

MEMORANDUM

DATE: August 17, 2018

TO: Dr. Edward Chow, Health Commission President, and Members of the Health Commission

THROUGH: Barbara A. Garcia, MPA, Director of Health

FROM: Sneha Patil, Director, Office of Policy and Planning
Gretchen Paule, Senior Health Program Planner, Office of Policy & Planning

RE: Proposition Q – Follow-Up from CPMC Hearing on July 17, 2018

In accordance with the Community Health Care Planning Ordinance (Proposition Q, 1988), Warren Browner, MD, MPH, Chief Executive Officer of California Pacific Medical Center (CPMC), notified the Secretary of the Health Commission, in a letter dated April 15, 2018, of CPMC's plans to 1) change the licensure of the Irene Swindells Alzheimer's Day Program from CPMC and Institute on Aging (IOA) to solely IOA, 2) close Irene Swindells Alzheimer's residential care facility at the California Campus, and 3) transfer management of five outpatient departments from CPMC to Sutter Pacific Medical Foundation (SPMF).

On July 17, 2018, the Health Commission held one of two planned Proposition Q hearings regarding CPMC's proposed changes. During the July 17th Prop Q hearing, the Health Commission requested additional information from CPMC to better understand the impact of the management change from CPMC to Sutter Pacific Medical Foundation on health care services in San Francisco. This memorandum provides the supplemental information requested by the Health Commission, specifically follow-up to questions regarding continuity of coverage for affected patients with Medi-Cal or commercial insurance, SPMF's community benefits program, and job placement assistance for affected employees. The below information was reported by CPMC.

A. Continuity of Coverage for Affected Patients with Medi-Cal or Commercial Insurance

- 1. What insurance plans are contracted with SPMF? What is the percentage and breakdown of payor types (Medi-Cal Fee-For-Service, Medi-Cal Managed Care, Medicare, commercial) for all existing SPMF services and for the 7500 patients affected by the transition to SPMF?**
 - CPMC wasn't able to provide information about SPMF's contracted insurance plans.
 - CPMC currently serves 17% Medi-Cal (Fee-For-Service and Managed Care), 48% commercially insured, and 35% other (Medicare, self-pay, etc.) of patients affected by the management transfer to SPMF.

- 2. Will CPMC commit to keeping the approximate number/percentage of fee-for-service MediCal patients for the outpatient services being moved to SPMF?**
 - SPMF will continue to care for patients served at each of the outpatient departments CPMC operates today. SPMF intends to contract with the same insurances currently accepted by CPMC, and has reached out to payors that contract with CPMC to establish the same contract with SPMF. Assuming the payors are willing to contract with SPMF, all patients will be able to continue receiving the same services.
- 3. Will SPMF accept new Medi-Cal (fee-for-service and managed care) patients moving forward?**
 - Yes, as long as the Medi-Cal payors agree to contract with SPMF.
- 4. Does SPMF currently participate in the San Francisco Health Plan and Blue Cross Managed Care Medi-Cal programs?**
 - SPMF currently participates in the San Francisco Health Plan. Neither SPMF nor CPMC have a contract with Blue Cross Managed Medi-Cal.
- 5. Does SPMF currently have a Medi-Cal cap for the number of or percentage of patients it accepts in any of the service categories that will move from hospital to SPMF?**
 - No
- 6. Of the 7500 patients affected by the transition to SPMF with commercial insurance, does SPMF currently accept these commercial insurance plans? Please clarify how SPMF is currently contracting with HMO plans.**
 - SPMF will continue to care for patients served at each of the outpatient departments CPMC operates today. SPMF intends to contract with the same insurances currently accepted by CPMC, and has reached out to payors that contract with CPMC to establish the same contract with SPMF. Assuming the payors are willing to contract with SPMF, all patients will be able to continue receiving the same services they receive today.
- 7. What is CPMC's plan for the St. Luke patients whose insurance plans will not be accepted by SPMF when the specific outpatient services are transferred? How will these patients' service needs be met?**
 - If a health plan refuses to contract with SPMF for the outpatient services CPMC previously provided, SPMF will agree to a Letter of Agreement (LOA) for individual patients to have continuity of services. The payor will need to agree to the LOA as well.
 - If a plan refuses to contract with SPMF and denies an LOA, the plan will need to find the service within their existing network to offer the patient services.
- 8. How will referral mechanisms for outpatient services moving to SPMF change? What are anticipated populations (demographics/payor source) impacted for this move of services?**
 - Similar to CPMC, SPMF will receive referrals in the same mechanisms (i.e. from providers via EPIC, fax or phone).
 - There are no anticipated populations impacted as long as all of the payors agree to contract with SPMF for the services CPMC previously provided.

B. Community Benefits

- 1. Please describe the current SPMF community benefit programs in San Francisco, including locations and services offered. How do these programs benefit the St. Luke's population and other San Francisco residents?**
 - SPMF will continue to offer Diabetes Center education classes as a core part of the center's services similar to those CPMC previously provided. Education classes will include a series of classes for people newly diagnosed with diabetes (Type I and Type II), nutrition, and physical activity.
 - In 2017 the Sutter Bay Medical Foundations invested almost \$72M in community benefit, of that SPMF invested about \$20M. SPMF's community benefit investments include cash contributions to non-profit organizations, Medi-Cal shortfall (the uncompensated portion of providing care to Medi-Cal patients), and charity care costs.
- 2. Do individuals need to be Sutter or SPMF patients to participate in the SPMF Community Benefit programs?**
 - The health education classes will be offered to patients of SPMF and private physicians just as they are under CPMC management.

C. Job Placement Assistance for Affected Employees

- 1. Explain the CPMC process to assist employees of the Swindell's residential program and all the outpatient services moving to SPMF with job placement. Are employees on their own to find a job or is there an assistance program to offer placements of equal pay/benefits?**
 - CPMC and SPMF Human Resources has worked with and will continue to work with affected employees in an effort to find comparable jobs within CPMC, SPMF, or other Sutter affiliate.

D. Conclusion

Based on additional information that CPMC has provided about the management transfer, DPH recommends the following regarding this change:

- 1) Transfer in Management from CPMC to Sutter Pacific Medical Foundation for Five Outpatient Departments:** SPMF has expressed its commitment to continue care for patients served at each of the outpatient departments CPMC operates today and to accept new Medi-Cal patients at its five outpatient departments undergoing management transfer. SPMF intends to contract with the same insurances currently accepted by CPMC, and has reported that there will be no reduction in services at the five outpatient departments due to the management transfer. The change in management from CPMC to SPMF for five outpatient departments will not have a detrimental impact on health care services in community, provided that SPMF keeps its commitments to serve patients impacted by this management transfer and accept new Medi-Cal patients.

As provided to the Commission in the memo dated July 12, the Department of Public Health recommends to the Health Commission the following regarding CPMC's two additional changes in 2018:

- 2) **Swindells Alzheimer's Day Program Licensure Change:** If a suitable new location is ready prior to the closure of CPMC's California campus in 2019, DPH believes that there may not be a detrimental impact since IOA has historically managed the Swindells Alzheimer's Adult Day Program and there will be no gap in services for the current participants. If the program were to close, this would be a detrimental impact given the importance of the program and the limited number of Adult Day Programs that serve a population with dementia or Alzheimer's in San Francisco.
- 3) **Closure of Irene Swindells Residential Care Facility:** The closure will result in a loss of 10 RCFE beds in San Francisco, which are an important long-term care option for residents with dementia/Alzheimer's. San Francisco's senior population and population with dementia or Alzheimer's is projected to grow in future years. The closure of the CPMC Swindells Residential Care Facility will have a detrimental impact on the health care services in the community.

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

**HEALTH COMMISSION
CITY AND COUNTY OF SAN FRANCISCO
Resolution No. 18-3**

DETERMINING THAT THE CHANGE IN LICENSURE OF THE CPMC IRENE SWINDELLS ADULT DAY PROGRAM FROM BOTH CPMC AND INSTITUTE ON AGING TO SOLELY THE INSTITUTE ON AGING WILL/WILL NOT HAVE A DETRIMENTAL IMPACT ON HEALTH CARE SERVICES IN THE COMMUNITY.

WHEREAS, California Pacific Medical Center (CPMC), a non-profit hospital and member of Sutter Health, operates acute care hospitals at four campuses in San Francisco: California Campus; Davies Campus; Pacific Campus; and St. Luke's Campus; and

WHEREAS, The Irene Swindells Adult Day Program (Swindells) is located on the California campus, and serves participants with mild to moderate Alzheimer's and dementia; and

WHEREAS, Swindells serves approximately 30 participants on any given day and has approximately 70 total unduplicated participants; and

WHEREAS, There are only two licensed Adult Day Care programs in San Francisco that serve participants with Alzheimer's disease/dementia – Swindells and Catholic Charities of San Francisco; and

WHEREAS, These programs provide a range of social and psychological support services that promote the quality of life for people with Alzheimer's disease/dementia, and provide respite for families and caregivers; and

WHEREAS, Swindells is licensed under both CPMC and the Institute on Aging (IOA), with IOA managing the program and services and CPMC providing the facility space and support only; and

WHEREAS, On April 15, 2018, in compliance with the Community Health Care Planning Ordinance (Proposition Q), CPMC notified the Health Commission that it plans to change licensure of the Irene Swindells Adult Day Program to solely IOA; and

WHEREAS, IOA is attempting to locate a space to relocate the Swindells program and plans to continue the program with similar capacity and services for participants; and

WHEREAS, In accordance with Proposition Q, the San Francisco Health Commission held public hearings on July 17, 2018 and August 21, 2018, regarding the change in licensure for the Irene Swindells Adult Day Program; and

NOW, THEREFORE, BE IT RESOLVED, that Adult Day Care services are important for seniors with Alzheimer's disease/dementia to prolong institutionalization and provide much needed respite to caregivers and families; and

FURTHER RESOLVED, IOA should continue the Swindells program in a similar or expanded capacity and update the Health Commission once a location is confirmed; and

FURTHER RESOLVED, this change in licensure of the Irene Swindells Adult Day Program from CPMC and IOA to solely IOA will/will not have a detrimental impact on the health care services in the community.

I hereby certify that the San Francisco Health Commission at its meeting of August 21, 2018 adopted the foregoing resolution.

Mark Morewitz
Executive Secretary to the Health Commission

**HEALTH COMMISSION
CITY AND COUNTY OF SAN FRANCISCO
Resolution No. 18-4**

DETERMINING THAT THE CLOSURE OF THE CPMC IRENE SWINDELLS ALZHEIMER’S RESIDENTIAL CARE PROGRAM WILL HAVE A DETRIMENTAL IMPACT ON HEALTH CARE SERVICES IN THE COMMUNITY.

WHEREAS, California Pacific Medical Center (CPMC), a non-profit hospital and member of Sutter Health, operates acute care hospitals at four campuses in San Francisco: California Campus; Davies Campus; Pacific Campus; and St. Luke’s Campus; and

WHEREAS, the Irene Swindells Alzheimer’s Residential Care Program (Swindells) is located on the California campus, and serves residents with moderate to severe Alzheimer’s and dementia often through the end of life; and

WHEREAS, On April 15, 2018, in compliance with the Community Health Care Planning Ordinance (Proposition Q), CPMC notified the Health Commission that it plans to close Swindells by the end of 2018; and

WHEREAS, CPMC has been working with Elder Care Alliance (ECA) to open 14 new beds in a new neighborhood called the Oasis at the ECA AlmaVia of San Francisco campus;

WHEREAS, all Swindells residents will be given the option to move to the Oasis neighborhood of ECA AlmaVia of San Francisco campus with no changes to their patient rates for the duration of their stay; and

[WHEREAS, the Health Commission commends CPMC for moving some Swindells residents to ECA AlmaVia and subsidizing their cost of care; and](#)

WHEREAS, the closure of the Swindells Alzheimer’s Residential care unit will result in a net loss of 10 RCFE beds in San Francisco serving patients with dementia or Alzheimer’s; and

WHEREAS, In accordance with Proposition Q, the San Francisco Health Commission held public hearings on July 17, 2018 and August 21, 2018, regarding the closure of the CPMC Irene Swindells Alzheimer’s Residential Care Program; and

NOW, THEREFORE, BE IT RESOLVED, that the CPMC Swindells closure will have a detrimental impact on the health care services in the community; and be it

I hereby certify that the San Francisco Health Commission at its meeting of August 21, 2018 adopted the foregoing resolution.

Mark Morewitz
Executive Secretary to the Health Commission

Resolution No. 18-5

DETERMINING THAT THE CHANGE IN MANGEMENT OF FIVE OUTPATIENT DEPARTMENTS FROM CALIFORNIA PACIFIC MEDICAL CENTER TO SUTTER PACIFIC MEDICAL FOUNDATION WILL/WILL NOT HAVE A DETRIMENTAL IMPACT ON HEALTH CARE SERVICES IN THE COMMUNITY.

WHEREAS, California Pacific Medical Center (CPMC), a non-profit hospital and member of Sutter Health, operates acute care hospitals at four campuses in San Francisco: California Campus; Davies Campus; Pacific Campus; and St. Luke's Campus; and

WHEREAS, Sutter Pacific Medical Foundation is Sutter Health's physician foundation affiliate in San Francisco, Marin and Sonoma counties, and has over 240 physicians with some providing services at CPMC hospital campuses; and

WHEREAS, CPMC will be closing two of the four campuses – Pacific and California – with the expected opening of its new VanNess-Geary campus in 2019; and

WHEREAS, On April 15, 2018, in compliance with the Community Health Care Planning Ordinance (Proposition Q), CPMC notified the Health Commission that it plans to transfer management of the five outpatient departments to its physician affiliate, SPMF to prepare for the move to the new VanNess-Geary campus:

- Breast Health/Mammography Center at St. Luke's campus
- Non-Invasive Cardiology at St. Luke's campus
- Diabetes Centers at St. Luke's and California campuses
- Outpatient Psychiatry Clinic at Pacific campus; and

WHEREAS, During the July 17, 2018 hearing, the Health Commission requested supplemental information regarding continuity of coverage for affected patients with Medi-Cal or commercial insurance and SPMF's community benefits program, to better understand the impact of these changes on health care services in the San Francisco community:

- CPMC reported that of the 7500 patients affected by the transition to SPMF, 17% Medi-Cal (Fee-for-Service and Managed Care), 48% commercially insured, and 35% other (Medicare, self-pay, etc.); and
- SPMF expressed its commitment to continue care for patients served at each outpatient department CPMC operates today; and
- SPMF expressed its commitment to accept new Medi-Cal patients at its five outpatient departments undergoing management transfer; and

WHEREAS, SPMF has indicated that it intends to contract with the same health plans currently accepted by CPMC:

- It has reached out to payors that contract with CPMC to establish the same contract with SPMF;
- If the current CPMC payors are willing to contract with SPMF, all current CPMC patients and new SPMF patients will be able to continue receiving the same services;
- If a health plan refuses to contract with SPMF for the outpatient services CPMC previously provided, SPMF will agree to a Letter of Agreement (LOA) for individual patients to have continuity of services;
- If a plan refuses to contract with SPMF and denies an LOA, the plan will be responsible for finding the service within their existing network to offer to the patient;

WHEREAS, SPMF has expressed its commitment to take accountability for the services transferred from CPMC to SPMF and to be transparent to the public regarding the provision of these services; and

WHEREAS, Because CPMC does not yet have negotiated contracts with all of the health plans used by patients of the services to be transferred, there is great likelihood that the transfer of services to SPMF will impact some or all of these services for the current group of CPMC patients and potential new SPMF patients, many of whom are members of vulnerable populations; and

WHEREAS, In accordance with Proposition Q, the San Francisco Health Commission held public hearings on July 17, 2018 and August 21, 2018, regarding the various outpatient departments' change in management from CPMC to SPMF; and

NOW, THEREFORE, BE IT RESOLVED, that this change in management will/will not have a detrimental impact on the health care services in the community; and be it

FURTHER RESOLVED that the Health Commission strongly encourages SPMF to make every effort to contract with all current CPMC providers and health plans in an earnest effort to provide comparable access and affordable services to current CPMC patients and future SPMF patients.

FURTHER RESOLVED that the Health Commission requests that SPMF report back to the Commission in approximately six months on the impact of this service transfer on existing patients and the general CPMC patient population.

I hereby certify that the San Francisco Health Commission at its meeting of August 21, 2018 adopted the foregoing resolution.

Mark Morewitz
Executive Secretary to the Health Commission