



City and County of San Francisco
London N. Breed
Mayor

San Francisco Department of Public Health

Greg Wagner
Acting Director of Health

Office of Policy and Planning

MEMORANDUM

DATE: November 29, 2018

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

THROUGH: Greg Wagner, Acting Director of Health
Naveena Bobba, Deputy 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 August 21, 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).

The Health Commission held two Proposition Q hearings (on July 17 and August 21, 2018) regarding CPMC's proposed changes. During the August 21st Prop Q hearing, the Health Commission approved a motion to defer aforementioned items 1 and 3 for four months to allow time for IOA to provide an update on its site relocation efforts and for CPMC to collect additional data to better understand the impact of the management change from CPMC to SPMF on affected patients and practitioners. This memorandum provides the supplemental information requested by the Health Commission, specifically information regarding IOA's site relocation efforts and continuity of coverage for affected patients with Medi-Cal or commercial insurance. The below information was reported by IOA and CPMC.

I. SWINDELLS ALZHEIMER'S DAY PROGRAM LICENSURE CHANGE

A. Overview of the Swindells Alzheimer's Day Program Licensure Change

The Swindells Alzheimer's Day Program operates at CPMC's California Campus. The program serves an estimated 70 unduplicated participants and an average of 30 participants per day who have mild to moderate dementia. The participants live at home, but benefit from a day program that allows participation in therapeutic activities to stimulate cognition, enhance quality of life, and provide socialization. Currently, the Institute on Aging (IOA) fully

manages the Alzheimer’s Day Program, while CPMC provides the physical space and facility support. The current Alzheimer’s Day Program is licensed by both CPMC and IOA. With the proposed change, the Alzheimer’s Day Program will be independently licensed by IOA. Though CPMC and IOA are working together to plan for the change in licensure, there is a possibility that the program may close if IOA is unable to find a suitable new space before the expected closure of the California campus in spring 2019.

B. Update on the Relocation of the Irene Swindells Alzheimer’s Day Program

The below information was reported by the Institute on Aging in November 2018:

IOA, with CPMC’s financial support, signed a 4-month agreement with the Presidio to hold the property through January 2019. IOA has currently fundraised 55% of the total amount needed and is continuing its fundraising efforts in order to secure a 20-year lease for the property. If IOA achieves its fundraising goals, the new facility would be finished by July 2019 and has the potential to serve 88 people per day.

II. CLOSURE OF SWINDELLS ALZHEIMER’S RESIDENTIAL CARE FACILITY

On August 21, 2018, the Health Commission passed a resolution stating that the closure of the Swindells Alzheimer’s Residential Care Facility will have a detrimental impact on healthcare services in San Francisco.

III. TRANSFER IN MANAGEMENT FROM CALIFORNIA PACIFIC MEDICAL CENTER TO SUTTER PACIFIC MEDICAL FOUNDATION

A. Overview of Management Transfer

In its Prop Q notices, CPMC has indicated five outpatient departments at CPMC will transfer management to SPMF across three campuses. California Pacific Medical Center noted that these transfers in management are planned due to the opening of the new hospitals and medical office building at Van Ness/Geary in 2019 and Mission/Bernal campuses in 2018. The following five outpatient departments are impacted by the management transfer: 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; and Outpatient Psychiatry Clinic at Pacific Campus.

During the hearings, the Health Commission inquired about SPMF’s ability to expand payor coverage to ensure continuity of care, the provision of culturally and linguistically appropriate care for St. Luke’s patients, and SPMF’s commitment to improve care for San Francisco’s most vulnerable communities (i.e. communities of color and low-income residents). The Health Commission specifically raised concerns regarding the need for SPMF to enter into new contracts with health insurance plans that mirror the contracts held by CPMC in order to ensure continuity of care for affected patients. CPMC and SPMF stated that they currently have contracts with all plans except for one, with which they are currently in contract negotiations. If a contract is not in place with this plan, they will enter into a letter of agreement (LOA) with the health plan to continue access for affected patients, as needed.

B. Patient Volume After Management Transfer

Breast Health/Mammography Center at St. Luke's Campus

- Transferred on August 5, 2018
- As of November 2018, averaged 390 patients per month since the transition, which is more than the average of 351 patients seen per month under CPMC management in 2017

Diabetes Center at St. Luke's Campus

- Transferred on August 19, 2018
- As of November 2018, averaged 86 patients per month, which is comparable to the average of 96 patients seen per month under CPMC management in 2017
- Due to a staffing issue, St. Luke's was unable to see non-gestational diabetes patients for the last several months. SPMF did not hire CPMC's non-gestational diabetes educator from the CPMC St. Luke's Diabetes Center at the time of the management transfer. SPMF has been working to hire her and will have her on board with SPMF at the St. Luke's Diabetes center in January of 2019. In the interim, patients who had been seeing the diabetes educator at St. Luke's are able to see her at the California Campus. Although there is travel to a different campus involved for a short period of time, there is continuity in the provider patients had been seeing and will continue to be able to see. In January 2019, care at the St. Luke's Diabetes Center will resume to the same levels as under CPMC management.

Non-Invasive Cardiology at St. Luke's Campus

- Transferred on August 5, 2018
- Averaged 58 patients per month, which is slightly less than the average of 82 patients seen per month in 2017 under CPMC Management. Only outpatient non-invasive cardiology transferred to SPMF, and inpatient volume remains with CPMC. This is likely the reason for the volume decrease.

Outpatient Psychiatry Clinic at Pacific Campus

- Has not yet transferred

Diabetes Center at California Campus

- Has not yet transferred

C. Health Plan Contract Negotiations and Impacts on Affected Patients After Management Transfer

Contract Negotiations

SPMF is contracted with Brown and Toland medical group. SPMF is in the proposal stage with the San Francisco Health Plan, Hill Physicians medical group for services in impacted programs. SPMF is pursuing LOAs with Hill Physicians to provide continuity of care.

Letters of Agreement

It is SPMF policy is to develop LOAs with all patients who have non-contracted health plans so no patients experience a loss of coverage. However, some staff training issues during the transition were identified around the LOA policy. This may have caused a disruption in service for some patients. SPMF is working diligently to assess the impact of the disruption; they have corrected the staff training issue, and going forward LOAs will be pursued for all patients if they are with non-contracted health plans that CPMC previously had a contract with. Additionally, they are working to ensure any patients who may have experienced a disruption early in the transition are offered continuity of care at the SPMF clinics.

A total of approximately 180 LOAs have been submitted and approved to-date, at a rate of approximately 17 LOAs per week being submitted and approved. No health plan has refused a requested LOA to-date.

Impacts on Medi-Cal Patients

All patients impacted by the contract negotiations are Medi-Cal patients. CPMC does not know the exact numbers affected but the number of Medi-Cal patients each program served in 2017 is provided below. Note that not all Medi-Cal patients are with Hill Physicians. The numbers below also include patients seen through CPMC's Medi-Cal contract with NEMS, Fee-for-Service Medi-Cal, and some out of network Medi-Cal volume, which are all payer groups contracted with SPMF.

- **St. Luke's Breast Health Center:** 781 Medi-Cal patients out of 4215 total patients
- **St. Luke's Diabetes Center:** 429 Medi-Cal patients out of 1156 total patients
- **Non-Invasive Cardiology:** 97 Medi-Cal patients out of 995 total patients
- **California Campus Diabetes and Outpatient Psychiatry** have not yet transferred and CPMC expect contracts to be in place for all Medi-Cal patients by the date of transfer

D. Conclusion

Taking into account new information that CPMC has provided, DPH recommends the following regarding these changes:

- 1) **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.
- 2) **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.

Based on new information provided by CPMC, the transition during the management transfer has resulted in a temporary disruption of services due to staff training issues regarding the LOA policy and the unavailability of a non-gestational diabetes educator at the St. Luke's Campus. Therefore, the change in management from CPMC to Sutter Pacific Medical Foundation for five outpatient departments has had a detrimental impact on health care services in community. If SPMF is unable to secure a contract with Hills Physicians or if a health plan refuses an LOA, this would result in loss of coverage and a disruption in services for patients, and therefore, this would have a detrimental impact on healthcare services.

Two 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, If IOA achieves its fundraising goals to secure a 20-year lease for a potential site, the new facility would be completed by July 2019 and has the potential to serve 88 patients per day; 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 is strongly encouraged to continue the Swindells program in a similar or expanded capacity and update the Health Commission once a new 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 December 4, 2018 adopted the foregoing resolution.

Mark Morewitz
Executive Secretary to the Health Commission

**HEALTH COMMISSION
CITY AND COUNTY OF SAN FRANCISCO
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 Van Ness-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 Van Ness-Geary campus:

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

WHEREAS, During the July 17th 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; and

WHEREAS, 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

WHEREAS, SPMF expressed its commitment to continue care for patients served at each of the outpatient departments CPMC operates today; and

WHEREAS, SPMF expressed its commitment to accept new Medi-Cal patients at its five outpatient departments undergoing management transfer; and

WHEREAS, 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; and

WHEREAS, If the current payors are willing to contract with SPMF, all patients will be able to continue receiving the same services; and

WHEREAS, If SPMF is unable to develop a contract with Hills Physicians, SPMF will continue to execute Letters of Agreement (LOA) for any patient who is covered through the San Francisco Health Plan seeking services under a Hills Physician provider; and

WHEREAS, 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; and

WHEREAS, It is SPMF policy is to develop LOAs with all patients who have non-contracted health plans so no patients experience a loss of coverage; and

WHEREAS, during the transition from CPMC to SPMF some staff training issues were identified around the LOA policy and caused a temporary disruption in service for some patients; and

WHEREAS, Because CPMC does not yet have negotiated contracts with all of the insurance plans used by patients of the services to be transferred, it is likely that the transfer of services to SPMF will impact access to some or all of these services for these patients, many of whom are members of underserved populations; and

WHEREAS, SPMF is working diligently to assess the impact of the disruption and have corrected the staff training issue; and

WHEREAS, 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; and

WHEREAS, SPMF will continue to provide Diabetes Center education classes as a community benefit; and

WHEREAS, SPMF expresses 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, Since both CPMC and SPMF are Sutter Health affiliates, physicians from SPMF provide services on CPMC's campuses; and

WHEREAS, In accordance with Proposition Q, the San Francisco Health Commission held public hearings on July 17, 2018, August 21, 2018, and December 4, 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, The Health Commission strongly encourages SPMF to honor its commitment to make no changes to staffing models or the payor mix for these services.; and be it

FURTHER RESOLVED that the Health Commission strongly encourages SPMF to follow through on its commitment to develop LOAs, when needed, and update the Health Commission on its service provision to patients needing care at these five outpatient clinics/departments.

I hereby certify that the San Francisco Health Commission at its meeting of December 4, 2018 adopted the foregoing resolution.

Mark Morewitz
Executive Secretary to the Health Commission