

# **MEMORANDUM**

**DATE:** July 10, 2019

**TO:** James Loyce, Jr., M.S., Health Commission President, and Members of the Health Commission

**THROUGH:** Naveena Bobba MD, Deputy Director of Health/Deputy Health Officer

**THROUGH:** Sneha Patil, Director, Office of Policy and Planning

**FROM:** Claire Lindsay, Senior Health Program Planner, Office of Policy & Planning

**RE:** Proposition Q – St. Mary’s Closure of (1) Cardiovascular surgery program and (2) the Spine Center

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In accordance with the Community Health Care Planning Ordinance (Proposition Q, 1988), John Allen, President of St. Mary’s Medical Center (St. Mary’s), notified the Secretary of the Health Commission, in a letter dated April 29, 2019, of St. Mary’s plans to 1) close the St. Mary’s Cardiovascular Surgery program, and 2) close the Spine Center, a 1206(d) licensed outpatient clinic operating with the single physician group, the SF Spine Group (the Group). This memo provides background regarding these planned changes for the Health Commission’s Proposition Q hearings that will take place on July 16, 2016 and August 6, 2019. Specifically, this memo covers each proposed plan individually, and discusses the impacts these may have on healthcare services in San Francisco.

## **PROPOSITION Q**

Proposition Q, passed by San Francisco voters in November 1988, requires private hospitals in San Francisco to provide public notice prior to closing a hospital inpatient or outpatient facility, eliminating or reducing the level of services provided, or prior to the leasing, selling or transfer of management. Upon such notice, the Health Commission is required to hold a public hearing during which the hospital shall be afforded an opportunity to present any information relating to its proposed action and to respond to matters raised by any other persons during that hearing. At the conclusion of the public hearings the Health Commission shall make findings based on evidence and testimony from the public hearings and any submitted written material that the proposed action will or will not have a detrimental impact on health care services in the San Francisco community.

## **ABOUT DIGNITY HEALTH ST. MARY’S MEDICAL CENTER**

St. Mary’s Medical Center (SMMC) is a part of the Dignity Health network of hospitals. In the Bay Area, Dignity Health operates three other full-service hospitals: Saint Francis Memorial Hospital in San Francisco,

Dominican Hospital in Santa Cruz, and Sequoia Hospital in Redwood City. St. Mary's Medical Center is an accredited, not-for profit hospital that has provided health care services to the San Francisco and neighboring community since 1857. As a full-service facility, St. Mary's has been a leader in health care delivery including the nation's first digital cardiac catheterization laboratory and the innovative work done in spine care at the Spine Center. St. Mary's Medical Center is also affiliated with University of California San Francisco (UCSF). St. Mary's Medical Center and UCSF partner in providing services such as hospital medicine, mental health, headaches, and others.

## CLOSURE OF ST. MARY'S CARDIOVASCULAR SURGERY PROGRAM

### I. Overview

St. Mary's Medical Center (SMMC) plans to close their cardiovascular (CV) surgery unit on July 31<sup>st</sup>, 2019. In addition to cardiovascular surgery, St. Mary's Medical Center offers full service cardiac care at their campus, this includes: a fully digital cardiac catheterization lab, cardiac testing, electrophysiology studies (EPS), nuclear cardiology, peripheral vascular studies, cardiac rehabilitation, an arrhythmia/cardiology clinic, and advanced treatment for heart attack and stroke.

- Cardiac Catheterization: a procedure that examines functionality of the heart. A cardiac catheterization is accomplished by inserting a small hollow tube into a large blood vessel leading to the heart.<sup>1</sup>
- Cardiac Testing Services: SMMC offers several types of cardiac and stress tests from non-invasive to mildly invasive. These tests include: electrocardiogram (EKG), a recording of electrical activity of the heart; transesophageal echocardiogram (TEE), a diagnostic ultrasound of the heart; a variety of stress tests: adenosine stress test, dobutamine stress echocardiogram, exercise stress test, Sestamibi stress test, and stress echocardiogram; the tilt table test, which measures causes and precursors of fainting; and a Holter monitor, a portable 24-hour EKG.
- Nuclear Medicine: diagnostic intervention using trace amounts of radioactive material
- Cardiac Rehabilitation: a medical team approach to progress monitoring once heart disease treatment takes place. It includes nutritional counseling, exercise planning, and education.
- Arrhythmia and Cardiology Clinic: education and monitoring for individuals with heart rhythm issues.

With the closure, the CV surgery program is the only aspect of cardiac care that will no longer be offered at St. Mary's Medical Center. The other services listed above will continue to be provided to patients at St. Mary's Medical Center.

### Patient Utilization

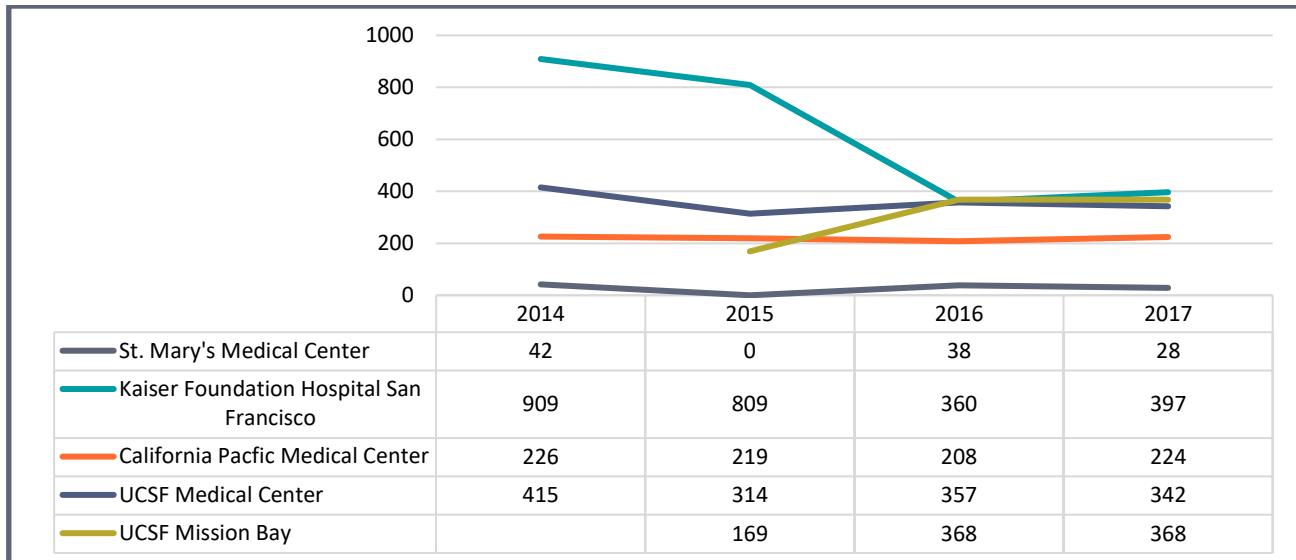
St. Mary's reported that although once the leading open-heart surgery hospital in San Francisco, the surgery program at St. Mary's has seen low surgical volume, which has made the program both financially and clinically unviable. Figure 1 displays the total CV, or open-heart, surgeries in San Francisco by hospital for the years 2014 – 2017 (the most up to date data available through OSHPD<sup>2</sup>). The chart shows that the number of open-heart surgeries completed by each individual hospital has remained steady over time, apart from the

<sup>1</sup> What is Cardiac Catheterization. (2015). Retrieved from: <https://www.heart.org/en/health-topics/heart-attack/diagnosing-a-heart-attack/cardiac-catheterization>

<sup>2</sup> California Office of Statewide Health Planning and Development (OSHPD)

sudden decrease in CV surgeries at Kaiser Foundation Hospital in San Francisco. St. Mary's has had an average case volume of about 30 CV surgeries annually, while the other hospitals in San Francisco range from an average of 200 – 600 annual surgeries. With four hospitals offering CV surgeries at five locations throughout San Francisco, SMMC consistently has had the lowest surgical volume compared to the other area hospitals.

**FIGURE 1. TOTAL CARDIOVASCULAR SURGERIES IN SAN FRANCISCO, BY HOSPITAL (OSHPD<sup>3</sup>)**



Note: OSHPD did not receive final data from St. Mary's Medical Center in time for the publication of 2015 data. Additionally, UCSF Mission Bay did not open until February 1, 2015 and does not have 2014 data. Cardiovascular surgeries are defined by OSHPD as surgery performed on the heart or major blood vessels entering or leaving the heart. This is also referred to as open heart surgery and it can be performed with or without Cardio-Pulmonary Bypass.

The data in Table 1 (below) shows the number of CV surgery cases recorded by SMMC from 2011 to 2019, up until the end of May. While the data recorded by St. Mary's does not exactly match the numbers published by OSPHD, it does further illustrate the consistently low CV surgery case volume at SMMC.

**TABLE 1. ST. MARY'S OPEN-HEART CASES**

	Total Open-Heart Cases
2011	53
2012	30
2013	27
2014	28
2015	31
2016	33
2017	22
2018	15
2019 (through May)	9

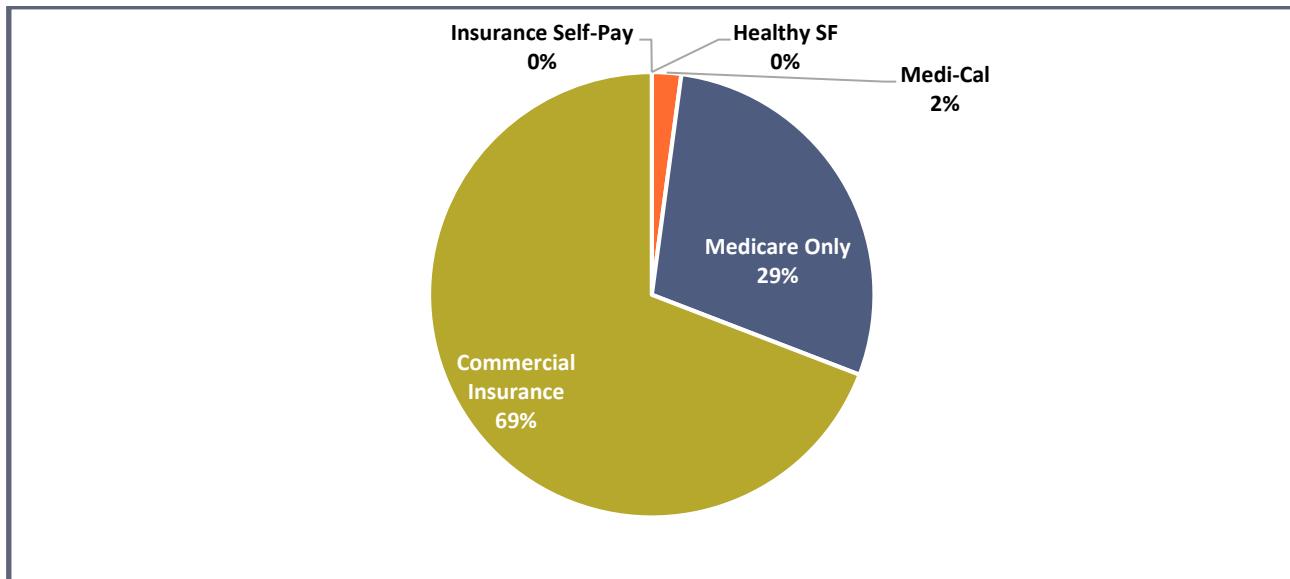
## Patient Demographics

Of the patients receiving CV surgery at SMMC, most patients are commercially insured (approximately 69% of patients). The second highest form of insurance held by patients is Medicare, which is further illustrated

<sup>3</sup> California's Office of Statewide Health Planning and Development (OSHPD). Hospital Utilization Pivot Tables 2014 – 2018. Retrieved from: <https://oshpd.ca.gov/data-and-reports/healthcare-utilization/hospital-utilization/#pivot>

by the age distribution of St. Mary's CV surgery patients. Medi-Cal only represents approximately 2% of CV surgery patients at St. Mary's.

**FIGURE 2. PAYOR MIX FOR ST. MARY'S CARDIOVASCULAR SURGERY PATIENTS (AVERAGE, 2015 – 2019YTD)**



As illustrated in Figure 3, between the years 2015 and 2019 to date, approximately 85% of all St. Mary's CV surgery patients are over age 60. As San Francisco has a growing population of older adults, health services and procedures that tend to serve older adults will become increasingly important.

**FIGURE 3. AGE DISTRIBUTION CHART FOR ST. MARY'S CARDIOVASCULAR SURGERY PATIENTS (AVERAGE, 2015 – 2019YTD)**

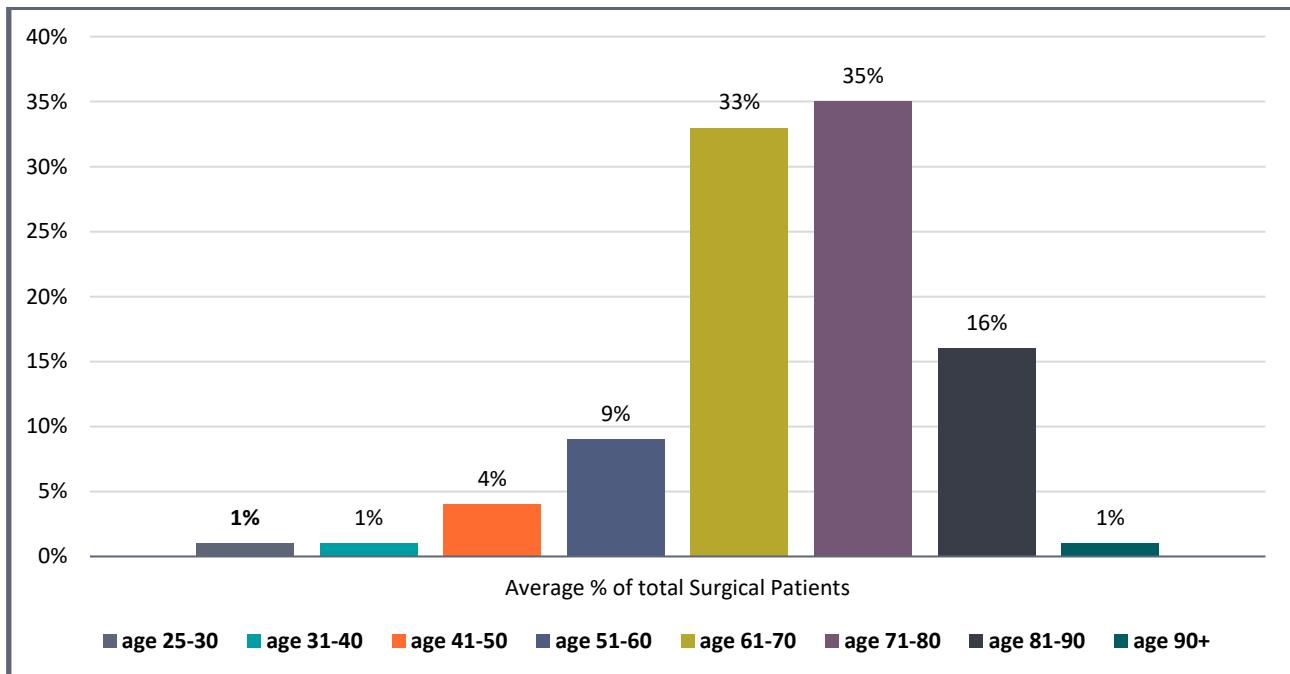
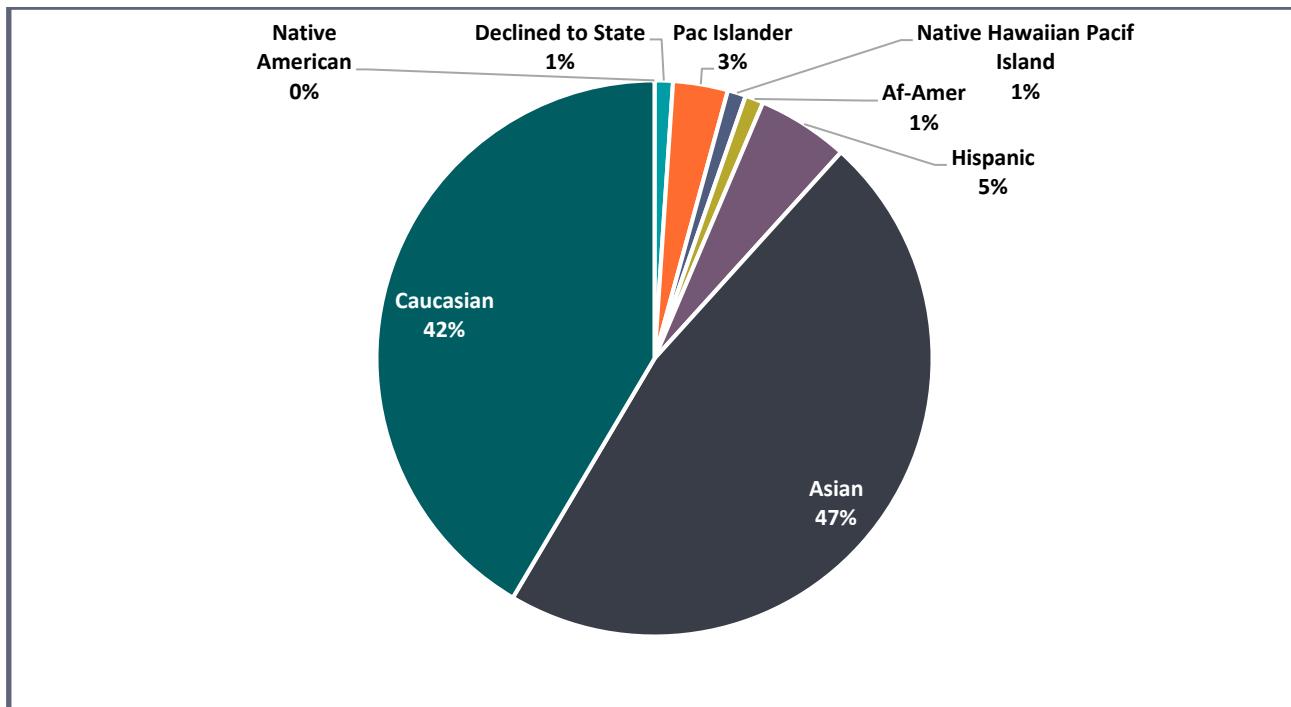


Figure 4 displays the race and ethnic composition of St. Mary's CV surgery patients between 2015 and 2019, up to May. The highest proportion of cardiovascular surgical patients are Asian (47%) which is proportionally higher than the Asian population in the city of San Francisco (35.9%).

**FIGURE 4. RACE/ETHNIC COMPOSITION OF ST. MARY'S CARDIOVASCULAR SURGERY PATIENTS (AVERAGE, 2015-2019YTD)**



On average, the majority, or 81% of cardiovascular surgery patients seen at SMMC are San Francisco residents, meaning that the other CV surgery hospitals in San Francisco – CPMC Pacific, Kaiser, UCSF Medical Center and UCSF Mission Bay – will likely take on these cardiovascular surgery cases once St. Mary's closes their CV surgical unit.

## II. Background & Context

### Cardiovascular Conditions & Cardiovascular Surgery

The most common type of heart surgery for adults in the United States is coronary artery bypass grafting (CABG), which is the process by which a healthy artery or vein from one part of the body is grafted to a blocked artery so that blood can continue to circulate by bypassing the blocked artery. Heart surgery is also used to repair or replace heart valves in order to maintain proper functioning of blood flow through the heart, repair damaged structures in the heart, implant medical devices that support heart function, and transplant a damaged heart with a healthy heart. Heart surgery is a form of treatment used in cases of cardiovascular disease, more specifically heart failure<sup>4</sup> and coronary heart disease.<sup>5</sup> According to the latest data on surgical discharges, San Francisco has the lowest rate of coronary artery bypass grafting (CABG) surgical discharges per 1,000 Medicare enrollees compared to other counties in the United States (0.835/1,000 Medicare enrollees).<sup>6</sup>

Cardiovascular disease is largely preventable, yet heart disease remains the leading cause of death for both men and women in the United States.<sup>7</sup> One of the greatest contributing factors of cardiovascular disease is high blood pressure (hypertension). According to the latest data, in 2017 nearly a quarter (23.4%) of San

<sup>4</sup> Heart failure is a disease condition when the heart can no longer pump enough blood to keep the body functioning.

<sup>5</sup> Coronary Heart Disease is also known as Ischemic Heart Disease, Coronary Artery Disease, and Coronary Microvascular Disease. This disease group all refers to the process by which plaque builds up inside the coronary arteries which impacts the flow of blood through the heart.

<sup>6</sup> Surgical Discharges, by County. Dartmouth Atlas Project. 2015. Retrieved from: <https://www.dartmouthatlas.org/interactive-apps/surgical-procedures/>

<sup>7</sup> American Heart Association. Facts: Bridging the gap, cvd health disparities. 2012. Retrieved from: <http://www.sfhip.org/cardiovascular-disease-and-stroke.html>

Francisco adults had been told they have high blood pressure. The prevalence of high blood pressure has increased in San Francisco since 2014. Looking more specifically at heart disease, approximately 5.4% of San Francisco adults have been told they have any kind of heart disease, which is slightly lower than the overall California value of 6.1%.<sup>8</sup> Hospitalization and emergency room visits for cardiovascular disease in San Francisco are highest among residents in the southeast half of the city and among those who live in households earning less than 300% of the federal poverty level. Zip codes with the highest hospitalization and emergency room visit rates for hypertension and chronic heart failure are: 94102 (Tenderloin), 94103 (South of Market), 94124 (Bayview-Hunters Point), and 94130 (Treasure Island).<sup>9</sup>

### San Francisco's Aging Population

Cardiovascular diseases and more specifically cardiovascular surgery, as noted earlier, is a procedure that most often takes place after age 60. Currently, the proportion of older adults (age 65+) in San Francisco is approximately 15.7%. Looking ahead, the greatest population growth in San Francisco is expected to be among the 65-plus age group, which is estimated to increase to 21% of the total San Francisco population in 2030 and is projected to reach 29% of the total San Francisco population by 2060.<sup>10</sup> Within the older adult population, the largest increase is anticipated to be the population aged 75 and up. This has implications for the prevalence of cardiovascular disease as well as the number of anticipated cardiovascular procedures required for a growing older adult population.

### Trends in Cardiovascular Surgery

Cardiovascular surgery, like many other surgical specialties, is moving toward minimally invasive and even non-invasive techniques. Coronary artery bypass graft (CABG) has for decades been the primary surgery performed by cardiothoracic surgeons, but with significant improvements in perfusion techniques and the development of specialized instruments and robotic technology, this surgery and other minimally invasive procedures have become more efficient and safer for even the most critically ill patients.<sup>11,12</sup>

However, the burden of cardiovascular disease in the United States is significant as it is the leading cause of death and impacts approximately 30% of the population. Despite there being a trend toward using less invasive and non-invasive treatments, open-heart surgery has continued to be a necessary intervention for many individuals with heart disease, like those needing transplant. Though, it is anticipated that there will be a shortage of cardiovascular surgeons in the near future. In one study that analyzed population, physician office, hospital, and physician data sets to estimate current patterns of healthcare use and delivery, they found that by 2025 there could be a 46% increase in demand for cardiothoracic surgeons because of population growth and an aging population. By the same year, supply of cardiothoracic surgeons is expected to decrease by 21% due to declining enrollment in cardiovascular specialties by medical students.<sup>13</sup> The combination of an increased demand for cardiothoracic surgeons and a decreased workforce could lead to a significant shortage in needed cardiovascular services that could lead to a pattern of individuals delaying important cardiovascular treatment.

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<sup>8</sup> California Health Interview Survey. 2013 – 2017. Retrieved From: <http://healthpolicy.ucla.edu/Pages/AskCHIS.aspx>

<sup>9</sup> Cardiovascular Disease and Stroke. San Francisco Health Improvement Partnership 2019 Community Health Needs Assessment. Retrieved from: <http://www.sfhip.org/cardiovascular-disease-and-stroke.html>

<sup>10</sup> Demographics. San Francisco Health Improvement Partnership 2019 Community Health Needs Assessment. Retrieved from: <http://www.sfhip.org/demographics.html>

<sup>11</sup> Ailawadi, G., Kron, I., The Challenges Facing Cardiothoracic Surgeons. Vascular Disease Management. November/December 2007. Retrieved from: <https://www.vasculardiseasemanagement.com/content/challenges-facing-cardiothoracic-surgeons>

<sup>12</sup> Iribarne, A. et. al., The golden Age of Minimally Invasive Cardiothoracic Surgery: Current and Future Perspectives. May 2011. Retrieved from: <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC3134935/>

<sup>13</sup> Grover, A. et.al., Shortage of Cardiothoracic Surgeons Is Likely by 2020. 11 Aug 2009. Retrieved from <https://doi.org/10.1161/CIRCULATIONAHA.108.776278>

### **III. Closure of St. Mary's Cardiovascular Surgery Program**

As reflected in the data above, the cardiovascular (CV) surgical team at St. Mary's Medical Center (SMMC) has performed an average of 30 cardiovascular surgeries (open heart cases<sup>14</sup>) per year since 2011. Compared to other San Francisco hospitals that have an average of between 200 and 600 CV surgical procedures annually, St. Mary's has had the lowest volume in the city of San Francisco. Reports on hospital cardiovascular operative volume indicate that low surgical volume can impact the proficiency of the surgical team as it reduces hours spent refining and maintaining surgical skill.<sup>15</sup> Of note, the surgeons at St. Mary's are also credentialed and are a part of surgery teams at CPMC, Seton Medical, UCSF, Kaiser, and Regional Medical Center. However, one study showed that, specifically for coronary artery bypass graft procedures (CABG), high volume surgical hospitals have lower mortality rates and lower incidence of complications compared to low-volume<sup>16</sup> hospitals.<sup>17</sup> Looking at outcome metrics for cardiovascular surgeries (i.e. mortality and 30-day readmissions), St. Mary's outcomes rate as average, the same rating as other San Francisco hospitals that offer CV surgery.<sup>18</sup>

St. Mary's reported multiple efforts to try and bolster CV surgical volumes. First, Dignity Health sought to further their formal relationship with UCSF from a Management Services Agreement (MSA) to a joint venture. The goal of that joint venture was for St. Mary's to realize higher CV surgical volumes. However, there is no longer a possibility of growing the program through that option. Another effort was made through joining services with another Bay Area Dignity Health hospital, Sequoia Hospital, and seeking physicians from Seton hospital; this effort was also unsuccessful.

Due to the failed attempts to increase surgical volume, St. Mary's does not expect their surgical volume to increase to a degree that would make a difference in their ability to continue the program, both from a financial and clinical safety standpoint. For both the financial and clinical reasons stated above, SMMC plans to discontinue their CV (open heart) surgery program on July 31<sup>st</sup>, 2019.

### **IV. Patient Impact**

St. Mary's Medical Center will continue to provide cardiac care at their campus, including comprehensive catheterization procedures in their Cardiac Catheterization Lab, cardiac testing, electrophysiology studies, nuclear cardiology, peripheral vascular studies, cardiac rehabilitation, arrhythmia management, and their advanced treatment for heart attack and stroke. St. Mary's is also in the process of finalizing the upgrades of their hybrid suite to an operating room.

However, there will be an average of 30 CV surgery patients annually who will be impacted by the closing of St. Mary's CV surgery program, and this could have a cascading impact on patients with complicated heart conditions who see cardiologists at St. Mary's. Cardiologists that continue to work at St. Mary's may not be able to take on more complex clients because, in the event of a necessary surgical procedure, the cardiologist will have to refer their patient to another location for care. Once the closure of St. Mary's CV surgery program is complete, cardiologists will refer patients to surgeons at the facilities listed above; all of which are within 1-50 miles of SMMC. In the event that a patient will have to be medically transferred, St. Mary's has adopted

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<sup>14</sup> Open heart cases include: coronary artery, coronary artery bypass graft (CABG), and valve replacements

<sup>15</sup> Guidelines for Standards in Cardiac Surgery. American College of Surgeons. 1997. Retrieved from: <https://www.facs.org/about-acs/guidelines/cardiac-surgery>

<sup>16</sup> In this study low-volume was defined as an annual surgical volume of 12-249 CABG operations

<sup>17</sup> Ricciardi R, Virnig BA, Ogilvie JW, Dahlberg PS, Selker HP, Baxter NN. Volume-Outcome Relationship for Coronary Artery Bypass Grafting in an Era of Decreasing Volume. Arch Surg. 2008. Retrieved from: <https://jamanetwork.com/journals/jamasurgery/fullarticle/599029>

<sup>18</sup> Coronary Artery Bypass Graft: Hospital Performance Ratings, 2016. Retrieved from: <https://oshpd.ca.gov/visualizations/coronary-artery-bypass-graft-hospital-performance-ratings-2016/>

the acceptable practice of securing an agreement with ECMO PRN LLC, an ambulance service that provides ECMO transfers<sup>19</sup> to CPMC or UCSF, the closest hospitals to SMMC.

### Cardiovascular Surgery Programs in the Bay Area

With the closure of SMMC's cardiovascular surgery program, there are multiple other hospitals in the greater Bay Area that provide the same level of CV services that are currently provided at SMMC.

- San Francisco hospitals with CV surgery:
  - UCSF
  - Kaiser Permanente San Francisco
  - California Pacific Medical Center
- Greater Bay Area hospitals with CV surgery:
  - Mills Peninsula, Burlingame
  - Marin General Hospital, Kentfield
  - Dignity Health Sequoia Hospital, Redwood City
  - Alta Bates Summit medical Center, Oakland & Berkeley
  - Stanford University Hospital, Palo Alto
  - Kaiser Permanente Hospital, Santa Clara

## IV. Staff Impact

The cardiovascular surgery staff at SMMC includes nurses, surgeons, anesthesiologists, and perfusionists. According to St. Mary's, due to the low volume of CV surgical cases and St. Mary's efforts to grow orthopedic and general surgeries, there will not be any nursing layoffs. All the current nursing staff for the CV surgery program are general surgery trained and will continue to be employed as orthopedic and general surgery nurses. Three surgeons practice at St. Mary's in their CV surgery program, all of which are credentialed at multiple San Francisco and greater Bay Area hospitals and will continue to care for their patients at the other neighboring hospitals. Similar to the nursing staff, St. Mary's contracts with PAR Anesthesiology for all hospital anesthesia services. The contract between SMMC and PAR Anesthesiology will be amended to eliminate only CV surgical care, but their services will be continued for other surgical procedures at the hospital. Finally, Golden Gate Perfusion is currently contracted to provide perfusion<sup>20</sup> services at SMMC, and this contract will be fully terminated. Golden Gate Perfusion is also contracted to provide perfusion services at the Veterans Affairs Medical Center, UCSF, and Zuckerberg San Francisco General Hospital. St. Mary's does not anticipate any changes in the labor force with the closure of their CV surgery program.

## VI. Conclusion

The impact of the closure of St. Mary's Medical Center's cardiovascular surgery unit has been assessed through multiple factors. First, the case volume at St. Mary's hospital has been consistently low, which studies have shown can be associated with poor patient quality outcomes. Also, medical technology advancements for the treatment of cardiovascular disease have made less invasive cardiovascular procedures more commonplace, and many of these less invasive procedures will continue to be done at St. Mary's Medical Center. However, San Francisco has a growing older-adult population, and surgical interventions that mostly serve older adults will become increasingly important. Additionally, it's anticipated that there will be an average of 30 cardiovascular surgery patients annually who will be impacted by the closing of St. Mary's cardiovascular surgery program. Finally, the closure of the cardiovascular surgery program may have residual

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<sup>19</sup> An ECMO transfer is a specialty transfer that utilizes an extracorporeal membrane oxygenation machine that replaces the function of the heart and lungs.

<sup>20</sup> Perfusion is the process by which blood passes through the circulatory system. A perfusionist is a healthcare professional who monitors the cardiopulmonary (heart-lung) bypass machine during cardiac surgery.

impacts on the types of patients able to be seen and cared for by the remaining cardiology physicians at St. Mary's. The closure of St. Mary's cardiovascular surgery program is a reduction of health care services in San Francisco and thus, for these specified reasons, will have a detrimental impact on the community.

## CLOSURE OF THE SPINE CENTER

### I. Overview

The Spine Center is a licensed 1206(d)<sup>21</sup> outpatient clinic of Dignity Health St. Mary's Medical Center (SMMC). The Spine Center has been open since 1982 as a joint operation between Dignity Health St. Mary's Medical Center and the San Francisco Spine Surgeons Group (the Group). The Group is a single physician practice made up of four health care providers who specialize in the treatment of spinal disorders and orthopedic surgery.

The Spine Center is located on SMMC's campus at 1 Shrader street, in suite 450. Services provided by the Spine Center include less invasive treatments such as: exercise, manual manipulation, medication management, and nutritional counseling; minimally invasive outpatient procedures; non-invasive treatments; pain management; and spine surgery. The Spine Center sees an average of approximately 1,800 patients per year, and since 2011, the Spine Center has seen a relative decrease in the number of patients seen annually.

TABLE 2 SPINE CENTER PAYOR MIX

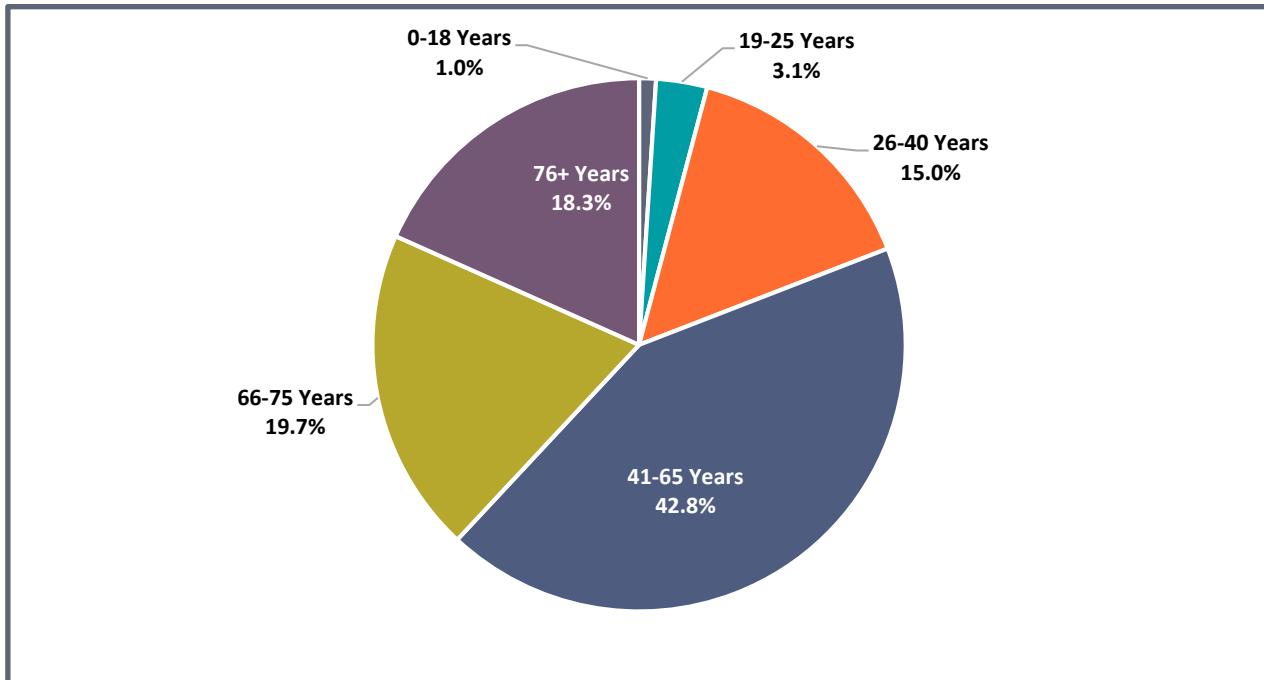
	Average	2019YTD
<b>Commercial Insurance</b>	<b>58.3%</b>	60.5%
<b>Medicare Only</b>	<b>33.2%</b>	30.9%
<b>Workers Comp</b>	<b>4.8%</b>	5.6%
<b>Self-Pay</b>	<b>2.7%</b>	1.9%
<b>Medi-Cal</b>	<b>0.7%</b>	0.6%
<b>Healthy San Francisco</b>	<b>0.2%</b>	0.0%
<b>Clinical Research</b>	<b>0.2%</b>	0.6%
<b>Ryan White</b>	<b>0.0%</b>	0.0%
<b>Miscellaneous Insurance</b>	<b>0.0%</b>	0.0%

Table 2 displays the average payor mix of the Spine Center and the payor mix for 2019, year to date. The majority of patients have commercial insurance with the second largest proportion of patients insured through Medicare only. The Spine Center accepts patients with Medi-Cal, who comprise a small proportion of their patient population at only 0.7%. Year to year, the Spine Center has seen a larger proportion of patients with commercial insurance.

Approximately 43% of Spine Center patients are those between ages 41-65, and 38% of patients age 66 and above. As illustrated in Figure 5, the Spine Center's patient population is increasingly made up of older adults. As the older adult population of San Francisco continues to increase compared to other age groups, health care services like the ones offered at the Spine Center will become increasingly utilized.

<sup>21</sup> California Health & Safety Code §1206(d) – Clinics conducted, operated, or maintained as outpatient departments of hospitals

**FIGURE 5. PATIENT POPULATION BY AGE (AVERAGE, 2011-2019YTD)**



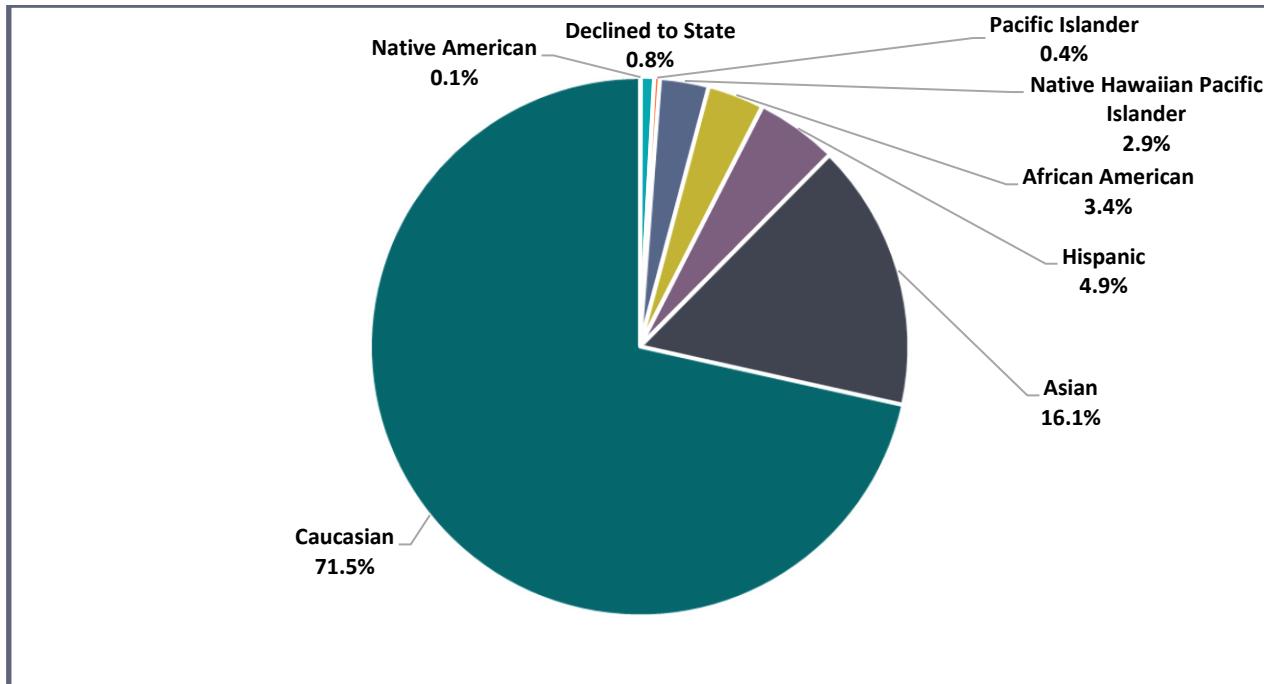
As displayed in

Figure 6, the majority of patients seen by the Spine Center are Caucasian with Asians as the second largest proportion of patients. In the city of San Francisco, the latest published estimates from the United States Census show that Asians make up approximately 35.9% of the city's population, and 15.2% are Hispanic or Latin(x).<sup>22</sup>

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<sup>22</sup> United States Census Bureau. Quickfacts San Francisco County, California. (2018). Retrieved from: <https://www.census.gov/quickfacts/sanfranciscocountycalifornia>

**FIGURE 6. PATIENT POPULATION BY RACE/ETHNICITY (AVERAGE, 2011-2019YTD)**



## **II. Background**

### Spine Conditions

According to St. Mary's, approximately 6% of patients seen at the Spine Center need spine surgery, whereas pain is an issue for almost all patients who come into the Spine Center. Back pain is the most common spine condition experienced by adults in the United States, at any given time it's estimated that 31 million American's are experiencing back pain. Back pain is the leading cause of disability, worldwide.<sup>23</sup> Other common spine conditions include: sciatica, radiculopathy, lumbar disk disease, cervical disk rupture, spinal stenosis, degenerative disk disease, arthritis of the spine, cervical arthritis, scoliosis, and compression fracture.<sup>24</sup>

## **III. Closure of the Spine Center**

According to SMMC, historically, the Group has provided all physician services and half of all non-physician staffing, while SMMC provided the other half of non-physician staff positions at the Spine Center. Beginning in late 2018, St. Mary's organized discussions with the Group to adjust current Spine Center staffing so that it operated like a traditional hospital outpatient clinic. These discussions concluded in March of 2019. The Group notified St. Mary's that they will no longer staff the Center and will be moving the Group's physicians to a private office leased by and located on SMMC campus. This lease was agreed upon and finalized by the Group and St. Mary's on June 4<sup>th</sup>, 2019. Due to St. Mary's inability to provide ongoing physician staffing for the Spine Center, the Group's transition has necessitated closure of the Spine Center.

The Group plans to continue to practice on SMMC and move from suite 450 to suite 600 at 1 Shrader street. The Group has confirmed that patient care will continue as is, specifically:

<sup>23</sup> Back Pain Facts and Statistics. American Chiropractic Association. (n.d.). Retrieved from: <https://www.acatoday.org/Patients/Health-Wellness-Information/Back-Pain-Facts-and-statistics>

- The Group will carry over the same insurance contracts and will continue to accept patients from the current payor mix including Medi-Cal,
- The Group will maintain the capacity/volume of patients seen,
- The Group plans to sustain the current levels of services,
- The Group will continue outpatient spine services and continuity of care to existing patients,
- The Group will still be available to the community in an on-SMMC campus medical office,
- Orthopedic support will continue to be provided in a clinic setting in the Sister Mary Philippa Clinic (a separate 1206(d) outpatient clinic with comprehensive services).

The Group and SMMC do not anticipate any interruption or change in health care services provided to previous, current or future patients of the Spine Center.

### Timeline

Due to the recent alignment between Dignity Health and Catholic Health Initiatives, the CA Attorney General (AG) is required to review and approve the Spine Center closure. As a requirement of the alignment, Dignity Health assured the AG that St. Mary's would maintain its current list of services for the next five years. While the closure of the CV surgery unit is exempt from AG approval, the review does apply to the Spine Center and thus a request for review will be submitted.

As of July 10<sup>th</sup>, 2019, the letter requesting AG review has not been submitted by St. Mary's, but is planned to be submitted by the end of July. Once St. Mary's submits the letter, the AG has 90 days to review the request and decide on a subsequent process for review and decision as to whether they approve of the closure. Because of this timeline, the Spine Center will likely have a closure date beyond July 31<sup>st</sup>. St. Mary's has agreed to keep the Commission and DPH staff abreast of any updates to the timeline, i.e. submission of letter, process and decision by AG, and final date of closure for the Spine Center.

### **IV. Impact on Patients**

It's expected that this closure will not have an impact on patients or the community as St. Mary's does not anticipate any interruption or change in health care services provided to previous, current or future patients of the Spine Center.

In addition to the Spine Center located at SMMC, there are multiple other spine centers located throughout San Francisco and the greater Bay Area. This includes: The Spine Center at UCSF, Stanford Medicine Spine Center, Bay Area Pain and Spine Institute, and multiple spine center locations operated by Muir Orthopedic Specialists.

### **V. Impact on Staff**

Staffing of the Spine Center includes employees of the Group and SMMC. St. Mary's provides half of the administrative (non-physician) staffing of the Spine Center while the Group provides the other half of non-physician staffing and all physician roles. Currently, approximately six non-physician staff members are employed by the hospital. As of July 10, 2019, the Group has not shared whether they will retain all St. Mary's employees in the new office, so the labor impact is unknown.

St. Mary's has stated that they will attempt to re-assign affected employees, respond to individual needs, and mitigate any lay-offs. St. Mary's will make efforts to offer the affected employees comparable positions, retirement opportunities, and severance packages.

### **VI. Conclusion**

St. Mary's has confirmed that the SF Spine Group will continue to provide outpatient spine services on the SMMC campus, and the level of services currently provided will be sustained. Physicians of the Group will

carry over the same insurance contracts that they currently have, thus there is no anticipated change in the patients who access services. The Group will maintain current physician staffing and does not anticipate a change in capacity or volume of patients seen for spine treatment services. The Group will be available to the community in an on-SMMC campus medical office and will also provide orthopedic support in a clinic setting in the Sister Mary Philippa Clinic. Finally, SMMC will continue to support 24/7 Emergency Department call coverage with the same physician composition. On the condition that the SF Spine Group maintains the level of care currently provided through the Spine Center at the new outpatient clinic, this closure will not have a detrimental impact on the community.

Two draft resolutions, one for each change listed above, are attached for your consideration.

**HEALTH COMMISSION  
CITY AND COUNTY OF SAN FRANCISCO  
Resolution No. \_\_\_\_**

**DETERMINING THAT THE CLOSURE OF THE CARDIOVASCULAR SURGERY PROGRAM AT ST. MARY'S MEDICAL CENTER WILL/WILL NOT HAVE A DETRIMENTAL IMPACT ON HEALTH CARE SERVICES IN THE COMMUNITY.**

WHEREAS, St. Mary's Medical Center, a non-profit hospital and a part of Dignity Health, is an acute care hospital in San Francisco; and

WHEREAS, On April 29, 2019, St. Mary's notified the Health Commission of its cardiovascular surgery program closure, effective July 31<sup>st</sup>, 2019; and

WHEREAS, To be in compliance with the Community Health Care Planning Ordinance (Proposition Q), private hospitals in San Francisco are required to notify the Health Commission 90 days prior to service reductions or lease, sales or transfers of management; and

WHEREAS, Cardiovascular disease is the leading cause of death for both men and women in the United States; and

WHEREAS, It is estimated that approximately 5.4% of San Francisco adults have been told that they have any kind of heart disease; and

WHEREAS, The highest rates of hospitalization and emergency room visits due to cardiovascular disease in San Francisco is amongst residents in the southeast half of the city, among those who live in households earning less than 300% of the Federal Poverty Level, and in zip codes 94102 (Tenderloin), 94103 (South of Market), 94124 (Bayview-Hunters Point), and 94130 (Treasure Island); and

WHEREAS, Cardiovascular surgery is a procedure that most often takes place after age 60; and

WHEREAS, The greatest population growth in San Francisco is expected to be among the 65-plus age group, which is estimated to increase from 15.7% to 29% of the total San Francisco population by 2060; and

WHEREAS, Medical trends indicate that a combination of increased demand for cardiothoracic surgeons and declining enrollment in cardiovascular specialties by medical students could lead to a significant shortage in skilled cardiovascular specialists and services; and

WHEREAS, The cardiovascular surgical team at St. Mary's Medical Center (SMMC) has performed an average of 30 cardiovascular surgeries per year, this includes: coronary artery, coronary artery bypass graft (CABG), and valve replacements; and

WHEREAS, Other San Francisco hospitals with cardiovascular surgery programs average between 200 and 600 cardiovascular surgeries annually; and

WHEREAS, Studies have shown that hospitals with low-volume cardiovascular surgery cases are associated with poor patient outcomes; and

WHEREAS, St. Mary's made two attempts to bolster cardiovascular surgical volumes, both of which failed; and

WHEREAS, St. Mary's will continue to provide cardiac care at their campus including comprehensive catheterization procedures in their Cardiac Catheterization Lab, cardiac testing, electrophysiology studies, nuclear cardiology, peripheral vascular studies, cardiac rehabilitation, arrhythmia management, and their advanced treatment for heart attack and stroke; and

WHEREAS, Cardiologists at St. Mary's will refer their patients to surgeons at San Francisco and greater Bay Area surgical facilities within 50 miles of SMMC; and

WHEREAS, St. Mary's has adopted a formal procedure for cardiovascular patients who need to be medically transferred from SMMC to CPMC or UCSF, the closest hospitals to SMMC; and

WHEREAS, In accordance with Proposition Q, the San Francisco Health Commission held public hearings on July 16, 2019 and August 6, 2019; and

NOW, THEREFORE, BE IT RESOLVED, That with the closure of St. Mary's cardiovascular surgery program, there will be four other hospitals in San Francisco that provide cardiovascular surgery services; and

FURTHER RESOLVED, The reduction in cardiovascular surgical services coupled with a growing older adult population will lead to an increased need for cardiovascular services and interventions in San Francisco; and

FURTHER RESOLVED, The closure of the cardiovascular surgery program at St. Mary's Medical Center will/will not have a detrimental impact on the health care services in the community; and

I hereby certify that the San Francisco Health Commission at its meeting of August 6, 2019 adopted the foregoing resolution.

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Mark Morewitz  
Executive Secretary to the Health Commission

**HEALTH COMMISSION  
CITY AND COUNTY OF SAN FRANCISCO  
Resolution No. \_\_\_\_**

**DETERMINING THAT THE CLOSURE OF ST. MARY'S SPINE CENTER WILL/WILL NOT HAVE A  
DETERRIMENTAL IMPACT ON HEALTH CARE SERVICES IN THE COMMUNITY.**

WHEREAS, St. Mary's Medical Center, a non-profit hospital and a part of Dignity Health, is an acute care hospital in San Francisco; and

WHEREAS, On April 29, 2019, St. Mary's notified the Health Commission of its plan to close the Spine Center by July 31<sup>st</sup>, 2019; and

WHEREAS, To be in compliance with the Community Health Care Planning Ordinance (Proposition Q), private hospitals in San Francisco are required to notify the Health Commission 90 days prior to service reductions or lease, sales or transfers of management; and

WHEREAS, The Spine Center is a 1206(d) licensed outpatient clinic jointly operated by St. Mary's and a single physician practice, the SF Spine Group; and

WHEREAS, The Spine Center sees an average of approximately 1,800 patients per year; and

WHEREAS, In March 2019, the SF Spine Group notified St. Mary's that it will no longer staff the Spine Center and will be moving their physician practice to a private office leased by and located on St. Mary's Medical Center campus; and

WHEREAS, St. Mary's is unable to provide ongoing physician staffing for the Spine Center which has necessitated its closure; and

WHEREAS, The SF Spine Group will continue to practice on St. Mary's Medical Center campus and will provide the same level of care to the same number of patients, specifically:

- The Group will carry over the same insurance contracts and will continue to accept patients from the current payor mix including Medi-Cal,
- The Group will maintain the capacity/volume of patients seen,
- The Group plans to sustain the current levels of services,
- The Group will continue outpatient spine services and continuity of care to existing patients,
- The Group will still be available to the community in an on-SMMC campus medical office,
- Orthopedic support will continue to be provided in a clinic setting in the Sister Mary Philippa Clinic (a separate 1206(d) outpatient clinic with comprehensive services); and

WHEREAS, There is not an anticipated interruption or change in health care services provided to previous or current patients of the Spine Center; and

WHEREAS, Approximately It is not known whether the SF Spine Group will retain all St. Mary's non-physician employees in the new clinic; and

WHEREAS, St. Mary's will attempt to re-assign affected employees and mitigate any lay-offs; and

WHEREAS, In accordance with Proposition Q, the San Francisco Health Commission held public hearings on July 16, 2019 and August 6, 2019; and

NOW, THEREFORE, BE IT RESOLVED, That the closure of the Spine Center alongside the opening of the SF Spine Group's clinic at St. Mary's Medical Center will not cause a reduction or alteration of health services currently provided in San Francisco; and

FURTHER RESOLVED, The closure of the Spine Center at St. Mary's Medical Center will/will not have a detrimental impact on the health care services in the community; and

I hereby certify that the San Francisco Health Commission at its meeting of August 6, 2019 adopted the foregoing resolution.

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Mark Morewitz  
Executive Secretary to the Health Commission