
San Francisco Hospitals Charity Care Report FY2010 --10 Years of Charity Care Reporting--

With thanks to the SF Charity Care Project's 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*

San Francisco Department of Public Health



FY2010 Charity Care Report – Table of Contents

Section I: Executive Summary	3
Section II: Introduction	5
Section III: Charity Care & the Health Care Landscape	6
A. Healthy San Francisco.....	6
B. California Hospital Fair Pricing Act (AB 774)	7
C. Hospital Reporting to IRS – Form 990, Schedule H	8
D. Patient Protection and Affordable Care Act (ACA)	8
E. Intersection of Charity Care Regulations	10
Section IV: Reporting Hospitals	11
A. Catholic Healthcare West: St. Francis Memorial Hospital (SFMH)	12
B. Catholic Healthcare West: St. Mary’s Medical Center (SMMC).....	12
C. Chinese Hospital (CHI)	13
D. Sutter Health: California Pacific Medical Center (CPMC) & St. Luke’s Campus (STL)	14
E. Kaiser Permanente: Kaiser Foundation Hospital, SF (KFH-SF)	16
F. University of California, San Francisco Medical Center (UCSF)	16
G. San Francisco General Hospital (SFGH)	18
Section V: Charity Care Policies	19
A. Individual Hospital Charity Care Policies	19
B. Posting and Notification Requirements	20
Section VI: The Provision of Charity Care.....	21
A. Charity Care Applications	21
B. Unduplicated Charity Care Patients by Hospital	22
C. Charity Care Expenditures	25
D. Medi-Cal Shortfall.....	29
E. Net Patient Revenue and Charity Care Expenditures	30
F. Trends & Changes in the Types of Charity Care Provided	31
G. ZIP Code Analysis of Charity Care Recipients	35
Section VII: Conclusions	40
A. Marking Ten Years with San Francisco as Charity Care Leader	40
B. Healthy San Francisco.....	41
C. The Community Benefits Partnership	41
D. Health Reform – Continuing Need for Charity Care	42

Section I: Executive Summary

San Francisco's Charity Care Ordinance is a powerful and important part of local health care regulations. When first passed, it was a ground-breaking piece of legislation with the intent to better understand and quantify the charity care work being done at local hospitals. This year's report marks the ten-year anniversary of the Charity Care Ordinance, looking at the local charity care services provided over the past decade, what and what the future may hold. The following five points highlight major findings from the full report.

LOCAL HOSPITALS ARE CARING FOR APPROXIMATELY 99,000 CHARITY CARE RECIPIENTS ANNUALLY.

The number of charity care recipients has remained relatively stable over the past ten years. While each hospital's reported number of charity care patients varies significantly from year to year, the number of recipients seen at all hospitals remained within a fairly narrow range. The number of patients receiving charity care services at all San Francisco hospitals averages nearly 99,000 individuals annually. The range was between a low of 92,262 in FY2008 and a high of 110,545 (FY2003). (These numbers are unduplicated by hospital, but not when hospitals are combined because patients may receive charity care at more than one hospital during the reporting period.)

LOCAL HOSPITALS ARE INCREASING THEIR CHARITY CARE EXPENDITURES EACH YEAR.

The hospitals annual charity care expenditures have risen at a steady pace. The first year's (FY2001) grand total was \$64,433,862 (with two voluntary hospitals not reporting). In FY2006 it was \$102,664,748, and in the current reporting year it expanded to \$177,455,538. While medical costs are increasing across the state and country, the increases in charity care expenditures reported by the hospitals far outpaces other benchmark measures, including the Consumer Price Index for Medical Care in the San Francisco/Bay Area.

PRIVATE HOSPITAL'S OVERALL SHARE OF CHARITY CARE IS INCREASING.

Private hospitals in San Francisco are somewhat increasing their role in the provision of charity care, primarily in terms of expenditures. SFGH is the primary safety net institution, due to its roles as a trauma center, and as a public hospital with a focus on under- and uninsured residents. Over the past decade, SFGH provided an average of 80 percent of charity care annually, both in terms of expenditures and patients. At the same time, however, there was a shift in the proportion of charity care provided by the other hospitals. In FY2010, for example, the other hospitals' proportion of charity care expenditures was greater than the 20 percent average, at 27 percent of the total.

THE HEALTHY SAN FRANCISCO PROGRAM IS CHANGING THE PROVISION OF CHARITY CARE.

This report is only the second time that the HSF program was included. Considering the HSF program in the charity care report allows for a fuller picture of how the uninsured in San Francisco receive medical care. Every hospital in San Francisco saw more HSF patients than they did the previous year. While this was especially true SFGH, there was also considerable increases at Kaiser Foundation Hospital – San Francisco (KFH-SF), and Saint Francis Memorial Hospital (SFMH). KFH-SF more than tripled the number of HSF patients in the second year, while SFMH more than doubled theirs. Among all hospitals, including SFGH, the increase from FY2009 to FY2010 was nearly 30 percent. The HSF program allows the uninsured to access a full range of medical services to those who might otherwise access individual hospital's charity care programs. By continuing to include the HSF data in this report, the second decade of the Charity Care Ordinance reporting will allow DPH to better understand how medical care services are provided among the uninsured, low-income populations.

THE NEED FOR CHARITY CARE WILL CONTINUE.

The Patient Protection and Affordable Care Act (ACA) was enacted on March 23, 2010. The ACA is meant to reform the health care system and expand health insurance coverage to 32 million people by 2019, eventually covering 95 percent of all legal residents. The uninsured population will not disappear even when the ACA is fully operational. In fact, it is estimated that approximately 68,400 San Franciscans will remain uninsured. Therefore, the need for the Charity Care Ordinance requirements will not diminish.

Section II: Introduction

This report marks the tenth anniversary of San Francisco's Charity Care report. San Francisco's Board of Supervisors passed the Charity Care Ordinance in 2001, which requires non-profit hospitals to report charity care-related data to the San Francisco Department of Public Health (DPH) on an annual basis. This law was the first of its kind in the nation and has supported a spirit of public disclosure locally that has been replicated in other municipalities and by the federal government as part of health reform (Affordable Care Act). The Ordinance explains that:

"Charity care is vital to community health, and private hospitals, non-profits in particular, have an obligation to provide community benefits in the public interest in exchange for favorable tax treatment by the government."¹

While it does not require hospitals to provide a specific level of free or discounted charity care to the community, the Ordinance requires hospitals to quantify their charity care work in the annual report. DPH collects and analyzes these data and prepares an annual report detailing the trends in the data and other findings. The first report to satisfy the Ordinance's requirements was prepared in 2002, for the fiscal year (FY) 2001. DPH has produced these reports each year for a decade. This report will look not only at the most recent data (FY2010), but will also take a 10-year view of charity care.

San Francisco's Ordinance clearly defines charity care as emergency, inpatient, and outpatient medical care, including ancillary services, provided to those who cannot afford to pay and without expectation of reimbursement. DPH works with the hospitals through the Charity Care Project work-group, a subcommittee of the Community Benefits Project (CBP). An outgrowth of the Building a Healthier San Francisco (BHSF) tri-annual community needs assessment process, CBP seeks to harness the collective energy and resources of San Francisco's 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. All acute care hospitals in San Francisco (with the exception of the Veteran's Administration Hospital, San Francisco) participate in this work-group and report their charity care activities in San Francisco. According to the Ordinance, the following hospitals are required to submit charity care reports to SF-DPH within 120 days after the end of their fiscal year:

- Chinese Hospital (CHI)
- California Pacific Medical Center (CPMC)
- St. Luke's Hospital (STL)
- St. Francis Memorial Hospital (SFMH)
- St. Mary's Medical Center (SMMC)

¹ CCSF Municipal Code, Article Three (Hospitals), Section 129. Charity Care Policy Reporting & Notice Requirement.

The remaining hospitals, all of which report voluntarily, include:

- Kaiser Foundation Hospital, San Francisco (KFH – SF)
- University of California San Francisco, Medical Center (UCSF)
- San Francisco General Hospital (SFGH)

This report summarizes San Francisco hospital's charity care activities by quantifying the number of applications processed, patients served, the amount of charity care provided, and more. Additionally, this report will provide an update on the Affordable Care Act's (ACA) progress, and other changes in the health care landscape, focusing especially on health care programs for those with limited access. This report will show in detail charity care's important place in the health care landscape of San Francisco. In addition to the charts and tables in this report, more can be found in Attachment A – the report's chart pack. Page two of the chart pack is a table with all of the data reported by the hospitals for FY2010.

Section III: Charity Care & the Health Care Landscape

The first California law related to nonprofit hospitals and their relationship to the community was Senate Bill 697, passed in 1994. Noting that nonprofit hospitals assume a social obligation in exchange for favorable tax treatment, SB 697 required that private nonprofit hospitals report on the community benefits they provide. The legislation further required those hospitals to assess the health needs of their respective communities and develop plans for addressing priority needs in collaboration with the community.

In recent years, there have been changes related to the provision of charity care and community benefit and to the reporting rules in San Francisco, and throughout the state and the nation. Some of these expand upon, while others complement, San Francisco's Charity Care Ordinance.

A. Healthy San Francisco

The Healthy San Francisco (HSF) program provides services to uninsured San Franciscans, and as such is included in this report. Uninsured and low-income residents of San Francisco may use non-profit hospitals to receive care and so it is important to include services provided to this population. The HSF program first began enrolling uninsured, eligible individuals in 2007. The program provides comprehensive, affordable health care to uninsured adults in households with incomes up to 500 percent of the federal poverty level (FPL), irrespective of the person's employment or immigration status, or pre-existing medical conditions. HSF members choose a medical home (a primary care provider) giving them improved access to preventive health care services.

During the time period of this report (FY2010), HSF enrollment was at 53,428 members in June 2010. This represents 89 percent of the estimated 60,000 uninsured adults in San Francisco. Given the voluntary nature of HSF, it is not anticipated that the program will cover 100 percent of the uninsured population in San Francisco. While San Francisco hospitals continue to provide free and discounted care through their financial assistance/charity care programs, HSF has started to shift the balance so that in some cases the majority of hospitals' charity care resources are being used to support HSF. During the time of this report, all of the hospitals reporting on charity care were providing services through HSF, many affiliated with HSF medical homes. (UCSF partners with HSF to provide radiological services under HSF, and is not affiliated with a medical home.)

B. California Hospital Fair Pricing Act (AB 774)

In 2006, the California Legislature passed the Hospital Fair Pricing Act (AB 774), which became effective on January 1, 2007. According to the Office of Statewide Health Planning and Development (OSHPD), the intent of the legislation is to lessen the impact of high medical costs on the un- and underinsured needing health care in California. Similar to San Francisco's Ordinance, the Hospital Fair Pricing Act does this through public disclosure. Hospitals are required to:

- 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.

The Act requires that hospitals offer charity care discounts or free care to individuals in households making less than 350 percent of the FPL, who are also either uninsured or insured with high medical costs. To track that hospitals are following these rules, OSHPD requires reporting every other year. In these reports, hospitals must include:

- Charity care policy;
- Discount payment policy;
- Eligibility procedures for charity care;
- Review process; and
- Application form.

Under AB774, hospitals may not charge charity care-eligible patients more for services than Medicare would allow. It also includes regulations that protect charity care patients from debt collection practices that some hospitals would use in pursuing payments. For example, the Act notes that if a patient is attempting to settle the debt, the hospital may not send the unpaid bill to a collection agency, use wage garnishments, or liens on primary residences. These issues are not addressed in San Francisco's Charity Care Ordinance, so offer important protections for patients locally and throughout California.

C. Hospital Reporting to IRS – Form 990, Schedule H

The Form 990, *Return of Organization Exempt from Income Tax*, is submitted by tax-exempt and non-profit organizations to provide the Internal Revenue Service (IRS) with annual financial information. The new Form 990 was introduced in 2007 and Schedule H allows the IRS to track the community benefit activities of tax-exempt hospitals. The first reporting year for hospitals was 2009. Part I of Schedule H requires reporting of the organization's charity care policies, the availability of community benefit reports, and the cost of certain charity care and community benefit programs.

"Charity care" is defined for purposes of Schedule H as "free or discounted health services provided to persons who meet the organizations' criteria for financial assistance and are thereby deemed unable to pay for all or a portion of the services." Similar to San Francisco's Charity Care Ordinance, reporting of charity care excludes bad debt or uncollectible charges, the difference between the cost of care provided under governmental care and the revenue derived, and third-party contractual adjustments.

D. Patient Protection and Affordable Care Act (ACA)

The Patient Protection and Affordable Care Act (ACA) was enacted on March 23, 2010. The ACA is meant to reform the health care system and expand health insurance coverage to 32 million people by 2019, eventually covering 95 percent of all legal residents. Among its many provisions, the ACA includes requirements to be followed by tax-exempt hospitals so that they may maintain their tax-exempt status. Many of the provisions closely align with existing state and local laws with which San Francisco hospitals already comply.

Because compliance with these provisions affect a hospital's tax-exempt status, the Internal Revenue Service (IRS) will be responsible for enforcement.

1) COMMUNITY HEALTH NEEDS ASSESSMENT

Section 9007 of the ACA added new Section 501(r) to the Internal Revenue Code, which delineates a series of statutory requirements applicable to nonprofit hospitals that seek tax-exempt status under Section 501(c)(3). The new requirements for charitable hospitals include the community health needs assessment, which hospitals must conduct every three years, beginning with the taxable year two years after the enactment of the law.

On July 7, 2011, the Treasury Department and the IRS published a Notice and Request for Comments on a proposed policy regarding the ACA's new requirements related to tax exempt hospitals' community health needs assessment (CHNA) obligations. All hospitals will be expected to follow the final requirements, including all government-run hospitals. The proposal outlines that hospitals must describe the following elements in the written report:

- The community served and how the community was determined;
- The process and methods used to conduct the assessment;

-
- How the organization took into account input from persons representing the broad interests of the community served by the hospital facility;
 - Prioritized community health needs identified through the CHNA;
 - Existing health care facilities and other resources within the community and available to meet community health needs.

The hospital must develop an implementation strategy to meet the community needs that were identified by the report. This report must be made widely available to the public by posting on the hospital facility's website until a subsequent CHNA is completed and publicized to replace the existing one.

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

2) FINANCIAL ASSISTANCE POLICY

Each not-for-profit hospital must adopt, implement, and make widely available a written financial assistance policy. The written financial assistance policy must include the following:²

- Eligibility criteria, including whether or not the assistance includes free or discounted care;
- The basis for calculating amounts charged to patients;
- The method for applying for financial assistance;
- In the absence of an existing billing and collection policy, the policy must state the actions the hospital will take in the event of a non-payment; and
- Measures to widely publicize the policy within the community.

These provisions are substantially similar to those established in California's Hospital Fair Pricing Act (AB 774).

Additionally, these same hospitals must also have a written emergency medical care policy that includes a statement requiring the organization to provide, without discriminating, care for emergency medical conditions to 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

² GPS – Health Reform Website (9/13/2011): <http://www.healthreformgps.org/resources/new-requirements-for-tax-exempt-charitable-hospitals/>

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 Hospital Fair Pricing Act includes provisions restricting non-profit hospitals’ expectations of payment from low-income patients.

4) LIMITATIONS ON COLLECTION PRACTICES

Not-for-profit hospitals may not 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

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

7) CHARITY CARE REPORT

The Secretary of the Treasury Department, in consultation with the Secretary of Health and Human Services, is required to submit an annual report on charity care to the relevant House and Senate committees. This report will include the level of charity care provided by not-for-profit hospitals, the amount of bad debt expenses, and unreimbursed costs for services provided with respect to means tested and non-means-tested government programs. It will also include information regarding the costs incurred for community benefit activities. Within five years, the Secretary of the Treasury Department, in consultation with the Secretary of Health and Human Services, is required to conduct a study on trends on charity care provided by not-for-profit hospitals and report to the congressional committees of jurisdiction.

E. Intersection of Charity Care Regulations

State and federal law relating to not-for-profit hospital charity care enacted since passage of San Francisco’s Charity Care Ordinance substantiate San Francisco’s more than ten years of work in this area. Nearly all of the components of San Francisco’s Charity Care Ordinance were replicated by either California’s Hospital Fair Pricing Act (AB 774) or provisions of Health

Reform. Even the IRS’s Form 990 was revised to include more data related to charity care expenditures. Table #1 (Charity Care-related Requirements) illustrates the key charity care and community benefits requirements for non-profit hospitals on the local, state and federal levels.

Table #1: Charity Care-related Requirements

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*
Annual report of hospital charity care to be compiled and prepared by governing agency	7/20/01		3/23/10
Mandatory review of tax exempt status by Secretary of the Treasury at least once every three years			3/23/10

*Using Form 990.

Section IV: Reporting Hospitals

This section of the report provides a description of each hospital that participates in the Charity Care project/report, either as required or on a voluntary basis. The data reported in Section III of the report relates to the overall care and services provided by the hospital, allowing the reader to have a context of each hospital's full scope of services and the size of the operation. The total number of patients served, as well as the “Hospital Services” data are taken directly from the FY2010 OSHPD hospital financial reports (except Kaiser, which does not report to OSHPD). The race and ethnicity data is reported by each hospital directly, because this information is not available through OSHPD.

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 an affiliate 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.

SFMH 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.

FY10 SFMH Patient Population and Services

- Total number unduplicated patients served: 48,593
- Hospital Services:
 - Adjusted patient days:³ 53,540
 - Outpatient visits: 208,015
 - Emergency services visits: 27,629
- Race & Ethnicity of Patient Population:
 - Caucasian: 60.2%
 - Asian: 17.2%
 - African American: 10%
 - Hispanic: 6.4%
 - Other: 6.4%

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

³ Used last year as well, when DPH standardized the hospital descriptions, adjusted patient day was chosen over other measures because the formula is more layered. It is defined by OSHPD as "total gross inpatient and outpatient revenue divided by gross inpatient revenue times the number of patient (census" days. This statistic adjusts the number of patient days (usually by increasing) to compensate for outpatient services."

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.

FY10 SMMC Patient Population and Services

- Total number unduplicated patients served: 42,437
- Hospital Services:
 - Adjusted patient days: 61,492
 - Outpatient visits: 144,963
 - Emergency services visits: 15,085
- Race & Ethnicity of Patient Population:
 - Caucasian: 57.8%
 - Asian: 22.9%
 - African American: 7.4%
 - Hispanic: 6.4%
 - Other: 5.5%

C. Chinese Hospital (CHI)

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 (31 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 percent of patients are from San Francisco and 5 percent 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 10 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 Healthy San Francisco that started on July 1, 2008, 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.

Chinese Hospital's Patient Population & Services, FY2010

- Hospital Services:
 - Adjusted patient days: 28,080
 - Outpatient visits: 66,787
 - Emergency services visits: 4,247

- Ethnicity of unduplicated patients
 - Caucasian: 2.1%
 - Asian: 96.5%
 - Pacific Islander: 0%
 - African American: 0.5%
 - Hispanic: 0.7%
 - Native American: 0%
 - Other Unknown: 0.2%

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

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 became the fourth campus of CPMC. CPMC consists of four acute care campuses:

- The Pacific Campus (Pacific Heights) is the center for acute care including, oncology, orthopedics, ophthalmology, cardiology, liver, kidney, and heart transplant services.
- The California Campus (Laurel Heights) is the center for prenatal, obstetrics, and pediatric services.
- The Davies Campus (Castro District) is the center for neurosciences, microsurgery, and acute rehabilitation.
- The St. Luke's Campus (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, 229 at St. Luke's) and 644 staffed beds (514 at Pacific/California/Davies, 130 at St. Luke's). In addition to the acute-care hospital, CPMC manages several primary care clinics. 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 residents. The Bayview Child Health Center (Bayview Hunters Point) provides pediatric primary care services for 1,000 children, nearly all of whom are insured by Medi-Cal. Since January 2009, CPMC has participated in the Healthy San Francisco program as an inpatient partner for the North East Medical Service, which primarily serves residents of Chinatown, Richmond, and Sunset districts.

In addition, since December 2010, CPMC has been the primary inpatient partner for the Brown & Toland Medical Group's participation in Healthy SF program. Brown & Toland as the medical home and CPMC as the inpatient provider have agreed to enroll up to 1,500 new patients.

FY10 CPMC & St. Luke's Patient Population and Services

- Total number unduplicated patients served: 209,073
- Hospital Services (Pacific, California, & Davies campuses)
 - Adjusted patient days: 251,154
 - Outpatient visits: 496,277
 - Emergency services visits: 40,452
- Hospital Services (St. Luke's)
 - Adjusted patient days: 55,173
 - Outpatient visits: 67,153
 - Emergency services visits: 24,129
- Race & Ethnicity of Patient Population (Pacific, California & Davies campuses):
 - Caucasian: 58%
 - Asian/Pacific Islander: 26%
 - Hispanic: 9%
 - African American: 5%
 - Other & Unknown: 2%
- Race & Ethnicity of Patient Population (St. Luke's)
 - Caucasian: 30%
 - Asian/Pacific Islander: 16%
 - African American: 15%
 - Hispanic: 37%
 - Other & Unknown: 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.

FY10 KFH-SF Patient Population and Services

- Total number unduplicated patients served: 10,419
- Hospital Services:
 - Outpatient visits: 16,639
 - Emergency services visits: 31,900
- Race & Ethnicity of Patient Population:
 - Caucasian: 45.5%
 - Asian/Pacific Islander: 25.7%
 - African American: 9.5%
 - Hispanic: 12.4%
 - Native American 0.8%
 - Other: 3.4%
 - Unknown 2.8%

F. University of California, San Francisco Medical Center (UCSF)

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 2010, 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, with the Medical Center ranked #7 in the nation by US News & World Report. 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. As a regional academic medical center, UCSF attracts patients throughout California, Nevada, the Pacific Northwest, as well as, from all of San Francisco's neighborhoods and abroad.

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.

FY2010 UCSFMC Patient Population and Services

- Hospital Services:
 - Adjusted patient days: 276,841
 - Outpatient visits: 806,403
 - Emergency services visits: 28,135
- Race of Patient Population:
 - Caucasian: 58%
 - Asian/Pacific Islander: 6%
 - African American: 11%
 - Other: 20%
 - Unknown: 5%

G. 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: 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. 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 the uninsured.

FY10 SFGH Patient Population and Services

- Total number unduplicated patients served: 101,440
- Hospital Services:
 - Adjusted patient days: 218,907
 - Outpatient visits: 838,130
 - Emergency room visits: 31,673
- Race & Ethnicity of Patient Population:
 - Caucasian: 24%
 - Asian/Pacific Islander: 23%
 - African American: 18%
 - Hispanic: 30%
 - Other: 5%

Section V: Charity Care Policies

Hospitals meet their Charity Care Ordinance requirements by submitting a charity care report to DPH for each fiscal year. The Ordinance directs hospitals to submit their reports within 120 days after the end of each hospital's fiscal year. The hospitals use different reporting years, with CPMC, St. Luke's, and Chinese Hospital following a calendar year (January 1 through December 31). The remaining hospitals adhere to a fiscal year starting on July 1 of each year and ending on June 30.

A. Individual Hospital Charity Care Policies

California's Hospital Fair Pricing Act (AB 774) requires hospitals to provide charity care discounted or free services to patients in households at or below 350 percent of the federal poverty levels. All of San Francisco's hospitals meet or exceed this requirement. Table #2 shows the income levels up to which hospitals will provide traditional charity care services to patients who apply for the programs.

Table #2: Traditional Charity Care Eligibility, by FPL and Hospital

Single Person - Monthly FPL Limit	State Charity Care Policy	CPMC/ STL	CHI	SFMH/ SMMC	KFH - SF	UCSF	SFGH
450% to 500% FPL \$4,086 - \$4,540							
400% to 450% FPL \$3,632 - \$4,086							
350% to 400% FPL \$3,178 - \$3,632							
300% to 350% FPL \$2,724 - \$3,178	State law requires non-profit hospitals provide free or discounted care to patients in households <350% of the federal poverty level (FPL).		Free or discount (<i>case by case</i>)		Discount	Discount	Discount (<i>Sliding Scale</i>)
250% to 300% FPL \$2,270 - \$2,724							
200% to 250% FPL \$1,816 - \$2,270							
150% to 200% FPL \$1,362 - \$1,816							
100% to 150% FPL \$908 - \$1,362							
0 to 100% FPL 0 - \$908		Free		Free	Free	Free	Free

As a point of reference to Table 2, the HSF program offers coverage to adults making up to 500 percent of the FPL. There are no participation fee payments for HSF participants with income at or below 100 percent of the FPL, those who are homeless, and those receiving General Assistance. All of the hospitals report to DPH all charity care provided within the parameters shown in Table #2, whether services are discounted or free. The discounts offered through charity care are considered by the hospitals to be “sliding scale” payments, as they are dependent on the patients’ income and usually are only a very small fraction of the usual charges for the care provided.

All of San Francisco’s reporting hospitals follow similar eligibility procedures for their charity care, or financial assistance programs. All patients must go through an application process, and provide some proof of income. One of the few significant differences among the hospitals’ charity care policies is the life-span of an application. Each of the hospitals that are required to report allow for an application to be effective for one year. The voluntary hospitals use a shorter time span for the application, UCSF and SFGH both allow for six months, while KFHSF allows for three. However, when the eligibility period expires, if the patient is in need, he/she may re-apply for financial assistance.

B. Posting and Notification Requirements

The Charity Care Ordinance requires that all hospitals communicate clearly to patients regarding the financial assistance programs, free and discounted charity care specifically. According to the Ordinance, this must be done in the following ways:

- Verbal notification during the admissions process whenever practicable; and
- Written notices in the prominent languages of the patient populations served by the hospital (at least English, Spanish, and Chinese). These notices must be posted in a variety of specified locations, including admissions waiting rooms, emergency department, outpatient areas, and others.

DPH visits all of the participating hospitals to verify that the facilities are meeting the posting and notification requirements. DPH representatives conduct these visits to verify signage and speak to admissions representatives. The first of these visits was conducted in 2005 and every other year up to the year of this report (2011).

The finding in 2011 was that the hospitals are fundamentally in compliance, many of them going beyond the requirements both in placement of the signs, translation into languages beyond the three that are required, and the addition of financial assistance brochures in paper and posted online. The only flaw discovered during the visits was at Chinese Hospital, where the Spanish-language signage was missing entirely, leaving only English and Chinese-language signs. According to the hospital representative, all of these signs were taken down for painting purposes, and the Spanish-language ones were not yet replaced. Given that the Hispanic population makes up less than one percent of Chinese Hospital’s population, this discrepancy was not judged to be urgent. DPH is working with Chinese Hospital, however, to ensure that the signs are re-established as soon as possible to ensure full compliance with the Ordinance.

Section VI: The Provision of Charity Care

The data submitted by the hospitals over the past ten years has allowed DPH to look at the provision of charity care in ways that would not have been possible before the Charity Care Ordinance went into effect. Section VI of this report focuses on the data provided in a series of different ways, focusing on a variety of data combinations and comparisons. Because this year's report includes much more data than past reports, as the 10-year retrospective, additional charts and tables are available in a chart pack (Attachment A) accompanying this report. This first page in the "Ten Years of Charity Care Chart Pack" includes a table with all reported charity care data by hospital (Attachment A, p. 2).

A. Charity Care Applications

Individuals who wish to access traditional charity care, or who need help paying for services already rendered, must complete a charity care (financial assistance) program application. This application is then processed by the hospital. HSF applications are processed through the One-e-App system, available at 30 different enrollment sites. Hospitals do not process these applications, so this report does not include them. Table #3 shows the number of applications accepted by hospitals in FY2010, as well as those denied. This is compared to the full number of unduplicated patients. The number of applications 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.

Table #3: Charity Care Applications by Hospital

Charity Care Applications & Patients (Non-HSF) – FY 2010					
Reporting Hospitals		Applications			Patients
System	Hospital	Accepted	Denied	Total	Unduplicated Patients
CHW	SFMH	885	25	910	1,715
CHW	SMMC	918	0	918	918
Chinese	CHI	316	0	316	310
Sutter	CPMC	6,810	524	7,334	6,810
Sutter	STL	2,585	121	2,706	2,585
Subtotal		11,514	670	12,184	12,338
Kaiser Permanente	KFH-SF	1,327	270	1,597	267
CCSF	SFGH	54,148	12,437	66,585	50,298
UC Regents	UCSF	2,457	0	2,457	2,402
Subtotal		57,932	12,707	70,639	52,967
Grand Total		69,446	13,377	82,823	65,305

Reasons for denied applications vary, but generally include incomplete applications (e.g., not providing income documentation), income or assets above the hospital's limitation for charity care, or the applicant is otherwise ineligible for charity care (e.g., is a HSF participant or is eligible for coverage). There are also some cases in which the application is considered denied in the hospital's system because the applicant submitted it in FY2010, but it was not approved

until the following fiscal year. There are several hospitals that have no denials, and this is generally because the hospital's pre-application financial counselors work closely with the patients to determine eligibility before the application is completed.

The percentage of application denials among the required hospitals is at seven percent for CPMC, four percent for St. Luke's hospital, and three percent St. Francis Memorial Hospital. The level of denials is higher for Kaiser Foundation Hospital (17%) and SFGH (19%). However, the level of denied applications overall for the required hospitals was five percent and for voluntary hospitals it was 18 percent, or 15 percent overall. This compares to one percent of denials among required hospitals in FY2001, the first reporting year, and two percent in FY2005. (In FY2001 and FY2002 only SFGH was reporting voluntarily, UCSF and KFH-SF began reporting in FY2003.) Over the past ten years, there are three years in which the application denials exceed five percent. This includes FY2009 (8%), FY2008 (9%), and FY2003 (8%).

B. Unduplicated Charity Care Patients by Hospital

For the second year of the charity care report, hospitals reported those individuals receiving traditional charity care as defined by the Ordinance and those enrolled in the HSF program. Table #4 shows the unduplicated patient count, comparing non-HSF enrollment to HSF enrollment. The unduplicated patient count reflects the number of individual patients counted only once in the record for the year by hospital, regardless of the number of services that individual receives at one hospital. These numbers are not unduplicated among all the hospitals. For example, this means that if an individual received charity care services at Chinese Hospital in FY2010 and then additional services at San Francisco General Hospital also in FY2010, the patient will be counted once by Chinese Hospital and once by SFGH.

Table #4: FY2010 Charity Care Unduplicated Patients (HSF and Traditional)

Unduplicated Patients FY2010 - HSF & Traditional Charity Care					
	Non-HSF	Non-HSF %	HSF	HSF %	Total
CHI	310	77%	93	23%	403
SMMC	918	42%	1,293	58%	2,211
SFMH	1,715	37%	2,904	63%	4,619
CPMC	6,810	97%	213	3%	7,023
STL	2,585	93%	193	7%	2,778
KFH	267	9%	2,560	91%	2,827
UCSF	2,402	98%	55	2%	2,457
SFGH	50,298	61%	31,907	39%	82,205

As anticipated last year, the shift from traditional charity care toward HSF grew from FY2009 to FY2010. This is illustrated in page 3 of the chart pack, which shows the comparison between FY2009 and FY2010 unduplicated patient numbers in HSF and traditional charity care. The hospitals that saw increased numbers of HSF patients over the past year had strengthened and formalized their relationship with the program. On the other hand, hospitals with low numbers of HSF patients can be explained by their involvement with the program. For example, while

CPMC is the hospital for the Brown and Toland medical group for HSF enrollees, this medical home did not formally affiliate with the HSF program until December 2010. Thus because CPMC reports on a calendar year, only one month of CPMC's HSF participation is captured in this report.

As illustrated on page three of the chart pack, all but one hospital (SMMC) saw an increase of all charity care program patients from FY2009 to FY2010. Among the required reporting hospitals, St. Francis Memorial Hospital experienced the largest increase in HSF patients from FY2009 to FY2010, with a 127 percent increase. The HSF membership at KFH-SF increased even more significantly at 276 percent over the past year, from 681 in FY2009 to 2,560 in FY2010. The hospitals now seeing more HSF patients than traditional charity care patients include KFH-SF, SFMH and SMMC.

SMMC is the only hospital that saw a decline in the total number of charity care patients from FY2009 to FY2010. According to SMMC representatives, the decrease is attributable to HSF, which is having an overall stabilizing effect on the membership at the Sister Mary Philippa clinic. The clinic exceeded the HSF membership limit and closed the clinic to new HSF enrollees. (Clinics set their own patient enrollment limit for the HSF program.) Fewer patients were able to join the clinic in FY2010, and those that had already joined remained. Sr. Mary Philippa clinic is an HSF medical home, and it has traditionally provided much of the outpatient care for charity care patients seen through SMMC.

CPMC and St. Luke's increased their number of charity care patients significantly in FY2010 compared to past years. For example, since FY2009 there were 142% and 258% increases, respectively. CPMC/St. Luke's representatives provided with the following explanation:

*"The substantial increase in CPMC's charity care for 2010, as compared to previous years, is due to a change in the method used to process patient charity care applications. In 2010, CPMC implemented a major change – we streamlined the application process so that, for most patients, eligibility was determined at the initial point-of-service. Prior to 2010, the charity care eligibility process required the patient to complete the application after the service was provided. The result was that patient qualification may have taken up to thirty days because of the document review time necessary to substantiate the patients' income level. Also, there were (many?) cases where the patient did not complete the required paperwork, such that although the service was rendered, it was not recorded as charity care."*⁴

The patients enrolled in CPMC and St. Luke's financial assistance programs in FY2010, would have been considered bad debt by these hospitals in the past. This is confirmed in the OSHPD data for FY2009 and FY2010, where the decrease in bad debt in FY2010 can clearly be seen. In FY2009, CPMC reported \$27,276,895 in bad debt, and less than half that amount in FY2010, \$13,312,000. Similarly, St. Luke's reported \$6,449,919 in bad debt to OSHPD in FY2010, a decrease from FY2009 when they reported \$10,674,000.

⁴ Russell Lee, CPMC Dir. of Health System Innovation, email to author, September 16, 2011.

Each hospital follows a different procedure in determining charity care eligibility for financial assistance programs. CPMC and St. Luke's hospitals have moved from determining eligibility after the fact, to doing the determination before the service is rendered. Other reporting hospitals noted that their procedures require the following:

- Chinese Hospital determines charity care eligibility after the service is rendered.
- SMMC and SFMH prefer, but do not require, eligibility determination before the service is rendered.
- Kaiser's approach is a combination of determining eligibility before the service is rendered and after, depending on the situation.
- At SFGH, traditional charity care patients are enrolled in the program after the service is rendered.

In FY2009, UCSF reported an HSF patient number that was too low (seven HSF patients) to accurately reflect the reality of those patients served through the hospital. In FY2010, the number increased to 55. As noted in last year's report, UCSF officials have explained their difficulty in tracking HSF patients separately from other charity care patients. According to UCSF, the HSF patients were being registered internally as either "charity care" or "Medi-Cal eligible," rather than as HSF enrollees.

Page 7 of the chart pack shows expenditures, split between traditional charity care and HSF expenditures, with the number of patients served in FY2010.

1) TEN YEARS OF CHARITY CARE PATIENTS SERVED

Pages 4 and 5 of the report's chart pack show the numbers of unduplicated patients, as reported to SF-DPH over the past ten years. The table on page three, "*Number of Unduplicated Patients, 2001 to 2010*," adds the number of reported unduplicated charity care patients together, though the totals do not represent truly unduplicated numbers across hospitals. As noted previously, once the numbers are added together, it is likely that patients are counted more than once after receiving charity care services at more than one hospital. The detail in these pages also includes HSF for the past two reporting years within the total of unduplicated patients.

The data on page three, though, still shows a consistency in the total number of patients served over the ten years of charity care. In the early years, the data was less stable than in more recent years, because all hospitals were learning how to report accurately and consistently, and the voluntary hospitals (except SFGH) were not reporting until 2003. Even with that, excluding FY2001, the number of unduplicated patients among all hospitals has been between 92,262 (FY2008) and 110,545 (FY2003), with an average of 98,796. While the hospitals numbers vary from year-to-year, as evidenced in the percent changes, the final numbers remain relatively stable.

Each of the charity care reports has found that SFGH serves more charity care patients than any other hospital. In the first reporting year, SFGH provided 77 percent of charity care patients, and in the most recent year (FY2010), SFGH provided 79 percent, with a ten-year average of 80 percent. The work done on an annual basis by SFGH relative to other hospitals in San Francisco to serve the uninsured has not changed significantly over the decade of charity care. The designation of SFGH as a trauma center also allows the hospital to serve more charity care patients, as certain types of injuries and medical crises will always be sent to SFGH if occurring within San Francisco or north San Mateo County.

The graph on page four illustrates the percentage change for selected years – FY03, FY06, and FY09. The analysis started with FY2003 because this is the first year that all of the hospitals reporting today were participating. The number of unduplicated patients is most stable between FY2006 and FY2010, and the voluntary hospitals remained very stable in the three highlighted years, showing no change from FY2003 to FY2010. The most volatility can be seen among the required reporting hospitals. There is a decline of 26% between FY2010 and FY2003 among these hospitals, but a 50 percent increase from FY2009 and FY2010. The increase of fifty percent between the past two reporting years can exclusively be attributed to significant increases among the Sutter Health hospitals, CPMC (142% increase) and St. Luke’s (258% increase).

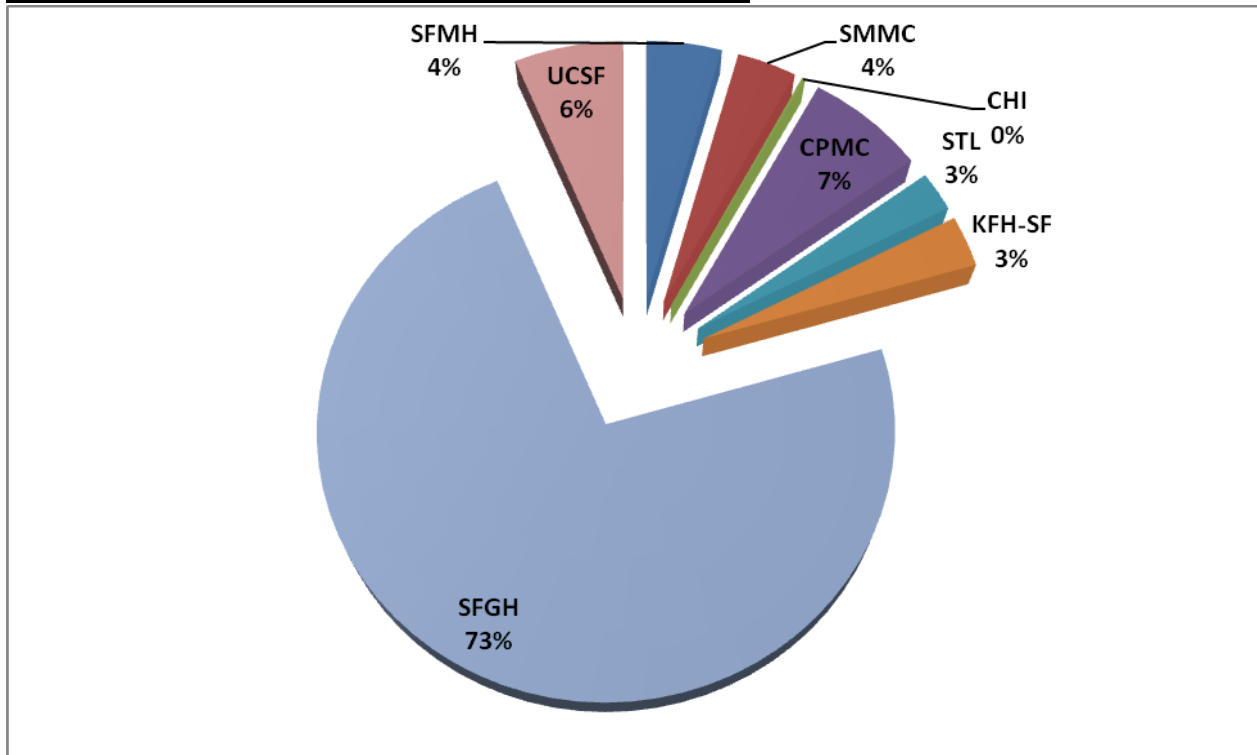
C. Charity Care Expenditures

The Charity Care Ordinance requires that hospitals report the dollar value of charity care provided, after being adjusted by the cost-to-charge ratio. Cost-to-charge ratio is defined as the relationship between the hospital’s cost of providing service and the charge assessed by the hospital for the service. The cost-to-charge ratio is the difference between the qualifying hospital’s total operating expenses and total other operating revenue divided by gross patient revenue, as it is also reported to OSHPD. These categories are all included in the table of each hospital’s reported numbers on page 2 of the report chart pack.

Table #5 illustrates the specific charity care expenditures per hospital, through the HSF program, traditional charity care, and the total of these two. The amount for the required and voluntarily reporting hospitals was close to \$177.5 million. The required hospitals represent 17 percent of this number, while the voluntary hospitals represent the remaining 83 percent. Last reporting year, the full charity care expenditure amount was a little over \$155 million. Similar to this year, in FY09 the required hospitals’ expenditures represented 14 percent of the total, with the voluntary hospitals at 86 percent. It is San Francisco General Hospital that causes the voluntary hospitals to make up such a large portion of the overall expenditures. SFGH itself represented 73 percent (\$129.8 million) of the overall expenditures on charity care in FY2010, and in the previous reporting year it was 77 percent. This is because SFGH is the primary charity care hospital in San Francisco and the central hospital for Healthy San Francisco patients.

Table #5: Charity Care Expenditures by Hospital, FY10

Chart #1: Charity Care Expenditures by Hospital, FY2010



The numbers of unduplicated patients shows that HSF expenditures increased in FY2010 from the previous year at all hospitals. Page 6 of the chart pack shows that each hospital increased its charity care spending in the past two years, some by a considerable margin. Even Chinese Hospital, which saw a small decline in overall charity care spending (4%), increased its charity care expenditures by 11 percent.

For the first year, the HSF expenditures reported by all reporting hospitals exceeded the amount spent on traditional charity care. In the previous reporting year, traditional charity care spending was at \$84.6 million, while HSF was at \$70.4 million. In FY 2010, HSF expenditures overtook the traditional charity care spending from the previous year (\$85.2M for traditional charity care and \$92.1M for HSF). However, the majority of the HSF hospital care is provided at SFGH, so if SFGH is removed from this equation, the trend reverses and the remaining hospitals spent more on traditional charity care in both FY2009 and FY2010 (as noted in Table #6). The reporting hospitals, excluding SFGH, can be seen to have increased spending from FY2009 to FY2010 in both categories (traditional charity care and HSF), and the greater increase was by far in the HSF expenditures. However, the total amount of spending is still significantly greater for traditional charity care services when SFGH is removed from the analysis.

Table #6: Charity Care Expenditures from FY2009 to FY2010 (excluding SFGH)

	FY2009	FY2010
Non-HSF Expenditures (w/out SFGH)	\$31,223,014	\$33,666,296
HSF Expenditures (w/out SFGH)	\$4,430,141	\$13,954,261
Total	\$35,653,155	\$47,620,557

The report chart pack, page 7, graphically illustrates the expenditures for both HSF and traditional charity care by hospital, with an addition of the number of patients. This shows that with each hospital there is a different relationship between the amount spent and the number of patients. This is to be expected for various reasons, including the fact that some hospitals specialize in more intensive (and expensive) types of care, while others focus more on routine, less expensive care.

1) TEN YEARS OF CHARITY CARE EXPENDITURES

Pages 8 and 9 of the report's chart pack provide a retrospective of each hospital's charity care expenditures since FY2001. In the past decade, hospital's annual charity care expenditures have risen with some degree of consistency, and in many cases rather dramatically. All required hospital raised their expenditures since FY2001 to FY2010. Viewing the totals for the required and voluntarily reporting hospitals, as well as the grand total, a steady rise in charity care expenditures can be seen. The first year's (FY2001) grand total was \$64,433,862, with two of the voluntary hospitals not reporting, in FY2006 it was \$102,664,748, and in the current reporting year it was \$177,455,538.

Over the last decade, SFGH's status among hospitals as the primary charity care institution has been seen in each report. As noted previously, SFGH has provided care to an average of 80 percent of the charity care patients over the past 10 years. According to the data provided over the past ten years for the annual charity care reports, SFGH also spends 80 percent of the expenditures on the provision of charity care relative to the other hospitals in this same time period. While SFGH has assumed responsibility for approximately 80 percent of charity care overall, the remaining 20 percent is split among the remaining hospitals all of whom play an important role in caring for those patients who have no ability to pay for their care.

Over the past three years, SFGH has provided less than the average proportion of charity care expenditures; a full seven percentage points below average in FY2010 (73%).

The chart on page 9 focuses on the percent changes from years FY03, FY06 and FY09, starting with FY2003 because it was the first year that all hospitals were reporting. While the number of charity patients has remained relatively stable over the decade, the rise in expenditures (156% since FY03, 73% since FY06, and 15% since FY09) only somewhat reflects the always increasing costs of providing costly health care services to all patient populations. The

percentage increases in the amount of charity care expenditures spent on all hospitals far outpaces the increase in medical spending seen overall.

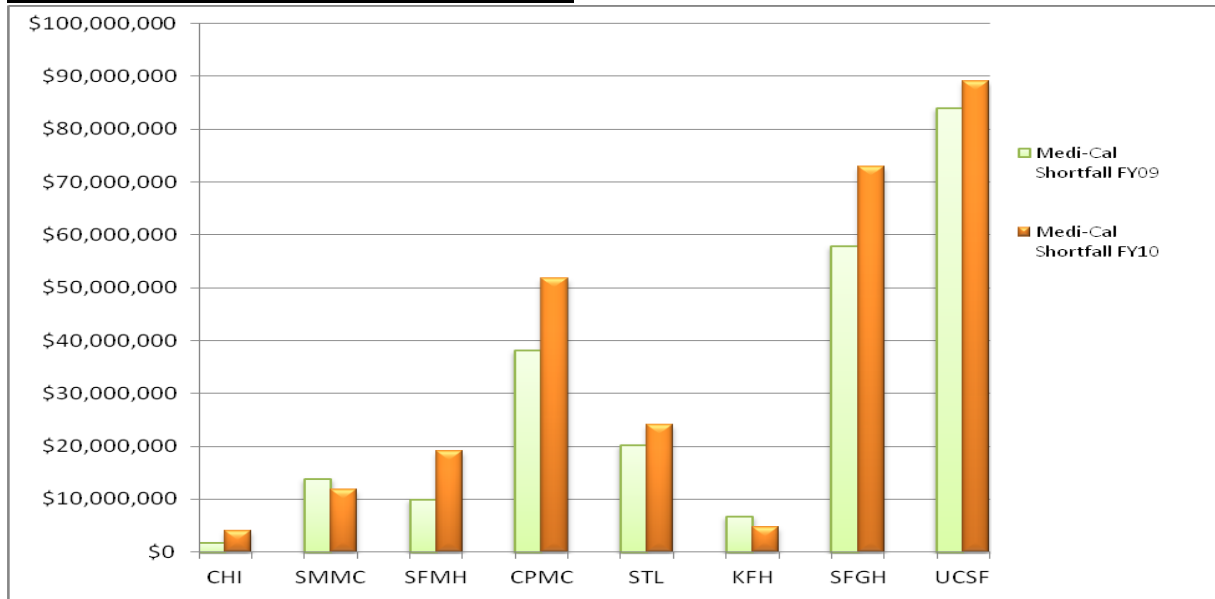
The Bureau of Labor Statistics (BLS) tracks the consumer price index (CPI), a way to measure inflation, splitting it into various categories including medical care. This category includes consumer spending on a wide range of medical commodities, including hospital and related services. It is a common reference point used to track health care spending throughout the United States. The San Francisco metropolitan area's average annual percentage growth for CPI-medical care from FY2002 to FY2010 is 4.86 percent, compared to the much higher charity care expenditures annual percentage increase of 12.2 percent. The range is also significant, from a low percent change in charity care expenditures of 1.26 percent between FY02 and FY03, and a high between FY08 and FY09 of nearly 26 percent.

While the county hospital, SFGH, has been providing an average of 80 percent of charity care, SFGH cannot care for the uninsured without assistance from San Francisco's other hospitals. The numbers do not show significant variation in the number of charity care patients served in San Francisco over the decade. There is significant shifting among the individual hospitals, which can be seen in the way the care is provided (with the advent of HSF), the hospitals that specialize in types of care for this population, and an increase across the board in the amount spent on charity care. Viewing the data from FY2003 (when all hospitals were reporting), it is clear that the least variation we see is in the number of charity care patients needing care in a given year. The most recognizable pattern in the number of patients is not that there are consistent increases or decreases in the total or at individual hospitals, but a stable range of charity care patients between a low of 92,000 and a high of 110,000. On the other hand, expenditures have consistently increased from year to year over the past decade, without fail. This can be seen not only in the total, but also at individual hospitals. Only rarely have individual hospitals had a decrease in charity care expenditures from one year to another, and when it has happened it has generally been only slight (e.g., Chinese Hospital's expenditure decrease of -4 percent between FY09 and FY10).

D. Medi-Cal Shortfall

While Medi-Cal shortfall does not fall within the definition of charity care, hospitals track the amount of expenditures spent in services to the Medi-Cal population and how much is reimbursed by the program. The difference between these two amounts is considered the Medi-Cal shortfall. For the second year in a row, the hospitals have volunteered this amount for inclusion in the report. The amounts are included in the charity care summary on page two of the report chart pack, while Chart #2 compares FY2009 and FY2010 Medi-Cal shortfalls as reported by all hospitals. At all but two hospitals (SMMC and KFH-SF) the Medi-Cal shortfall increased over the two reporting years.

Chart #2: Medical Shortfall, FY09 and FY10



E. Net Patient Revenue and Charity Care Expenditures

Reviewing each hospital's ratio of charity care compared to net patient revenue is another way of viewing charity care in relation to other hospitals, as well as the state average. These numbers are taken from the OSHPD financial reports for the purposes of this report.

One of the common ways to measure hospital financial performance is by analyzing the margins (i.e., the difference in revenues vs. expenses). These margins can be expressed by using financial ratios and as dollar amounts. For the second year, DPH's Charity Care report has included a review of each hospital's charity care expenditures as it compares to the net patient revenue. (KFH-SF is excluded, as they are not required to report this information.) OSHPD defines net patient revenue as the amount received or expected to be received from third-party payers (insurers) and patients for hospital services provided. Net patient revenue includes the payments received for routine nursing care, emergency services, surgery services, lab tests, etc.

Table #7 shows each hospital's ratio of charity care expenditures reported to DPH, compared to the net patient revenue as reported to OSHPD. OSHPD has not yet released the statewide hospital data, so the most recent average California ratio used for comparison is not yet available. This data show that San Francisco General Hospital is an outlier at a ratio of 25 percent. This is far outside the range of the other hospitals in San Francisco, and well above the 1.78 percent average among all hospitals. The range of ratios among the required hospitals is from .36 percent at Chinese Hospital and 4.43 percent at St. Francis Memorial Hospital. Most hospitals in San Francisco are above the state average on this metric.

Table #7: Charity Care as Compared to Net Patient Revenue

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	State Avg CC Costs to Net Pt. Revenue*
SFMH	\$174,916,215	\$7,754,014	4.43%	1.78%
SMMC	\$208,121,366	\$6,143,529	2.95%	
CHI	\$96,161,704	\$345,351	0.36%	
CPMC	\$1,088,744,773	\$12,403,052	1.14%	
STL	\$112,221,633	\$4,226,517	3.77%	
SFGH	\$510,791,479	\$129,834,981	25.42%	
UCSF	\$1,768,379,633	\$11,259,174	0.64%	

*Using FY2009 CA hospitals average, as of 9/15/2011 the FY2010 data not available through OSHPD. Will correct before the final report.

Page ten of the report’s chart pack shows the ratio of charity care to net patient revenue in graph form.

F. Trends & Changes in the Types of Charity Care Provided

When illness and injury cannot be kept at bay, individuals will seek specific health services through a clinic, emergency room, and may even require a hospitalization. That is when the charity care system, with programs throughout the City, is there to assist individuals from delaying or avoiding necessary care, medical bankruptcy, or worse.

Through the ACA, San Francisco’s health care system will eventually see some relief from the high number of uninsured and the difficulty in paying for their care. Now that DPH is including HSF into the report, and there is hope for a decline in the number of uninsured through the ACA, we can look forward to this report showing fewer charity care patients in the future. There will not be an elimination of the need to provide care to the uninsured, but a change in how that care is provided. The ideal scenario is a patient population that becomes accustomed to accessing primary care, prevention services, and chronic care management. This section will review where the hospital charity care patients were being seen in the first decade of the Ordinance.

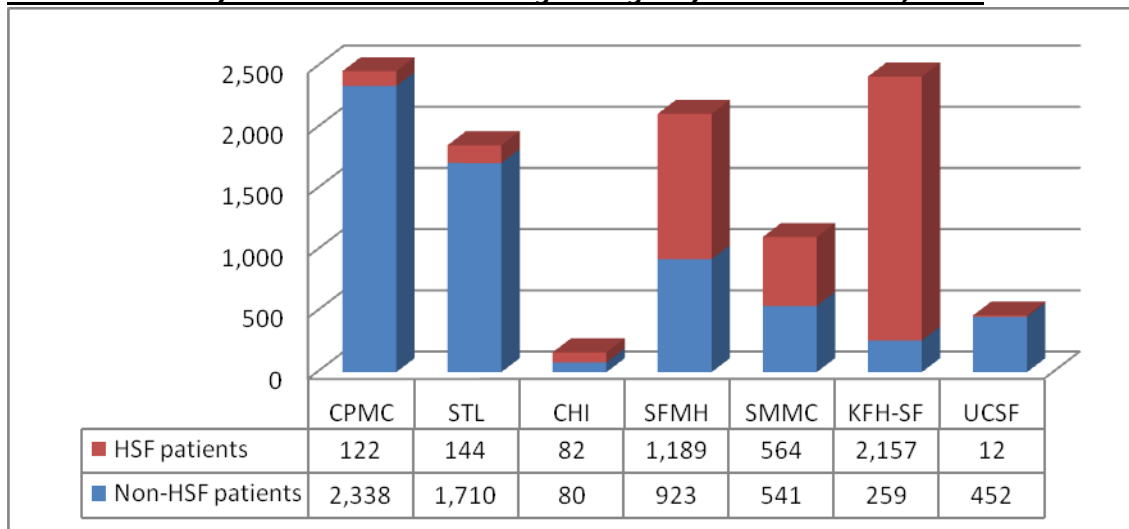
The Charity Care Ordinance requires that hospitals report the types of services the patients utilized. The Ordinance requires that hospitals report “the total number of patients who received hospital services within the prior year reported as being charity care and whether those services were for emergency, inpatient or outpatient medical care, or for ancillary services.” To ensure consistency, hospitals were instructed to report the total number of unduplicated patients, and then the number who received emergency, those who received inpatient, and those who received outpatient services. This means that, as noted in the Ordinance, this section is not counting the number of services, but the number of patients who access those services. For example, if in the course of the reporting year, John Doe visited SFGH’s

emergency room two times, was an inpatient for a one-week stay, and visited the outpatient clinic at SFGH, he would be counted in the following manner: Once for emergency, once for inpatient, and once in the outpatient section for that hospital.

1) EMERGENCY DEPARTMENT: CHARITY CARE PATIENT COUNT

Chart #3 shows the number of unduplicated patients who received charity care from all reporting hospitals in FY2010. Chart 4 shows the same information, with the exclusion of SFGH in the bar graph. While SFGH provided emergency room care for more charity care patients than any other reporting hospital (8,490 patients received emergency care at SFGH), the hospital is left off the chart so that the other hospitals work can be better viewed. (This will also be done in the following sections that focus on service types.) Of the remaining hospitals, CPMC, KFH-SF, and SFMH saw the most patients in the Emergency Room.

Chart #3: Charity Care Patients Accessing Emergency Room Services, FY10



a. Ten Years of Emergency Services for Charity Care Patients

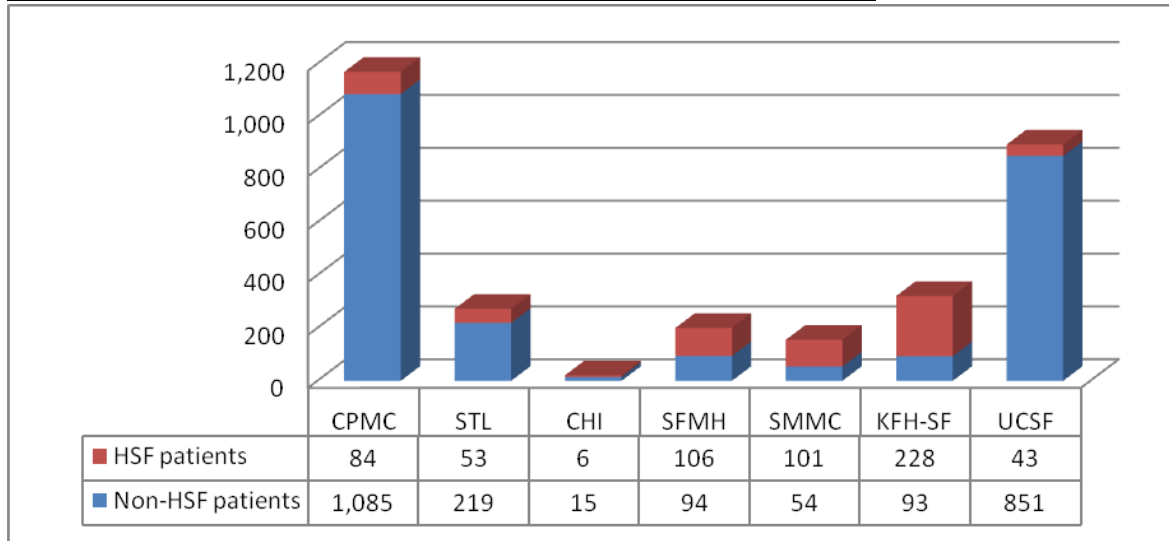
The chart pack, page 11, shows the 10-year retrospective of the number patients accessing emergency room services, as reported by the hospitals. Unfortunately, this data is not as reliable as it could be, as in many cases over the years hospitals reported the number of individual services or miscounted due to data limitations. The data in the chart shows an increase in all years highlighted (FY03, FY06 and FY10) when grouped by required hospitals, voluntary hospitals and all combined. The years between FY03 and FY09 have been fairly consistent, with the range between 13,547 (FY04) to 18,319 (FY09). The increase in this reporting year can be attributed to CPMC and St. Luke's hospitals, with their high numbers illustrated in the table and charts below. Comparing this reporting year to the last, we can see an increase of 208 percent for CPMC and 199 percent for STL.

2) INPATIENT SERVICES: CHARITY CARE COUNT

Not surprisingly, the number of charity care patients accessing inpatient services is considerably lower than the number of charity care patients accessing emergency services. At most hospitals, the majority of charity care patients accessing inpatient services have applied through the traditional charity care programs, rather than those receiving care through HSF. This was the case for all hospitals last year, but this year three hospitals have reversed this trend, including SFMH, SMMC, and KFH.

As with emergency care, SFGH has the lowest percentage of charity care patients accessing inpatient services, relative to the full number of charity care individuals (4%). The differences among the hospitals are not that great, with the UCSF charity care patients most likely to have accessed inpatient services (36% of UCSF charity care patients utilized inpatient care). Chart #4 shows that CPMC and UCSF provided the majority of total inpatient charity care. Among HSF patients, however, other hospitals provided the inpatient care, especially Kaiser Foundation Hospital – SF with 228 HSF patients and SFMH and SMMC (106 and 101 patients respectively). The required reporting hospitals, as well as Kaiser, had a range of patients that accessed inpatient care services in FY2010 between 4 percent (SFMH) and 17 percent (CPMC).

Chart #4: Charity Care Patients Accessing Inpatient Services, FY10



a. Ten Years of Inpatient Services for Charity Care Patients

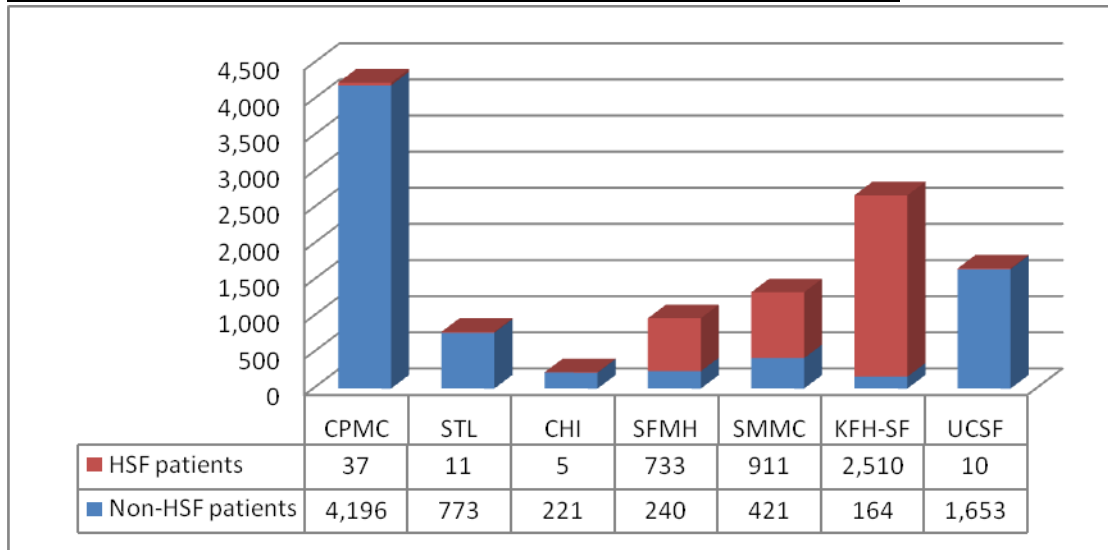
Unlike what is seen in the ten year retrospective table for the emergency services (Chart Pack, page 11), the same retrospective for inpatient services (page 12) is more scattered. Several of the hospitals experienced declines in the number of patients accessing these services, while others have seen very large increases. This can be seen, for example, for CPMC which has very large percentage increases for the years highlighted, with over a 1,000 percent increase from FY03 to FY10, a 132 percent increase between FY06 and FY10, and an 89 percent increase over the past two reporting years. While there has been some fluctuation, the trend has been for

CPMC's inpatient services to increase significantly over time, both in comparison to their own earlier reports and to other hospitals. Even with the CPMC increase, the patients accessing inpatient services has decreased over all in the last year by nearly 20 percent.

3) OUTPATIENT SERVICES: CHARITY CARE PATIENT COUNT

Outpatient clinics are used far more frequently by charity care patients than any other service. According to the numbers reported by all hospitals (including SFGH), there were a total of nearly 86,000 charity care patients that accessed outpatient services in FY2010, compared to a little over 23,000 patients accessing emergency services, and just over 6,000 hospitalized. Most of the hospitals provided outpatient services to traditional charity care patients in higher numbers than to those enrolled in the HSF program in FY2010. However, Chart #5 shows that this was not the case for SFMH, SMMC and, by a significant margin, KFHS-SF. KFHS-SF is second only to SFGH in the overall percentage of their respective charity care patients who accessed outpatient services (95% and 90% respectively), UCSF follows at 68 percent. Among the voluntary hospitals, the range is between 21 percent (SFMH) and 60 percent (both CPMC and SMMC).

Chart #5: Charity Care Patients Accessing Outpatient Services, FY10



a. Ten Years of Outpatient Services for Charity Care Patients

As seen on page 13 of the chart pack, the patients accessing outpatient services have varied from year to year, with numbers significantly increasing in some years, though in some cases it is clear that this speaks more to problems obtaining accurate data than anything else. For example, SMMC's numbers were in the six and eight-thousand range for number of patients accessing outpatient services in the first six reporting years, with a decrease to around one and two thousand for FY07 until the most recent reporting year. Even with these issues, however, the total numbers, after FY2001, have not varied that much. In the highlighted years, it shows

that all of the hospitals declined 6 percent since FY06, increased 5% in 2006, and then remained relatively stable (1%) from FY09 to FY10.

G. ZIP Code Analysis of Charity Care Recipients

The Ordinance requires that hospitals provide the ZIP codes of the charity care recipients, and this report presents an analysis of this data allowing a review of the location of charity care patients. The required reporting hospitals, as well as UCSF and SFGH, provide the ZIP codes of each charity care patient who has received services at the hospital. This section will organize this data in a variety of ways including by supervisorial district, quantifying the patients that live near the hospital from which they receive care, and an expanded view of out-of-county charity care patients.

1) CHARITY CARE BY SUPERVISORIAL DISTRICT

Table #8 shows the distribution of all reporting hospitals' traditional charity care recipients by Supervisorial district. Charity care programs primarily serve charity care patients within San Francisco, but traditional charity care programs are not limited to residents only.

District 6, which includes South of Market and home to a large population of uninsured and transient individuals, represented the most charity care recipients in FY2010 (10,077 or 15 percent). This has been consistently true throughout this report's history. Supervisorial districts 10 (Bayview Hunters Point, etc.) and 9 (Outer Mission, Bernal Heights, etc.) had the second and third most charity care recipients, 9,501 (14.6%) and 8,166 (12.5%) respectively. These three districts represent 42.5 percent of all in-state charity care recipients.

Page 14 of the chart pack shows the percentage of patients receiving traditional charity care in these four districts over the past eight years. The data from the hospitals shows that the percentage of patients in the districts receiving charity care has decreased over time. Because of improvements in reporting the data, the more recent years are more accurate. Since FY2003, the range in these districts has been between a low of approximately 6 percent (District 11 in FY10) and a high of 23 percent (District 6 in FY07). Since the advent of HSF (FY2007), the percentages of patients in these districts receiving traditional charity care has declined.

Page 15 of the chart pack adds the HSF enrollees to the charity care applicants for FY2009 and FY2010. When this is done the lines increase for all of the districts, closer to where they were in past years. In these four Districts there are relatively high populations of low-income and uninsured/underinsured residents. The percentage of residents per district enrolled in HSF was between seven and eleven percent for the most recent reporting year (FY2010), with an average of nine percent. When both traditional charity care and HSF are taken into account, the percentage is a little over 20 percent for Districts 6, 9 and 10, and at 13 percent for District 11. All Districts, including HSF and traditional charity care in FY2010, have an average of 19 percent of residents accessing free or discounted health care.

Table #8: Charity Care Recipients by District

Districts	Charity Care Recipients	% of Total
District 1	1,793	2.7%
District 2	2,946	4.5%
District 3	3,250	5.0%
District 4	2,482	3.8%
District 5	3,366	5.2%
District 6	10,077	15.4%
District 7	3,698	5.7%
District 8	1,916	2.9%
District 9	8,166	12.5%
District 10	9,501	14.6%
District 11	4,979	7.6%
Homeless/Other	6,311	9.7%
Outside SF (within CA)	6,798	10.4%
Total	65,282	100.0%

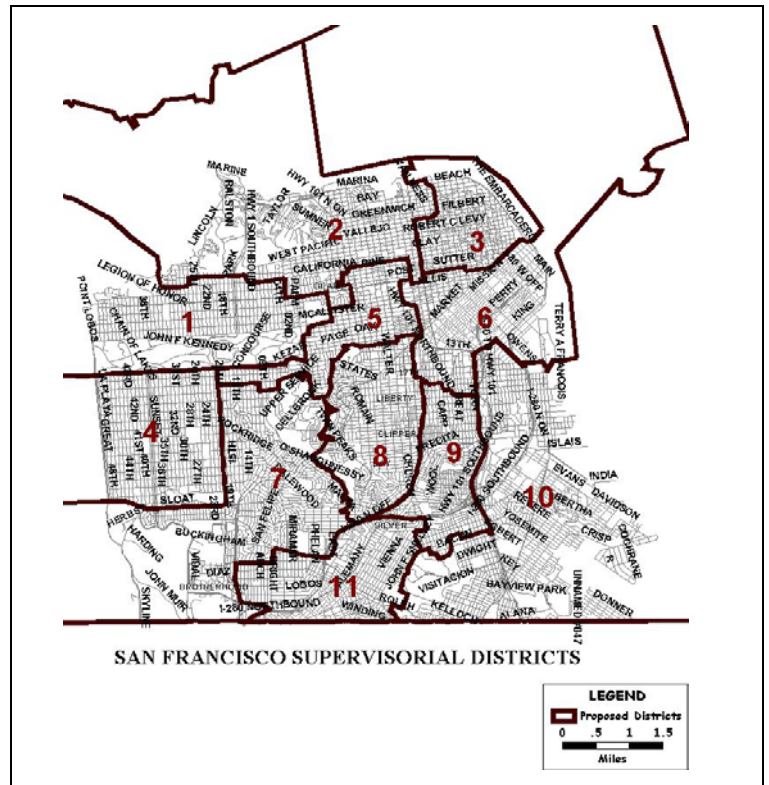


Table #9 shows additional detail regarding charity care by supervisorial district. The data represents patients within California.

Table #9: Charity Care Recipient Detail by District and Hospital, FY10

-	Required Reporting Hospitals						Voluntary Hospitals			Grand Total
	CPMC	STL	CHI	SFMH	SMMC	Subtotal	SFGH	UCSF	Subtotal	
District 1										
Recipients	339	2	16	22	153	532	1,184	76	1,261	1,793
Percentage	63.7%	0.3%	3.0%	4.2%	28.8%	29.7%	94.0%	6.0%	70.3%	100%
District 2										
Recipients	498	18	13	231	113	873	1,959	114	2,073	2,946
Percentage	57.0%	2.0%	1.5%	26.5%	12.9%	29.6%	94.5%	5.5%	70.4%	100%
District 3										
Recipients	485	40	95	276	38	933	2,260	57	2,316	3,250
Percentage	51.9%	4.2%	10.2%	29.5%	4.1%	28.7%	97.6%	2.4%	71.3%	100%
District 4										
Recipients	302	27	26	44	144	543	1,748	191	1,939	2,482
Percentage	55.7%	4.9%	4.8%	8.1%	26.5%	21.9%	90.2%	9.8%	78.1%	100%
District 5										
Recipients	407	18	8	100	183	717	2,490	160	2,650	3,366
Percentage	56.8%	2.5%	1.1%	14.0%	25.6%	21.3%	94.0%	4.8%	78.7%	100%
District 6										
Recipients	702	169	22	647	133	1,673	8,230	174	8,405	10,077
Percentage	42.0%	10.1%	1.3%	38.7%	8.0%	16.6%	97.9%	2.1%	83.4%	100%
District 7										
Recipients	306	124	27	56	113	625	2,835	238	3,073	3,698
Percentage	49.0%	19.8%	4.3%	8.9%	18.1%	16.9%	92.3%	7.7%	83.1%	100%
District 8										
Recipients	194	55	0	34	59	343	1,495	79	1,574	1,916
Percentage	56.7%	16.0%	0.1%	10.0%	17.2%	17.9%	95.0%	5.0%	82.1%	100%
District 9										
Recipients	430	556	8	59	49	1,102	6,959	105	7,064	8,166
Percentage	39.0%	50.5%	0.7%	5.4%	4.5%	13.5%	98.5%	1.5%	86.5%	100%
District 10										
Recipients	401	535	30	110	82	1,159	8,233	109	8,342	9,501
Percentage	34.6%	46.2%	2.6%	9.5%	7.1%	12.2%	98.7%	1.3%	87.8%	100%
District 11										
Recipients	255	281	33	55	66	690	4,208	81	4,289	4,979
Percentage	36.9%	40.7%	4.7%	8.0%	9.6%	13.9%	98.1%	1.9%	86.1%	100%
Homeless/ Other SF	66	291	3	7	69	436	5,792	83	5,875	6,311
Percentage	15.1%	66.7%	0.7%	1.6%	15.8%	6.9%	98.6%	1.4%	93.1%	100%
CA (no-SF)	2,146	453	31	40	8	2,678	2,625	1,495	4,120	6,798
Percentage	80.1%	16.9%	1.2%	1.5%	0.3%	39.4%	63.7%	36.3%	60.6%	100%

2) CHARITY CARE PATIENTS IN HOSPITALS' ZIP CODE

A wide variety of factors impact where a patient receives his or her care, including personal preference, ambulance diversion, location, and transportation, among other possibilities. An analysis of charity care data over the decade supports the idea that many local patients access charity care services in outside their neighborhoods of residence.

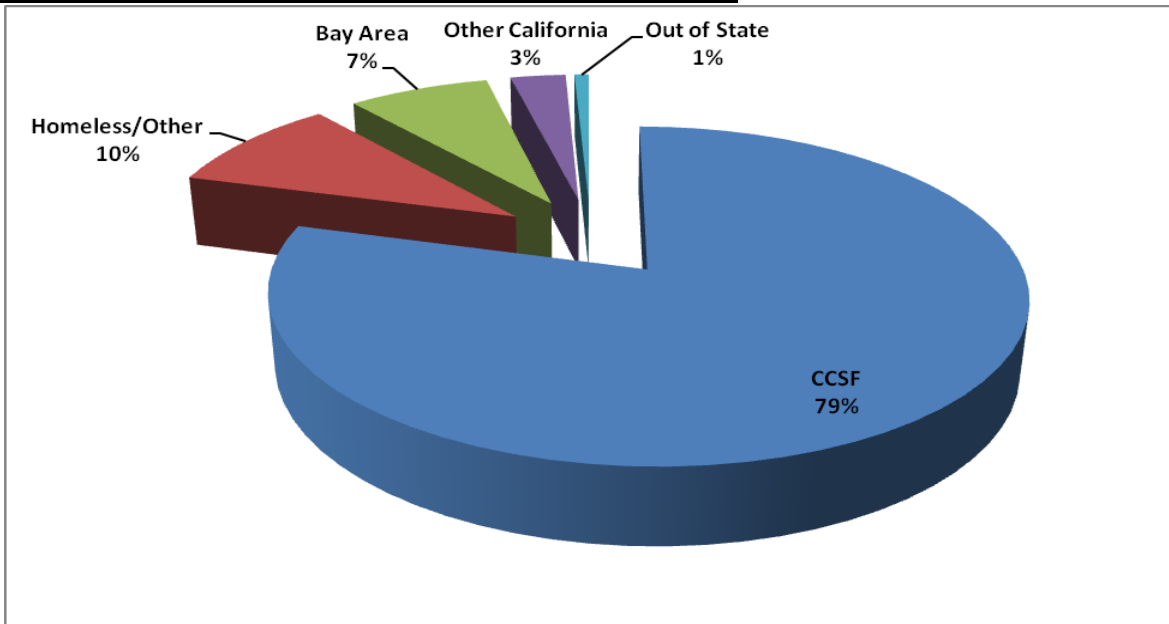
Table #10: Charity Care Recipients in Local Hospitals' ZIP Codes, FY10 (Non-HSF)

Zip Code	Hospital in Zip Code	CPMC	STL	CHI	SFMH	SMMC	SFGH	UCSF
94109	SFMH	251	21	19	34	119	1,170	167
94110	SFGH STL	435	575	4	55	43	7,025	104
94114	CPMC (Davies)	130	13	0	20	28	689	36
94115	CPMC (Pacific), UCSF (Mt. Zion)	303	6	6	31	47	1,245	55
94117	SMMC	157	7	1	38	146	1,240	108
94118	CPMC (California)	235	0	7	13	113	690	52
94122	UCSF (Parnassus)	251	21	19	34	119	1,170	167
94133	Chinese Hospital	162	21	66	30	9	764	13

3) OUT-OF-COUNTY CHARITY CARE PATIENTS

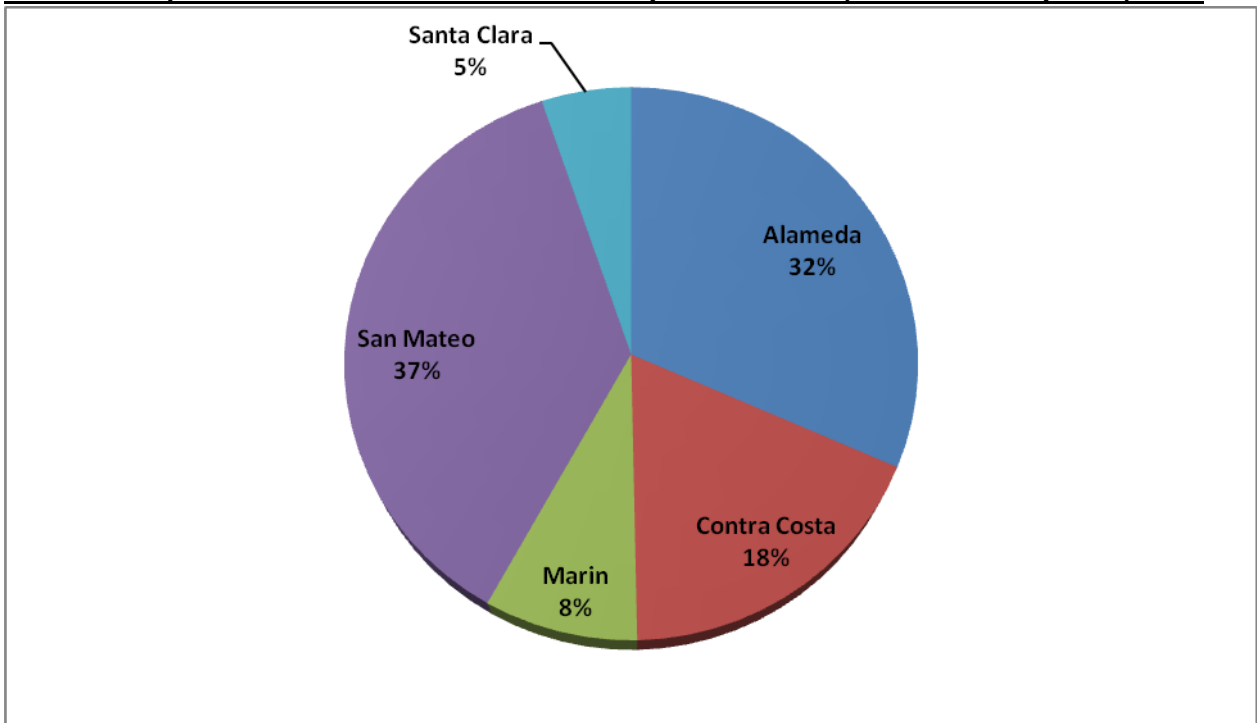
Charity care programs do not limit eligibility to patients who reside in San Francisco. In FY2010, of the charity care recipients who live in California, approximately 10 percent are from counties outside of San Francisco (with the majority from the greater bay area), and another 10 percent are registered as homeless (or in some cases are categorized as 'other' because they did not provide a valid address). Unfortunately, the charity care homeless data cannot be accurately captured in this report, because some hospitals do not consistently identify patients as homeless in their registration systems. In FY2010, there were approximately 500 traditional charity care recipients who reported out-of-state addresses, representing only one percent of the total. Chart #6 shows that approximately 89 percent of charity care recipients live in San Francisco (this includes the homeless category), while the remaining 11 percent are split among the bay area counties, other California residents, and the small percentage of out-of-state patients.

Chart #6: Place of Residence for Charity Care Patients, FY10



The following chart (#7) shows the percentage of charity care patients with addresses in the Bay Area counties noted below. (Solano and Sonoma were excluded because of the distance and lower numbers of charity care recipients in these counties.) Page 13 of the chart pack provides a history of the bay area residents that have received charity care services since 2003.

Chart #7: Reported Place of Residence for Charity Care Patients, within the Bay Area, FY10



Section VII: Conclusions

A. Marking Ten Years with San Francisco as Charity Care Leader

The discussion regarding the high and increasing number of uninsured individuals has been happening on the national stage for decades. It is a crisis that impacts individuals, families, employers, and all levels of government. Counties are required to take a major part of the responsibility to care for the uninsured, and have done so with varying degrees of action and success. San Francisco has, in many ways, led the charge caring for the uninsured. San Francisco has taken responsibility for providing and/or organizing care for the uninsured using a variety of approaches, some building on what is already in place (e.g., better understanding charity care provided by hospitals) and others creating entirely new programs to improve access for the uninsured (e.g., Healthy San Francisco).

The Charity Care Ordinance is just one of many pieces of this puzzle and builds on what is already in place. All San Francisco hospitals provide some degree of charity care and community benefit, and the Ordinance allows all interested parties to better understand how the provision of charity care services are distributed. Since the start of charity care reporting, SFGH has provided an average of 80 percent of charity care, in terms of patients served and expenditures, and the other local hospitals have provided the additional 20 percent. This annual project allows DPH to work closely with San Francisco's hospitals to quantify the number of charity care patients served, the expenditures, and other pieces of information that help with planning and understand the ways in which charity care is sought by patients and provided by health care entities.

The Ordinance has occupied an important place in health planning in San Francisco over the past ten years. San Francisco has led the state and country in charity care policymaking. For example, the state passed AB774, the Hospital Fair Pricing Act, 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, already 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, the Affordable Care Act 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 championed in San Francisco.

B. Healthy San Francisco

All of the hospitals in this report provide care to patients through the HSF program. In the second year of reporting on HSF in the charity care report, each of the hospitals increased the number of HSF patients and expenditures compared to last year (FY2009). According to survey findings, the HSF program has improved the provision of services to the uninsured by better organizing and standardizing how the uninsured interact with the health care system. The survey conducted by Mathematica in 2011 noted, “HSF is providing access to timely and coordinated primary care services to a population that greatly needs them. In general, HSF participants are very satisfied with their access to health care services.”⁵

The HSF program has encouraged hospitals and clinics to standardize and streamline their systems related to patient financial counseling and health program enrollment assistance. Viewing HSF as a restructuring of the indigent health care system, and including it in this report, allows DPH to better understand the impact on the uninsured patient population. This program is the single biggest change to local charity care services in the 10 years of the Ordinance. DPH will continue to report on HSF and traditional charity care as the Ordinance enters its second decade.

C. The Community Benefits Partnership

The Charity Care Project and Building a Healthier San Francisco (BHSF) are work-groups of the Community Benefits Partnership (CBP). The CBP is designed to “*harness the collective energy and resources of San Francisco’s 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.*”⁶ BHSF is responsible for conducting tri-annual community needs health assessment, as required by state law (AB774) for all non-profit hospitals. CBP then provides critical information and evaluation through the citywide needs assessment.

As part of the 2010 needs assessment, the CBP worked with individuals and organizations interested in health throughout the community, choosing ten health goals through the “Community Vital Signs” project. These goals include the following:

- Increase access to quality medical care.
- Increase physical activity and healthy eating to reduce chronic disease.
- Stop the spread of infectious disease.
- Improve behavioral health.
- Prevent and detect cancer.
- Raise healthy kids.
- Have a safe and healthy place to live.

⁵ Healthy San Francisco. “Annual Report to the San Francisco Health Commission (For Fiscal Year 2010-11).”

⁶ Healthy Communities Institute and Building a Healthier San Francisco – Health Matters in SF. (9/22/11)
<http://www.healthmattersinsf.org/index.php?module=htmlpages&func=display&pid=56>

-
- Improve health and health care access for persons with disabilities.
 - Promote healthy aging.
 - Eliminate health disparities.

The website, founded by BHSF, was used to publicize the ten goals, ultimately tracking the movement toward achieving success in each one. This website, www.healthmattersinsf.org, notes that the CBP took steps not only to develop the ten goals, but identified 30 data indicators related to the goals, and built an agenda for community health improvement. The Community Benefits project links the charity care project to other community benefits work through the hospitals and clinics that provide charity care service and are highlighted in this report. By creating a forum where the hospitals can work together on the City's most pressing health care needs, we are all reminded that the services are not an end in themselves, but a means to improving the health and well-being of all San Franciscans, regardless of income and insurance status.

D. Health Reform – Continuing Need for Charity Care

While the changes brought by the Affordable Care Act (ACA) will allow for approximately 32 million uninsured individuals to be insured by 2019, approximately 20 million individuals (or approximately 68,400 San Franciscans) will remain without coverage. There will be those who will not follow the "individual mandate," those who do not have legal status in the country, and other scenarios leaving people to fall between the cracks of the system. These changes will require health care providers, hospitals included, to react and adapt to ensure that under the new circumstances they are meeting the needs of their patient population. The uninsured population will not disappear even when the ACA is fully operational. The place for the Charity Care Ordinance in understanding what is being done for these individuals and how to best provide care in the future will not diminish.