

HISTORY OF THE AFFILIATION BETWEEN SFGH AND UCSF

The City and County of San Francisco (CCSF) and the University of California, San Francisco (UCSF) have been partners at San Francisco General Hospital and Trauma Center (SFGH) in providing services to the residents of CCSF for more than 130 years. The first written affiliation agreement between SFGH and UCSF was signed in 1959.

The first agreement consisted of only five pages and covered four purchased services: Pathology, Cardiology, Anesthesia and the Clinical Laboratory. Over the years, the City decided to purchase additional services from UCSF, and it became necessary to draft a new agreement to address the responsibilities of each party. The process for the “new” affiliation agreement began in January 1990. The new 38-page document was signed in August 1994 and is the agreement that remains in effect today.

HISTORICAL EXPANSION OF THE AFFILIATION AGREEMENT

	1959	1994	2008	2014
Active Medical Staff	10	239	450	588
Dollar Amount	\$173,639	\$49,825,529	\$86,345,628	\$154,520,526

BACKGROUND

The Affiliation Agreement is the framework for the relationship for the partnership and sets forth the responsibilities, rights, obligations and expectations of both SFGH and UCSF as well as defines the payment methodology for the services purchased through the annual budget. UCSF’s responsibilities relate to all of its activities at SFGH whether or not they are paid for by SFGH, including education and research.

The affiliation budget defines the services purchased by SFGH and the amount to be paid for each of the purchased services. The purchased services include salary, fringe benefits and specialty clinical supplies necessary to provide these services. The budget is negotiated annually as part of the SFGH budget process; the service levels are established jointly between SFGH and UCSF to address the needs of the SFGH patients. The purchased services include:

- Physician coverage of outpatient clinics
- Physician care of unsponsored and underinsured inpatients
- Physician procedures for unsponsored and underinsured patients
- Medical direction of 18 clinical services
- Chief Medical Officer (CMO)/Chief Information Officer (CIO)
- Chief of Staff
- Infection Control
- Respiratory Therapy
- Pathology
- Positive Health Clinic
- Clinical Laboratory
- Biomedical Engineering
- Library
- Outpatient and Acute Dialysis

In addition to the affiliation budget, CCSF purchases other services from UCSF through contracts (e.g. community psychiatry services) and direct pay (229 residents).

The services purchased from UCSF are integral to the operation of the hospital. SFGH would need to provide these services directly if they were not purchased.

SFGH bills and collects revenue for the services purchased from UCSF:

- SFGH bills Medi-Cal and other third party payers for the purchased services, including purchased physician services in the lab, pathology, outpatient clinics and psychiatry.
- SFGH collects and retains these revenues.
- SFGH bills all technical and facility fees. UCSF bills third parties for the physician services that it provides over and above what SFGH purchases.

UCSF collects and retains the revenues for the non-purchased services through the Clinical Practice Group (CPG):

- Physician care to sponsored (i.e. insured) inpatients
- Physician consults to sponsored inpatients
- Physician services for procedures performed on sponsored inpatients and outpatients.

By agreement with the Board of Supervisors, the revenues collected by UCSF must be used to support and enhance the UCSF programs located at SFGH.

The partnership between SFGH and UCSF provides mutual benefit. In the same way that patient care and teaching are inseparable when performed by a physician, most of the SFGH and UCSF clinical and teaching activities are inseparable and contribute benefit to both parties. The two entities are interdependent and together provide more than either could without spending considerably more money. The non-monetary exchanges between the two parties were codified in the 1994 agreement:

- There is no overhead or indirect charge paid to UCSF for the services purchased through the affiliation budget. UCSF provides the human resources, legal, accounting and purchasing services associated with the purchased services.
- UCSF provides malpractice coverage for all physicians and housestaff at SFGH whenever they are providing services at SFGH.
- SFGH provides an important training site for the four UCSF professional schools.
- UCSF leases space from CCSF for research associated with the academic programs located at SFGH.