medical Center is well known within and beyond San Francisco. It attracts patients from all San Francisco’s neighborhoods, and throughout California.

To help meet the needs of the City’s most vulnerable populations, UCSF has established clinics around San Francisco and provides staff for other existing clinics. Examples include:

- St. Anthony Free Medical Center: The UCSF School of Pharmacy partners with the St. Anthony Foundation to provide needed pharmaceutical care to patients with no health insurance and limited access to health care. The vast majority (90%) of patients at this clinic have income below the Federal Poverty Level.
- UCSF School of Dentistry Buchanan Dental Center: The Dental School clinic on Buchanan Street provides comprehensive services to low-income adults and children. The clinic sees approximately 2,700 patients each year, with 10,000 total patient visits.
- Glide Health Services: This Tenderloin district community clinic is managed by the UCSF School of Nursing, in cooperation with Glide Memorial United Methodist Church, Catholic Healthcare West, and other community partners.

UCSF Medical Center has provided emergency care for HSF enrollees since the program began enrolling members in summer of 2007 and also provides radiological services. At this time, UCSF Medical Center is actively exploring a contracting relationship with HSF.

FY09 UCSFMC Patient Population and Services

- Total – 212,529 Unduplicated Patients
- Hospital Services:
 - 287,334 adjusted patient days
 - 788,085 outpatient visits
 - 29,463 emergency visits

- Race of Patient Population⁴:
 - Caucasian: 50%
 - Asian/Pacific Islander: 13%
 - African American: 6%
 - Other: 15%
 - Unknown: 15%

IV. Charity Care Policies, Applications, Services, and Costs

A. Hospital Charity Care Policies

As they do each year, hospitals submit to DPH their charity care policy, as is required by the Charity Care Ordinance. All of San Francisco's hospitals exceed California's charity care statute (AB 774), which requires free or discounted care to patients earning up to 350 percent of the federal poverty level (FPL). All of San Francisco's hospitals provide free care to patients earning up to 200 percent FPL, with many going up to 350 percent FPL (Chinese Hospital) or 400 percent (CPMC/St. Luke's). Additionally, all San Francisco hospitals provide a sliding scale or discounted care on a case-by-case basis to individuals earning up to 500 percent FPL. All required reporting hospitals define charity care patients, for the purposes of this report, as it is defined in the Charity Care Ordinance – services rendered to patients with no expectation of reimbursement (i.e., free care).

The federal poverty guidelines for the time-period of this report were as follows:

Family Size	100% FPL Monthly Income	100% FPL Annual Income
1 person	\$903	\$10,830
3 people	\$1,526	\$18,310

All of San Francisco's reporting hospitals follow similar eligibility procedures for traditional charity care patients. All patients must go through an application process, and provide some proof of income. In addition, some of the hospitals (e.g., SFMH and SMMC) require that HSF patients complete an additional charity care application. This allows these hospitals to cover services that are not considered benefits in the HSF program.

One of the few significant differences among hospitals' charity care policies is how long an application is valid. This varies between three months to a year, though all hospitals required to report charity care data allow for an application to be effective for one full year. A summary of the key components of the hospitals' charity care policies effective in FY 2009 can be found as Attachment A in this report.

I. Posting and Notification Requirements

The Charity Care Ordinance requires that all hospitals make clear to patients the charity care options available to them. This is to be done through visually prominent signage in common areas, and by offering verbal explanations through admissions. The signage must be in at least

⁴ UCSF differs from other hospitals by collecting Hispanic-related ethnicity data separately from race data, and is not represented here.

English, Spanish and Chinese in a number of locations, including the Emergency Department, Admission & Billing offices, outpatient areas, etc. DPH works with the hospitals to verify compliance, and has done so by visiting all hospitals in 2004, 2007 and most recently in 2009. The result of this most recent review was that all hospitals were in compliance. More detail on locations and languages of Charity Care signage can be found in Attachment A.

2. Reporting Compliance

DPH has collected hospital charity care information since 2001, which allows for nearly a decade of data. The data in this report are accurate as of the date the document was finalized. The hospital representatives of the Charity Care Project assisted by reviewing drafts of this report. This year, DPH staff assigned to this project took the report outline to the Health Commission's Finance and Planning Committee in June, 2009, and then the first draft went to this same committee in October 5, 2009. The final report is scheduled to be presented to the full Health Commission on November 2. As always, this report is a cooperative project, with a number of interested parties working together to provide the most accurate report possible. This report offers caveats when appropriate, to help the reader understand that some tables and figures have historical problems that cannot be fixed at this time – but can be explained and thus taken into account when reviewing and considering the data. Attachment B provides a summary of the reported data from the hospitals.

A crucial component of this report is to compare and contrast the reporting year to previous years. However, there have been challenges over the years with the data, which require some explanation. For example, the hospitals throughout San Francisco collect data using their individual systems, and on differing time frames (some work on a calendar year, others a fiscal year). Some hospitals track unduplicated charity care patients, so that one patient will be counted once regardless of how many charity care services they receive. Other hospitals have encountered challenges over the years in attempting to count unduplicated patients by service type. (This means that if one person's application for charity care is accepted, during their eligibility period multiple services are counted, rather than one unduplicated patients within each service type.) This especially impacts the data in Section V E.

B. Charity Care Applications

Charity care applications are processed by all of the hospitals. HSF applications are processed by the San Francisco Health Plan (SFHP); and are not meant to be represented in this section. Though both SMMC and SFMH reported that their total number of applications received numbers include charity care applications completed by HSF patients (in addition to their HSF application process). Table 1 shows how many applications were accepted in FY 2009, how many were denied, the total of applications processed, and how many unduplicated patients availed themselves of charity care services. The number of accepted patients will not always be the same as the number of unduplicated patients, because some patients may have completed more than one application within the course of the year.

Among the required reporting hospitals, 92 percent of the charity care applications were accepted, while the remaining eight percent were denied. At all hospitals, 84 percent were accepted and 16 percent denied. Denied applications result primarily from patient enrollment in other public assistance programs, such as Medi-Cal, Healthy Families, or Healthy Kids.

Additional reasons for application denial include patient income or assets above set guidelines, incomplete applications, and applications received in FY 2009 that were not approved until the following year.

Table 1: Charity Care Applications & Patients (Non-HSF)

Reporting Hospitals		Applications			Patients
System	Hospital	Accepted	Denied	Total	Unduplicated Patients
CHW	Saint Francis	3,773	39	3,812	2,491
CHW	St. Mary's	3,538	0	3,538	2,466
Chinese	Chinese	317	0	317	290
Sutter	CPMC	2,830	687	3,517	2,830
Sutter	St. Luke's	751	198	949	751
Subtotal		11,209	924	12,133	
Kaiser Permanente	KFH-SF	943	228	1,171	132
CCSF	SFGH	68,435	14,406	82,841	55,656
UC Regents	UCSF	2,309	0	2,309	2,309
Subtotal		71,687	14,634	86,321	
Grand Total		82,896	15,558	98,454	

C. Charity Care Recipients

Charity care patients are now split between those who enrolled in HSF and those who received charity care through traditional means. Table 2 shows the numbers of non-HSF and HSF patients cared for at each hospital in FY 2009. While these figures represent unduplicated patients within each hospital, the patient numbers are not totaled across all hospitals as it is conceivable that a number of these patients sought non-HSF charity care at more than one medical center.

In this first year of HSF reporting, it is not surprising that hospitals are providing charity care to more non-HSF patients than HSF patients. Yet in many cases, the percentage of HSF patients is rather high, especially considering the timing. For example, at SFMH, 66 percent of charity care patients were non-HSF. It is reasonable to assume that there will be a shift over time as the HSF program enrolls more of the uninsured in San Francisco.

UCSFMC's number and percentage (1%) of HSF charity care clients partly reflects their struggle with eligibility verification. In the summer of 2010, UCSF staff worked closely with HSF/DPH staff and SFHP staff to fix the process of eligibility checking effective for the quarter beginning July 1, 2010. The new process allows electronic matching of key patient identifiers for purposes

of determining HSF eligibility. Prior to this fix HSF eligible patients were registered at UCSFMC as either Charity Care or Pending Medi-Cal eligible.

Table 2: Unduplicated Charity Care Patients, FY 2009 (Non-HSF & HSF)

Hospital	Non-HSF	Non-HSF %	HSF	HSF %	Total
SFMH	2,491	66%	1,282	34%	3,773
SMMC	2,466	70%	1,092	30%	3,558
Chinese	290	81%	69	19%	359
CPMC	2,830	97%	77	3%	2,907
St. Luke's	751	97%	25	3%	776
KFH-SF	132	16%	681	84%	813
SFGHMC	55,656	67%	27,427	33%	83,083
UCSFMC	2,309	99%	7	1%	2,316

Table 3 illustrates the number of unduplicated non-HSF charity care patients at each hospital from FY 2006 to FY 2009. In FY 2009, the required reporting hospitals had nearly a 46 percent decrease in FY 2009, from FY 2006. However, in this time period the variability among individual hospitals was notable, with increases in the number of charity care patients seen at Chinese Hospital (44%) and CPMC (140%), and little change at SFMH. The significant decreases from FY 2006 to FY 2009 at SMMC (-76%) and St. Luke's (-62%) can be explained:

- St. Luke's adopted CPMC's system-wide charity care processes in 2007, maintaining eligibility criteria of 400 percent of the FPL while applying consistent enrollment procedures for various financial assistance programs. As a result, the number of patients qualifying for Medi-Cal increased and the number of charity care patients declined.
- St. Mary's implemented changes to its patient population in preparation for participation in HSF, focusing treatment on residents of San Francisco, as opposed to the Archdiocese of San Francisco, which includes Southern Marin and Northern San Mateo counties.

Between FY 2008 and 2009, the number of charity care patients at the required reporting hospitals was relatively stable, with only a small decrease overall (-4%). CPMC was the only hospital that saw a large increase in the percentage of non-HSF charity care patients, while most of the remaining hospitals saw between a 19 percent and 27 percent decrease, which can be explained by the increase in HSF enrollees seen at these hospitals. Unlike the other hospitals, CPMC had an increase of 81 percent non-HSF patients. As Table 2 illustrates, the proportion of HSF patients at other reporting hospitals was higher than at CPMC. For example, CPMC had only 3 percent HSF charity care unduplicated patients and 97 percent non-HSF, while SFMH had 34 percent HSF. This likely accounts for the 21 percent decrease in traditional charity care patients seen at SFMH, while CPMC saw no such decline.

The voluntarily reporting hospitals show a larger decrease from FY 2008 to FY 2009 (-30%) than the required hospitals, but are more consistent with all hospitals showing decreases among the number of charity care patients since FY 2006 and FY 2009. Undoubtedly, some of this can

be accounted for in data collection improvements over time. The increase in HSF enrollees is likely a reason for the decline among KFHSF and SFGH, with both moving heavily toward providing charity care to the HSF population. UCSFMC, on the other hand, is not yet enrolling HSF patients, so the 72 percent decline from FY 2008 to FY2009 is less clear. While it is a bit early to understand the impact of HSF throughout the county, the program is offering a medical home to the uninsured, and non-HSF needs are declining overall.

Table 3: Number of Non-HSF Unduplicated Charity Care Patients Since 2006

System	Hospital	2006	2007	2008	2009	% Change from 2006	% Change from 2008
<i>Hospitals Subject to Ordinance</i>							
CHW	Saint Francis	2,662	3,087	3,164	2,491	-6%	-21%
CHW	St. Mary's	10,291	3,164	3,059	2,466	-76%	-19%
Chinese	Chinese	201	452	365	290	44%	-21%
Sutter	CPMC	1,178	1,234	1,562	2,830	140%	81%
Sutter	St. Luke's	1,978	819	1,022	751	-62%	-27%
Subtotal		16,310	8,756	9,172	8,828	-46%	-4%
<i>Other Reporting Facilities</i>							
Kaiser Permanente	KFH-SF	258	140	289	132	-49%	-54%
SF DPH	SFGHMC	81,447	78,470	74,497	55,656	-32%	-25%
UC Regents	UCSFMC	3,668	6,895	8,304	2,309	-37%	-72%
Subtotal		85,373	85,505	83,090	58,097	-32%	-30%
Grand Total		101,683	94,261	92,262	66,925	-34%	-27%

D. Charity Care Expenditures

The Charity Care Ordinance requires that hospitals report the dollar amount of charity care provided, after being adjusted by the cost-to-charge ratio. Table 4 shows the costs of the HSF and non-HSF population seen by each hospital in FY 2009. Charity care expenditures show the hospital's cost of providing charity care services to those enrolled in the charity care program in FY 2009. (See Attachment B, Hospital Data Reported, for the raw revenue data and the cost-to-charge ratio for each hospital.)

Table 4 shows that the required reporting hospitals spent a combined amount of nearly \$18 million on the non-HSF population and nearly \$4 million on the HSF population in FY 2009 (total \$21,616,399). In FY 2008, the required reporting hospitals spent \$18,091,387 on charity care services. Therefore, these hospitals reported spending approximately \$3.5 million more in FY 2009 than the previous year, though this year included the spending on HSF patients. The

numbers in Table 4 show that among the required reporting hospitals, SFMH and SMMC (both hospitals within the Catholic Healthcare West system) represent 45 percent of the total charity care expenditures (\$9,810,898). CPMC and St. Luke's Hospital represent a little over 50 percent of the charity care expenditures (\$11,445,158), and Chinese Hospital represents the remaining two percent.

Table 4: Charity Care Expenditures Non-HSF & HSF

System	Hospital	Charity Care Expenditures Non-HSF	Charity Care Expenditures HSF	Total
CHW	Saint Francis	\$4,778,164	\$1,858,397	\$6,636,561
CHW	St. Mary's	\$2,375,745	\$798,592	\$3,174,337
Chinese	Chinese	\$251,490	\$108,853	\$360,343
Sutter	CPMC	\$8,998,020	\$883,170	\$9,881,190
Sutter	St. Luke's	\$1,362,281	\$201,687	\$1,563,968
Subtotal		\$17,765,700	\$3,850,699	\$21,616,399
Kaiser Permanente	KFH-SF	\$3,171,573	\$458,282	\$3,629,855
SF DPH	SFGHMC	\$53,383,644	\$65,969,759	\$119,353,403
UC Regents	UCSFMC	\$10,285,741	\$121,160	\$10,406,901
Subtotal		\$66,840,958	\$66,549,201	\$133,390,159
Grand Total		\$84,606,658	\$70,399,900	\$155,006,558

The voluntarily reporting hospitals provided nearly \$67 million in charity care for a combined total for all hospitals of over \$84 million in non-HSF expenditures. All hospitals reported HSF charity care expenditures totaling \$70,399,900. The bulk of this amount, \$65,969,759, represents the amount that SFGH spent on HSF patients. This is not a surprise given the fact that SFGH is the primary charity care hospital in San Francisco and is the central hospital for HSF. Similarly, SFGH represents 77 percent of the overall charity care spending (\$119,353,403).

Figure 1 is a graphic representation of each reporting hospital's charity care expenditures, except SFGH. This is because SFGH is in an entirely different financing category relating to charity care. This chart also includes the number of charity care patients reported by each hospital as a point of comparison.

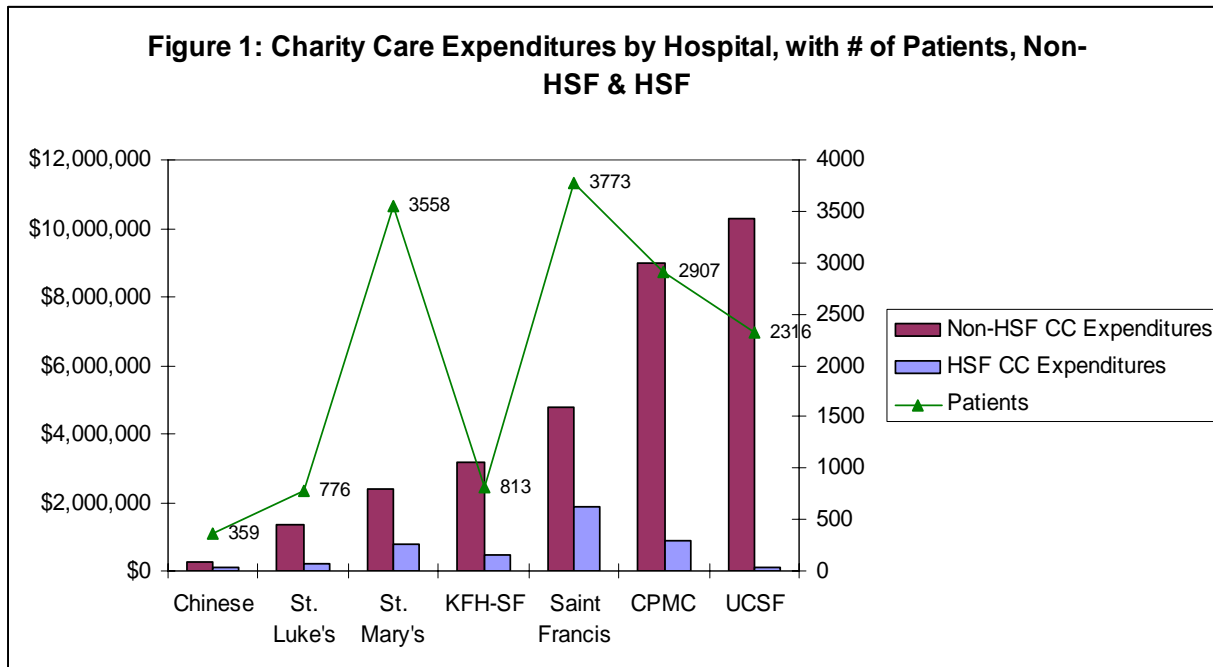


Table 5 shows the historical non-HSF charity care expenditures, going back to FY 2006. Traditional charity care expenditures increased close to 9 percent among required hospitals from FY 2006 to FY 2009. However, in the rest of the subtotal and total categories, for required hospitals, not-required, and those two combined, there was a decrease in charity care expenditures. Though it should be noted, that from FY 2008 to FY 2009, there was very little change in non-HSF charity care dollars spent among the required hospitals (2% decline). If HSF spending is taken into consideration (spending on both HSF and non-HSF for required reporting hospitals was \$21.6M), there is not a decline over the past year, but an increase.

While not included in Table 5, going back to the first year of charity care data collection, FY 2001, charity care expenditures were significantly less than what we see today. Among the required hospitals, charity care expenditures more than doubled. The total, among the required hospitals, went from \$8,184,258 (FY 2001) to \$17,765,700 (FY 2009). This first report focused specifically on these hospitals, as KHF-SF was not reporting until 2002 and UCSFMC was not reporting until 2003. The charity care burden, which has always been disproportionately on SFGH, has shifted over the years. For example, the San Francisco Chronicle reported in 2003 that SFGH provided 92 percent of charity care expenditures.⁵ In FY 2009, SFGH provided 77 percent of the charity care expenditures (including both HSF and non-HSF).

⁵ SF Chronicle, "Some Hospitals Skirting Care of the Poor," Rachel Gordon, November 28, 2003.

Table 5: Charity Care Expenditures (Non-HSF)

System	Hospital	2006	2007	2008	2009	% Change from 2006	% Change from 2008
CHW	St. Francis	\$4,155,987	\$4,459,102	\$4,795,428	\$4,778,164	15.0%	-0.4%
CHW	St. Mary's	\$3,533,505	\$4,629,789	\$4,742,976	\$2,375,745	-32.8%	-49.9%
Chinese	Chinese	\$265,295	\$537,389	\$346,379	\$251,490	-5.2%	-27.4%
Sutter	CPMC	\$5,225,596	\$3,987,986	\$5,307,931	\$8,998,020	72.2%	69.5%
Sutter	St. Luke's	\$3,158,558	\$1,861,142	\$2,898,673	\$1,362,281	-56.9%	-53.0%
Subtotal		\$16,338,941	\$15,475,408	\$18,091,387	\$17,765,700	8.7%	-1.8%
Kaiser Permanente	KFH-SF	\$1,131,063	\$1,354,121	\$1,419,762	\$3,171,573	180.4%	123.4%
SF DPH	SFGHMC	\$79,684,447	\$87,531,711	\$92,315,163	\$53,383,644	-33.0%	-42.2%
UC Regents	UCSFMC	\$5,510,297	\$4,127,289	\$11,279,383	\$10,285,741	86.7%	-8.8%
Subtotal		\$86,325,807	\$93,013,121	\$105,014,308	\$66,840,958	-22.6%	-36.4%
Grand Total		\$102,664,748	\$108,816,134	\$123,105,695	\$84,606,658	-17.6%	-31.3%

Table 6 shows the percentage of charity care costs incurred by each San Francisco hospital as it relates to their full amount of net patient revenue. The net patient revenue is reported to California's Office of Statewide Health Planning and Development (OSHPD).⁶ OSHPD requires significant financial data from all hospitals in the state, with some of it directly related to charity care. The charity care costs are taken from the figures reported annually to DPH, and are used throughout this report.

Net patient revenue is defined by OSHPD as gross inpatient revenue plus gross outpatient revenue minus related deductions. The information in this table shows this adjusted revenue formula compared to each hospital's charity care costs. Among the required reporting hospitals, the ratios range from .40 percent at Chinese Hospital to 4.13 percent at Saint Francis Memorial Hospital.

⁶ Note: Kaiser Foundation Hospital is excluded from Table 6, and Figures 2 and 3 because OSHPD does not require them to report these data.

Table 6: Ratio of Charity Care to Net Patient Revenue

Hospital	Net Patient Revenue	Charity Care Costs	Ratio of CC Costs to Net Pt Revenue
Saint Francis	\$160,829,148	\$6,636,561	4.13%
St. Mary's	\$179,240,068	\$3,174,337	1.77%
Chinese	\$90,404,670	\$360,343	0.40%
CPMC	\$1,048,940,567	\$9,881,190	0.94%
St. Luke's	\$102,886,342	\$1,563,968	1.52%
SFGHMC	\$468,888,168	\$119,353,403	25.45%
UCSF	\$1,635,183,973	\$10,406,901	0.64%

Figure 2 represents the hospitals' ratios of charity care compared to net patient revenue graphically, excluding KFH-SF and SFGH hospitals. SFGH is excluded from this figure and the following one (Figure 3) because the ratios widely differ from the other hospitals and the state average, due to its status as a safety-net, public hospital. The closest to SFGH's ratio of 25.45 percent is SFMH at 4.13 percent. Figure 2 also includes the state average of 1.78 percent as a point of reference. The state average is reported by OSHPD, using data from all 382 hospitals in California. SMMH is right at the state's average on this measure, and St. Luke's is close, while the other hospitals tend to diverge more significantly.

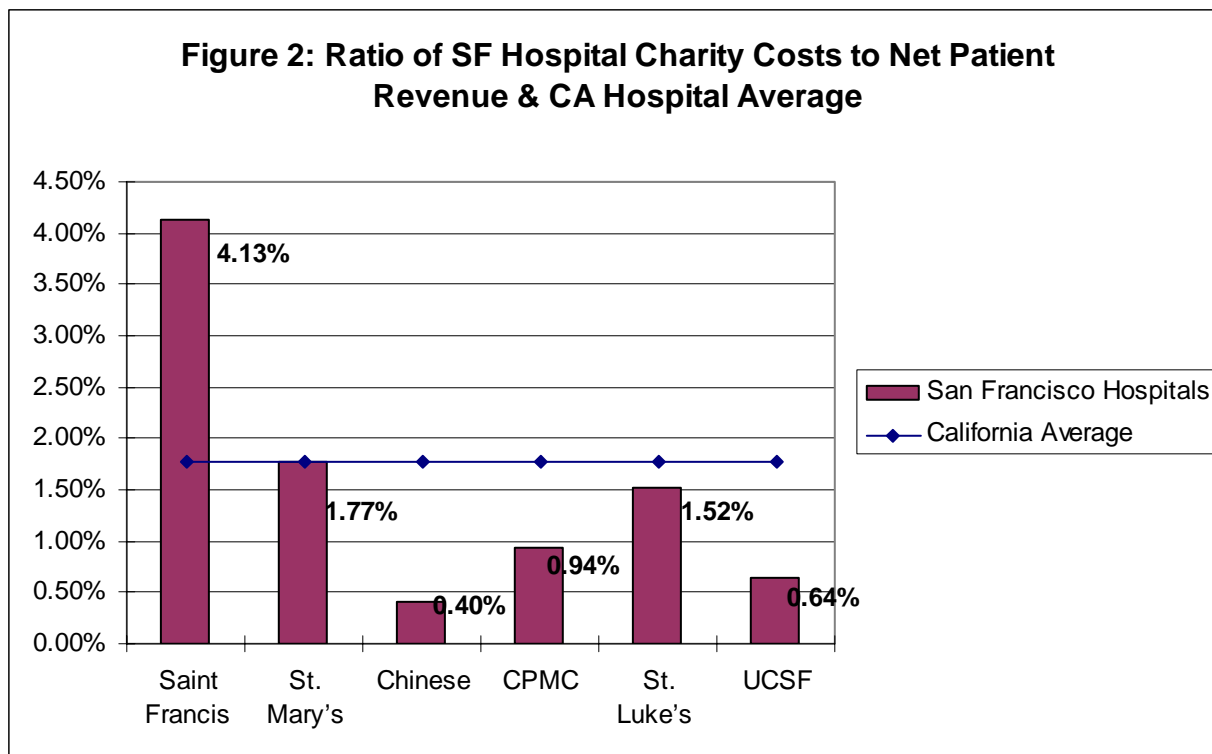
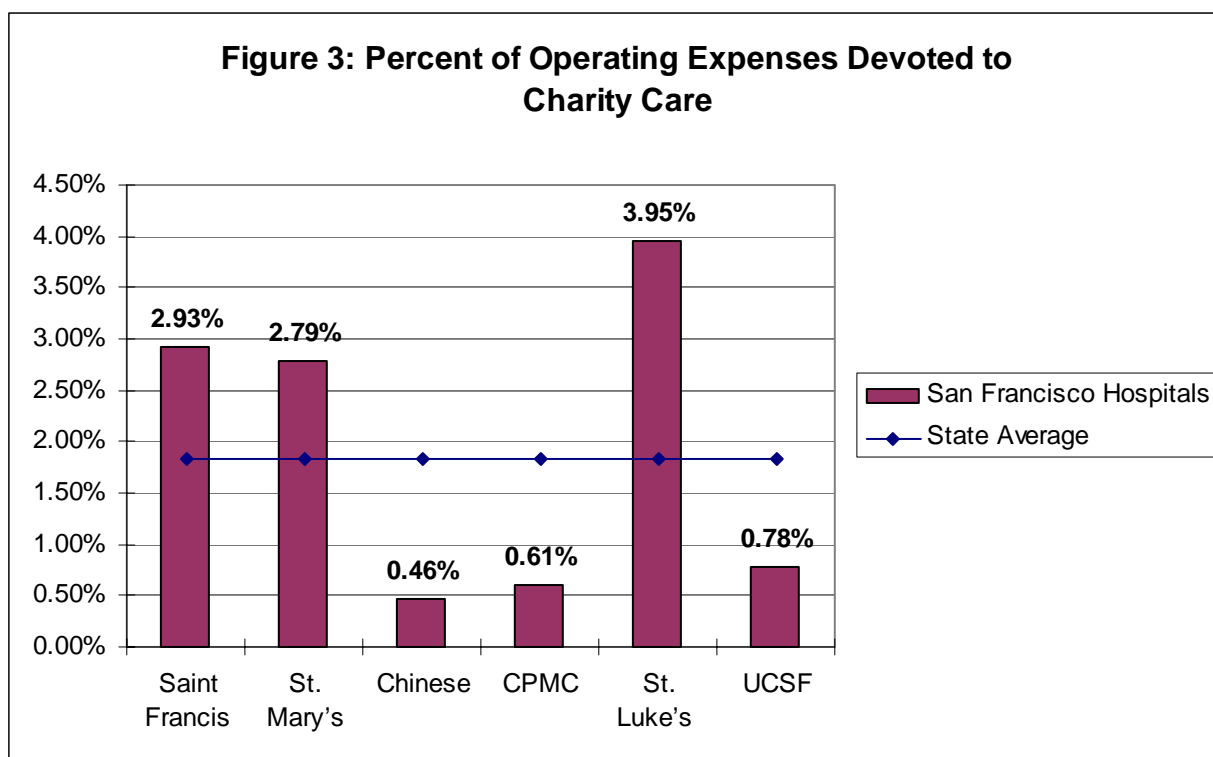


Figure 3 examines each hospital's charity care costs in another way, by showing the ratio of the hospital's operating expenses compared to their charity care costs. Like the previous chart, this figure also shows the state's average (1.83%). The operating expenses are also reported by OSHPD, and defined as the "total direct expenses incurred by various cost center groups for providing patient care by the hospital. Direct expenses include salaries and wages, employee benefits, professional fees, supplies, purchased services, and other expenses."

This measure was used by the United States Governmental Accountability Ordinance (GAO) as the primary measure for analysis in a report from 2005, entitled "Non-Profit, For Profit, and Government Hospitals: Uncompensated Care and Community Benefits." This measure was noted as one of the more useful ways to compare hospitals charity care work, by understanding how much of their operating expenses were dedicated to unreimbursed care. This report found that the ratio on this measure for governmental hospitals was significantly higher than that of non-profit and for-profit hospitals. Similarly, SFGH's ratio for 2009 was 19.32 percent (and is not included in Figure 3). The other hospitals' ratios range from 3.95 percent (St. Luke's) and .46 percent (Chinese Hospital). The GAO report also noted that a small number of non-profit hospitals bore a larger share of uncompensated care among the non-profit hospitals in the five states studied (California among them).



V. Analysis and Discussion

A. Charity Care by Supervisorial District

Table 7 shows the distribution of all reporting hospitals' non-HSF charity care applications by Supervisorial districts. The majority of traditional charity care patients are residents of San Francisco, with 12 percent from outside the County. These individuals may live in other California counties, other states, or even internationally. Approximately 8 percent of the charity care patients were identified as homeless. (The homeless population cannot be accurately captured in this report, due to hospitals' variability in capturing this information for charity care patients.) Figure 4, on page 28, provides more information on out-of-county charity care.

District 6, which includes South of Market, home to large population of uninsured and transient individuals, represented the most charity care applications in FY 2009 (10,347 applications). Supervisorial districts 10 (Bayview Hunters Point, etc.) and 9 (Outer Mission, Bernal Heights, etc.) had the second and third most charity care applications, 9,923 and 8,212, respectively. These three districts put together represent 41 percent of all charity care applications and are generally served by SFGH. (See Table 8 for more information.)

Table 7: Approved Charity Care Applications (Non-HSF) by Supervisorial District, FY 2009

District	Charity Care Applicants	% of Total
District 1	1,884	2.8%
District 2	3,215	4.7%
District 3	3,526	5.2%
District 4	2,863	4.2%
District 5	3,768	5.5%
District 6	10,347	15.2%
District 7	4,139	6.1%
District 8	2,310	3.4%
District 9	8,212	12.1%
District 10	9,293	13.7%
District 11	5,031	7.4%
Outside SF	8,236	12.1%
homeless/Other	5,095	7.5%
TOTAL	67,919	100.0%

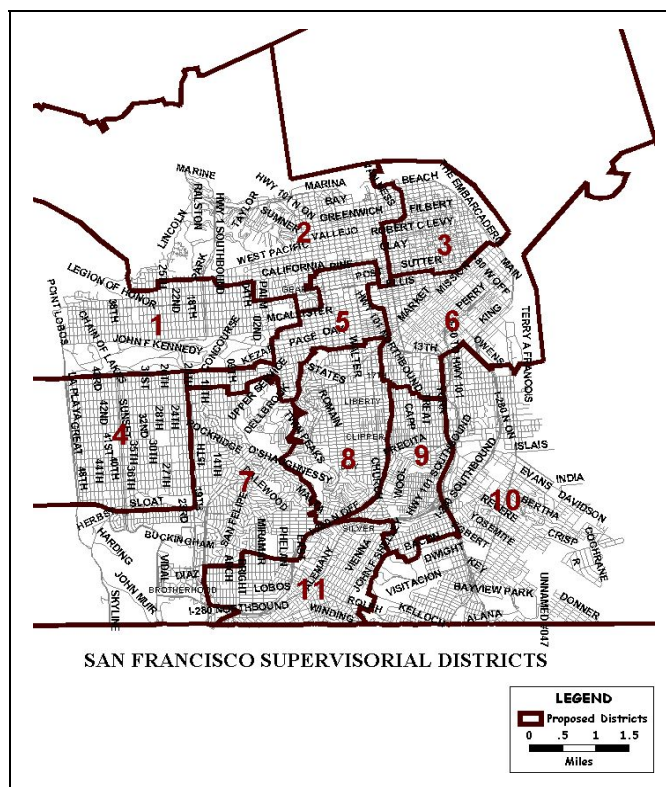


Table 8 builds on Table 7 by showing zip code detail for each hospital in San Francisco. This table illustrates the number and percentage of non-HSF charity care applications by hospital and supervisorial district.

Table 8: Charity Care Applications by Hospital and Supervisorial District, FY 2009 (Non-HSF)

District	Hospitals Subject to Ordinance						All Reporting Hospitals			
	CPMC	St. Luke's	CHI	SFMH	SMMC	Total	Hospitals Subject to Ordinance	SFGH	UCSF	Grand Total
District 1										
Applicants	114	2	18	44	213	391	391	1,324	169	1,884
Percentage	29.2%	0.5%	4.6%	11.3%	54.5%	100%	20.8%	70.3%	9.0%	100%
District 2										
Applicants	205	5	16	388	125	739	739	2,216	260	3,215
Percentage	27.7%	0.7%	2.2%	52.5%	16.9%	100%	23.0%	68.9%	8.1%	100%
District 3										
Applicants	147	6	103	467	83	806	806	2,559	161	3,526
Percentage	18.2%	0.7%	12.8%	57.9%	10.3%	100%	22.9%	72.6%	4.6%	100%
District 4										
Applicants	110	8	24	42	160	344	344	2,093	426	2,863
Percentage	32.0%	2.3%	7.0%	12.2%	46.5%	100%	12.0%	73.1%	14.9%	100%
District 5										
Applicants	204	7	7	12	265	495	495	2,835	438	3,768
Percentage	41.2%	1.4%	1.4%	2.4%	53.5%	100%	13.1%	75.2%	11.6%	100%
District 6										
Applicants	167	34	18	541	362	1,122	1,122	8,785	440	10,347
Percentage	14.9%	3.0%	1.6%	48.2%	32.3%	100%	10.8%	84.9%	4.3%	100%
District 7										
Applicants	149	26	18	53	159	405	405	3,207	527	4,139
Percentage	36.8%	6.4%	4.4%	13.1%	39.3%	100%	9.8%	77.5%	12.7%	100%
District 8										
Applicants	132	20	0	44	120	316	316	1,801	193	2,310
Percentage	41.8%	6.3%	0.0%	13.9%	38.0%	100%	13.7%	78.0%	8.4%	100%
District 9										
Applicants	144	115	9	63	131	462	462	7,531	219	8,212
Percentage	31.2%	24.9%	1.9%	13.6%	28.4%	100%	5.6%	91.7%	2.7%	100%
District 10										
Applicants	105	71	39	83	197	495	495	8,522	276	9,293
Percentage	21.2%	14.3%	7.9%	16.8%	39.8%	100%	5.3%	91.7%	3.0%	100%
District 11										
Applicants	84	44	32	46	93	299	299	4,584	148	5,031
Percentage	28.1%	14.7%	10.7%	15.4%	31.1%	100%	5.9%	91.1%	2.9%	100%
CA (non-SF)	1,034	50	24	174	180	1,462	1,462	2,511	4,263	8,236
Percentage	70.7%	3.4%	1.6%	11.9%	12.3%	100%	17.8%	30.5%	51.8%	100%
Homeless/ Other SF	57	8	4	14	6	89	89	4,989	17	5,095
Percentage	64.0%	9.0%	4.5%	15.7%	6.7%	100%	1.7%	97.9%	0.3%	100%

B. Charity Care Patients' in Hospitals' ZIP Codes

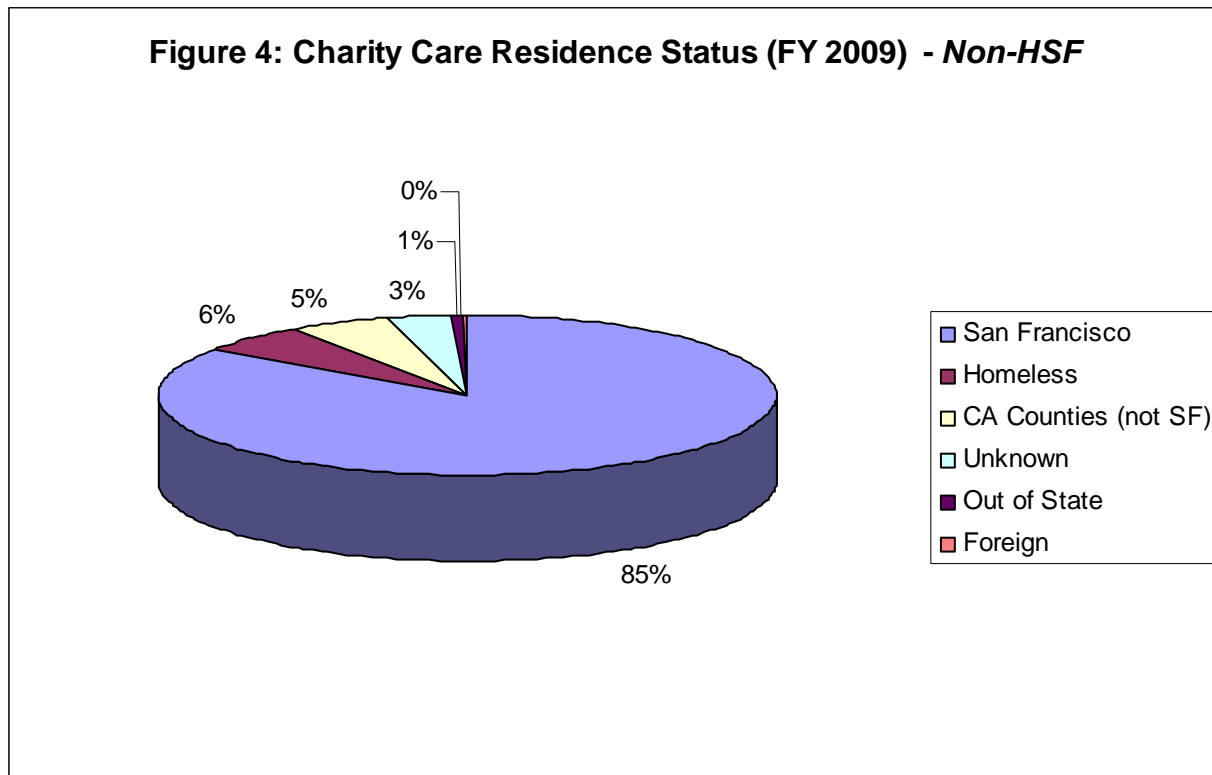
A wide variety of factors impact where a patient receives his or her care, including personal preference, ambulance diversion, location, transportation, among other possibilities. An analysis of charity care data over the years supports the idea that many local patients apply for charity care services in different neighborhoods than where they live. For example, in the SMMC neighborhood (94117), 11 percent of the applications from individuals that shared the hospital's zip code were processed at SMMC, while the remaining 89 percent were processed by other hospitals. This is essentially reversed in zip code 94110, where both SFGH and St. Luke's Hospital are located. The vast majority (92%) of 94110 applications were processed by one of the local hospitals, SFGH.

Table 9: Charity Care Applicants in Local Hospitals' ZIP Codes, FY 2009 (Non-HSF)

Zip Code	Hospital(s) in Zip Code	CPMC	St. Luke's	Chinese	SFMH	SMMC	SFGHMC	UCSFMC
94109	Saint Francis	122	8	20	844	113	2,737	230
94110	SFGH St. Luke's	147	121	5	60	127	7,607	218
94114	CPMC (Davies)	93	8	0	27	80	904	113
94115	CPMC (Pacific), UCSF (Mt. Zion), Kaiser Permanente	161	1	4	49	78	1,419	250
94117	St. Mary's	85	5	2	43	203	1,406	231
94118	CPMC (California)	78	1	7	31	123	779	131
94122	UCSFMC (Parnassus)	72	8	19	35	131	1,330	357
94133	Chinese Hospital	57	1	61	58	19	882	40

C. Out-of-County Charity Care Patients

The vast majority of patients receiving charity care at San Francisco hospitals reside in San Francisco (85%). While the homeless number is imprecise, at least 5,275 identified themselves as homeless to the hospitals that do track these data. Some hospitals do not track the homeless status of a charity care applicant, thus this report will show some of the homeless charity care recipients as San Francisco residents, or unknown. The second largest charity care population is the California residents who live out-of-county. Most of these individuals live in adjacent counties, like Alameda. The hospitals report only a small number of out-of-state patients (742) and foreign (132), combined representing less than 2 percent.



D. Trends/Changes in the Quantity of Charity Care Provided

As noted in the previous section, and shown in the tables and charts, there has been an overall increase in both the numbers of individuals served and the amounts hospitals have spent on charity care. A total of 97,585 charity care patients were served through traditional charity care (66,925) and HSF (30,660) in FY 2009. In FY 2008, a total of 92,262 charity care patients were served, representing a 6 percent increase in FY 2009. Increasing numbers of charity care patients show success not only in caring for HSF enrollees in hospitals throughout the City, but an overall upward trend in caring for the City’s uninsured.

Regarding expenditures, we see something slightly different. All hospitals spent a total of \$155,006,558 in FY 2009 through traditional charity care (\$84,606,658) and HSF (\$70,399,900). In 2008, the hospitals spent a total of \$123,105,695, a decrease of 31 percent over the year in traditional charity care. However, it is clear that much of this spending has migrated to the HSF patients. Per patient, the full expenditures represent \$1,588. Significantly more was spent on HSF patients (\$2,296) than non-HSF (\$1,264). This is not a surprising finding, as it was assumed that individuals who most need health care, and have avoided getting needed care due to lack of insurance, would be the first people to sign up for HSF. Some of the hospitals report anecdotally that many of the HSF patients require costly inpatient care.

There is significant variation among the hospitals in the data presented in this report. Some hospitals focused their efforts primarily on traditional charity care services in FY 2009. For example, CPMC (not including St. Luke’s hospital) increased their expenditures since FY 2008 by nearly 70 percent. Their charity care patient mix is 3 percent HSF patients, and 97 percent traditional charity care. On the other hand, SMMC decreased their traditional charity care

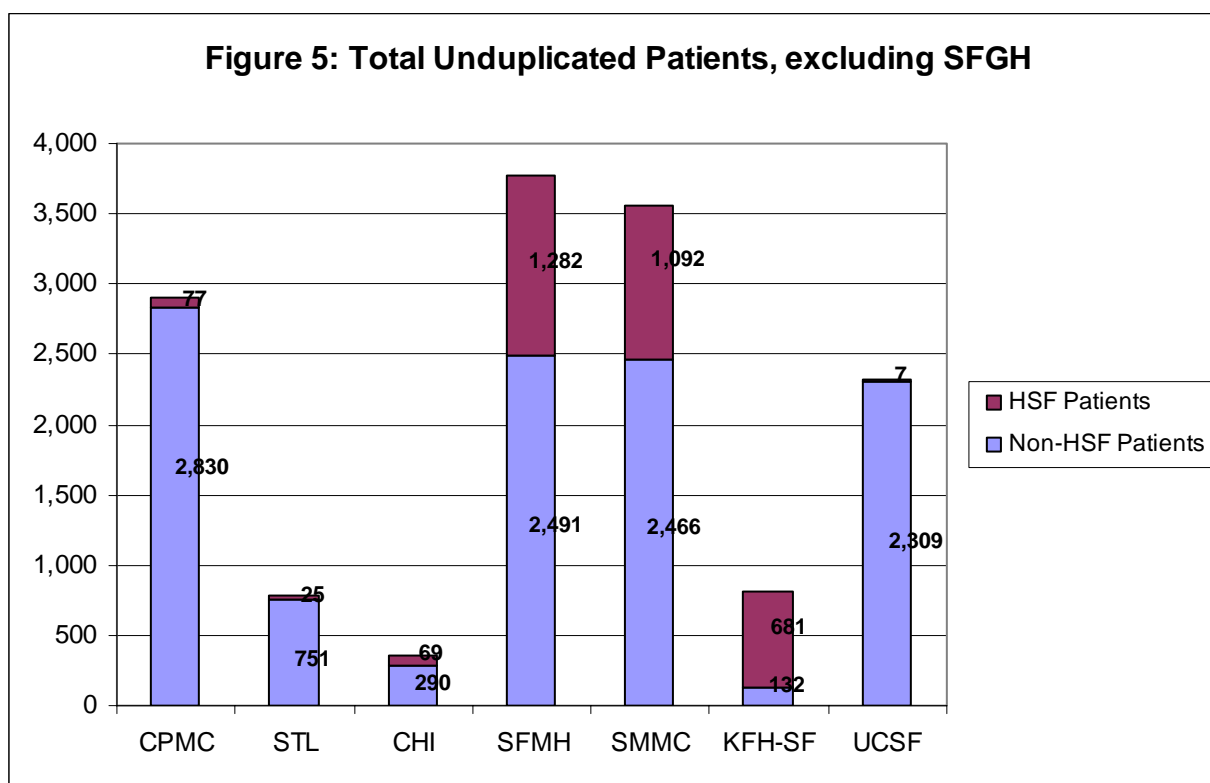
expenditures from FY 2008 to FY 2009, by 50 percent. Of their total patients, 31 percent were HSF. Among the required reporting hospitals, we can see the correlation between a decrease in traditional charity care expenditures over time, and an increase in the HSF patient population.

E. Trends/Changes in the Type of Charity Care Provided

Charity care services cover the gamut of medical care, including hospital-based care, emergency services and outpatient services provided through clinics connected to the hospitals. Table 11 shows the total number of unduplicated patients, both HSF and non-HSF⁷. This table reflects the unduplicated patients accepted into and utilizing the charity care program at each hospital, either through the traditional charity care program or HSF. Figure 5 is a graphic representation of Table 11, showing the HSF and non-HSF patients seen at each hospital. In the following section the historical data charts focus only on the non-HSF population.

Table 11: Total Number of Unduplicated Patients, FY 2009

	CPMC	STL	CHI	SFMH	SMMC	KFH-SF	SFGH	UCSFMC
Non-HSF Patients	2,830	751	290	2,491	2,466	132	55,656	2,309
HSF Patients	77	25	69	1,282	1,092	681	27,427	7
Total	2,907	776	359	3,773	3,558	813	83,083	2,316



⁷ All hospitals, except SMMC and SFMH reported unduplicated patients for Table 11 and Figure 5. There is duplication in their numbers among the emergency, inpatient and outpatient modalities.

Emergency Department Services/Patients

Tables 12 and 13, and Figure 6 focus entirely on the charity care provided through the hospitals' Emergency Departments. At most hospitals, emergency charity care services are declining among the non-HSF population. Reports in future years will provide historical data for HSF, and so will provide a better view of what is happening in the provision of charity care among the different types of services.

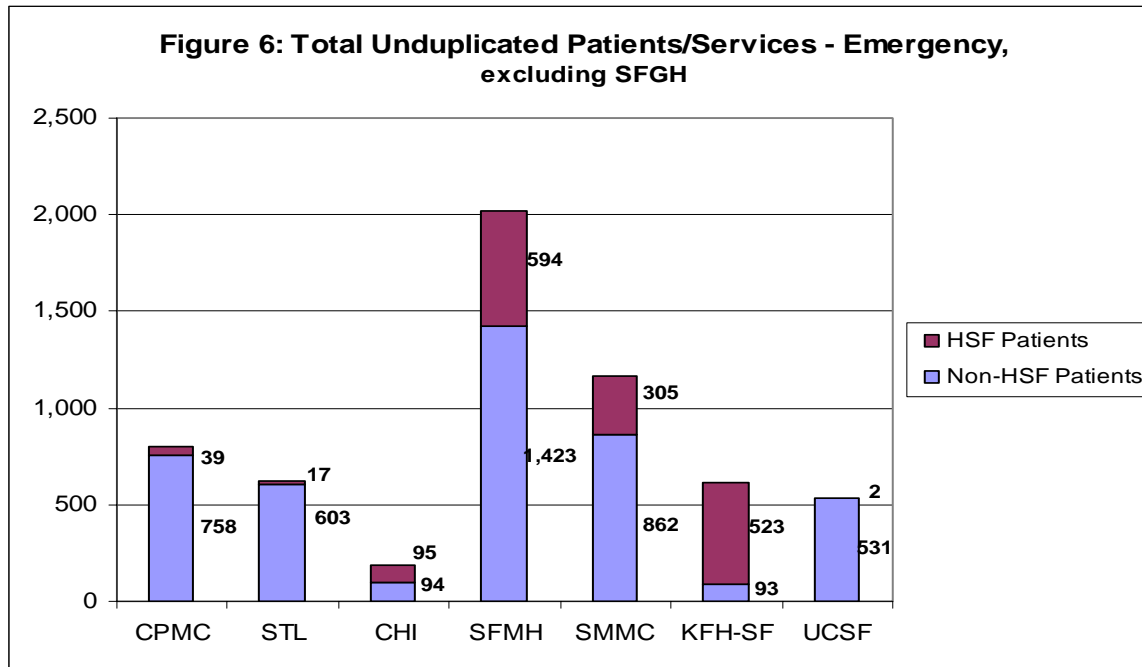
It is important to note here that DPH worked toward a consensus among the hospitals on how to count individual patients within a type of service. DPH instructed hospitals to report in the following manner: if a patient's charity care application is accepted and they have had one emergency room visit, a one-week inpatient stay, and three outpatient visits in FY 2009, this charity care recipient would be counted once in the Emergency Department section, once in the Inpatient section and once in the Outpatient section for that hospital.

Table 12: Emergency Department Services Provided (Non-HSF), FY 2006-2009

System	Hospital	2006	2007	2008	2009	% Change from 2006	% Change from 2008
CHW	SFMH	1,370	1,850	1,837	1,423	3.9%	-22.5%
CHW	SMMC	1,063	1,050	1,151	862	-18.9%	-25.1%
Chinese	Chinese	52	124	152	94	80.8%	-38.2%
Sutter	CPMC	849	835	928	758	-10.7%	-18.3%
Sutter	St. Luke's	2,363	947	1,633	603	-74.5%	-63.1%
Subtotal		5,697	4,806	5,701	3,740	-34.4%	-34.4%
Kaiser Permanente	KFH-SF	258	140	289	93	-64.0%	-67.8%
SF DPH	SFGH	10,972	10,739	9,281	7,728	-29.6%	-16.7%
UC Regents	UCSFMC	251	428	976	531	111.6%	-45.6%
Subtotal		11,481	11,307	10,546	8,352	-27.3%	-20.8%
Grand Total		17,178	16,113	16,247	12,092	-29.6%	-25.6%

Table 13: Unduplicated Patients - Emergency Services (Non-HSF & HSF), FY 2009

	CPMC	STL	CHI	SFMH	SMMC	KFH-SF	SFGH	UCSF
Non-HSF Patients	758	603	94	1,423	862	93	7,728	531
HSF Patients	39	17	95	594	305	523	4,650	2
Total	797	620	189	2,017	1,167	616	12,378	533



Inpatient Services

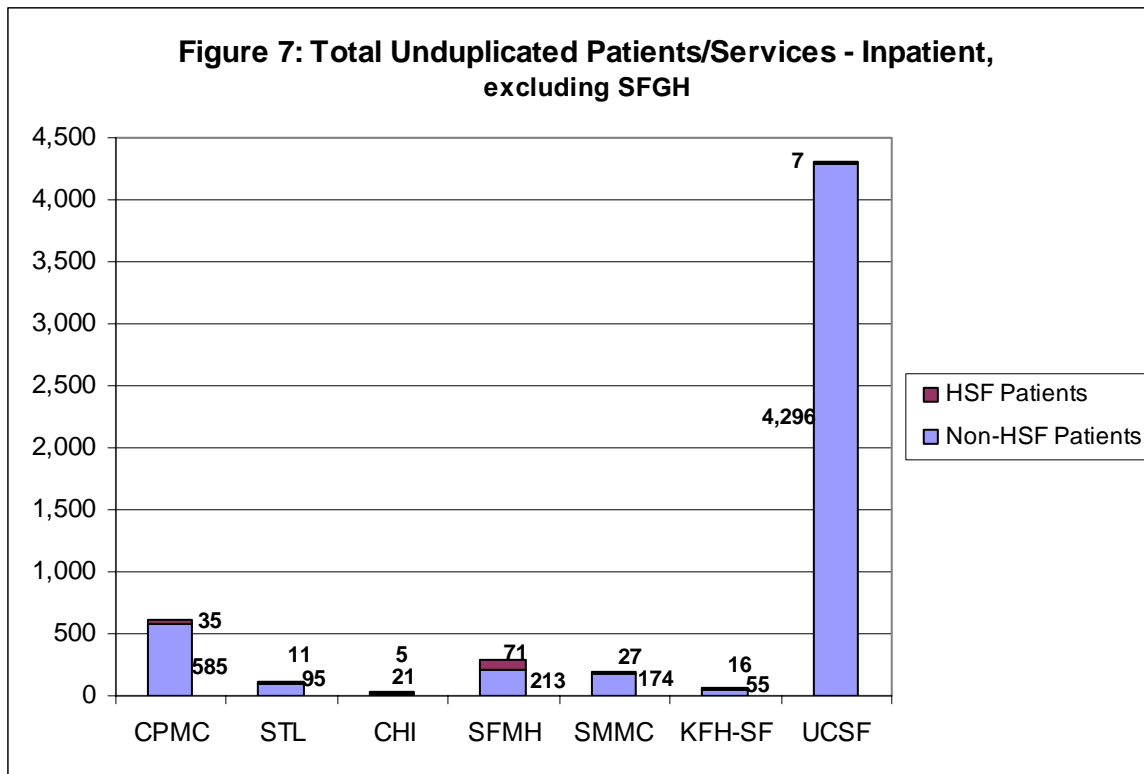
Tables 14 and 15 and Figure 7 focus on hospital inpatient services. On average, the number of patients accessing inpatient services provided within charity care is increasing, but at many individual hospitals there was a decrease from FY 2006 and FY 2008 to FY 2009. Figure 7 illustrates that the vast majority of inpatient charity care is provided to non-HSF patients. UCSF’s significant increase may be due to difficulty in counting HSF and non-HSF patients (meaning that some of the numbers should be in the HSF column, not in Table 14 – non-HSF), and the overall reliance among all types of patients on UCSF as an inpatient facility.

Table 14: Inpatient Services Provided (Non-HSF), FY 2006-2009

System	Hospital	2006	2007	2008	2009	% Change from 2005	% Change from 2008
CHW	SFMH	341	269	235	213	-37.5%	-9.4%
CHW	SMMC	253	247	203	174	-31.2%	-14.3%
Chinese	Chinese	23	57	35	21	-8.7%	-40.0%
Sutter	CPMC	505	457	375	585	15.8%	56.0%
Sutter	St. Luke’s	167	129	208	95	-43.1%	-54.3%
Subtotal		1,289	1,159	1,056	1,088	-15.6%	3.0%
Kaiser Permanente	KFH-SF	N/A	N/A	N/A	55	N/A	N/A
SF DPH	SFGH	2,821	2,393	2,634	1,582	-43.9%	-39.9%
UC Regents	UCSFMC	626	2,764	1,089	4,296	586.3%	294.5%
Subtotal		3,447	5,157	3,723	5,933	72.1%	59.4%
Grand Total		4,736	6,316	4,779	7,021	48.2%	46.9%

Table 15: Unduplicated Patients - Inpatient Services (Non-HSF & HSF), FY 2009

	CPMC	STL	CHI	SFMH	SMMC	KFH-SF	SFGH	UCSF
Non-HSF Patients	585	95	21	213	174	55	1,582	4,296
HSF Patients	35	11	5	71	27	16	1,201	7
Total	620	106	26	284	201	71	2,783	4,303



Outpatient Services

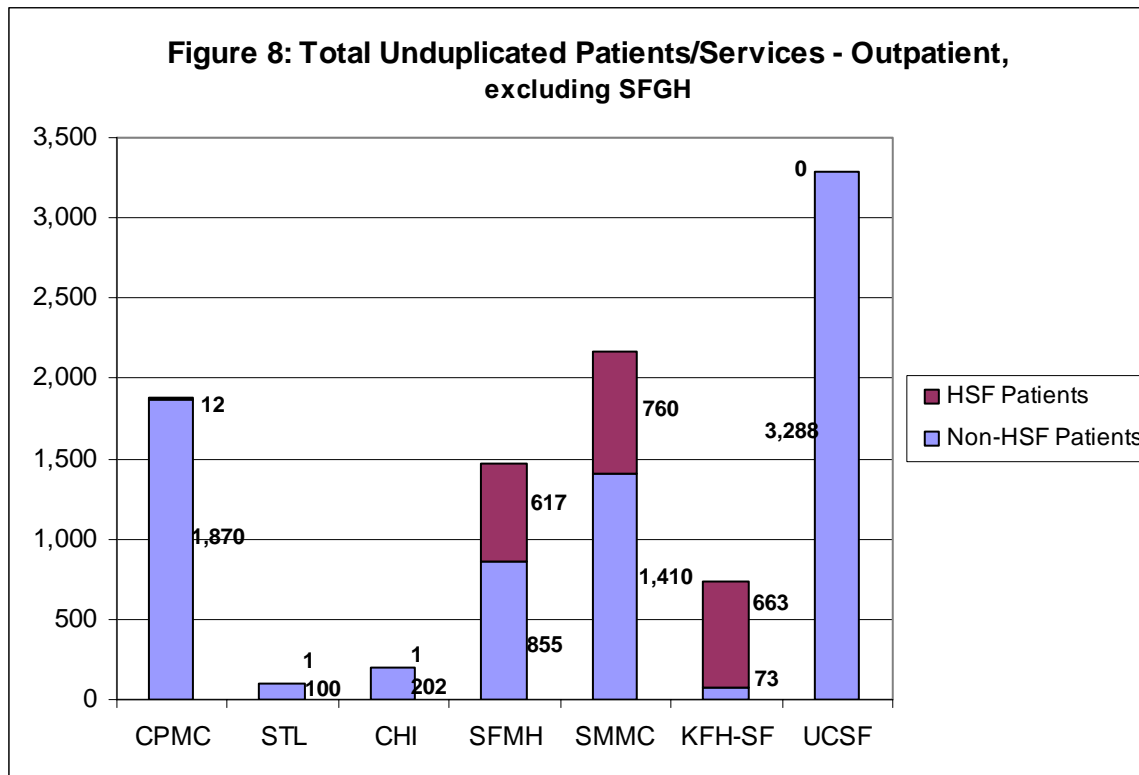
Tables 16 and 17 and Figure 8 focus on outpatient services provided to charity care patients. According to the CPMC representatives, their increase in charity care outpatient services (88% since 2005 and 15% since 2008) is due in part to the recession (i.e., more unemployed patients) and the improved efforts of their outpatient financial counselors to inform patients of CPMC's charity care program.

Table 16: Outpatient Services Provided (Non-HSF), FY 2006-2009

System	Hospital	2006	2007	2008	2009	% Change from 2005	% Change from 2008
CHW	SFMH	951	968	1,092	855	-10.1%	-21.7%
CHW	SMMC	8,975	1,867	1,705	1,410	-84.3%	-17.3%
Chinese	Chinese	147	303	227	202	37.4%	-11.0%
Sutter	CPMC	995	1,161	1,630	1,870	87.9%	14.7%
Sutter	St. Luke's	563	249	256	100	-82.2%	-60.9%
Subtotal		11,631	4,548	4,910	4,437	-61.9%	-9.6%
Kaiser Permanente	KFH-SF	N/A	N/A	N/A	73	N/A	N/A
SF DPH	SFGH	67,654	65,338	62,582	49,043	-27.5%	-21.6%
UC Regents	UCSFMC	2,791	3,703	6,239	3,288	17.8%	-47.3%
Subtotal		70,445	69,041	68,821	52,404	-25.6%	-23.9%
Grand Total		82,076	73,589	73,731	56,841	-30.7%	-22.9%

Table 17: Unduplicated Patients - Outpatient Services (Non-HSF & HSF), FY 2009

	CPMC	STL	CHI	SFMH	SMMC	KFH-SF	SFGH	UCSF
Non-HSF Patients	1,870	100	202	855	1,410	73	49,043	3,288
HSF Patients	12	1	1	617	760	663	25,952	0
Total	1,882	101	203	1,472	2,170	736	74,995	3,288



VI. Conclusions and Recommendations

A. San Francisco Leads the Way in Charity Care Improvements

Up until the 1970’s most hospitals were able to successfully provide care to low-income patients through cost-shifting, primarily charging more to insured or private-pay patients.⁸ Over time, hospital models began to change, leaving many patients behind, especially indigent and uninsured patients. Over the decades, this became more of a problem with the uninsured population growing and health care costs rising exponentially. In this changing environment, state and federal governments were lacking an agreed upon definition of charity care, much less a concept of how it should be meted out.

The City and County of San Francisco, residents and government leaders alike (e.g., Health Commission, Board of Supervisors and the Mayor) have indicated through policymaking their belief that health care is a right rather than a privilege. Proposition J (“Universal Health Care Declaration of Policy, City of San Francisco”), passed by voters in 1998, created a guiding principle by which City leaders can use when considering legislation that will increase access to health care and/or coverage for residents. Proposition J paved the way for Healthy Workers, established in 1999 to provide health insurance for In-Home Support Services providers, Healthy Kids, established in 2001 to provides health insurance to uninsured children in families with incomes up to 300 percent of the federal poverty level, the Health Care Accountability

⁸ Missouri Foundation for Health, “Hospital Charity Care in the U.S.,” Summer, 2005 <http://www.mffh.org/mm/files/HospitalCharityCareIssueBrief.pdf>

Ordinance, established in 2001 to require City contractors and certain tenants to offer health plan benefits to their covered employees.

With this solid foundation of support, in July 2001, San Francisco leaders passed the Charity Care Ordinance, putting forth a solid definition of charity care, and creating a mechanism to inform the Health Department and the public about non-profit hospitals' charity care activities provided in exchange for their favorable tax treatment.

San Francisco has led the state and the country in charity care policymaking. For example, the state passed AB 774, Hospital Fair Pricing Policies, in 2007. This legislation built on the City's charity care policies by requiring every non-profit hospital in the state to submit information on their charity care/discount payment policies and procedures, long required of San Francisco hospitals. Additionally, like San Francisco's Charity Care Ordinance, federal Health Reform requires annual submission of charity care data by hospitals and requires a comprehensive report of charity care provided by all hospitals. Consistent with the intent of San Francisco's ordinance, Health Reform also requires a review of non-profit hospitals' tax exempt status in the context of community benefit. These laws build upon a solid foundation of charity care policymaking created in San Francisco.

B. The Community Benefits Partnership Enhances Charity Care Services throughout San Francisco

The Community Benefits Partnership (CBP) provides critical information and evaluation through the citywide needs assessment. The participants conducted their tri-annual community health needs assessment for 2010, as required by state law for all non-profit hospitals, tracking the ten most important health goals for San Francisco through a number of health indicators. The intent of this project, Community Vital Signs, is to "provide a clear and dynamic path forward in promoting the health priorities in San Francisco. The CBP has taken steps to:

- Establish 10 priority health goals;
- Identify over 30 data indicators to assess health status; and
- Build and agenda for community health improvement."⁹

Throughout the later part of 2009, the CBP enhanced the process by supporting the Building a Healthier San Francisco (BHSF) committee in conducting a community-wide process that led to the creation of Community Vital Signs. The group held public meetings, through which hundreds of possible indicators were suggested. CBP researched each of the possible indicators, determining which were consistently available at the city/county level, and finally winnowing the list down to approximately 30. All of these indicators are being tracked on the Community Vital Signs section of the Health Matters in SF website. This is not only meant to track information, but to offer a way for anyone interested in the health of San Franciscans, to learn, connect and understand where interventions are most needed. Community Vital Signs was made public on September 23, 2010.

⁹ <http://www.healthmattersinsf.org/index.php>

C. Healthy San Francisco Organizes and Improves Services for the Uninsured

As noted in Section IV, most hospitals provided charity care to a significant number of HSF enrollees and the expenditures were higher per patient for HSF than they were for the traditional charity care patients. Overall expenditures for the HSF program among hospitals is not high relative to traditional charity care expenditures, but it is expected that this will shift over time, especially for those enrollees who have avoided health care due to their insurance status. In future years of this report, there will be historical data for HSF. This will allow a comparison of HSF and non-HSF changes over time.

D. The Need for Charity Care Services Continues

Though health reform will likely reduce the demand for charity care, there will continue to be a need for charity care post-health reform. Many of the changes that will have the most impact on the charity care population will not take effect until 2014. Therefore, in the near future, we can expect that the need for charity care will not abate for several years. Recent census data showed that the number of uninsured nationally increased from 46.3 million to 50.7 million.

Even after 2014, there will be a continued need for charity care. Health reform, even in the best case scenario, is not expected to cover all of the uninsured. As many as 22 million Americans may remain uninsured after reform takes effect. Many of these will be undocumented immigrants, others will have incomes below the individual mandate threshold, and still others will prefer to pay the penalty rather than purchase insurance.

E. The San Francisco's Charity Care Ordinance Remains Relevant

It may be several years before the Secretary of the Treasury issues the annual report of hospital charity care or the review of tax exempt status, as required by Health Reform. There are several reasons for this. Though most of the charity care/community benefit provisions of Health Reform became effective upon enactment, hospitals are required to be compliant beginning the first tax year after enactment. For some hospitals, that could be as late as January 1, 2011, with reports for 2011 tax year submitted in 2012. Additionally, hospitals have until 2012 to conduct a community health needs assessment, which will have to be part of these analyses. Lastly, the annual charity care report requires information not only on non-profit hospitals, but also on taxable and government-owned hospitals, which do not file tax returns that would include this information. It is, therefore, likely that 2013 would be the earliest that these reports would be available.

Because these data will not be immediately available, it will continue to be important to maintain information on local charity care activities for planning, analysis and health improvement purposes. Once the analyses required by Health Reform are complete, we can evaluate the continued need for San Francisco's ordinance at that time.