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San Francisco Hospitals Charity Care Report: Charity Care in the Health Reform Era

San Francisco Department of Public Health

FY 2015 Report

Prepared by the SFDPH Office of Policy and Planning
February 2016

Acknowledgments

Special thanks to San Francisco Charity Care Project's participating Hospitals and representatives:

- ***California Pacific Medical Center, including St. Luke's Hospital***
- ***Chinese Hospital***
- ***Kaiser Foundation Hospital, San Francisco***
- ***Saint Francis Memorial Hospital***
- ***St. Mary's Medical Center***
- ***Zuckerberg San Francisco General Hospital***
- ***University of California, San Francisco Medical Center***

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SECTION I: EXECUTIVE SUMMARY

San Francisco's Charity Care Ordinance, passed in 2001, was designed to promote transparency related to the provision of charity care among local non-profit hospitals and highlight the community services hospitals provide in exchange for the considerable benefits that result from their tax-exempt status. The first of its kind in the Nation, the City and County of San Francisco (CCSF) took a unique approach by passing a local reporting law that would help to improve communication, cooperation, and understanding related to local hospitals' provision of free and reduced-cost care to low-income San Franciscans.

This annual report, required by the Ordinance, provides not just a forum to share and examine the charity care data provided by the hospitals, but also explores how the changes in the health care landscape today (most notably through the Affordable Care Act) impact the ways in which hospitals provide and report services for low-income individuals and the un/underinsured. The definition of charity care has expanded in San Francisco since the Ordinance was first passed, most meaningfully by including, and making the distinction between, traditional charity care (for those not enrolled in and/or eligible for local coverage programs) and those enrolled in Healthy San Francisco (HSF).

A new era of health insurance and care delivery began by way of the Affordable Care Act (ACA), and against the backdrop of that historic legislation, San Francisco positioned itself to lead the Nation in redefining the parameters of charity care in innovative ways. The ACA's insurance provisions became active on January 1, 2014, and its implementation has changed the charity care landscape for San Francisco. This report captures Charity Care data since that point, with a total reporting period from 2010 through 2015. The incoming presidential administration in 2017 has indicated an intention to make significant changes to the ACA, which could inevitably have an impact on the charity care in San Francisco moving forward.

For this report, the following sections summarize the overall findings.

A. Likely attributable to the expansion of health insurance under the ACA, the total number of charity care patients and expenditures declined significantly from FY 2014 to FY 2015

Both the total number of charity care patients served and expenditures declined significantly from FY 2014 to FY 2015. The total number of unduplicated patients[1] served decreased from 97,210 to 60,585, representing a 38 percent decline during that time period. As the number of patients declined, so did the total expenditures across the eight reporting hospitals, from $178 million to $84 million, representing a 52.7 percent decline. This decline patients and expenditures is greater than the previous decline from FY

[1] Number of patients is unduplicated for each hospital regardless of the number of services/visits. There is possible duplication across hospitals. If a patient was seen at one hospital and again at another hospital, the patient would be counted twice.

2013 to FY 2014 and is likely due to the continued success of ACA-initiated health insurance coverage in San Francisco and successful City-wide efforts to enroll eligible individuals into health insurance coverage through Medi-Cal Expansion and Covered California.

B. The ACA's likely effect was more significant for the HSF charity care population as compared to the non-HSF (traditional) charity care population

Though the number of patients in both the HSF and Non-HSF (traditional) charity care populations decreased from FY 2014 to FY 2015, the decline in the HSF charity care population was almost 10 times greater- approximately 30,000 fewer HSF charity care patients as compared to approximately 3,000 fewer traditional charity care patients. Expenditures for HSF declined significantly, and at a greater rate than patients. Expenditures for traditional charity care patients declined sharply despite a small decline in the number of patients.

C. The charity care impacts of ACA implementation has manifested itself in different ways for each hospital

The general trends noted in the report are distributed unevenly across the eight charity care reporting hospitals. For example, while all eight reporting hospitals saw a decrease in overall charity care expenditures from FY 2014 to FY 2015, half saw a decrease in the number of Non-HSF (traditional) charity care patients while others remained constant or increased. Half of the hospitals provided more outpatient services to charity care patients than other types of services, while the other half provided more emergency services. These types of variations are most likely attributable to each hospital's particular service delivery mix, geographic location, patient migration patterns, and insurance enrollment programming.

Another difference between the hospitals that may affect data on the impact on the ACA on charity care is related to the hospitals' reporting period. Half of the hospitals report on a July 1st to June 30th fiscal year (UCSF, ZSFG[2], St. Mary's and Saint Francis), while the other half report on the calendar year (CPMC, St. Luke's, Chinese Hospital and Kaiser). Given that this report represents the first report where all hospitals – regardless of fiscal year – are reporting a full year of post-ACA charity care, the calendar year-fiscal year distinction may not be the driving force behind variability in the data. Still, it is possible that this calendar and fiscal year distinction may introduce any variability or bias in the data. The hospitals have indicated that they are unable to change their reporting periods to align to a single reporting period.

D. Medi-Cal shortfall unexpectedly decreased for half of the hospitals

Another important consideration for hospitals in San Francisco related to charity care is Medi-Cal shortfall. Charity care and Medi-Cal programs are often taken together as a combined mechanism for providing

[2] In reports prior to FY 2015, Zuckerberg San Francisco General Hospital (ZSFG) was referred to as San Francisco General Hospital (SFGH). The name was changed in 2015.

care to low-income populations. As charity care patients previously ineligible for health insurance have enrolled into Medi-Cal, Medi-Cal shortfall becomes an increasingly important measure for evaluating the levels of care provided to low-income San Franciscans. Across the reporting hospitals, the total Medi-Cal Shortfall increased by 8 million or 1.7 percent from FY 2014 to FY 2015. In FY 2015, Medi-Cal Shortfall decreased for four of the eight reporting hospitals - ZSFG, Saint Francis, Chinese Hospital, and CPMC, while the other four reported an increase – UCSF, Kaiser, St. Marys, and St. Lukes.

E. There was a decline in utilization of emergency services for charity care patients

Corresponding to the decline in patients and expenditures, there was a significant decrease in the utilization of emergency services by charity care patients from FY 2014 to FY 2015. Similarly, there was a decline in outpatient and inpatient services as well. While overall emergency services declined, emergency services now represents 23 percent of all services provided – a slight increase from the 18 percent in FY 2014. Outpatient services still represents a majority of all services, but the proportion of outpatient services to all services has decreased slightly from FY 2014 to FY 2015.

F. There was little change in the residential trends for traditional charity care patients from FY 2014 to FY 2015

As in previous years, charity care patients continue to be predominantly San Francisco residents (the proportion of which increased slightly from FY 2014 to FY 2015), and Districts 6, 9, 10, and 11 continue to represent the largest share of charity care patients in San Francisco. Overall, the proportion of out-of-state patients also remained relatively consistent between FY 2014 and FY 2015, at approximately 13 to 14 percent and 1 percent, respectively.

G. Maintaining charity care as a critical element of the health care safety net will be important in the face of potential changes to the ACA in 2017

Since implementation of the ACA began in January 2014, approximately 90,000 San Franciscans enrolled in the Medi-Cal insurance expansion and 52,000 San Franciscans enrolled in insurance through Covered California. Correspondingly, Healthy San Francisco enrollment has declined significantly, from a high of 52,000 to current enrollment of 14,000. It is also true, however, that an estimated 35,000 to 40,000 San Franciscans remain uninsured, due to ineligibility or inaccessibility of health insurance, and that many of these individuals will continue to rely on charity care services. In addition, the uncertainty of the future of the ACA also points to the need to maintain charity care programs as a crucial part of the health care safety net. The incoming presidential administration has indicated an intention to make significant changes to the ACA, which could have an impact on charity care. A reduction in available health insurance options could mean an increased reliance on charity care. San Francisco's charity care ordinance provides a long history of charity care data and a strong mechanism for tracking the charity care impacts of any future change to the ACA.

SECTION II: CHARITY CARE BACKGROUND

A. History of charity care and community benefit requirements

In 1956, the Internal Revenue Service (IRS) codified the first federal tax exemption requirements for non-profit hospitals. At that time, it was determined that a hospital may qualify as a tax-exempt charitable organization if, among other things, it "*operated to the extent of its financial ability for those unable to pay for the services rendered and not exclusively for those who are able and expected to pay.*"[3] This qualification measurement is known as the "financial ability" standard. After this ruling, the IRS began to assess hospitals seeking tax-exempt status on the basis of hospitals' charity care and reduced-cost medical services provisions and is the federal agency responsible for setting and enforcing these tax exemption requirements.

With the introduction of the Medicaid and Medicare programs, it was thought that these health insurance programs would decrease the demand for charity care, thus presenting a challenge to non-profit hospitals trying to meet the financial ability standard. To meet this challenge, the IRS added "community benefit" to the list of requirements for non-profit hospitals seeking tax-exempt status in 1969, thereby expanding its requirements to include the promotion of health.[4]

Since then, the most recent and significant changes to these federal requirements have come through the Patient Protection and Affordable Care Act (ACA). When the ACA was passed in 2010, the legislation included a number of additional requirements for non-profit hospitals related to charity care and community benefits to be regulated and enforced by the IRS. The reporting on these requirements is done through Schedule H (Form 990), designed to supplement financial data collected from all tax-exempt organizations.

Given the considerable growth in both the number of uninsured and the costs of medical care overtime, state and local governments took a keen interest in the charitable medical services and community benefit work done by non-profit hospitals before the federal government explored these issues in relation to national health reform. This was especially true in the City and County of San Francisco (CCSF), when it passed the Charity Care Ordinance in 2001. At that time, San Francisco was on the cutting edge of these efforts by creating a local mechanism for increasing hospitals' transparency and accountability with respect to the provision of charity care. More than a decade later and combined with new ACA regulations to achieve the same goals, there is increasing similarity in the community benefit and charity care requirements between the levels of government, and the following section explores these intersections at the local, state and federal levels.

[3] Martha H. Somerville, Community Benefit in Context: Origins and Evolution, *The Hilltop Institute*, June 2012, p. 2. http://www.hilltopinstitute.org/publications/CommunityBenefitInContextOriginsAndEvolution-ACA9007-June2012.pdf (accessed October 2013)

[4] Ibid, p. 3.

B. Community benefit and charity care requirements for non-profit hospitals: local, state, federal

Key requirements at the local, state and federal levels for California hospitals can be broken down into two main groups: Community Benefit requirements and Charity Care Services requirements. The following tables outline the requirements and intersections of each. More detailed information on each requirement is provided in this report's Appendix.

Table 1: Community Benefit Requirements

Key Requirements for Non-Profit Hospitals		Required? *(Effective Dates)*		
1.	**Community Benefits**	**SF**	**CA**	**US**
A	Community Benefit Reporting Requirement	No	Yes *(4/1/96)*	Yes *(3/23/12)*
B	Community Health Needs Assessment	No	Yes *(7/1/96)*	Yes *(3/23/12)*
C	Implementation Strategy (Community Benefit Plan)	No	Yes *(4/1/96)*	Yes *(3/23/12)*

Table 2: Charity Care Services Requirements

2.	**Charity Care Services**	**SF**	**CA**	**US**
A	Maintain Financial Assistance Policy (FAP) (charity care and discount payment policies)	No	Yes *(1/1/07)*	Yes *(3/23/10)*
B	Limitations on Charges, Billing, and Collection	No	Yes *(1/1/07)*	Yes *(3/23/10)*
C	Report Financial Assistance Policy (charity care and discount payment policies)	Yes *(7/20/01)*	Yes *(1/1/08)*	No
D	Report levels and types of charity care provided annually	Yes *(7/20/01)*	No	Yes *(12/20/07)*
E	Report of hospital charity care to be compiled and prepared by governing agency	Yes *(7/20/01)*	No	Yes *(3/23/10)*
F	Mandatory review of tax exempt status by Sec. of the Treasury at least once every 3 years	No	No	Yes *(3/23/10)*

There are several similarities between the San Francisco Charity Care Ordinance and State/Federal requirements.[5]At the federal level more specifically and after passage of the Affordable Care Act, there were notable adjustments to the federal charity care reporting requirements for non-profit hospitals seeking non-profit status related to the maintenance of financial assistance policies, billing, charges and

[5]*See* Appendix for more information on local, State and federal reporting requirements.

patient collection limitations, etc. The main goal of the changes to non-profit reporting was to increase accountability by non-profit institutions, relieve the effects of poverty, and improve access to care for needy patients. The ACA also determined that the Secretary of the Treasury, in consultation with the Secretary of Health and Human Services, would be responsible for producing a report in 2015 including information on charity care and community benefit-related trends. This report must include:

- Levels of charity care
- Bad-debt expenses
- Unreimbursed costs for services provided with respect to means-tested and non-means-tested government programs[6]
- Costs incurred for community benefit activities

As of the time of this report, this federal report has not yet been produced. Therefore, although the reporting requirements for the IRS, the Office of Statewide Health Planning and Development (OSHPD), and SFDPH seem to be converging, the extent to which the more specific reporting information available within the Charity Care Ordinance reflects federal reporting requirements is yet unknown.

C. Charity care and the Affordable Care Act

1. The impact of the ACA on the uninsured

In California, the uninsured rate is estimated to have dropped by approximately 50 percent post-ACA implementation and in San Francisco, an estimated 140,000 San Franciscans gained ACA-initiated health insurance. However, an estimated two million uninsured individuals remain throughout the State, approximately 35,000 to 40,000 of whom reside in San Francisco.[7] These individuals, who will likely continue to rely on charity care, remain uninsured for a variety of reasons:

- Affordability concerns, even in consideration of ACA-initiated subsidies
- Inability to engage in the health insurance marketplace
- Personal circumstances that make it difficult to maintain coverage, such as homelessness
- Lack of awareness about eligibility for new insurance options, etc.

Another important note here is that the recent election from November 2016 may have an effect on expenditures and the number of charity care patients. With the potential for policy changes related to the ACA and Medicaid under the new Administration, the charity care landscape in San Francisco may look different in upcoming years, possibly starting as early as 2017.

2. Charity care for the uninsured through Healthy San Francisco

The data in this report reports charity care data in two categories: Healthy San Francisco (HSF) charity care, which is charity care provided by hospitals as part of their participation in HSF; and traditional charity

[6] Means-tested government programs include Medicaid and SCHIP; non-means tested government programs include Medicare and TRICARE.

[7] SFDPH estimates.

care, which is defined as the care provided to under- or uninsured patients not enrolled in HSF, and in many cases ineligible for Medi-Cal.

HSF is a locally-created and funded program that provides comprehensive, affordable health care to uninsured adults in San Francisco and has been included within the charity care report since 2009. HSF caters to the uninsured via a medical home-based model, pairing each member with a primary care provider at the time of enrollment and thereby improving access to preventive and coordinated care. It is an important contributor to San Francisco's hospital-based charity care landscape because, like traditional charity care, HSF is not insurance but rather offers services to uninsured individuals who have less ability to pay. But, unlike traditional hospital-based charity care, HSF also provides an organized system of care with a defined set of benefits that go beyond hospital services and, in some cases, requires insurance-like cost sharing (e.g. through sliding-scale quarterly participation and point-of-service fees).

All of the hospitals included in this report provide services through HSF, with the majority of HSF enrollees receiving their medical home care at a DPH clinic (59 percent) or San Francisco Community Clinic Consortium (34 percent) with ZSFG as the affiliated hospital. The remaining seven percent of HSF patients are connected with other medical homes, and the below table notes these medical home and hospital affiliations for FY 2014 and FY 2015. Note that two medical homes, Brown and Toland and CCHCA withdrew from the HSF program in FY 2015. Some hospitals are directly affiliated with HSF medical homes, while others (Chinese Hospital, ZSFG, Kaiser and St. Mary's) also serve as a HSF primary care site themselves. This means that HSF data for the latter hospitals would include primary care along with the other outpatient services reported, while the other hospitals' would include outpatient specialty care only. So, wherever comparisons are made between HSF and traditional charity care patient groups in this report, it is important to note the different types of service lines provided within each group and by the various hospitals.

HSF Medical Home	**Affiliated Hospital**
BAART Community Health Care	ZSFG
Brown &Toland *(withdrew from HSF in March 2015)*	CPMC
CCHCA *(withdrew from HSF in November 2014)*	**Chinese Hospital**
DPH Clinics	**ZSFG**
Glide	Saint Francis
San Francisco Community Clinic Consortium	ZSFG
Kaiser	**Kaiser Foundation Hospital, San Francisco**
NEMS	ZSFG and CPMC
Sr. Mary Philippa	**St. Mary's**

*Hospitals in bold (Chinese Hospital, ZSFG, Kaiser and St. Mary's) serve as primary care sites.

HSF is available to uninsured individuals who live in households with incomes up to 400 percent of the federal poverty level (FPL), irrespective of the person's employment, immigration status, or pre-existing

medical condition(s). HSF began enrolling uninsured, eligible individuals in 2007. At the start of ACA open enrollment in October 2013, there were approximately 52,000 HSF enrollees, and this number had declined by 73 percent to approximately 14,000 by December 2015.[8] This decrease is probably due, in large part, to the transition of eligible HSF enrollees to ACA-initiated Medi-Cal expansion and Covered California health insurance coverage. Due to the inability of some to access health insurance even in the new health reform landscape, most notably the undocumented, there is a clear and continued need for the HSF program in San Francisco.

It is important to also note that, in 2014, the San Francisco Health Commission approved programmatic changes to the Healthy San Francisco program to align with health reform efforts:

- A HSF Transition Period to allow those eligible for Covered California subsidies to enroll in or continue their HSF participation through December 31, 2014; this Transition Period was subsequently extended through December 31, 2015;
- Extended HSF eligibility to uninsured San Francisco seniors not eligible for Medicare and Medi-Cal;
- Decreased income eligibility cap from 500 percent of the federal poverty level (FPL) to 400 percent FPL to better align with subsidies available on Covered California.

SECTION III: THE SAN FRANCISCO CHARITY CARE ORDINANCE AND ANNUAL REPORT

A. Background

In 2001, the San Francisco Board of Supervisors passed the Charity Care Ordinance (Ordinance 163-01), amending the San Francisco Health Code by adding Sections 129-138 to authorize the Department of Public Health (DPH) to require hospitals to report on charity care policies, quantify the amount of charity care provided, and provide patient notification of charity care policies. 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, as evidenced by the ACA's reporting requirements. The Ordinance states 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.[9]"*

[8] SFDPH data.

[9] CCSF Health Code, Article 3 (Hospitals), Section 129. Charity Care Policy Reporting & Notice Requirement.

While it does not require hospitals to provide a specific level of free or discounted care to the community, San Francisco's Health Code does require DPH to report on the hospitals' charity care work in an annual report. To fulfill this requirement, DPH collects, presents, and analyzes these data for the Health Commission each year. This annual charity care report allows readers to learn more about the health care provided to those who are under/uninsured and least able to pay for costly health care services.

San Francisco's Ordinance 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, and that qualifies for inclusion in the line item 'Charity-Other' in the reports referred to in Section 128740(a) of the California Health and Safety Code, after reduction by the Ratio of Costs-to-Charges."*[10]

To produce the annual report, DPH collaborates with all reporting hospitals through the charity care project work-group. All acute care hospitals in San Francisco (with the exception of the Veteran's Administration Hospital) participate in this work-group and report their charity care activities in San Francisco. There are eight total reporting hospitals, and, according to the Ordinance, the following hospitals (i.e. mandatory hospitals) are required to submit charity care reports to SFDPH within 120 days after the end of their fiscal year (FY):

- Chinese Hospital Association of San Francisco (CHASF)
- Dignity Health: Saint Francis Memorial Hospital (SFMH)
- Dignity Health: St. Mary's Medical Center (SMMC)
- Sutter Health: California Pacific Medical Center (CPMC)
- Sutter Health: St. Luke's Hospital (STL)

The voluntary hospitals, all of which report the same data as the mandatory hospitals, include:

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

The first report to satisfy the Ordinance's requirements was prepared in 2002, for the FY 2001, and DPH has produced these reports each year since then,[11] with the FY 2011 charity care report providing a 10-year retrospective analysis of the charity care landscape. The previous report combined analyses for FY 2013 and 2014, to capture more relevant and timely analysis in light of health reform. This year, using the normal process, San Francisco's hospitals' charity care data for the most recently completed fiscal year (FY 2015) is being presented.

[10] CCSF Health Code, Article 3 (Hospitals), Section 130. Definitions.
[11] All SFDPH charity care reports can be found on the SFDPH website, at https://www.sfdph.org/dph/default.asp.

It is important to also note that some hospitals report on a fiscal year (July to June) and others use a calendar year. More specifically, CPMC, St. Luke's, Chinese Hospital and Kaiser follow a calendar year (i.e., January 1 through December 31), while the remaining hospitals use a FY starting on July 1 of each year and ending on June 30 of the next. Therefore, the analyses in this report will cover both, depending on the hospital– spanning July 2014 to December 2015. In response to a Health Commission request during last year's report, hospitals were asked if they would be able to adjust their reporting to align to a single reporting period. However, hospitals reported that they were unable to adjust their reporting timeframes.

After providing more information about each hospital and its charity care policies, the data analysis portion of the report outlines hospitals' charity care activities along two main dimensions:

- Patients and services: i.e. number of charity care applications processed and patients served, amount of charity care provided, Medi-Cal shortfall, ratio of net patient revenue to charity care expenditures, and types of charity care provided

- Zip code analysis providing insight into residential trends for traditional charity care patients.

B. Reporting hospitals

Please see Appendix: Attachment 3 of the report for a general description of each hospital that participates in the charity care report: CPMC, St. Luke's, Chinese Hospital, Kaiser, Saint Francis, St. Mary's, UCSF, and ZSFG. The data represents hospitals' overall work done for all patient populations, helping to put the charity care work provided by these hospitals into a broader perspective.

C. Hospital Charity Care Policy Requirements: AB 774 and SB 1276

The Charity Care Ordinance requirements focus not only on data related to the provision of charity care, but also requires hospitals to submit charity care policies for DPH review.

The California Hospital Fair Pricing Act (AB 774 enacted 2006) was developed to address and lessen the impact of high medical costs on the un- and underinsured needing health care in California. It requires that hospitals have written policies regarding discounted payments and charity care for "*financially qualified patients*" and authorizes a hospital to negotiate payment plans with them. AB 774 also requires that hospitals offer charity care discounts or free care to individuals in households making less than 350 percent FPL, who are also either uninsured or insured with high medical costs. All of San Francisco's hospitals meet or exceed this requirement. A person with "high medical costs" was previously defined as a person "whose family income does not exceed 350percent of the [FPL] and who does not receive a discounted rate from the hospital or physician as a result of 3rd party coverage."[12]

[12]*See* SB 1276, available at http://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=201320140SB1276.

Effective January 1, 2015, SB 1276 was enacted in response to the notion that though many individuals may become newly eligible for coverage on the State's Covered California health insurance marketplace, some of the plans offered may also introduce high out-of-pocket costs for consumers. To address this concern, SB 1276 revises AB 774 to alter the definition of an individual with "high medical costs" to include even those who do receive a discounted rate from a hospital as a result of 3rd party coverage.[13]Insured patients with high medical costs, exceeding 10 percent of the family income and under 350 percent of FPL are eligible for charity care and partial charity care. The law also further defined a negotiated payment plan as one that considers a patient's family income and essential living expenses in the payment negotiation process – payment plan must be less than 10 percent of a patient's family income (per month after deductions). Finally, the law also requires that a hospital obtain information as to whether a particular patient may be eligible for insurance on the California Health Benefit Exchange and provide information to the patient regarding possible eligibility for the Exchange or another state or county health coverage program.

All San Francisco hospitals have revised and submitted their policies to OSHPD to incorporate SB 1276 requirements. As a result of SB 1276, the general expectation would be that a greater number of San Franciscans may be eligible for charity care or partial charity care, since it is now available to insured individuals and families with high medical costs. But, with only six months to a year of implementation (since hospitals report on both calendar and FY), the effects of the law may not be evident yet. Furthermore, some hospitals in San Francisco reported that they already had programs and efforts in place to help insured patients with high medical costs prior to SB 1276. Lastly, with FY 2015 capturing the first complete year of health reform for the report, the impacts of SB 1276 may not be as significant as the aggregate impact of health reform. Therefore, despite the expectation that more San Franciscans may be eligible under SB 1276, for these reasons described above, the effects may not be apparent or as expected.

The table below illustrates San Francisco's non-profit hospitals policies related to charity care.

[13] Ibid.

Table 3: Traditional Charity Care Eligibility, by FPL and Hospital

Single Person - Monthly FPL Limit	State Charity Care Policy	CPMC/ STL	CHASF	SFMH/ SMMC	KFH - SF	UCSF	ZSFG
450% to 500% FPL $4,190 - $4,655	Requires non-profit hospitals to provide free or discounted care to uninsured patients with family income<350% of the FPL or insured patients with high medical costs &<350% of FPL						
400% to 450% FPL $3,723 - $4,190							
350% to 400% FPL $3,259 - $3,723							
300% to 350% FPL $2,793 - $3,259			*Free or discount (case by case)*	*Discount*	*Discount*	*Discount*	*Discount*
250% to 300% FPL $2,327 - $2,793							
200% to 250% FPL $1,862 - $2,327							
150% to 200% FPL $1,396 - $1,862							
100% to 150% FPL $931 - $1,396							
0 to 100% FPL 0 - $931		*Free*		*Free*	*Free*	*Free*	*Free*

All of the hospitals report to DPH all charity care provided within the parameters shown in Table 3, whether services are discounted or free. The discounts offered through charity care are treated as "sliding scale" payments by the hospitals, as they are dependent on the patients' income and are usually 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 proof of income. One of the few significant differences among the hospitals' charity care policies is the life-span of an application. The following hospitals allow for one year of eligibility for a patient whose application is approved:

- Chinese Hospital
- Dignity Hospitals (SFMH and SMMC)
- Sutter Hospitals (CPMC and STL)

The remaining hospitals allow for a shorter time span:

- UCSF (6 months), and
- ZSFG (6 months)
- KFH – SF (3 months)

When the eligibility period expires, the patient may re-apply.

D. Charity Care Posting and Notification Requirements

Both San Francisco's Charity Care Ordinance and the ACA require that hospitals communicate clearly to patients regarding their financial assistance programs, especially with regard to free and discounted charity care. According to the Ordinance, this must be done in the following ways:

1. Verbal notification during the admissions process whenever practicable; and

2. 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, and outpatient areas.

Every other year, DPH staff visits each hospital to conduct a review of the facilities' compliance with the above posting and notification requirements. The review of this requirement in FY 2015 also confirmed that all hospitals were in compliance.

SECTION IV: CHARITY CARE BY THE NUMBERS[14]

This section of the report reviews the data provided by the hospitals in a number of ways, including an analysis of charity care applications received, unduplicated charity care patients by hospital, charity care expenditures, Medi-Cal Shortfall, analysis of net patient revenue to charity care expenditures, types of charity care provided, and ZIP Code analysis of charity care provided.

The information is divided into three main sections:

A. Charity care patients: number of applications, patients, amount of expenditures

B. Charity care services: emergency, inpatient and outpatient services analysis

C. Zip code analysis: residential locations of traditional charity care patients

As mentioned earlier, wherever comparisons are made between HSF and traditional charity care patient groups in this report, it is important to note the different types of service lines provided within each group and by the various hospitals. Like traditional charity care, the HSF program is not insurance but rather offers relief to uninsured individuals in need of medical services who have less ability to pay. But, unlike traditional hospital-based charity care, HSF also provides an organized system of care with a defined set

[14]NOTE: Where not included with the text, data corresponding to the various tables and graphs is located in the Charity Care Report Appendix.

of benefits that go beyond hospital services and, in some cases, requires insurance-like cost sharing (e.g. through sliding-scale quarterly participation and point-of-service fees). Moreover, some hospitals are affiliated with HSF medical homes, while others (ZSFG, Kaiser and St. Mary's) also serve as a HSF medical home site themselves. This means that HSF data for the latter hospitals would include primary care along with the other outpatient services reported, while the other hospitals' would include outpatient specialty care only.

A. Charity Care Patients

1. Charity Care Applications

Each hospital follows a different procedure in determining charity care eligibility for financial assistance programs. Hospitals report that their procedures require the following:

- Dignity Hospitals (SMMC and SFMH) prefer, but do not require, eligibility determination before the service is rendered.
- Sutter hospitals (CPMC and STL) determine charity care eligibility at the point of service and make a real time determination.
- KFH SF's approach is a combination of determining eligibility before the service is rendered and after, depending on the situation.
- Chinese Hospital, ZSFG, and UCSF all determine charity care eligibility after the service is rendered.

Individuals seeking to access traditional charity care or requiring assistance in paying for hospital services must apply to the individual hospital. HSF applications, by contrast, are processed through the One-e-App system, available at enrollment sites across San Francisco. Most hospitals do not process HSF applications, so this report does not include them. The application data refers only to applications for traditional charity care. The following tables show the number of traditional charity care applications accepted by hospitals in FY 2015, as well as those denied. This is compared to the number of unduplicated patients. The number of applications will not always match the number of unduplicated patients, because some patients may have completed more than one application within the course of the year, have an active application from a prior year, or receive services as an HSF patient.

Overall analysis.

In FY 2015, the number of total and accepted charity care applications decreased while the proportion of denied applications increased.

Table 4: Non-HSF (Traditional) Charity Care Applications by Hospital, FY10 - FY15

Traditional Charity Care Applications & Patients FY 2015				
Reporting Hospitals	**Accepted**	**Denied**	**Total**	**Unduplicated Patients**
CPMC	2,437	159	2,596	2,437
St. Luke's	1,042	42	1,084	1,042
Chinese	228	0	228	228
Kaiser	3,062	924	3,986	3,329
*Saint Francis	1,291	66	1,357	3,108
*St. Mary's	222	40	262	1,427
*UCSF	8,040	639	8,679	1,733
*ZSFG	21,905	5,953	27,858	28,728
Total	**38,227**	**7,823**	**46,050**	**42,032**

Traditional Charity Care Applications & Patients FY 2014				
Reporting Hospitals	**Accepted**	**Denied**	**Total**	**Unduplicated Patients**
CPMC	2,818	299	3,117	2,818
St. Luke's	1,210	101	1,311	1,210
Chinese	682	0	682	164
Kaiser	3,275	902	4,673	3,352
*Saint Francis	2,161	42	2,161	2,161
*St. Mary's	1,096	--	1,096	1,428
*UCSF	14,706	139	14,845	3,376
*ZSFG	29,121	5,977	35,098	31,047
Total	**55,069**	**7,460**	**62,025**	**45,556**

Traditional Charity Care Applications & Patients FY 2013				
Reporting Hospitals	**Accepted**	**Denied**	**Total**	**Unduplicated Patients**
CPMC	4,105	433	4,538	4,105
St. Luke's	2,329	213	2,542	2,329
Chinese	719	0	719	246
Kaiser	2,554	548	3102	2,958
*Saint Francis	2,098	3	2,101	1,476
*St. Mary's	349	3	352	1,053
*UCSF	10,081	638	10,719	2983
*ZSFG	27,184	12,670	39,854	33,762
Total	**49,419**	**14,508**	**63,927**	**48,912**

Traditional Charity Care Applications & Patients FY 2012				
Reporting Hospitals	**Accepted**	**Denied**	**Total**	**Unduplicated Patients**
CPMC	4,419	716	5,135	4,419
St. Luke's	2,679	263	2,942	2,679
Chinese	513	0	513	513
Kaiser	2,658	494	3,152	2,488
*Saint Francis	860	25	885	1,417
*St. Mary's	449	10	459	1,260
*UCSF	7,055	454	7,509	2,646
*ZSFG	31,011	12,784	43,795	38,630
Total	**49,644**	**14,746**	**64,390**	**54,052**

Traditional Charity Care Applications & Patients FY 2011				
Reporting Hospitals	**Accepted**	**Denied**	**Total**	**Unduplicated Patients**
CPMC	7,347	361	7,708	7,347
St. Luke's	3,440	49	3,489	3,440
Chinese	308	0	308	308
Kaiser	1,769	456	2,225	2,766
*Saint Francis	765	24	789	1,247
*St. Mary's	523	0	523	710
*UCSF	3,397	0	3,397	3,353
*ZSFG	35,710	13,375	49,085	39,137
Total	**53,259**	**14,265**	**67,524**	**58,308**

Traditional Charity Care Applications & Patients FY 2010				
Reporting Hospitals	**Accepted**	**Denied**	**Total**	**Unduplicated Patients**
CPMC	6,810	524	7,334	6,810
St. Luke's	2,585	121	2,706	2,585
Chinese	316	0	316	310
Kaiser	1,327	270	1,597	267
*Saint Francis	885	25	910	1,715
*St. Mary's	918	0	918	918
*UCSF	2,457	0	2,457	2,402
*ZSFG	54,148	12,437	66,585	50,298
Total	**69,446**	**13,377**	**82,823**	**65,305**

* Asterisks denote hospitals on a fiscal year calendar, i.e. July 1st to June 30th. For example, FY 2015 would begin July 1, 2014, and end on June 30, 2015.

It is important to note that with the array of programs that are available to low-income individuals (e.g., HSF, Medi-Cal), a charity care application denial, in many cases, does not mean that the patient is denied assistance. Reasons for denied applications vary, but generally include incomplete applications (such as missing income documentation), income, assets, or out-of-pocket costs above the hospital's limits for charity care, or, as noted, eligibility for another program. There are also cases that simply reflect an application in administrative limbo, in which the application is considered denied in the hospital's system because the applicant submitted it in the previous FY, but it was not approved until the following FY.

Previous charity care reports have noted the shift away from traditional charity care as a result of ACA implementation and HSF alternatives. Given that situation, it is expected that the numbers of accepted traditional charity care applications to fall and denials to rise as patients continue to enroll in health insurance through ACA and HSF as opposed to traditional charity care. With more San Franciscans gaining ACA-initiated health insurance coverage and Medi-Cal coverage, there is a sharp decline in the overall number of traditional charity care applications and denied applications. For charity care applications, the number of accepted fell by 28.8 percent between FY 2010 and FY 2013, and this report shows the numbers falling by an additional30.6 percent between FY 2014 and FY 2015.Similarly, the acceptance rate for traditional charity care applications decreased over that time, from 83.8 percent in FY 2010 to 77.3 percent in FY 2013, but increased significantly to 88.8 percent in 2014. For 2015, it has declined by 5.8 percent to 83.0 percent. In terms of denials, the overall application denial rate remained steady at 23 percent from FY 2012 to FY 2013, but is increasing again for FY 2015 after the sharp decline in 2014.

Hospital-specific analysis.

St. Mary's had the greatest percentage decline in accepted applications (80%) from FY 2014 to FY 2015. The decline in the number of accepted of applications was driven primarily by application declines at ZSFG and UCSF

Declines in traditional charity care applications occurred across all eight reporting hospitals. Chinese Hospital and St. Mary's had the greatest percentage decrease in their accepted applications between FY 2014 and FY 2015, 66.6 percent and 79.7 percent respectively. Although ZSFG and UCSF had a lower percentage point declines at 24.8 percent and 45.3 percent, respectively, between FY 2014 and FY 2015, the two hospitals combined accepted 13,882 fewer applications (82.4 percent of the total decrease in accepted applications).

The hospitals reported that this drop in the number of applications overall and the number of accepted applications was mainly due to the availability and utilization of ACA-initiated options through Covered California and Medi-Cal expansion, as expected.

2. Unduplicated Patients

The information below highlights the unduplicated patient count, comparing traditional charity care to HSF charity care for the previous few FYs, FY 2010 – FY 2015. The unduplicated patient count reflects the number of individual patients counted only once in the record for the year by each hospital, regardless of the number of services that an individual receives at one hospital. Because there is no central processing of charity care applications, but rather applications are processed by each individual hospital, these numbers are not unduplicated among all the hospitals. For example, an individual receiving charity care

services at St. Mary's Medical Center and then additional services at St. Luke's Hospital in the same year will be counted once by St. Mary's Medical Center and once by St. Luke's Hospital.

Overall analysis.

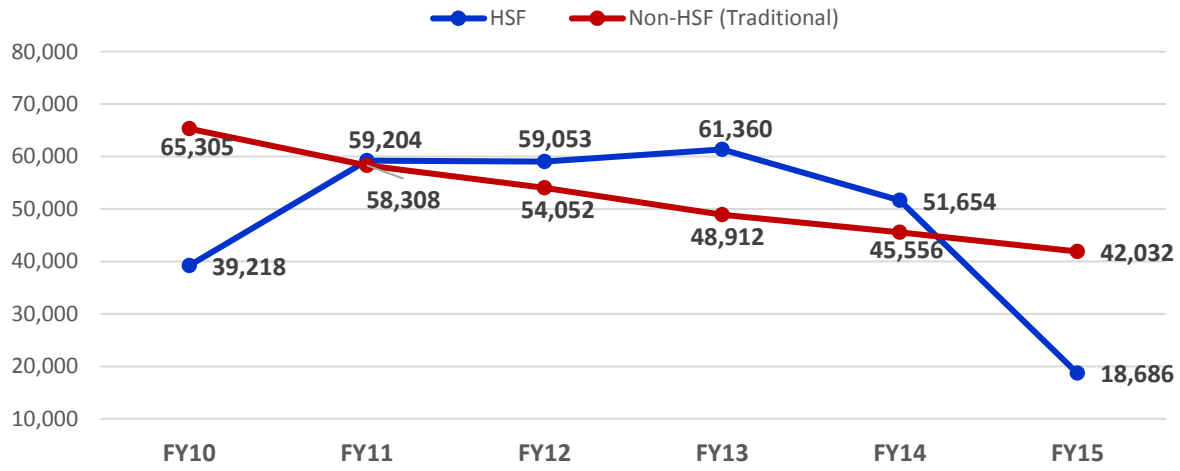
Fiscal year 2015 saw the most significant decline in the number of unduplicated patients for overall charity care. The decline suggests that many individuals previously eligible for charity care instead received ACA-initiated coverage.

For the analysis time period of FY 2011-2015, there has been a decrease in the overall number of charity care patients (traditional and HSF) across the eight reporting hospitals, with a 3.8 percent decrease from FY 2011 to FY 2012, a 2.5 percent decrease from FY 2012 to FY 2013, and 11.8 percent decrease from FY 2013 to FY 2014. Between FY 2014 and FY 2015, there was a significant drop of 37.5 percent, further corroborating the notion that in light of health reform, many individuals previously eligible for charity care instead received insurance coverage through ACA-initiated coverage. This is further substantiated since Medi-Cal patients in San Francisco increased by approximately 90,000 and 52,000 San Franciscans gained coverage through Covered California since January 2014.

HSF v. Non-HSF (Traditional) Charity Care analysis.

The overall decline in the number of charity care patients was predominately driven by the HSF population, suggesting that this population had greater access to ACA-initiated coverage.

Figure 1: Number of HSF and Non-HSF Charity Care Patients, FY 2010 to FY 2015



Before the ACA's insurance provisions became operational in January 2014, charity care reports noted a shift from Non-HSF (traditional) charity care towards HSF coverage. But, with the onset of the ACA's insurance provisions and expanded access to health insurance coverage, there were notable decreases in

both Non-HSF (traditional) and HSF charity care populations from FY 2013 to FY 2015 –14.1 percent and 69.5 percent, respectively.

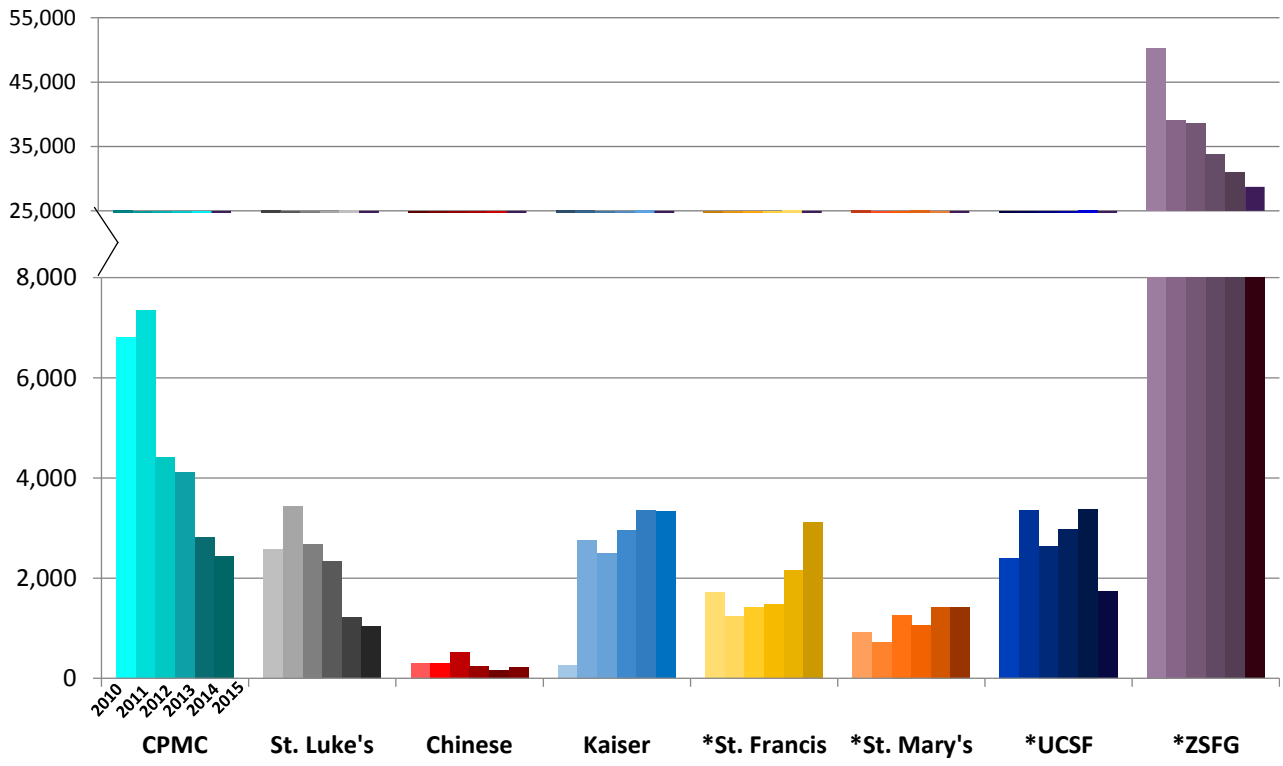
The decrease is more significant for the HSF population, suggesting that more individuals in the HSF population were able to gain ACA-initiated coverage. From FY 2014 to FY 2015, the decline in HSF charity care patients was 32,925, or 63.7 percent, while the drop was only 3,524 non-HSF charity care patients, or 7.7 percent. This trend may be occurring because many in the Non-HSF (traditional) charity care group are ineligible for coverage or that health insurance is less accessible to them. This is further supported by the fact that the much of the HSF population was eligible for Medi-Cal under the ACA's Medicaid expansion and that their HSF providers were able to enroll them in health insurance coverage.

Hospital-specific analysis.

Overall, most hospitals experienced a decline in charity care patients from FY 2014 to FY 2015. For non-HSF, Saint Francis and Chinese Hospital were the only two to have an increase. The decline in HSF patients was primarily attributable to ZSFG.

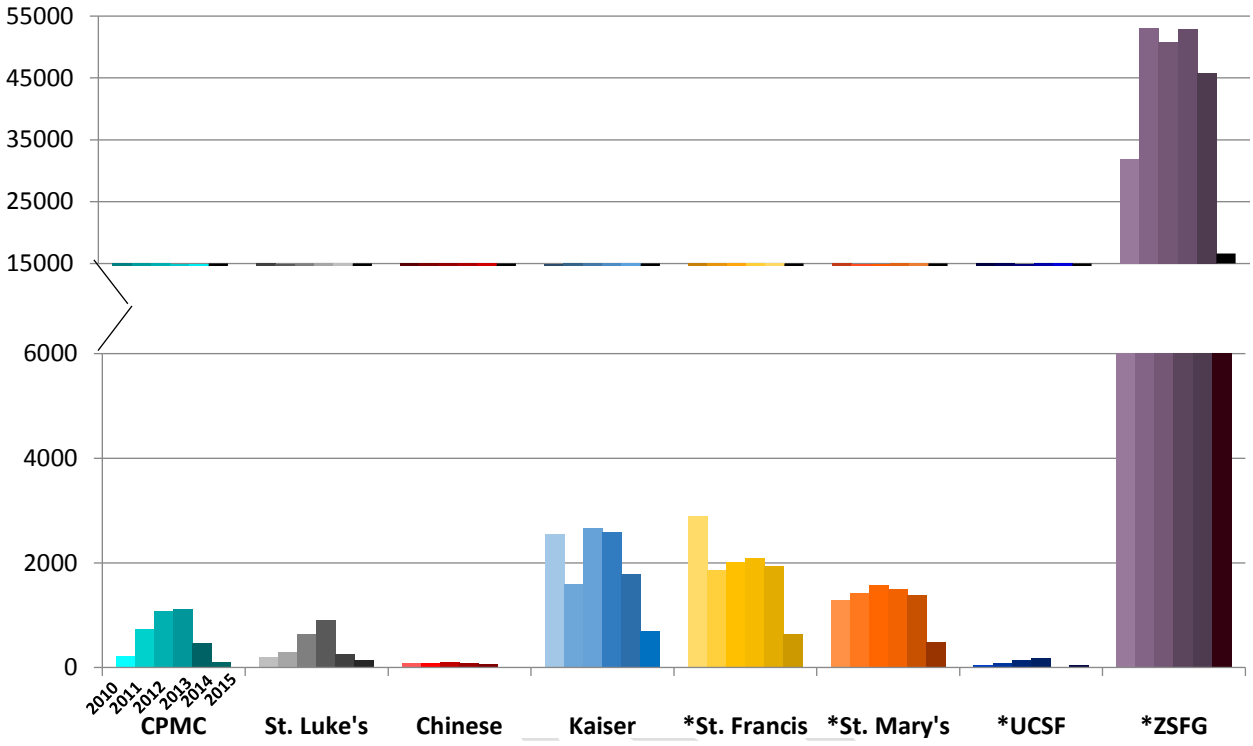
Figure 2: Unduplicated Charity Care Patients by Hospital, FY 2010-2015

Unduplicated Non-HSF (Traditional) Charity Care Patients by Hospital, FY 10-15



* Asterisks denote hospitals on a fiscal year calendar, i.e. July 1st to June 30th. For example, FY 2015 would begin July 1, 2014, and end on June 30, 2015.

Unduplicated HSF Charity Care Patients by Hospital, FY 10-15



* Asterisks denote hospitals on a fiscal year calendar, i.e. July 1st to June 30th. For example, FY 2015 would begin July 1, 2014, and end on June 30, 2015.

When examining individual hospital trends with respect to Non-HSF (traditional) charity care patients, four out of eight hospitals saw a significant decrease from FY 2014 to FY 2015. These hospitals drove the overall decline in traditional charity care patients. Chinese Hospital and Saint Francis increased by 64 and 947 patients respectively, while Kaiser and St. Mary's saw almost the same number of non-HSF patients. Saint Francis reported that the increase in the number of traditional charity care patients likely corresponds to the increases seen in the emergency department (walk-ins and 911 ambulance volume) for this population.

Considering the number of HSF charity care patients, seven out of eight reporting hospitals saw significant decreases, bolstering the notion that the HSF population may have been more successful in gaining ACA-initiated coverage than the Non-HSF (Traditional) charity care population. UCSF was the only hospital to see an increase, but it was a relatively small number of patients (28). The vast majority of the decline in HSF patients was due to ZSFG, who saw 64 percent less patients in FY 2015 than in FY 2014. If considering the total number of HSF patients, the decline in ZSFG resulted in 88.3 percent fewer total HSF patients in FY 2015 than FY 2014. ZSFG usually sees a vast majority of the HSF population; therefore, it is expected that the overall trend would be driven by this hospital.

3. Expenditures

The Charity Care Ordinance requires that hospitals report the dollar value of charity care provided, after a cost-to-charge adjustment. The cost-to-charge ratio is the relationship between a hospital's cost of providing service and the charge assessed by the hospital for the service. It represents the qualifying hospital's total operating expenses minus total other operating revenue divided by gross patient revenue as reported to OSHPD.

Overall analysis.

There was a major decline in the total amount of charity care expenditures across San Francisco. This expenditure decline corresponds to a decline in total number of charity care patients.

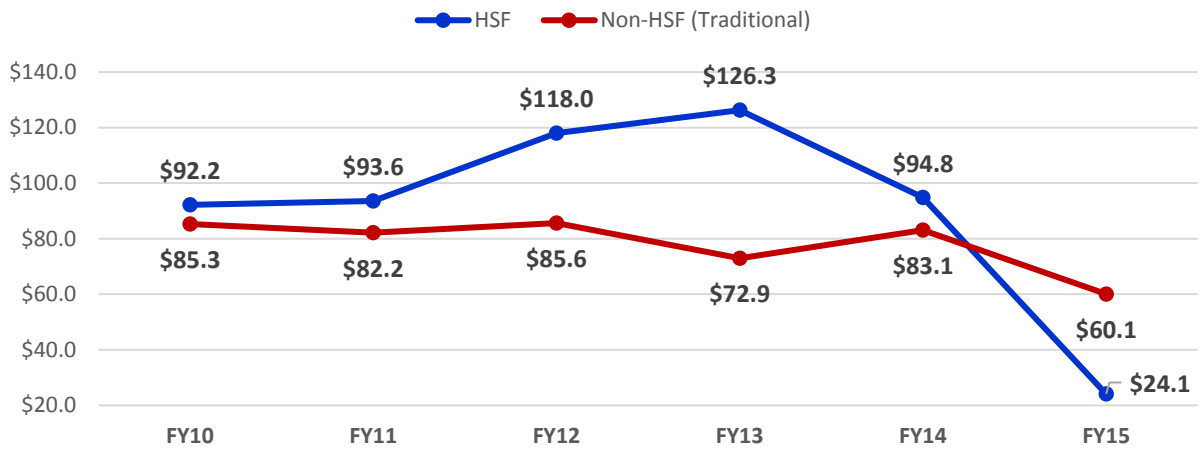
The previous analyses of the decline in charity care applications and unduplicated charity care patients both support the hypothesis that ACA-initiated coverage had a significant impact on charity care in San Francisco. Corresponding to fewer patients in the charity care population in FY 2015, overall charity care expenditures also decreased. Expenditures went from $177.9 million in FY 2014 to $84.1 million in FY 2015 (i.e. 52.7 percent decrease). In FY 2013, the total charity care expenditures for all hospitals were $199.2 million and in FY 2011, $203.7 million. The trend has shown declining total charity care expenditures, but this FY had an even greater dip in expenditures.

However, the decrease in expenditures (52.7 percent) in FY 2015 was more significant than the decrease in patients, which was 37.5 percent. To understand the extent of why charity care expenditures decreased more significantly than patients would require more granular data than is currently collected.

HSF v. Non-HSF (Traditional) Charity Care analysis.

While both HSF and non-HSF expenditures decreased, the majority of the decline is explained by the HSF program. HSF saw a 74.6 percent decrease in expenditures, compared to a 27.7 percent decrease for non-HSF expenditures.

Figure 3: Total Charity Care Expenditures (in Millions) from FY 2010 to FY 2015



Historically, changes in HSF charity care expenditures track changes in the number of HSF patients. In FY 2014, HSF charity care spending decreased for the first time, from $126.28 million to $94.82 million. This trend has continued into FY 2015 – the number of patients and overall expenditures continued to decrease significantly by 63.8 percent and 74.6 percent, respectively. This is expected, as more San Franciscans are likely shifting from HSF to ACA-initiated coverage through Medi-Cal or Covered California. With respect to traditional charity care patients, expenditures for the traditional charity care group have remained relatively flat except for FY 2013, despite a steady decrease in the number of charity care patients during that time period. In FY 2015, the number of traditional charity care patients decreased slightly corresponding to a decrease in the expenditures. If considering the overall trend between FY 2010and FY 2015 for non-HSF, the trend shows a slightly higher decline in the number of patients (35.6 percent) compared to expenditures (29.5 percent). Future reports will continue to analyze the trends between number of patients and expenditures.

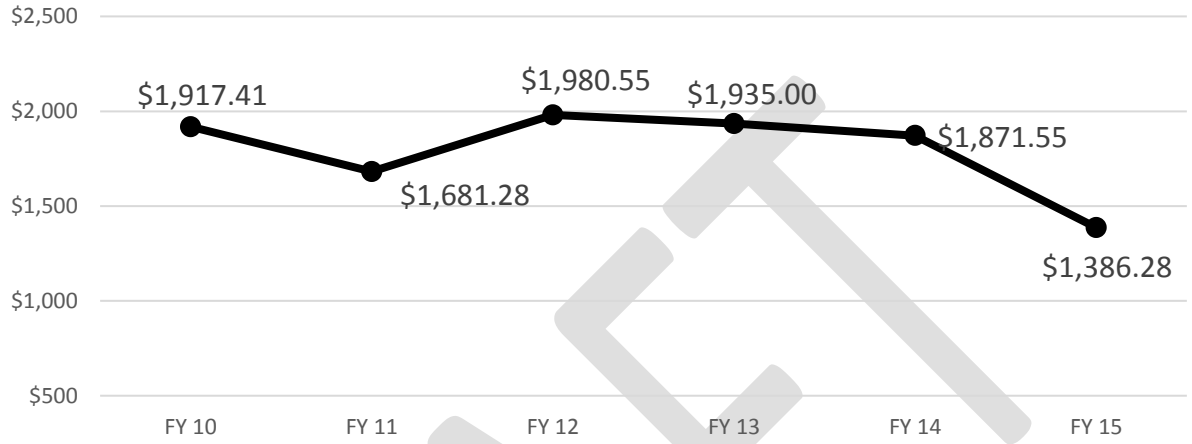
Table 5: Charity Care Expenditures FY10 – FY15 (Excluding ZSFG)

Charity Care Expenditures for Non-ZSFG Hospitals						
	FY 2010	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**
Non-HSF Expenditures (Excluding ZSFG)	$33,666,296	$33,001,352	$28,276,400	$31,296,929	$33,555,470	$24,322,736
HSF Expenditures (Excluding ZSFG)	$13,954,261	$17,297,376	$21,534,961	$26,775,327	$14,126,659	$3,009,851
Total	$47,620,557	$50,298,728	$49,811,361	$58,072,256	$47,682,129	$27,332,587

In FY 2015, in aggregate, non-HSF charity expenditures are higher than HSF traditional charity care expenditures, as has been the case when excluding ZSFG from the calculations. The other hospitals together have been spending more on Non-HSF (Traditional) charity care populations than HSF charity care populations since 2010, and this has remained consistent for FY 2015 as well. This is understandable, since ZSFG has continuously seen the most HSF charity care patients in San Francisco. There was a 78.7

percent and 27.5 percent decline in the HSF expenditures and non-HSF expenditures when excluding ZSFG, and an overall decline of 42.7 percent.

Figure 4: Inflation-Adjusted[15] Overall Expenditures per Charity Care Patient, FY 2010 – FY 2015



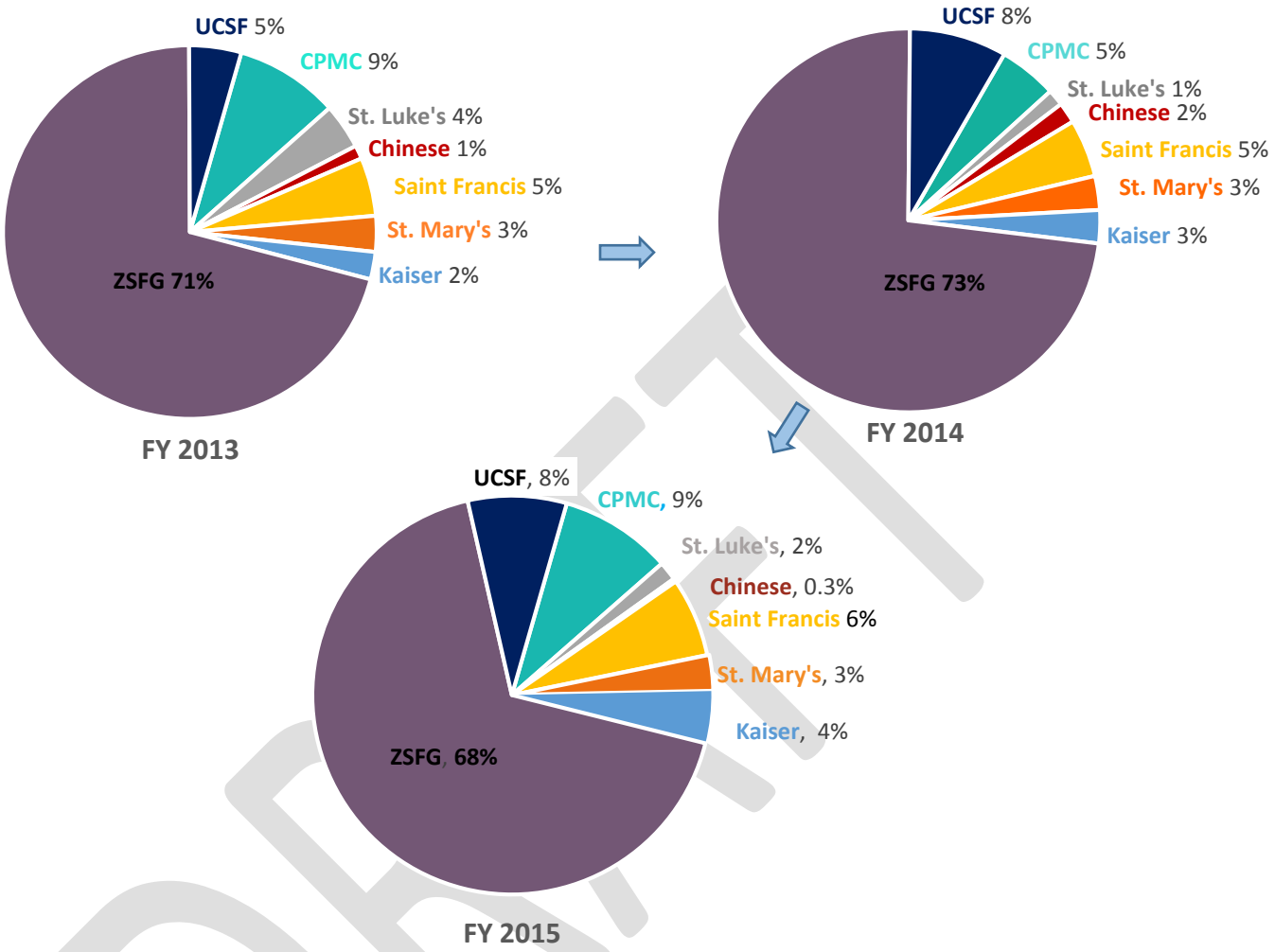
The above graph reflects the average cost per charity care patient, after adjusting for inflation.[16] On the whole, the cost per charity care patient has been decreasing in the recent years. For FY 15, the inflation adjusted cost per patient was $1386.28, corresponding to lower overall expenditures and number of patients.

Hospital-specific analysis.

All eight reporting hospitals experienced decreases in expenditures from FY 2014 to FY 2015. In FY 2015, ZSFG continues to make the vast majority of charity care expenditures in San Francisco at 68 percent.

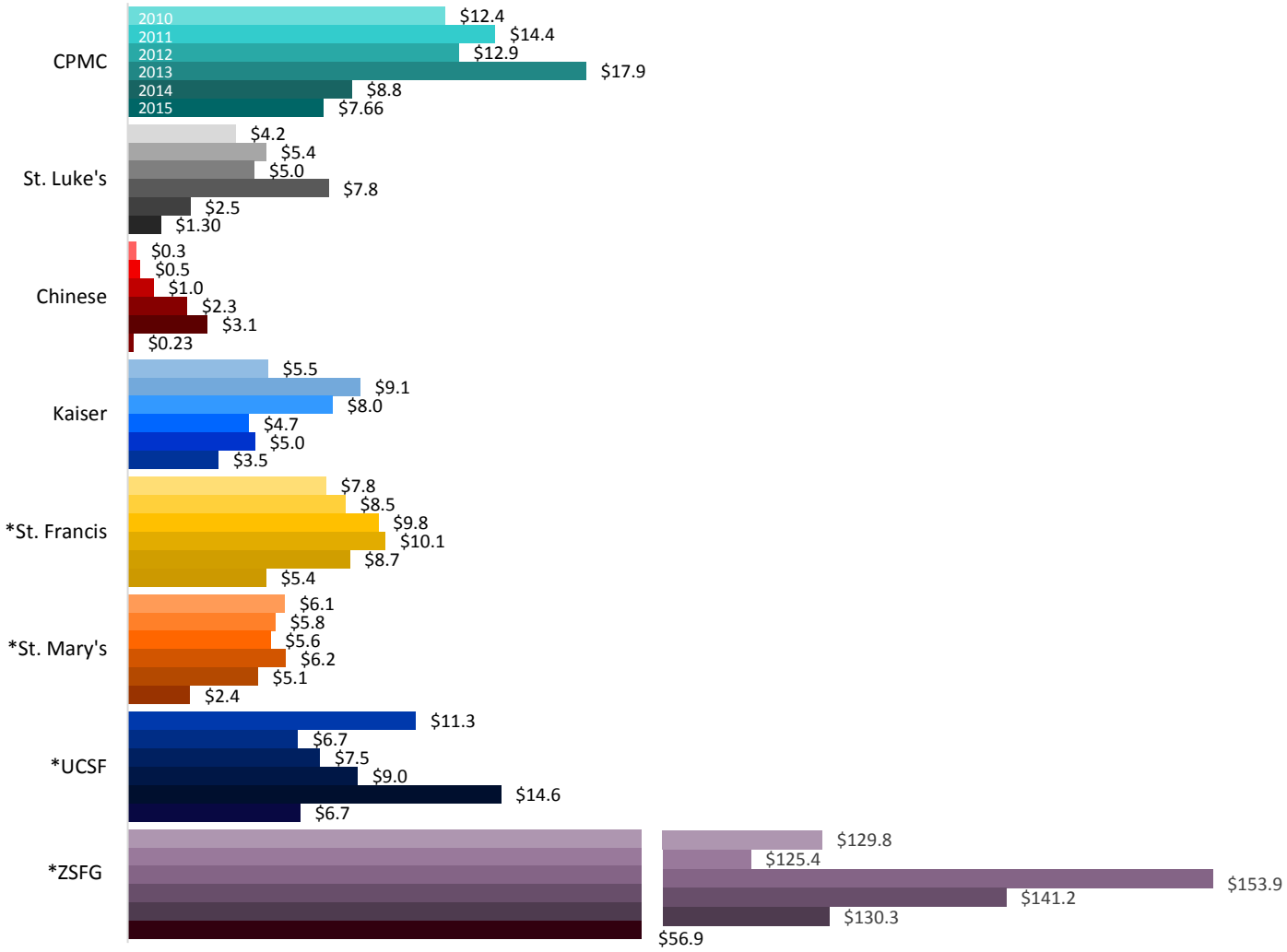
[16]The Consumer Price Index (CPI) typically used for inflation adjustment (medical care in the San Francisco-Bay Area) was not available for FY 15 because of insufficient quotes to produce reliable index values. Therefore, the CPI for medical care in the West Region – Size Class A was used as a proxy. The CPI for the West –Class A was determined as a good estimate for the one in San Francisco – Bay Area after comparing the 2 CPI series and discussing with a contact at the US Bureau of Labor Statistics.

Figure 5: Charity Care Expenditures by Hospital, FY 2013 to FY 2015



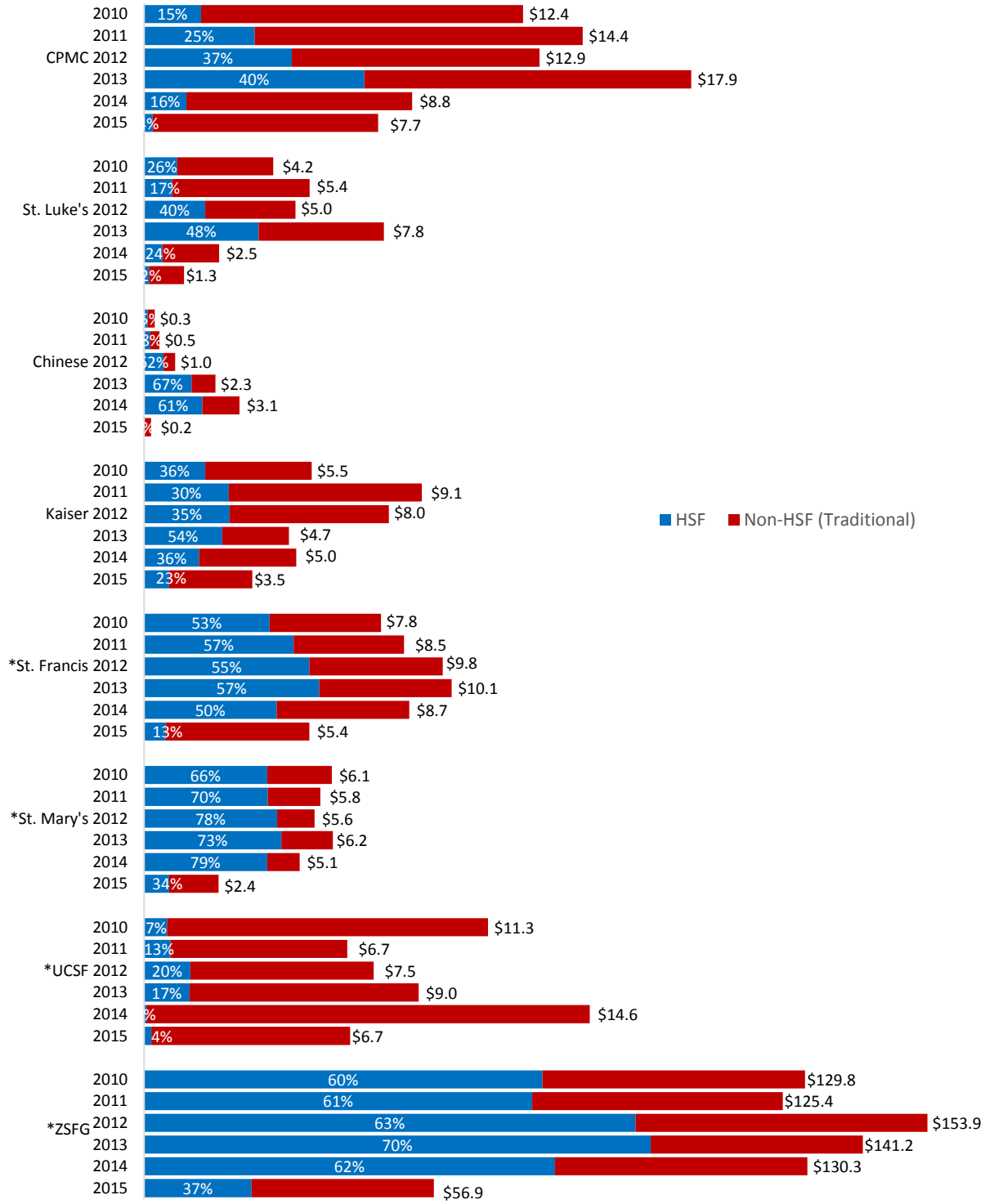
Though the ACA has had an impact on the overall expenditures, there has been little change with respect to reporting hospitals' share of the charity care expenditures. As has historically been the case, ZSFG accounts for the majority of charity care expenditures, representing 68 percent of the total in FY 2015. In the past few years, the proportion of ZSFG's share has been greater than 70 percent, but has slightly dipped in FY 2015. Many of the hospitals saw a change in the proportion of charity care between FY 2014 and FY 2015; Kaiser, St. Luke's, Saint Francis increased by one percentage point, CPMC increased by four percentage points, and Chinese Hospital decreased by 1.7 percentage points. The decrease in Chinese Hospital is likely due to its withdrawal from the HSF program starting in FY 2015. As previous reports have shown, each individual hospital's share of charity care expenditures fluctuates over time.

Figure 6: Charity Care Expenditures (in Millions) by Hospital, FY 2010 to FY 2015



The above chart delineates the specific charity care expenditures per hospital. Some hospitals saw more changes on this measure than others from FY 2014 to FY 2015. All eight reporting hospitals saw a decrease in overall charity care expenditures during that time period, with St. Mary's, UCSF, ZSFG, and Chinese Hospital recording the most significant changes – greater than 50 percent. Chinese Hospital saw the largest change in expenditures with a decrease of 93 percent in expenditures from FY 2014 to FY 2015.

Figure 7: HSF and Non-HSF Charity Care Expenditures by Hospital, FY 2010 to FY 2015



A further analysis of HSF/Non-HSF (Traditional) charity care expenditures by hospital also reflects the fact that most hospitals saw a drastic decrease in the proportion of HSF spending in FY 2015 compared to traditional charity care expenditures. UCSF was the only hospital to see an increase in the proportion of HSF spending – from 1 percent to 4 percent between FY 14 and 15 – despite overall lower absolute costs.

4. Medi-Cal Shortfall

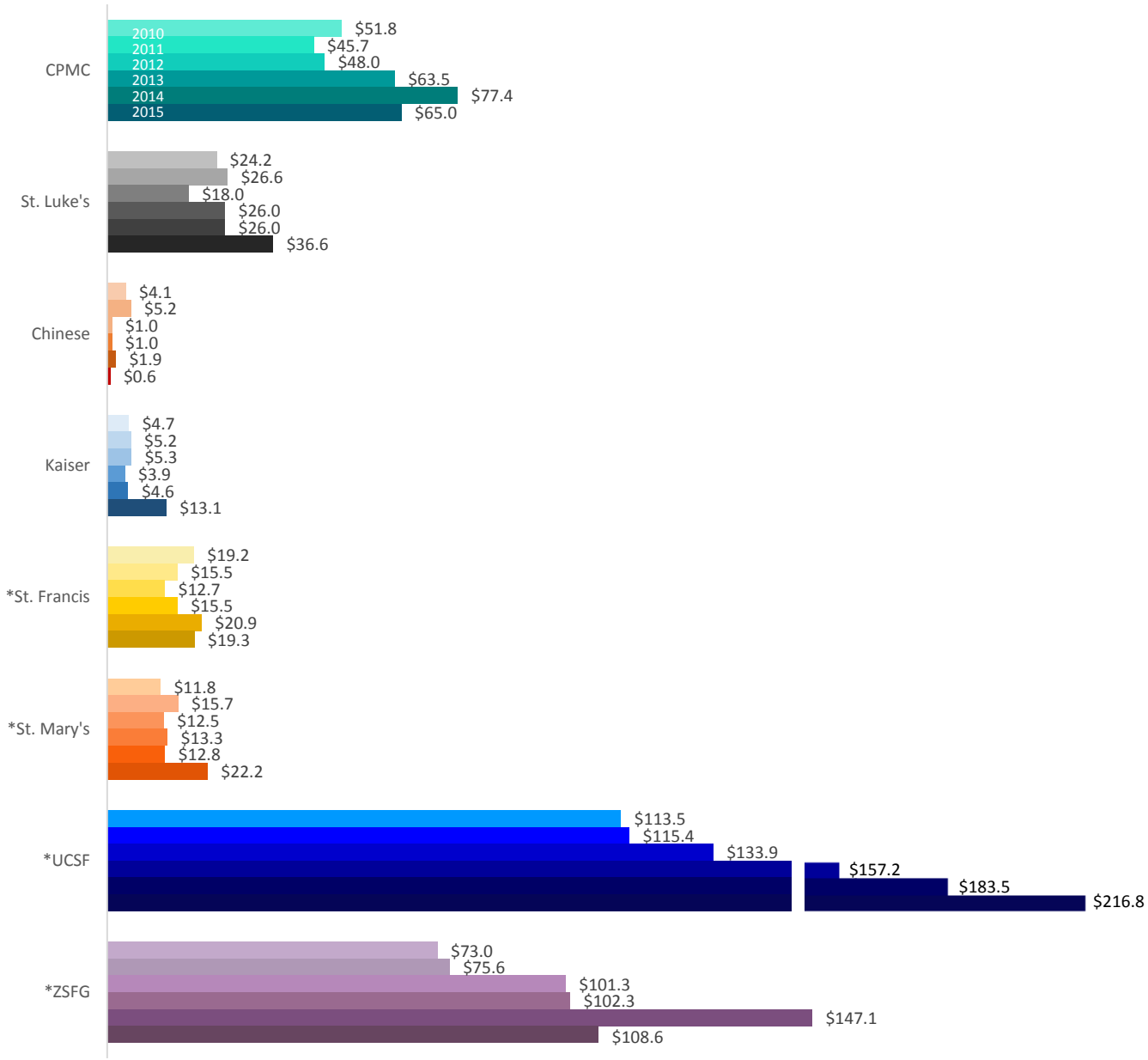
Overall Analysis

Medi-Cal Shortfall has increased for some hospitals, while decreasing for others.

Medi-Cal is California's Medicaid program, the jointly funded federal/state health insurance coverage option for low-income children, families, seniors, persons with disabilities, and, now, single adults with ACA enactment and Medi-Cal expansion. Hospitals track the amount of Medi-Cal expenditures spent in services to Medi-Cal beneficiaries as compared to hospital reimbursement from the program, and the difference between these two amounts is known as the Medi-Cal Shortfall. Generally, hospitals must absorb the cost of this difference. While Medi-Cal shortfall does not technically fall within the definition of charity care, it is a window into each hospital's contribution to the City and County's safety net services due to Medi-Cal's focus on health care for low-income individuals.

Medi-Cal Shortfall may also hold particular significance for charity care within the health reform context. As more individuals gain insurance due to Medi-Cal Expansion, it is also likely to reflect an increase in Medi-Cal Shortfall, due to generally low Medi-Cal reimbursement rates. For some hospitals, the decrease in charity care expenditures may instead be shifted to Medi-Cal Shortfall hospital costs, since many individuals who would otherwise be eligible for charity care may have received Medi-Cal under the Expansion.

Figure 8: Medi-Cal Shortfall (in Millions) by Hospital, FY 2010 to FY 2015



* Asterisks denote hospitals on a fiscal year calendar, i.e. July 1st to June 30th. For example, FY 20125 would begin July 1, 2014, and end on June 30, 2015.

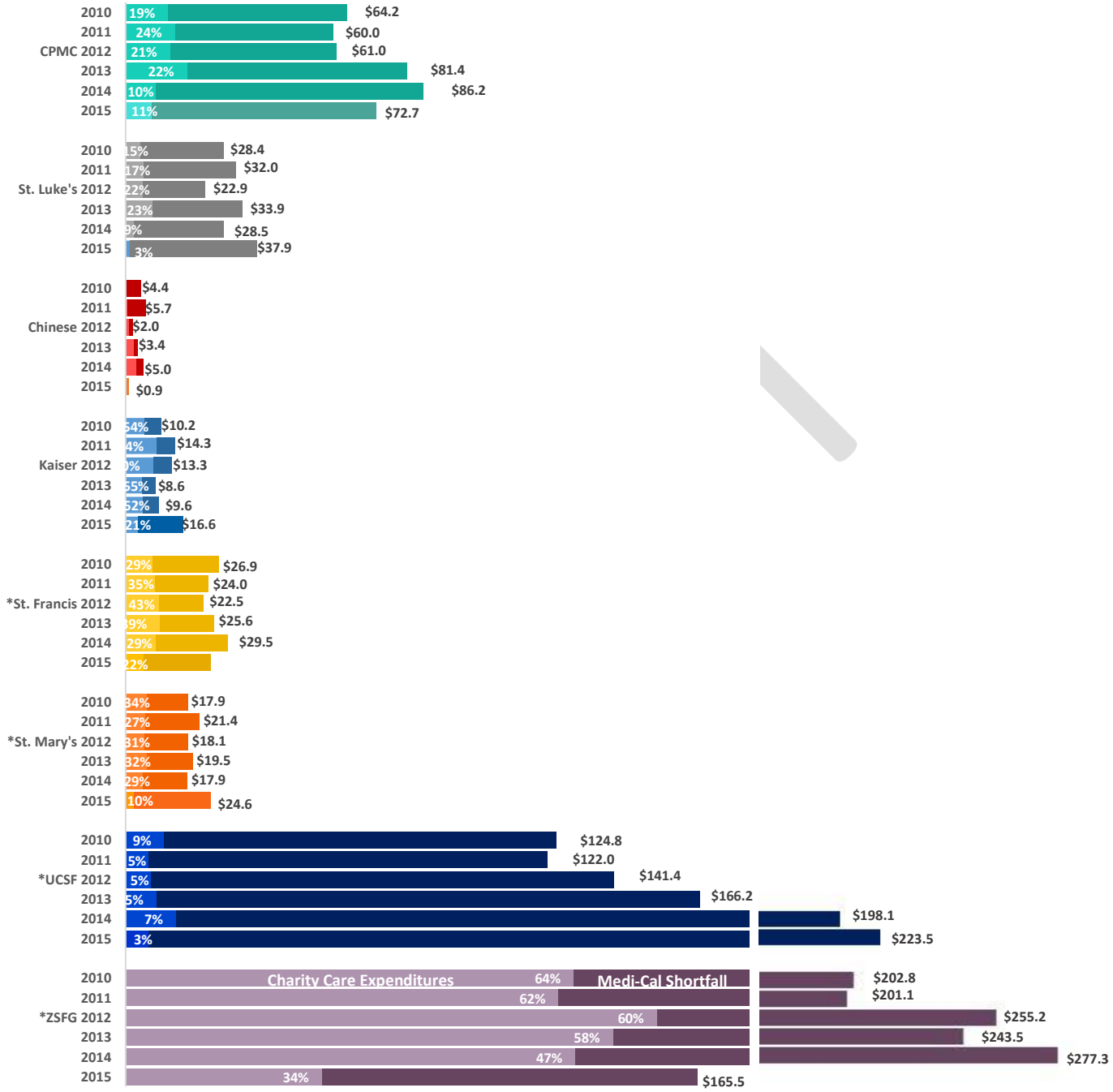
Note: the Medi-Cal shortfall for UCSF was adjusted for FY 2010-2014 to include uncovered costs of Medi-Cal managed care.

Overall, the total Medi-Cal Shortfall increased by $8 million or 1.7 percent from FY 2014 to FY 2015. In FY 2015, Medi-Cal Shortfall decreased for four of the eight reporting hospitals - ZSFG, Saint Francis, Chinese Hospital, and CPMC – with Chinese Hospital reporting the largest percentage decline of 66.8 percent. ZSFG and CPMC contributed the largest declines in Medi-Cal shortfall, at $38.5 million and $12.4 million, respectively. The largest increases in Medi-Cal Shortfall were reported by Kaiser and UCSF at $8.5 million and $33.3 million, respectively, from FY 2014 to FY 2015. Comparatively, for FY 2014, the Medi-Cal Shortfall

values increased for all hospitals as expected (except for St. Mary's), with CPMC, UCSF, and ZSFG recording the most significant increases. The mixed trend for FY 2015 is unexpected for Medi-Cal Shortfall, since Charity care expenditures also decreased.

It is important to note that UCSF's Medi-Cal Shortfall amounts was adjusted for FY 2010-2014 to include uncovered costs of Medi-Cal managed care. These numbers are significantly greater than previously reported data for UCSF. UCSF reported that as overall enrollment in Medi-Cal has increased, the number of Medi-Cal patients referred to UCSF for high acuity cases has increased resulting in larger increases of the Medi-Cal Shortfall in recent years. When excluding UCSF, the remaining seven hospitals saw an 8.7 percent ($25.3 million) decline in Medi-Cal Shortfall from FY 2014 to 2015. The decline is unlike previous fiscal years, where there was an increase in Medi-Cal Shortfall, 0.4 percent from FY 2010-2011, 5.0 percent from FY 2011-2012, 13.4 percent from FY 2012-2013, and 28.8 percent from FY 2014-2015.

Figure 9: Medi-Cal Shortfall and Charity Care Expenditures (in Millions) by Hospital, FY 2010 to FY 2015



* Asterisks denote hospitals on a fiscal year calendar, i.e. July 1st to June 30th. For example, FY 20125 would begin July 1, 2014, and end on June 30, 2015.

Note: the Medi-Cal shortfall for UCSF was adjusted for FY 2010-2014 to include uncovered costs of Medi-Cal managed care.

Charity Care Expenditures and Medi-Cal Shortfall (in Millions) by Hospital FY 2010								
	CPMC	St. Luke's	Chinese	Kaiser	Saint Francis	St. Mary's	UCSF	ZSFG
Charity Care Expenditures	$12.40	$4.23	$0.35	$5.49	$7.75	$6.14	$11.26	$129.83
Medi-Cal Shortfall	$51.76	$24.16	$4.06	$4.75	$19.16	$11.78	$113.51	$72.96

Charity Care Expenditures and Medi-Cal Shortfall (in Millions) by Hospital FY 2011								
	CPMC	St. Luke's	Chinese	Kaiser	Saint Francis	St. Mary's	UCSF	ZSFG
Charity Care Expenditures	$14.36	$5.42	$0.50	$9.09	$8.51	$5.77	$6.66	$125.44
Medi-Cal Shortfall	$45.65	$26.56	$5.21	$5.21	$15.50	$15.67	$115.37	$75.65

Charity Care Expenditures and Medi-Cal Shortfall (in Millions) by Hospital FY 2012								
	CPMC	St. Luke's	Chinese	Kaiser	Saint Francis	St. Mary's	UCSF	ZSFG
Charity Care Expenditures	$12.95	$4.96	$1.02	$8.01	$9.80	$5.58	$7.51	$153.87
Medi-Cal Shortfall	$48.01	$17.97	$1.01	$5.32	$12.74	$12.51	$133.91	$101.30

Charity Care Expenditures and Medi-Cal Shortfall (in Millions) by Hospital FY 2013								
	CPMC	St. Luke's	Chinese	Kaiser	Saint Francis	St. Mary's	UCSF	ZSFG
Charity Care Expenditures	$17.91	$7.85	$2.33	$4.74	$10.07	$6.18	$8.99	$141.2
Medi-Cal Shortfall	$63.50	$26.03	$1.04	$3.88	$15.51	$13.34	$157.24	$102.30

Charity Care Expenditures and Medi-Cal Shortfall (in Millions) by Hospital FY 2014								
	CPMC	St. Luke's	Chinese	Kaiser	Saint Francis	St. Mary's	UCSF	ZSFG
Charity Care Expenditures	$8.77	$2.45	$3.13	$4.98	$8.68	$5.09	$14.59	$130.3
Medi-Cal Shortfall	$77.43	$26.04	$1.91	$4.61	$20.85	$12.77	$183.50	$147.06

Charity Care Expenditures and Medi-Cal Shortfall (in Millions) by Hospital FY 2015								
	CPMC	St. Luke's	Chinese	Kaiser	Saint Francis	St. Mary's	UCSF	ZSFG
Charity Care Expenditures	$7.66	$1.30	$0.26	$3.55	$5.41	$2.44	$6.74	$56.90
Medi-Cal Shortfall	$65.04	$36.64	$0.63	$13.07	$19.29	$22.19	$216.80	$108.56

Overall, in FY 2015, Medi-Cal shortfall was higher than charity care expenditures for all eight reporting hospitals. Taken together across the reporting hospitals, charity care expenditures decreased by $93.7 million from FY 2014 to FY 2015, along with overall Medi-Cal Shortfall increase of approximately $8 million. As expected, the overall trend of declining Charity care expenditures corresponds to an increase in Medi-Cal shortfall in FY 2015.

5. Net Patient Revenue and Charity Care Expenditures

Another way to compare charity care trends in San Francisco is to review each reporting hospital's ratio of charity care compared to net patient revenue, which allows for a useful comparison of each hospital's charity care contribution relative to its size. For purposes of this report, net patient revenue information

is taken from the OSHPD financial reports. [17] Note that Kaiser is excluded from this portion of the report, as the hospital is not required to report this information to OSHPD.

Table 6: Charity Care as Compared to Net Patient Revenue, FY2013 and 2015

FY 2013 Charity Care as Compared to Net Patient Revenue[18]				
Hospital	**Net Patient Revenue**	**Charity Care Costs**	**Ratio of CC Costs to Net Pt. Revenue**	**State Avg. CC Costs to Net Pt. Revenue**
CPMC	$1,113,925,584	$17,913,168	1.61%	**2%**
St. Luke's	$109,809,103	$7,847,513	7.15%	
Chinese	$107,070,689	$2,332,463	2.18%	
St. Francis*	$206,126,585	$10,069,967	4.89%	
St. Mary's*	$210,885,407	$6,184,299	2.93%	
UCSF*	$2,097,806,241	$8,986,294	0.43%	
ZSFG*	$677,697,391	$141,159,972	20.83%	

FY 2015 Charity Care as Compared 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**
CPMC	$1,182,342,129	$7,663,805	0.65%	**0.8%**
St. Luke's	$108,026,820	$1,304,319	1.21%	
Chinese	$105,362,773	$225,661	0.21%	
St. Francis*	$221,989,006	$5,410,002	2.44%	
St. Mary's*	$220,684,055	$2,439,841	1.11%	
UCSF*	$2,566,224,848	$6,742,521	0.26%	
ZSFG*	$674,469,809	$56,899,117	8.44%	

* Asterisks denote hospitals on a fiscal year calendar, i.e. July 1st to June 30th. For example, FY 2015 would begin July 1, 2014, and end on June 30, 2015.

Table 6 shows each hospital's ratio of charity care expenditures (as reported to SFDPH), compared to the net patient revenue (as reported to OSHPD). The state average has declined significantly from FY 2013 to FY 2015. The hospitals reported that this decline could be attributable to an overall decline in charity care costs in the state and a shift from charity care to Medi-Cal in the state. As has historically been the case, these data show that ZSFG is an outlier with a ratio of 8.44 percent in FY 2015, but still experienced a significant reduction from nearly 21 percent for the previous 2013 FY data. This is far outside the range of the other hospitals in San Francisco, and well above the 0.78 percent state average. Among the six other reporting hospitals, excluding ZSFG and Kaiser, half are above and half were below the statewide

[17] OSHPD defines net patient revenue as (gross patient revenue) + (capitation premium revenue) – (related deductions from revenue).Net patient revenue includes the payments received for inpatient and outpatient care, including emergency services.

[18] OSHPD data was not available for 2014 when the FY 2013 and 2014 report was produced.

ratio of charity care to net patient revenue for FY 2015. Among these hospitals, the ratios range from 0.2 percent at Chinese Hospital to 2.44 percent at St. Francis.

B. Charity Care Services

Hospitals provide a range of medical services that can generally be categorized into inpatient, outpatient, and emergency services. The Charity Care Ordinance requires that hospitals report the types of services utilized by charity care patients along those same lines. More specifically, it 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."*[19]

To ensure consistency, hospitals were instructed to report the total number of unduplicated patients, along with separate tallies of those who received emergency, inpatient, and outpatient services. This means that, as noted in the Ordinance, this data does not count the number of services, but rather the number of patients who access those services. For example, if during the reporting year, John Doe visited ZSFG's emergency room twice, was an inpatient for a one-week stay, and visited an outpatient clinic at ZSFG, he would be counted in the following manner: once for emergency, once for inpatient, and once in the outpatient tally for that hospital. The following sections outline the data across the aforementioned categories: emergency department, inpatient, and outpatient services.

Finally, wherever comparisons are made between HSF and traditional charity care patients in this report, it is important to note the different types of service lines provided within each group. The HSF program caters to the uninsured via a medical home-based model, pairing each member with a primary care provider at the time of enrollment and thereby improving access to preventive and coordinated care. Traditional charity care programs do not typically function in this manner – most services are hospital-based. Moreover, some reporting hospitals are directly affiliated with HSF medical homes, while others (Chinese Hospital, ZSFG, Kaiser and St. Mary's) serve as a primary care site themselves. This means that hospitals that provide primary care along with other services would necessarily include such services in their outpatient reporting data, while the other hospitals' outpatient information would include outpatient specialty care only.

[19] CCSF Health Code, Article 3 (Hospitals), Section 131. *Reporting to the Department of Public Health*.

1. Emergency Department: Charity Care Patient Count

Overall analysis.

From FY 2014 to FY 2015, there was a sharp decline of 24.5 percent in the number of charity care patients seeking emergency services. Proportionally, emergency services represent a higher percent of all services compared to last year.

Against the backdrop of ACA-initiated health care coverage, and the corresponding decrease in charity care overall as evidenced in this report, a reduction in the number of charity care patients seeking emergency room services would be expected, and this has been the case in San Francisco. For FY 2015, there was a total of 15,372 charity care patients who sought emergency services across the eight reporting hospitals, a significant 24.5 percent decrease from FY 2014. It is possible that the decline in emergency services is attributable to the broader decline in all charity care.

Compared to inpatient and outpatient services, the proportion of emergency charity care services among all charity care services increased. Emergency services proportionally represent 23.2 percent of all services for charity care patients in FY 2015. This represents an increase from the 17.9 percent from FY 2014 and 18.8 percent from FY 2013.

HSF v. Non-HSF (Traditional) Charity Care analysis.

The overall decline in emergency charity care services was solely due to the HSF population.

The above decrease from FY 2014 to FY 2015 in the number of emergency care charity care patients is solely driven by the HSF charity care population, whose numbers went from 8,048 to 2,458 (i.e. 69.5 percent decrease) during that time period. In terms of non-HSF (Traditional) charity care emergency patients, the numbers actually increased by 591 patients, or 4.8 percent. This is consistent with the aforementioned finding that those in the current Non-HSF (Traditional) charity care pool are less able (than the HSF charity care population) to obtain the type of ACA-initiated coverage (e.g. primary care) that would prevent emergency care usage.

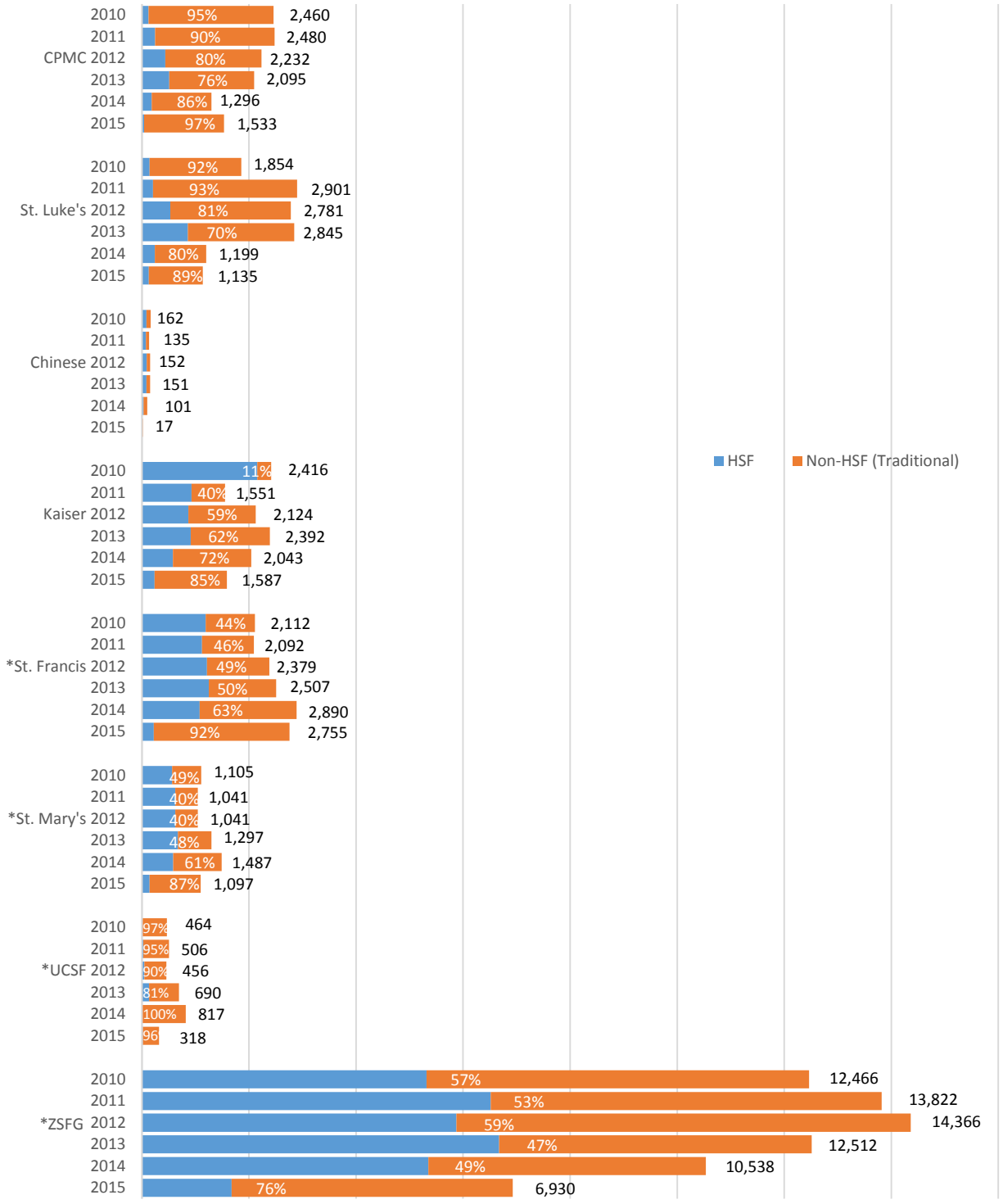
Hospital-specific analysis.

ZSFG continues to provide the majority of emergency services (45.1 percent) across the eight reporting hospitals. All hospitals, except UCSF, reported a decrease in HSF population. Among the traditional charity care population, the data is mixed, with five hospitals reporting a decline in emergency services from FY 2014 to FY 2015.

The figures below show the number of unduplicated patients who received emergency department charity care from all reporting hospitals in FY 2015. As in FY 2014, the hospitals providing the greatest number of emergency services in FY 2015 were ZSFG, Saint Francis, Kaiser, and CPMC.

Every reporting hospital experienced decreases in its HSF population seeking emergency services except UCSF (patients increased from four to 13 patients), but the trend is mixed for the Non-HSF (Traditional) charity care population. From FY 2014 to FY 2015, ZSFG, Dignity Health System (Saint Francis and St. Mary's), and Sutter Health (CPMC and St. Luke's) saw increases in Non-HSF charity care population seeking emergency services, with significant increases at St. Mary's and CPMC. These increases run alongside a decrease for Kaiser (1463 to 1353 patients), Chinese Hospital (from 72 to 17 patients), and UCSF (813 to 305 patients).

Figure 10: Charity Care Patients Accessing Emergency Services, FY 2010 – FY 2015



* Asterisks denote hospitals on a fiscal year calendar, i.e. July 1st to June 30th. For example, FY 2015 would begin July 1, 2014, and end on June 30, 2015.

Charity Care Patients Accessing Emergency Services by Hospital FY 2010								
	CPMC	St. Luke's	Chinese	Kaiser	Saint Francis	St. Mary's	UCSF	ZSFG
HSF	122	144	82	2,157	1,189	564	12	5,319
Non-HSF (Traditional)	2,338	1,710	80	259	923	541	452	7,147

Charity Care Patients Accessing Emergency Services by Hospital FY 2011								
	CPMC	St. Luke's	Chinese	Kaiser	Saint Francis	St. Mary's	UCSF	ZSFG
HSF	244	205	76	928	1,121	623	27	6,515
Non-HSF (Traditional)	2,236	2,696	59	623	971	418	479	7,307

Charity Care Patients Accessing Emergency Services by Hospital FY 2012								
	CPMC	St. Luke's	Chinese	Kaiser	Saint Francis	St. Mary's	UCSF	ZSFG
HSF	437	528	88	867	1,216	623	44	5,877
Non-HSF (Traditional)	1,795	2,253	64	1,257	1,163	418	412	8,489

Charity Care Patients Accessing Emergency Services by Hospital FY 2013								
	CPMC	St. Luke's	Chinese	Kaiser	Saint Francis	St. Mary's	UCSF	ZSFG
HSF	510	858	82	912	1,251	670	132	6,672
Non-HSF (Traditional)	1,585	1,987	69	1,480	1,256	627	558	5,840

Charity Care Patients Accessing Emergency Services by Hospital FY 2014								
	CPMC	St. Luke's	Chinese	Kaiser	Saint Francis	St. Mary's	UCSF	ZSFG
HSF	184	243	29	580	1,076	582	4	5,350
Non-HSF (Traditional)	1,112	956	72	1,463	1,814	905	813	5,188

Charity Care Patients Accessing Emergency Services by Hospital FY 2015								
	CPMC	St. Luke's	Chinese	Kaiser	Saint Francis	St. Mary's	UCSF	ZSFG
HSF	42	128	0	234	222	143	13	1,676
Non-HSF (Traditional)	1,491	1007	17	1,353	2,533	954	305	5,254

2. Inpatient Services: Charity Care Patient Count

Overall analysis.

Though charity care patients continue to utilize emergency services more than inpatient services, there was a significant decrease in the overall number of inpatients from FY 2014 to FY 2015. Proportionally, inpatient services represent a slightly higher percent of all services compared to last year.

There were a total of 4,105 charity care patients who accessed inpatient services in FY 2015, representing a significant decrease of 30.8 percent from FY 2014, where there were 5,932 patients in that category.

Between FY 2010 and FY 2014, there were typically around 6,000 patients in this category. The percent decline is larger for inpatient than the percent decline for emergency services. Proportionally, inpatient services accounted for 6.2 percent of all services in FY 2015, which is a slight increase from FY 2014 (5.2 percent).

HSF v. Non-HSF (Traditional) Charity Care analysis.

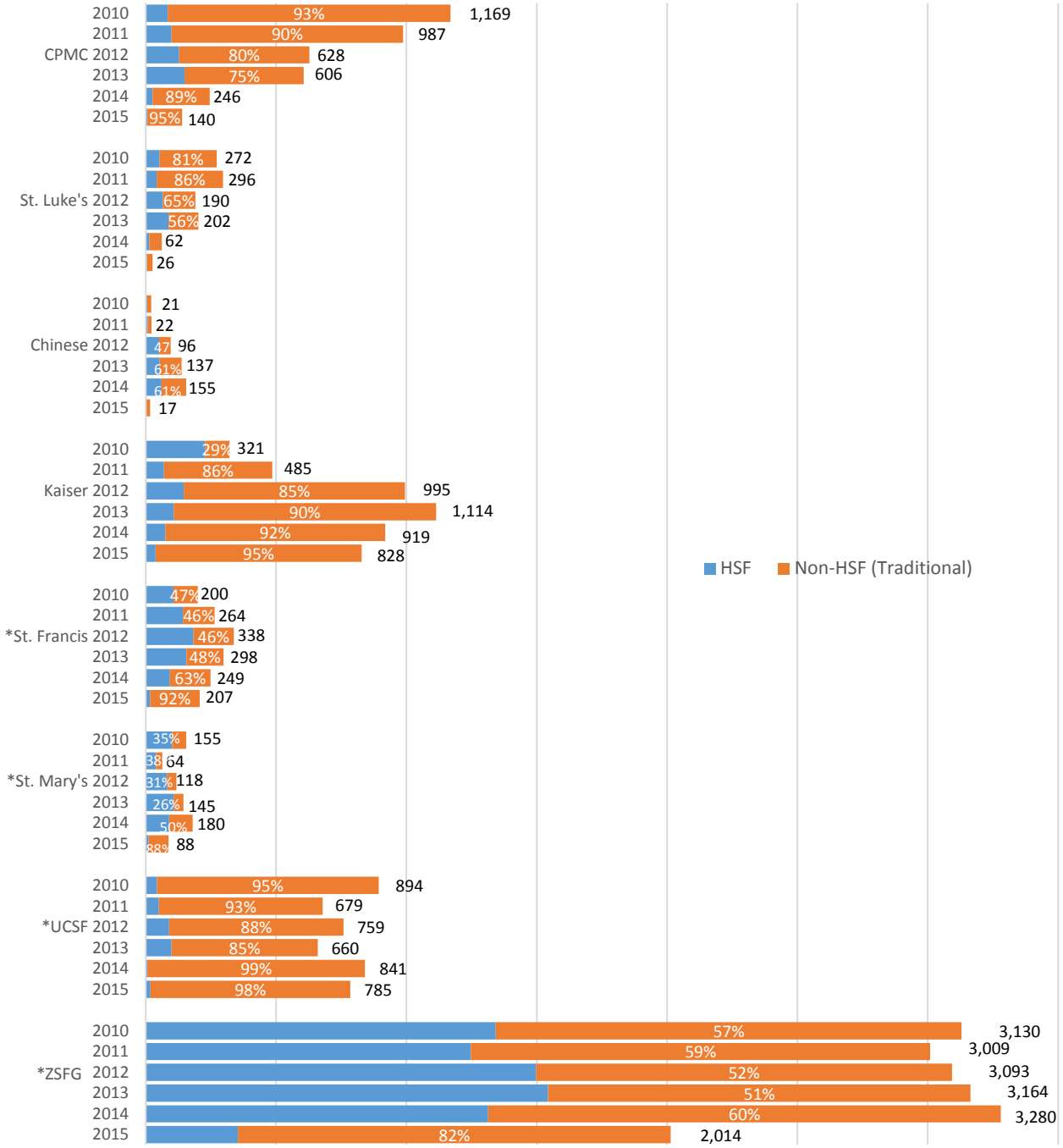
The overall decrease in inpatients was driven primarily by the HSF population.

The aforementioned decrease in charity care patients seeking inpatient care is primarily due to the HSF population, which went from 1,679 patients in FY 2014 to 449 patients in FY 2015, representing a decline of 73.3 percent. The number of traditional charity care patients seeking inpatient services also decreased slightly as well by 597 patients, or 14.0 percent. Overall, a decrease in both HSF and non-HSF indicate that the need for inpatient services decreased from FY 2014 to FY 2015.

Hospital-specific analysis.

All hospitals reported a decline in inpatient services from FY 2014 to FY 2015. ZSFG continues to provide a majority of the inpatient services for charity care patients.

Figure 11: Charity Care Patients Accessing Inpatient Services, FY 2010 – FY 2015



Charity Care Patients Accessing Inpatient Services by Hospital FY 2010								
	CPMC	St. Luke's	Chinese	Kaiser	Saint Francis	St. Mary's	UCSF	ZSFG
HSF	84	53	6	228	106	101	43	1,343
Non-HSF (Traditional)	1,085	219	15	93	94	54	851	1,787

Charity Care Patients Accessing Inpatient Services by Hospital FY 2011								
	CPMC	St. Luke's	Chinese	Kaiser	Saint Francis	St. Mary's	UCSF	ZSFG
HSF	99	42	8	70	143	40	50	1,247
Non-HSF (Traditional)	888	254	14	415	121	24	629	1,762

Charity Care Patients Accessing Inpatient Services by Hospital FY 2012								
	CPMC	St. Luke's	Chinese	Kaiser	Saint Francis	St. Mary's	UCSF	ZSFG
HSF	128	66	51	146	183	81	90	1,497
Non-HSF (Traditional)	500	124	45	849	155	37	669	1,596

Charity Care Patients Accessing Inpatient Services by Hospital FY 2013								
	CPMC	St. Luke's	Chinese	Kaiser	Saint Francis	St. Mary's	UCSF	ZSFG
HSF	149	88	53	107	156	107	99	1,543
Non-HSF (Traditional)	457	114	84	1,007	142	38	561	1,621

Charity Care Patients Accessing Inpatient Services by Hospital FY 2014								
	CPMC	St. Luke's	Chinese	Kaiser	Saint Francis	St. Mary's	UCSF	ZSFG
HSF	26	14	61	75	93	90	7	1,313
Non-HSF (Traditional)	220	48	94	844	156	90	834	1,967

Charity Care Patients Accessing Inpatient Services by Hospital FY 2015								
	CPMC	St. Luke's	Chinese	Kaiser	Saint Francis	St. Mary's	UCSF	ZSFG
HSF	7	4	0	38	17	11	18	354
Non-HSF (Traditional)	133	22	17	790	190	77	767	1,660

As the above analysis suggests, hospitals have been providing inpatient services for more Non-HSF (Traditional) charity care patients than HSF patients. And, as expected, the vast majority of inpatient charity care patients were seen at ZSFG in FY 2015 – the hospital's services represent approximately half of the total. Kaiser and UCSF are the other two hospitals that provide a significant amount of inpatient services – both around 20 percent of the total.

With regard to HSF and traditional charity care patients, every hospitals saw a decrease in HSF patients seeking inpatient care, which contributed significantly to the overall decrease in number of patients from FY 2014 to FY 2015. Every hospital except Saint Francis saw a decrease in the number of non-HSF (traditional) charity care patients seeking inpatient services.

3. Outpatient Services: Charity Care Count

Overall analysis.

Though there was a significant decline in the number of charity care patients accessing outpatient services from FY 2014 to FY 2015, it continues to represent the majority of charity care services provided in San Francisco. Proportionally, outpatient services represent a smaller percent of all services compared to last year.

As has historically been the case, outpatient clinics are used far more frequently by charity care patients than any other service. According to the numbers reported by all hospitals, there was a total of 46,778 charity care patients that accessed outpatient services in FY 2015, compared to 15,372patients accessing emergency services, and about 4,105 seeking inpatient care. The number of charity care patients accessing outpatient services declined by 46.6 percent from FY 2014 to FY 2015, which is the largest decline across all three services. This total number of outpatients is consistent with a general decline over time, where there were 87,660 outpatients in FY 2014, 99,212 in FY 2013, and 103,124 in FY 2012, but the decline is much more significant from FY 2014 to 2015. Proportionately, outpatient services represents 70.6 percent of all services accessed by charity care patients in FY 2015. This represents a slight decline from FY 2014 and FY 2013, where the percentages were around 76 percent.

HSF vs. Non-HSF (Traditional) Charity Care analysis.

The overall decline in charity care outpatient services is mainly due to the HSF population.

As was the case with emergency and inpatient services, this overall decline is driven by the HSF charity care population, whose numbers decreased by 30,000 patients (63.6 percent) from FY 2014 to FY 2015. The decline in the Non-HSF (Traditional) charity care population was less, but still significant- about 10,000 less patients (26.6 percent) in FY 2015 as compared to FY 2014. Although both have been declining in the past, this FYs' decline in both is greater than previous years.

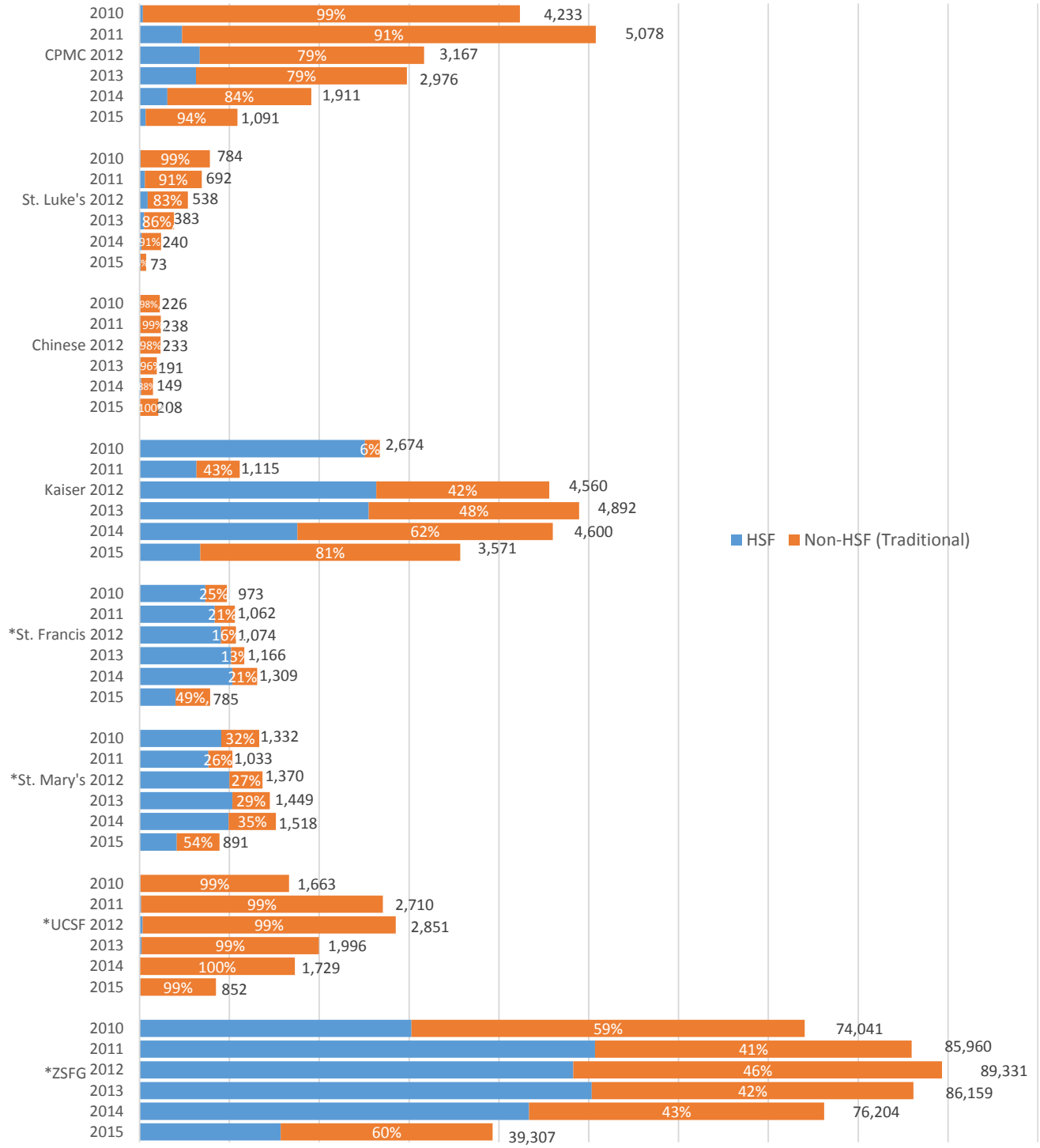
Hospital-specific analysis.

Half of the reporting hospitals provided more outpatient services than any other type of service. Of all the hospitals, ZSFG and Kaiser serve the largest proportions of Charity Care patients seeking outpatient services.

In this category, as well, ZSFG continues to provide much of the outpatient charity care in San Francisco – about 84 percent in FY 2015. Previously, ZSFG provided about 87 percent of the total outpatient services in FY 2012, FY 2013 and FY 2014. Excluding ZSFG from the analysis, Kaiser serves the most outpatients, and its share has been increasing over time, from 37 percent in FY 2013, 40 percent in FY 2014, and now 48 percent in FY 2015. Half of the hospitals provided more outpatient services than any other type of service, the exceptions being St. Luke's, Saint Francis, St. Mary's and CPMC, all of which provided more emergency charity care services. As mentioned earlier, ZSFG, Kaiser, and St. Mary's all provide primary

care as part the outpatient services offered to HSF patients, so these hospitals' data would include primary care visits, while the other hospitals' outpatient data would include outpatient specialty care only.

Figure 12: Charity Care Patients Accessing Outpatient Services, FY 2010 – FY 2015



**The graph has been altered to more effectively reflect each hospital's data contributions alongside ZSFG.

Charity Care Patients Accessing Outpatient Services by Hospital FY 2010								
	CPMC	St. Luke's	Chinese	Kaiser	Saint Francis	St. Mary's	UCSF	ZSFG
HSF	37	11	5	2,510	733	911	10	30,263
Non-HSF (Traditional)	4,196	773	221	164	240	421	1,653	43,778

Charity Care Patients Accessing Outpatient Services by Hospital FY 2011								
	CPMC	St. Luke's	Chinese	Kaiser	Saint Francis	St. Mary's	UCSF	ZSFG
HSF	473	60	3	633	838	765	18	50,708
Non-HSF (Traditional)	4,605	632	235	482	224	268	2,692	35,252

Charity Care Patients Accessing Outpatient Services by Hospital FY 2012								
	CPMC	St. Luke's	Chinese	Kaiser	Saint Francis	St. Mary's	UCSF	ZSFG
HSF	671	90	4	2,635	907	1,001	33	48,273
Non-HSF (Traditional)	2,496	448	229	1,925	167	369	2,818	41,058

Charity Care Patients Accessing Outpatient Services by Hospital FY 2013								
	CPMC	St. Luke's	Chinese	Kaiser	Saint Francis	St. Mary's	UCSF	ZSFG
HSF	627	52	8	2,552	1,020	1,034	23	50,338
Non-HSF (Traditional)	2,349	331	183	2,340	146	415	1,973	35,821

Charity Care Patients Accessing Outpatient Services by Hospital FY 2014								
	CPMC	St. Luke's	Chinese	Kaiser	Saint Francis	St. Mary's	UCSF	ZSFG
HSF	309	22	18	1,757	1,033	992	0	43,370
Non-HSF (Traditional)	1,602	218	131	2,843	276	526	1,729	32,834

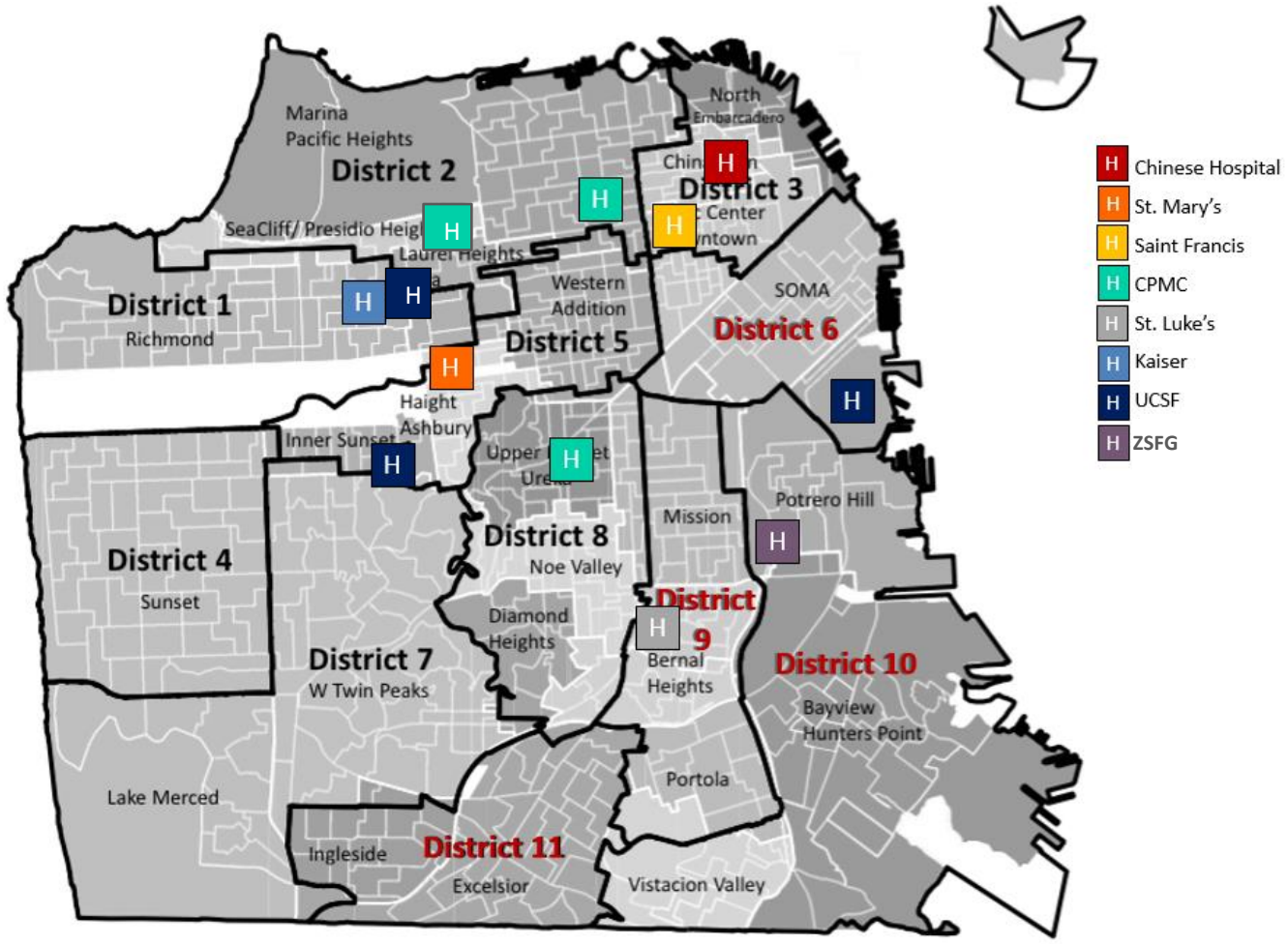
Charity Care Patients Accessing Outpatient Services by Hospital FY 2015								
	CPMC	St. Luke's	Chinese	Kaiser	Saint Francis	St. Mary's	UCSF	ZSFG
HSF	68	11	0	675	400	413	8	15,716
Non-HSF (Traditional)	1,023	62	208	2,896	385	478	844	23,591

C. Zip Code Analysis

San Francisco's Charity Care Ordinance requires that hospitals provide the zip codes of their charity care recipients, and this report presents an analysis of this data. All of the hospitals except Kaiser San Francisco are able to provide the zip codes of each charity care patient who has received services at the hospital. Since zip code data for HSF patients is not required as part of charity care reporting, this section focuses on Non-HSF (Traditional) charity care patients only. Given that this report has also found that these patients do not appear to have the same access to health reform insurance options as HSF patients, this section provides particular insight into the residential trends of San Francisco's remaining uninsured.

This section presents the data by supervisorial district, along with an expanded view of out-of-county charity care patients, since traditional charity care programs are not limited to CCSF residents.

Figure 13: Map of San Francisco Showing Supervisorial Districts and Hospital Locations



*Districts highlighted in red represent those with the highest proportions of traditional charity care patients.
Source: San Francisco Department of Elections website, available at http://www.sfgov2.org/index.aspx?page=2618.

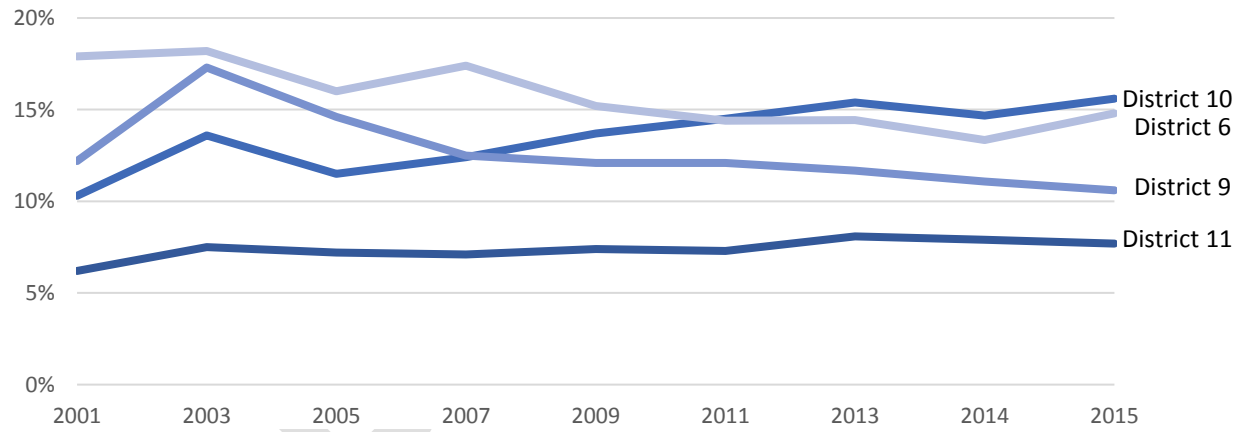
1. Charity Care by Supervisorial District

Districts 6, 9, 10 and 11 continue to represent the highest proportions of traditional charity care patients in San Francisco, while District 1 (Richmond) continues to represent the smallest. Homeless individuals also represent a significant portion of charity care patients.

Table 7: Non-HSF (Traditional) Charity Care Patient by Districts for FY 2015

2015		
Districts	**Charity Care Recipients**	**% of Total**
District 1	879	2.2%
District 2	1,463	3.6%
District 3	1,828	4.5%
District 4	1,408	3.5%
District 5	1,758	4.3%
District 6	6,009	14.8%
District 7	2,353	5.8%
District 8	1,233	3.0%
District 9	4,318	10.6%
District 10	6,317	15.5%
District 11	3,108	7.6%
Homeless/Other	5,593	13.7%
CA (outside SF)	4,448	10.9%
Total	**40,713**	**100.0%**

Figure 14: Proportion of Traditional Charity Care Patients, Districts 6, 9, 10, and 11



The above tables show the distribution of all reporting hospitals' traditional charity care recipients by Supervisorial district. As is evident and has repeatedly been the case, the majority of the charity care patients in San Francisco reside in Districts 6 (SOMA), 9 (Mission, Bernal Heights), 10 (SE neighborhoods, including Bayview –Hunters Point), and District 11 (Excelsior). District 1 (Northwest/Richmond) continues to represent the smallest share—about 2.2 to 2.4 percent across the years. District profiles reveal that Districts 6, 9, 10 and 11also have some of the lowest average household income levels in San Francisco, which presumably contributes to the concentration of charity care patients in those areas. Across FY 2013,

14, and 15, there was very little change in the charity care landscape by district, suggesting that though the number of traditional charity care patients may have decreased over that time, the residential locations that contribute the most in San Francisco remain consistent.

2. Hospital Locations and Charity Care Patient Residence

ZSFG serves the majority of traditional charity care patients across the represented hospital campus zip codes. Removing ZSFG from the analysis shows that hospitals usually see the highest number of patients from within their own zip code.

A number of factors influence the particular location that a charity care patient receives care, including personal preferences, ambulance diversion, location, and transportation, among others. The tables below show the zip code for each of the ten hospital campuses, and the bold/highlighted cells show the number of patients residing in a zip code who received care by the hospital in that zip code.[20]

Table 8: Charity Care Recipients in Local Hospital's ZIP codes, FY2015

Charity Care Recipients in Local Hospital's ZIP codes, FY2015 (Non-HSF)								
Zip Code	**Hospital in Zip Code**	**CPMC**	**STL**	**CHI**	**SFMH**	**SMMC**	**ZSFG**	**UCSF**
94109	SFMH	74	7	150	**270**	47	1318	79
94110	ZSFG, STL	93	**148**	5	31	38	**3803**	166
94114	CPMC (Davies)	**131**	5	1	11	10	437	71
94115	CPMC (Pacific), UCSF (Mt. Zion)	**88**	9	2	35	40	713	**77**
94117	SMMC	65	7	1	9	**86**	551	54
94118	CPMC (California)	**42**	3	3	5	44	350	42
94122	UCSF (Parnassus)	33	2	8	7	32	570	**219**
94133	Chinese Hospital	28	5	**49**	135	28	360	46

The tables above make two main points. First, that ZSFG serves the majority of traditional charity care patients across the represented hospital campus zip codes, which is consistent with the finding that ZSFG serves the majority of charity care patients in San Francisco. Second, removing ZSFG from the analysis also shows that many of the patients in the various hospital zip codes are receiving charity care at that zip code's corresponding hospital. For example, most patients who reside in zip code 94109, where the Saint Francis hospital campus is located, seek care at that hospital, and the same is true for patients in zip codes, 94114 (CPMC), 94115 (CPMC, UCSF),94117 (SMMC),and 94122 (UCSF). And, for the remaining zip codes, while the corresponding hospital may not care for the highest number of patients, it still sees a significant proportion of the patients in that zip code.

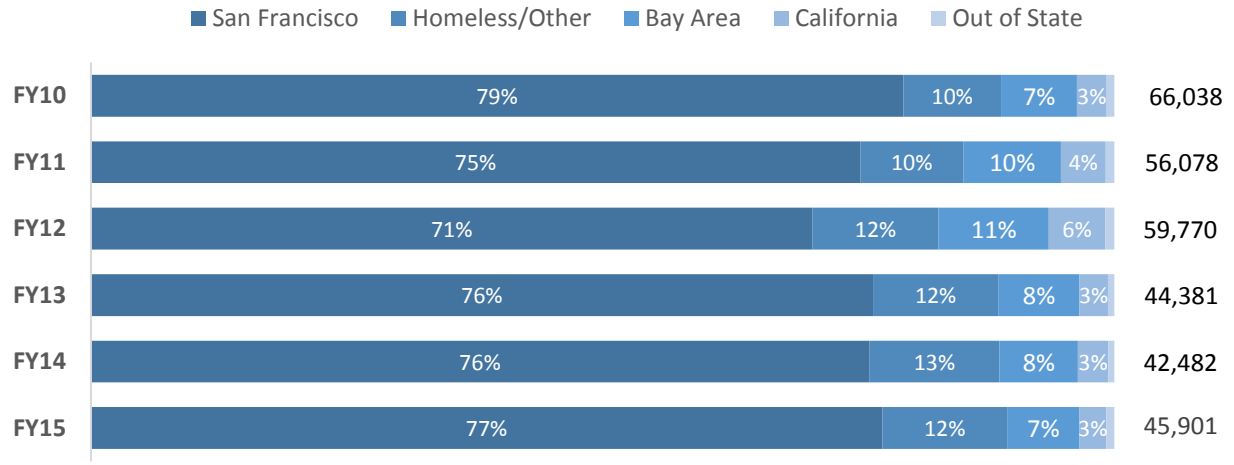
[20] For the table, the bold and blue highlighted cells indicate the number of patients who received care by the hospital in that particular zip code. For example, zip code 94109 where Saint Francis is located, 270 patients received care at that hospital. The number of patients seen at each of the other hospitals is listed in that row corresponding to the zip code.

3. Residence of Charity Care Patients

San Francisco's collective pool of traditional charity care patients in the era of health reform may consist of:

- **A greater proportion of San Franciscans,**
- **A decreased proportion of out-of-county residents and;**
- **A consistent proportion of homeless and out-of-state residents**

Figure 15: Charity Care Reported Residence, FY 2010 to FY 2015



As mentioned earlier, traditional charity care programs do not limit eligibility to San Francisco residents, and the zip code information provided therefore allows for an analysis of the geographic locations that hospitals serve outside of San Francisco. Out-of-county patients may access charity care in San Francisco hospitals for many reasons, from the uninsured patient who has an automobile accident on the freeway and is taken to ZSFG's Emergency Department, to the patient with a serious illness who seeks medical care at one of San Francisco's renowned medical institutions. This proportion of out-of-county traditional charity care patients (i.e. Bay Area + California residents) has declined over time, from about 17 percent in FY 2012 to 10 percent in FY 2015. This general decline could be due to other counties' health reform readiness activities that may have improved the services available and connected residents to ACA-initiated care in areas closer to the patients' place of residence. The decline in Bay Area/California patients ran alongside a corresponding increase in the proportion of traditional charity care patients residing in San Francisco, which went from 71 percent in FY 2012 to 77 percent in FY 2015. It is important to note, however, that higher proportions of San Francisco residents have also been noted in the past – FY 2010 is an example, where the proportion of San Franciscans was 79 percent. Future reports will note whether this trend is one the City can expect in the era of health reform.

Homeless/Other patients have consistently represented approximately 12 percent of the total from FY 2012 to FY 2015, which is an increase from FY 2010 and 2011's 10 percent values. The "Other" category consists of patients who did not have a valid address in the hospital's financial system, which would

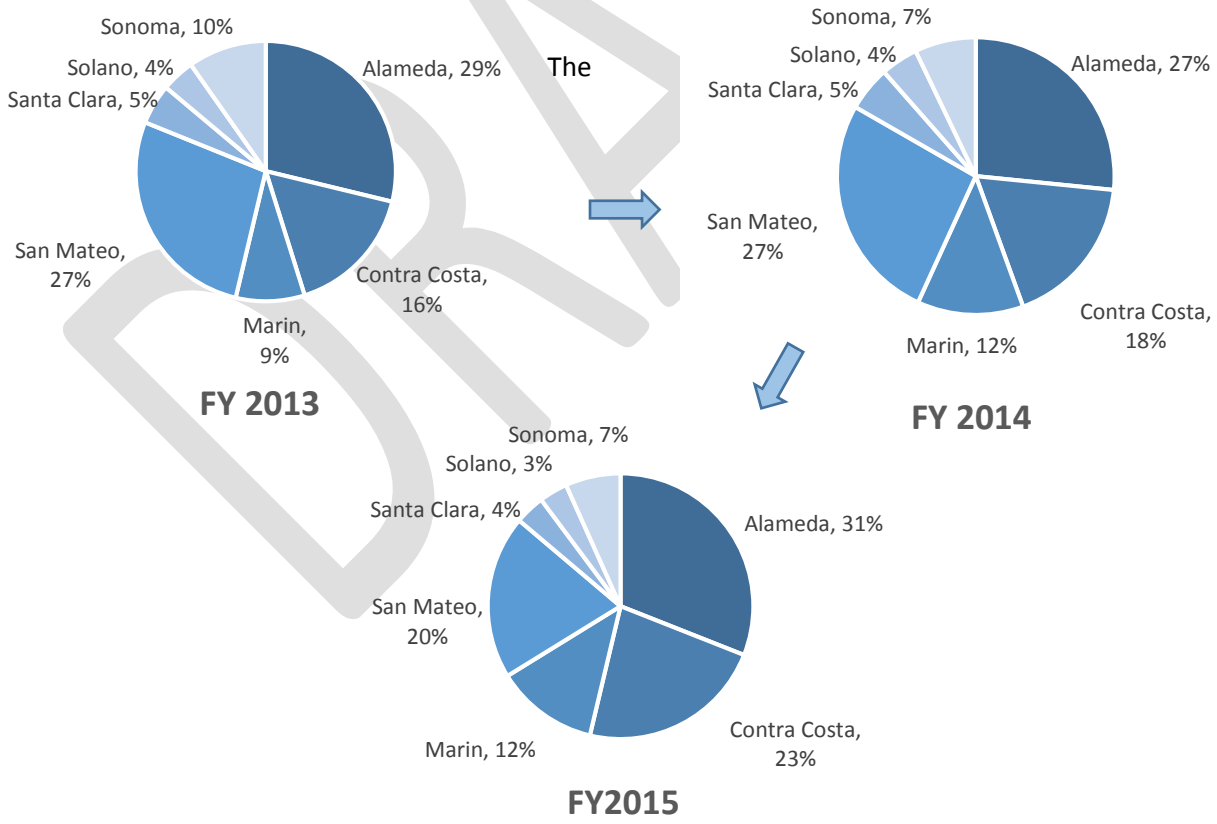
include homeless individuals, those with errors in their record, and some who provided inaccurate information. Unfortunately, the data for charity care utilization among the homeless more specifically cannot be captured accurately in this report because some hospitals do not identify patients using a standard homeless code in their registration systems. Finally, only a very small proportion of charity care patients resided outside of California (one percent) in FY 2015 and this has been the case throughout the history of this report.

So, taken together, this data indicates although the total number of traditional charity care patients has declined over time, probably due to enrollment in the HSF program and ACA-initiated insurance coverage both in San Francisco and in surrounding counties, San Francisco's collective pool of traditional charity care patients in the era of health reform may consist of:

- A greater proportion of San Franciscans,
- A decreased proportion of out-of-county residents and;
- A consistent proportion of homeless and out-of-state residents.

The next section focuses more specifically on traditional charity care patients in neighboring counties.

Figure 16: Reported Bay Area Place of Residence for Charity Care Patients, FY 2013 – FY 2015

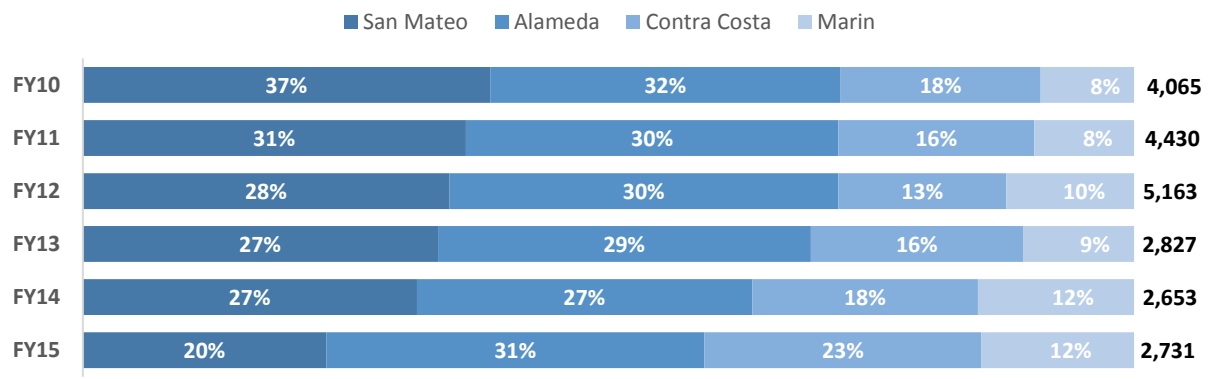


The above figure shows the percentage of traditional charity care patients with addresses in the seven greater Bay Area counties in FY 2015. Alameda and San Mateo counties consistently represented the

greatest proportion of charity care patients in San Francisco hospitals from 2010, representing56 percent of the total in FY 2013 and 54 percent in FY 2014. In FY 2015, Alameda and Contra Costa counties represented the greatest proportion of charity care patients in San Francisco hospitals, with 54 percent of the total patients. In terms of absolute numbers, between FY 2014 and FY 2015, the number of Alameda county residents increased from 847 to 932 individuals, San Mateo county residents decreased from843 to 633 individuals, and Contra Costa county residents increased from 569 to 720 individuals.

Similar to previous years, the analysis of FY2015 data shows that residents in the seven greater Bay Area counties received charity care, by and large, from ZSFG, UCSF, and CPMC. In FY2015, of the 3,238 charity care patients reporting zip codes in those seven counties, 1,293 (39.9 percent) received care at UCSF, 788 (24.3 percent) received care at ZSFG, and 546 (16.9 percent) at CPMC.UCSF surpassed ZSFGin caring for the largest proportion of out-of-county Bay Area charity care patients in FY 2014, and has continued that trend in FY 2015.

Figure 17: Bay Area Place Residents Receiving SF Charity Care from FY10-FY15



The above chart highlights the proportion of charity care patients in the four Bay Area counties closest to San Francisco. Unsurprisingly, it is from these four neighboring counties that San Francisco hospitals report seeing patients more frequently than any other non-San Francisco county.Between FY 2010 and FY 2012, there were steady increases in the number of such residents seeking traditional charity care services in San Francisco, but the number decreased sharply in 2013 and increased only slightly between 2014 and 2015. As suggested earlier, this sharp decrease may be due to other counties' health reform readiness activities that may have improved the services available to charity care patients and connected them to ACA-initiated care in areas closer to the patients' place of residence. These changes may also be due to adjustments in charity care policies at hospitals located within the other counties, or individuals who re-locate out of San Francisco but continue to patronize the same San Francisco hospital.

Section V – CONCLUSIONS

All hospitals in San Francisco are partners in maintaining the City's safety net – it cannot function without these partnerships. Traditional charity care programs, Healthy San Francisco, Medi-Cal and community wellness services are all critical elements of this safety net, even against the backdrop of the Affordable Care Act, and each hospital has a responsibility to play its role in preserving it. Moreover, each hospital's individual strengths and specialties can help to ensure that there is a City-wide approach to improving and maintaining the health of all San Franciscans.

A. Against the Backdrop of the Affordable Care Act, Charity Care has declined significantly in San Francisco

On January 1, 2014, through the Affordable Care Act, California opened its health insurance doors even wider by welcoming newly eligible individuals into the Medi-Cal program and offering insurance to others on the State-run health insurance marketplace, Covered California. This expansion of health insurance also had an effect on another critical element of the healthcare landscape across the Nation—charity care. It was thought that the demand for charity care programs would decrease, given that many individuals previously eligible for charity care programs would instead receive care through ACA-initiated Medicaid Expansion efforts (where available) and the health insurance exchanges.

Given the significant reduction in charity care patients across the Nation mostly likely due to the ACA, this prediction does appear to ring true in the past years of implementation. From FY 2014 to FY 2015, there has been a significant decline in the total number of charity care patients seeking services in hospitals across the City and County of San Francisco. With the decrease in charity care patients, expenditures have also declined as expected. The total number of patients served decreased by 38 percent, and expenditures decreased by 52.7 percent from FY 2014 to FY 2015. This decline patients and expenditures is greater than the previous decline from FY 2013 to FY 2014 and as mentioned above is likely due to the continued success of ACA implementation and successful efforts in San Francisco to enroll eligible individuals into health insurance coverage through Medi-Cal Expansion and Covered California.

B. A decline in the HSF charity care population is the primary driver of the overall decline in charity care

The impact of the ACA has been much more significantly felt within the HSF charity care program, as opposed to that of traditional charity care. The decline in HSF charity care patients and expenditures was significantly greater than the declines seen for traditional charity care. The HSF program caters to the uninsured via a medical home-based model, where a member is paired with a primary care provider at enrollment. This medical home-based model improves access to primary and coordinated care, and may also allow HSF patients to navigate the health insurance landscape in an easier way. Traditional charity care programs do not operate in this manner. Most services provided by traditional care are hospital-

based. The uninsured who seek traditional charity care tend to do so sporadically, i.e. after an acute care episode or emergency, which is also more costly than ongoing primary care. Traditional charity care patients may only have limited number of their touches with the health care system, and may experience greater difficulty navigating the landscape. Furthermore, many of the individuals who continue to seek traditional charity care services may be either ineligible or unable to receive coverage through ACA-initiated Medi-Cal and Covered California health plans.

Overall, therewill continue to be a real need for charity care programs in San Francisco. Moving forward, a targeted approach to addressing the future needs of charity care patients will be necessary.

C. Maintaining charity care is critical for the health care safety net in light of potential changes to the ACA in 2017

Since the ACA, approximately 90,000 San Franciscans enrolled in the Medi-Cal insurance after the expansion and 52,000 San Franciscans enrolled in health insurance through Covered California. Correspondingly, HSF enrollment has declined significantly, from a high of 52,000 to current enrollment of 14,000.However, it is important to note that an estimated 35,000 to 40,000 San Franciscans still remain uninsured, due to ineligibility or inaccessibility of health insurance. These individuals will continue to require and utilize charity care in San Francisco.

Furthermore, the uncertainty of the future of the ACA may have a significant impact on charity care programs as a crucial part of the health care safety net. The incoming presidential administration in 2017 has indicated that they intend to make significant changes to the ACA, including the possibility of repeal. A reduction in available health insurance options would correspond to an increased reliance on charity care. San Francisco's charity care ordinance provides a long history of charity care data since 2001 and a strong mechanism for tracking the impacts on charity care, if there are changes to the ACA.

FY 2015 CHARITY CARE REPORT: APPENDIX

Attachment 1: Charity Care Ordinance

Attachment 2: Local, State and Federal Reporting Requirements for Community Benefit and Charity Care

Attachment 3: Reporting Hospitals

Attachment 4: Hospital Charity Care Data for FY 2015

Attachment 5: Traditional Charity Care Applications by Hospital, FY 2011 to FY 2015

Attachment 6: Charity Care Unduplicated Patients by Hospital, FY 2011 to FY 2015

Attachment 7: Charity Care Expenditures by Hospital, FY 2011 to FY 2015

Amended in committee
6/26/01

FILE NO. 010142 ORDINANCE NO. 163-01

[Charity Care Policy Reporting and Notice Requirement.]

Ordinance amending the San Francisco Health Code by adding Sections 129-137 to authorize the Department Of Public Health to require hospitals to report on policies and amount of charity care provided and requiring patient notification of policies on charity care.

Note: Additions are *single-underline italics Times New Roman*;
deletions are ~~*strikethrough italics Times New Roman*~~.
Board amendment additions are double underlined.
Board amendment deletions are ~~strikethrough normal~~.

Be it ordained by the People of the City and County of San Francisco:

Section 1. Article 3 of the San Francisco Health Code is hereby amended by adding Sections 129-137, to read as follows:

Sec. 129. CHARITY CARE POLICY REPORTING AND NOTICE REQUIREMENT.

Declaration of policy. *It is the policy of the City and County of San Francisco that charity care—medical care provided to those who cannot afford to pay and without expectation of reimbursement—is a vital portion of community health care services. While San Francisco General Hospital is the primary provider of charity care services in San Francisco, private hospitals also have a responsibility to serve uninsured and poor patients. Nonprofit hospitals in particular have an obligation to provide community benefits in the public interest in exchange for favorable tax treatment by the government. It is essential that on an ongoing basis, the City and County of San Francisco evaluate the need for charity care in the community given the City's responsibility to provide care to indigents. To plan for the continuing fulfillment of this responsibility, the City needs information from the hospitals in San Francisco on each hospital's policies on the availability of and criteria for charity care. For planning purposes, the City also needs information on the amount of charity care provided by each hospital. Upon receipt of such information, the City can better fulfill its mandate to provide*

Supervisors Maxwell, Ammiano, Leno, Daly, Peskin
BOARD OF SUPERVISORS

care to indigents and fashion an appropriate response to unmet needs for charity care including the recommendation of budgetary, regulatory or other action at the State and Federal levels.

To maximize the access to charity care within the community and to enhance the health of the public by informing individuals of the availability of charity care, it is further the policy of the City and County of San Francisco that each hospital notify patients of that hospital's policies on charity care. Such notice shall include visually prominent multilingual postings explaining the hospital's policy on charity care. It shall also be the policy of the City and County of San Francisco to require hospitals when practicable, to verbally notify patients at the time of admission as to the availability of charity care and the process for applying or qualifying for such care.

Sec. 130. Definitions. *For purposes of Sections 129-137 of Article 3, certain words and phrases shall be construed as hereafter defined. Words in the singular include the plural, and words in the plural shall include the singular. Words in the present tense shall include the future. Masculine pronouns include feminine meaning and are not gender-specific.*

(a) Bad Debt. The term "Bad Debt" means the unpaid accounts of any person who has received medical care or is financially responsible for the cost of care provided to another, where such person has the ability to pay but is unwilling to pay.

(b) Charity Care. The term "Charity Care" means emergency, inpatient or outpatient medical care, including ancillary services, provided to those who cannot afford to pay and without expectation of reimbursement and that qualifies for inclusion in the line item "Charity-Other" in the reports referred to in Section 128740(a) of the California Health and Safety Code, after reduction by the Ratio of Costs-to-Charges.

(c) Cost. The term "Cost" means the actual amount of money a hospital spends to provide each service, but not the full list price charged by the hospital for that service.

(d) Department. The term "Department" means the Department of Public Health of the City and County of San Francisco.

(e) Director of Health. The term "Director of Health" includes the Director of Health or a designee.

(f) Hospital. The term "Hospital" includes every entity in San Francisco licensed as a general acute care hospital, as defined by Section 1250(a) of the California Health and Safety Code, other than hospitals exempt from taxation under Section 6.8-1 of the San Francisco Business and Tax Regulations Code. For purposes of Section 131, the term "Hospital" shall also not include hospitals owned and operated by a nonprofit system that does not provide a significant level of service on a fee-for-service basis and whose annual financial statement is consolidated with a nonprofit health maintenance organization, filed with the California Department of Managed Health Care.

(g) Policies. The term "policies" means the hospital's criteria and procedures on the provision of charity care including any criteria and procedures for patient and community notification of charity care availability, the application or eligibility proces, the criteria for determinations on eligibility for charity care and the appeal process on such determinations, and the hospital's internal accounting procedures for charity care.

(h) Ratio of Cost-to-Charge. The term "Cost-to-Charge" shall have the same meaning as that given by the Office of Statewide Health Planning and Development in the reports referred to in Section 128740(a) of the California Health and Safety Code and describes the relationship between the hospital's cost of providing services and the charge assessed by the hospital for the service.

Sec.131. Reporting to the Department of Public Health.

(a) Hospitals shall disclose to the Department of Public Health the following information in the form of reports to be filed annually with the Department within ~~*30 days of the end of the prior calendar year:*~~ 120 days after the end of each hospital's fiscal year

DM
6/26/02

1. The dollar amount of charity care provided during the prior year as specified by the Department, after adjustment by the Cost-to-Charge ratio. Each hospital shall file a calculation of its

Ratio of Costs-to-Charges with its report. Figures representing bad debt shall not be included in the amount reported.

2. The total number of applications, patient and third party requests for charity care, and the total number of hospital acceptances and denials for charity care received and decided during the prior year; the zip code of each patient's residence on each such acceptance and denial, and the number of individuals seeking, applying, or otherwise eligible for charity care who were referred to other medical facilities along with the identification of the facility to which the individuals were referred.

3. 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.

4. All charity care policies, including but not limited to explanations regarding the availability of charity care and the time periods and procedures for eligibility, application, determination, and appeal; any application or eligibility forms used, and the hospital locations and hours at which the information may be obtained by the general public.

5. Such other information as the Department shall require.

Sec. 132. Notification.

(a) During the admission process whenever practicable, hospitals shall provide patients with verbal notification as to the hospital's policies describing the availability of charity care and any process necessary to apply for charity care.

(b) Hospitals shall post multilingual notices as to any policies on charity care in several prominent locations within the hospital including, but not limited to the emergency department, billing office, waiting rooms for purposes of admissions, the outpatient area, and the inpatient area. Said notices shall be published in at least the following languages-- English, Spanish, and Chinese; and shall be clearly visible to the public from the location where they are posted.

Sec. 133. Authority to Adopt Rules and Regulations.

The Director may issue and amend rules, regulations, standards, or conditions to implement ~~and enforce~~ this ordinance. The Director is authorized to implement the provisions of this ordinance, including any rules, regulations, standards, or conditions issued hereunder.

Sec. 134. Enforcement. *Any hospital which fails to comply with the reporting or notification requirements specified in this ordinance or in the rules and regulations of the Department may be liable for a civil penalty, in an amount not to exceed $500 for each day the violation continues. The penalty shall be assessed and recovered in a civil action brought on behalf of the City and County of San Francisco. Any monies recovered pursuant to this section shall be deposited in the Treasury of the City and County San Francisco and appropriated for use by the Department of Public Health.*

Sec. 135. City Undertaking Limited To Promotion Of General Welfare. *In undertaking the adoption and enforcement of this ordinance, the City and County is assuming an undertaking only to promote the general welfare. It is not assuming, nor is it imposing on its officers and employees, an obligation for breach of which it is liable in money damages to any person who claims that such breach proximately caused injury.*

Sec. 136. Severability. *If any part or provision of this ordinance, or the application thereof to any person or circumstances, is held invalid, the remainder of the ordinance, including the application of such part or provision to the other persons, or circumstances, shall not be affected thereby and shall continue in full force and effect. To this end, provisions of this ordinance are severable.*

Sec. 137. Preemption. *Nothing in these sections shall be interpreted or applied so as to create any power, duty or obligation in conflict with any federal or state law.*

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Sec. 138. Annual Report to The Health Commission. *The Department shall make a report on an annual basis to the Health Commission on the information obtained from the hospitals for use including but not limited to future planning on the Department's provision of care to the community.*

APPROVED AS TO FORM:

LOUISE H. RENNE, City Attorney

By: _____
ALEETA M. VAN RUNKLE
Deputy City Attorney

City and County of San Francisco

Tails

Ordinance

City Hall
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102-4689

File Number: 010142 **Date Passed:**

Ordinance amending the San Francisco Health Code by adding Sections 129-137 to authorize the Department of Public Health to require hospitals to report on policies and amount of charity care provided and requiring patient notification of policies on charity care.

July 2, 2001 Board of Supervisors — PASSED ON FIRST READING
Ayes: 11 - Ammiano, Daly, Gonzalez, Hall, Leno, Maxwell, McGoldrick, Newsom, Peskin, Sandoval, Yee

July 9, 2001 Board of Supervisors — FINALLY PASSED
Ayes: 11 - Ammiano, Daly, Gonzalez, Hall, Leno, Maxwell, McGoldrick, Newsom, Peskin, Sandoval, Yee

File No. 010142

I hereby certify that the foregoing Ordinance was FINALLY PASSED on July 9, 2001 by the Board of Supervisors of the City and County of San Francisco.

Gloria L. Young
Clerk of the Board

JUL 20 2001

Date Approved

Mayor Willie L. Brown Jr.

Attachment 2: Community Benefit and Charity Care Reporting Requirements at the Local, State and Federal Levels

1. *Community Benefit Requirements*

A. Community Benefit Reporting Requirement

		SF	CA	US
A	Community Benefit Reporting Requirement	No	Yes *(4/1/96)*	Yes *(3/23/12)*

Local

None.

State

California law asserts that in order to receive favorable tax treatment by the government, there is a social obligation to provide community benefits. The definition of community benefits is particularly inclusive, and there is no required minimum level. Non-profit hospitals in California are required to submit community benefit plans on an annual basis, specifying the economic value of the community benefits that will be provided according to the plan.

Federal

In order to determine whether a nonprofit hospital's community benefit contributions are sufficient to support federal tax exemption, hospitals are required to report unreimbursed costs related to financial assistance, Medicaid, community health improvement services and community benefit operations, and other categories considered as benefits. This is done annually through IRS, Schedule H (Form 990).

The revision of Form 990 and the development of Schedule H grew out of Congressional attention and action in response to reports of some non-profit hospitals' billing and collections practices. It now requires non-profit hospitals to report information on:

- Charity care (financial assistance) and other community benefits
- Community building activities
- Medicare, bad debt and collection practices
- Management companies and joint ventures
- Facilities comprising the organization

B. Community Health Needs Assessment

		SF	CA	US
B	Community Health Needs Assessment	No	Yes *(7/1/96)*	Yes *(3/23/12)*

Local

None.

State

California's Hospital Community Benefit Program (HCBP) is a result of legislation passed in 1994 (SB 697). It states that private non-profit hospitals "*assume a social obligation to provide community benefits in the public interest"* in exchange for their tax-exempt status. It was the first law in California to emphasize the role of non-profit hospitals in relation to the communities they serve. Among other regulations, the HCBP requires hospitals to conduct a community needs assessment every three years. This may be done by the hospital on an individual basis, or in conjunction with other health care providers. Hospitals submit a copy of this plan to the Office of Statewide Health Planning and Development (OSHPD).

Federal

Similar to California's HCBP, the ACA requires that tax-exempt hospitals conduct a community health needs assessment (CHNA) at least once every three years. The CHNA requires hospitals to work with a broad representation of community members, community-based organizations, and those working in the local public health field.

C. Implementation Strategy (Community Benefit Plan)

		SF	CA	US
C	Implementation Strategy (Community Benefit Plan)	No	Yes *(4/1/96)*	Yes *(3/23/12)*

Local

None.

State

The HCBP also requires that hospitals develop a community benefit plan in consultation with community members on an annual basis and that they submit it to OSHPD. OSHPD has stated that the regulations based on SB 697 have encouraged hospitals to work collaboratively with community partners and provided a

framework for meaningful contributions by non-profit hospitals. This has certainly been the case in San Francisco, where the non-profit hospitals created the Building a Healthier San Francisco (BHSF) and the Community Benefits Partnership (CBP) collaboratives in 1994 and 2008, respectively, to improve community health and well-being in the spirit of the HCBP. These two collaboratives have proven to be a model of how hospitals and the communities they serve can benefit from active community benefit planning.

Federal

The ACA requires that tax-exempt hospitals adopt a strategy to determine goals and objectives to address the findings in the corresponding CHNA. Each tax-exempt hospital must report on Schedule H (Form 990) the strategies it is using to address the community health needs identified in each assessment conducted and, in the case of unaddressed needs, describe the reasons for this.

2. Charity Care Services Requirements

A. Maintain Financial Assistance Policy (charity care and discount payment policies)

		SF	CA	US
A	Maintain Financial Assistance Policy (FAP) (charity care and discount payment policies)	No	Yes *(1/1/07)*	Yes *(3/23/10)*

Local

None.

State

The California Hospital Fair Pricing Act (AB 774 of 2006) was developed to address and lessen the impact of high medical costs on the un- and underinsured needing health care in California. It requires that hospitals have written policies regarding discounted payments and charity care for "*financially qualified patients*" and authorizes a hospital to negotiate payment plans with them. AB 774 requires that hospitals offer charity care discounts or free care to individuals in households making less than 350 percent FPL, who are also either uninsured or insured with high medical costs. A person with "high medical costs" was previously defined as a person "whose family income does not exceed 350 percent of the [FPL] and who does not receive a discounted rate from the hospital or physician as a result of 3rd party coverage."[21]

Effective January 1, 2015, SB 1276 was enacted in response to the notion that though many individuals may become newly eligible for coverage on the State's Covered California marketplace, some of the plans offered may also introduce high out-of-pocket costs for consumers. To address this concern, the law revises AB 774 and AB 1503 to alter the definition of an individual with "high medical costs" to include even those who do receive a discounted rate from a hospital as a result of 3rd party coverage. The law also further defined a

[21] *See* text of SB 1276, available at http://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=201320140SB1276.

negotiated payment plan as one that must consider a patient's family income and essential living expenses in the payment negotiation process. Finally, the law also requires that a hospital obtain information as to whether a particular patient may be eligible for insurance on the California Health Benefit Exchange and provide information regarding possible eligibility for the Exchange or another state or county health coverage program. Hospitals all revised their policies and submitted them to Office of Statewide Health Planning and Development by January 1, 2015.

A previous 2011 law (AB 1503) amended the Hospital Fair Pricing Act to extend these regulations to non-profit hospital-based emergency departments. Emergency room physicians are required to provide charity care services in a manner similar to hospitals.

Federal

The ACA requires that non-profit hospitals develop a Financial Assistance Policy (FAP) that is widely publicized by the hospital and specifies the following:

- Eligibility criteria for financial assistance, and whether such assistance includes free or discounted care;
- The basis for calculating amounts that will be billed to patients who qualify for discounted care under the policy;
- The method for applying for financial assistance; and
- If the hospital does not have a separate policy on billing and collections, the actions the hospital may take in the event of non-payment, including collections action and reporting to credit agencies.

The hospital must have a similar policy related to hospital-based emergency care.

B. Limitations on Charges, Billing, and Collection

		SF	CA	US
B	Limitations on Charges, Billing, and Collection	No	Yes *(1/1/07)*	Yes *(3/23/10)*

Local

None.

State

Non-profit hospitals are limited in the amounts they may charge patients with income below 350 percent of the FPL. In addition, these hospitals may not report adverse information to a consumer credit reporting agency for patients meeting the requisite criteria (uninsured and/or facing high medical costs) nor may the hospital pursue action against the patient in civil court. The law also includes protections related to a patient's property rights and limits on hospital payment practices.

Federal

The ACA requires each tax-exempt hospital to limit amounts charged for emergency or other medically necessary care provided to patients eligible under the FAP to not more than the amounts generally billed to patients who have insurance covering such care. Hospitals may not use gross charges in determining amounts charged to patients who qualify for financial assistance. In addition, non-profit hospitals may not engage in "extraordinary collection actions" before it has made "reasonable efforts" to determine whether a patient is eligible for financial assistance under the hospital's policy.

C. Report Financial Assistance Policy (charity care and discount payment policies)

		SF	CA	US
C	Report Financial Assistance Policy (charity care and discount payment policies)	Yes *(7/20/01)*	Yes *(1/1/08)*	No

Local

San Francisco's Charity Care Ordinance requires that non-profit hospitals report information related to their FAP. San Francisco's Health Code, Section 129 through 138, focuses on the Charity Care Policy Reporting and Notice Requirement. The list of information that hospitals are required to report to the San Francisco Department of Public Health (DPH) annually, specifies the following:

> *"All charity care policies, including but not limited to explanations regarding the availability of charity care and the time periods and procedures for eligibility, application, determination, and appeal; any application or eligibility forms used, and the hospital locations and hours at which the information may be obtained by the general public".*[22]

State

The state's Hospital Fair Pricing Act, not unlike San Francisco's Charity Care Ordinance, focuses much of its requirements on reporting and public dissemination of charity care-related information. It requires that non-profit hospitals:

- 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.

[22] SF Health Code, Section 131. Reporting to the Department of Public Health. http://www.hospitalcouncil.net/sites/main/files/file-attachments/1_charity_care_policy_reporting_sec_129_.pdf

To ensure compliance with the Act, California's Office of Statewide Hospital Planning and Development (OSHPD) requires reporting every other year. Hospitals must include their:

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

This information is made publicly accessible on the OSHPD website.

Federal

None.

D. Report levels and types of charity care provided annually

		SF	CA	US
D	Report levels and types of charity care provided annually	Yes *(7/20/01)*	No	Yes *(12/20/07)*

Local

In conjunction with the reporting of FAP policies, local non-profit hospitals are required to quantify and report the details regarding the charity care services provided in the course of the hospital's fiscal year. All hospitals in San Francisco report charity care services to DPH annually, including those not required to do so. The data collected for FY2015 is contained in this report by the required hospitals, as well as the hospitals that report voluntarily. (See Attachment A in Appendix for the charity care data reported by hospitals and the categories required by the Charity Care Ordinance.)

State

None.

Federal

To meet community benefit requirements set forth in the ACA, hospitals use Schedule H (Form 990) to provide information on charity care-related activities, among other, similar activities provided to establish a hospital's tax-exempt status. This form requires hospitals to quantify a significant number of charity care services, including, but not limited to the following:

- Amount of gross patient charges written off under financial assistance policies;
- Ratio of patient care cost to charges; and
- The cost of Medicaid and other means-tested government health programs.

E. Annual report of hospital charity care to be compiled and prepared by governing agency

		SF	CA	US
E	Report of hospital charity care to be compiled and prepared by governing agency	Yes *(7/20/01)*	No *(1/1/07)*	Yes *(3/23/10)*

Local

As noted, all San Francisco hospitals work closely with DPH on charity care and community benefit-related projects. As required by the Charity Care Ordinance, DPH has been producing a report from the data collected since the first one in 2002. The Charity Care report is presented each year to the Health Commission, shared with the Board of Supervisors, and made public through the DPH website and the San Francisco Public Library. Because San Francisco was an early adopter of charity care reporting regulations, the federal government was able to identify best practices, which informed some of the ACA's rules on this subject.

State

None.

Federal

The ACA requires the Treasury Department, in consultation with the Department of Health and Human Services (HHS), to prepare an annual report for several Congressional committees. The reports must include:

- Levels of charity care;
- Bad-debt expenses;
- Unreimbursed costs for services provided with respect to means-tested and non-means-tested government programs[23]; and
- Costs incurred for community benefit activities.

Furthermore, in five years from the March 2010 effective date, the Treasury and HHS must provide Congress with a report on charity care and community benefit-related trends. This data is compiled on the IRS website and notes the aforementioned information, but it is not clear at this time whether this data will be compiled into a written report, but for FY 2015, no report has yet been available.

[23]Means-tested government programs include Medicaid and S-CHIP; non-means-tested government programs include Medicare and TRICARE.

F. Review of tax exempt status by the Treasury at least once every three years

		SF	CA	US
F	Mandatory review of tax exempt status by Sec. of the Treasury at least once every 3 years	No	No	Yes *(3/23/10)*

Local

None.

State

None.

Federal

The ACA mandates that the Secretary of the Treasury review, at least once every three years, information about each section 501(c)(3) hospitals' community benefit activities (currently reported on Schedule H, Form 990). It also requires each tax exempt hospital to file with Form 990 a copy of its audited financial statements. Hospitals that fail to meet the new requirements can lose their tax exemptions. In addition, the ACA provides for the imposition of a $50,000 excise tax on hospitals that fail to conduct the required community health needs assessment in any applicable three-year period.[24]

[24] Wiggin and Dana law firm, blog posting, "*New Requirements for Tax Exempt Hospitals*," July 8, 2010; http://www.wiggin.com/12308 (accessed 10/31/13).

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 a vital community hospital serving underinsured residents in the South-of-Market districts. St. Luke's Campus also has one of the busiest emergency departments in the City.

These four locations have a total of 1,059 licensed beds (831 at Pacific/California/Davies, 228 at St. Luke's) and 817 active beds (643 at Pacific/California/Davies, 174 at St. Luke's). In addition to the acute-care hospital, CPMC manages some 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 12,000 patients. The Family Health Center (California Campus) provides pediatric, adult, and women's services utilizing medical preceptors and residents. CPMC also maintains partnerships with nonprofit health care providers such as Lions Eye Foundation, Operation Access, and North East Medical Services to give uninsured patients access to necessary services through charity care.

CPMC also provides access to health services for Medi-Cal recipients through its Medi-Cal Managed Care partnerships, serving as the hospital provider for Medi-Cal beneficiaries who select North East Medical Services, Hill Physicians, or Brown & Toland as their medical group through San Francisco Health Plan. Since 2014, CPMC has expanded these partnerships to accommodate patients newly insured through the Affordable Care Act, assuming responsibility for thousands of new Medi-Cal Managed Care beneficiaries. CPMC is now the in-network hospital provider for one in three San Francisco Health Plan members.

FY 2013 – FY 2015 CPMC Patient Population and Services

	2013	2014	2015
Adjusted patient days	221,852	225,865	224,346
Outpatient visits	389,560	372,114	455,110
Emergency service visits	53,197	52,288	55,968

FY 2013 – FY 2015 and FY14 St. Luke's Patient Population and Services

	2013	2014	2015
Adjusted patient days	44,527	42,115	49,308
Outpatient visits	49,641	39,850	54,155
Emergency service visits	26,948	25,093	26,030

Located in Chinatown, Chinese Hospital was established in 1929 and primarily serves San Francisco's Chinese community. The stand-alone acute care, community-owned, non-profit 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 and Excelsior neighborhoods of San Francisco and in 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 bilingual healthcare services in both Chinese and English. Approximately 95 percent of patients are from San Francisco and five percent are from outside San Francisco. The vast majority (80 percent) 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 its small size. (To qualify for DSH, hospitals must have at least 100 licensed beds.) More than ten 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, which started on July 1, 2007, Medi-Cal, Healthy Families, and Healthy Kids. Chinese Hospital also sponsors a non-profit private agency, the Chinese Community Health Resource Center (CCHRC), which provides linguistically and culturally sensitive community education, wellness programs, and counseling services.

FY 2013 –FY 2015 CHASF Patient Population & Services

	2013	2014	2015
Adjusted patient days	30,759	28,155	26,853
Outpatient visits	68,392	78,691	80,239
Emergency service visits	4,449	4,787	4,985

Saint Francis Memorial Hospital (SFMH), established in 1906, is a general adult medical/surgical hospital in downtown San Francisco with 150 staffed beds and 257 licensed beds. It is a non-profit hospital, required by City Ordinance to report Charity Care data, and an affiliate member of the Dignity Health 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 Bothin Burn Center, the only burn center in the San Francisco Bay Area verified by the American Burn Association and the American College of Surgeons, Trauma Division. 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 AT&T Park, and Sports Medicine Services at clinics in San Francisco and Walnut Creek. The hospital also serves the community through its Emergency Department, its partnership with Tenderloin Health Services at Glide and programs with other primary care clinics in the Tenderloin neighborhood. SFMH has served many Healthy San Francisco patients since the program's inception through its Emergency Department and its relationship with Glide Health Services and remains committed to this program.

Saint Francis Memorial Hospital and the Saint Francis Foundation partner to serve the community through their work in the Tenderloin Health Improvement Partnership (TLHIP). Using a collective impact approach to addressing the social determinants of health TLHIP aims to improve health of Tenderloin residents.

FY 2013 – FY 2015 SFMH Patient Population and Services

	2013	2014	2015
Adjusted patient days	48,827	49,042	51,017
Outpatient visits	127,590	120,235	116,242
Emergency service visits	28,679	28,086	33,792

St. Mary's Medical Center (SMMC) has cared for the people of the San Francisco Bay Area since its founding in 1857 by the Sisters of Mercy. A member of Dignity Health, SMMC is a 501(c)(3) not-for-profit hospital. As such, it is mandated by San Francisco local ordinance to provide annual Charity Care data. The hospital and Sr. Mary Philippa Health Center are located in the Western Addition neighborhood. Its main site is located on the corner of Hayes and Stanyan Streets.

St. Mary's Medical Center's mission is to deliver compassionate, high-quality, affordable health services to our sisters and brothers who are poor and disenfranchised and to advocate on their behalf. SMMC is committed to partnering with others in the community to improve quality of life in San Francisco. SMMC sponsors and operates the Sr. Mary Philippa Health Center serving over 3,900 patients annually for internal medicine, specialty, and subspecialty care. SMMC began its formal affiliation with HSF in July of 2008 and began enrolling patients in September of that year and serves as a medical home for 1,276 patients providing primary and specialty care as well as diagnostic and inpatient services.

A fully accredited teaching hospital in the heart of San Francisco, it has 403 licensed beds, 1102 employees, 532 physicians and credentialed staff, and 254 volunteers. For 157 years, St. Mary's has built a reputation for quality, personalized care, patient satisfaction, and exceptional clinical outcomes. Our Centers of Excellence include Total Joint Center, Spine Center, Oncology, Outpatient Therapies, Acute Physical Rehabilitation, and Cardiology. St. Mary's Breast Imaging Services has been designated as a Breast Center of Excellence by the American College of Radiology and our Cancer Program is accredited with commendation by the American College of Surgeons Commission on Cancer. Becker's Hospital Review named us as one of America's 100 hospitals with outstanding orthopedic programs.

We offer a full range of diagnostic services and a 24 hour Emergency Department. Surgical specialties include general, orthopedic, ophthalmology, podiatric, plastic, cardiovascular, and gynecologic surgery. St. Mary's is certified as an Advanced Primary Stroke Center by The Joint Commission and we received the stroke care excellence award. We are one of only two San Francisco hospitals designated as a Blue Distinction® Center from Blue Cross in Knee and Hip Replacement. Health Grades awarded us a Distinguished Hospital Award for Clinical Excellence and named us one of America's 100 top hospitals for General Surgery, Stroke Care, Gastrointestinal Care and Gastrointestinal Medical Treatment. We have the only Adolescent Psychiatric inpatient and day treatment units in our service area. Patients in need of financial assistance are cared for in every department, and our financial counselors help direct them to appropriate assistance including charity care.

FY 2013 – FY 2015 SMMC Patient Population and Services

	2013	2014	2015
Adjusted patient days	51,125	46,305	46,958
Outpatient visits	156,598	121,315	120,742
Emergency service visits	14,485	14,458	19,068

Kaiser Permanente: Kaiser Foundation Hospital, San Francisco (KFH-SF)

Kaiser Permanente is committed to helping shape the future of health care, and is recognized as one of America's leading nonprofit health care providers with hospitals, physicians, and health plan working together in one integrated health care system. Founded in 1945, Kaiser Permanente's mission is to provide high-quality, affordable health care services, and to improve the health of our members and the communities we serve. We currently serve almost 11 million members in eight states and the District of Columbia.

Care for our members is focused on their total health and guided by their personal physicians, specialists and team of caregivers. Our medical teams are empowered and supported by industry-leading technology advances and tools for health promotion, disease prevention, care delivery, and chronic disease management. Kaiser Permanente is dedicated to care innovations, clinical research, health education, and the support of community health.

In 1948, Kaiser Permanente opened a 35-bed hospital in Potrero Hill before constructing a much larger hospital six years later at 2425 Geary Blvd. In 2001, this facility became the first hospital in San Francisco to meet the state's 2030 earthquake safety standards. The hospital has 247 licensed beds and is a Joint Commission Certified Primary Stroke Center as part of our integrated health care system. Kaiser Permanente also operates medical office buildings and clinics in San Francisco at the Geary and French campuses, and opened a new state-of-the art facility in Mission Bay in 2016.

The Medical Center has over 600 physicians and more than 3,500 nurses and staff who provide culturally competent care to over 225,000 members in San Francisco. The Department of Medicine includes both Chinese and Spanish bilingual modules, and Linguistic and Cultural Services offers interpretation services in 56 languages.

As an integrated system of hospitals, physicians and health plan, Kaiser Permanente is a voluntary reporter for San Francisco's charity care ordinance, however Kaiser Foundation Hospital – San Francisco's reported to the state that we provided over $28.4 million in Community Benefit support in 2015, including $16.6 million in free or subsidized medical care for vulnerable populations.

FY 2013 –FY 2015 KFH-SF Patient Population and Services

	2013	2014	2015
Adjusted patient days	52,611	53,558	60,642
Outpatient visits	25,573	26,988	27,526
Emergency service visits	33,179	34,245	36,318

Zuckerberg San Francisco General Hospital (ZSFG)

Zuckerberg San Francisco General Hospital (ZSFG) 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 451 budgeted beds and 645 licensed beds. ZSFG is owned by the City and County of San Francisco and is a component of the DPH. ZSFG reports charity care data on a voluntary basis for the purposes of this report.

ZSFG 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, ZSFG 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 ZSFG's emergency room for care.

ZSFG 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.

San Francisco Health Network operates five primary care clinic centers on the ZSFG campus: the Adult Medical Center (which includes the Positive Health Center and General Medicine Clinic), Women's Health Center, Children's Health Center, Family Health Center, and Urgent Care Center. In addition, there is a network of affiliated community clinics spread throughout San Francisco, in neighborhoods with the greatest need for access. ZSFG 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. ZSFG is recognized as a DSH by the California state and a federal government, meaning that it provides care to a disproportionate share of Medi-Cal and the uninsured.

FY 2013 –FY 2015ZSFGPatient Population and Services

	2013	2014	2015
Adjusted patient days	197,862	176,859	167,308
Outpatient visits	594,777	641,111	606,467
Emergency room visits	72,940	79,535	75,632

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 University of California system in 1873. UCSF Medical Center, including UCSF Benioff Children's Hospital, is part of UCSF and is a non-profit hospital affiliated with the UC system. Consequently, it 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 tertiary care referral center with three major sites (Parnassus Heights, Mount Zion and Mission Bay). UCSF Medical Center at Parnassus is a 600 bed hospital and is home to UCSF's health sciences schools. UCSF Medical Center at Mount Zion is a hub of specialized clinics and surgery services. On February 1, 2015, UCSF opened the UCSF Medical Center at Mission Bay, which houses three state-of-the-art hospitals. UCSF Benioff Children's Hospital San Francisco has 183-beds and serves all pediatric specialties. UCSF Bakar Cancer Hospital has 70 adult beds and serves patients with orthopedic urologic, gynecologic, head and neck and gastrointestinal and colorectal cancers. The UCSF Betty Irene Moore Women's Hospital, which serves women of reproductive age to menopause and beyond features a 36-bed birth center.

UCSF Medical Center and UCSF Benioff Children's Hospital are world leaders in health care, with the Medical Center consistently ranking among the nation's best by US News & World Report. UCSF's expertise covers all major 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 from throughout California, Nevada, and the Pacific Northwest, as well as from all San Francisco neighborhoods and abroad. In addition to its Affiliation Agreement with the City and County of San Francisco to provide physicians at ZSFG, in order to meet the needs of the City's most vulnerable populations, UCSF has established clinics around San Francisco and provides staff for other existing clinics, including:

-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, with approximately 90 percent of patients at this clinic having incomes 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 per year. UCSF Medical Center has provided emergency care and radiological services for HSF enrollees since the program began enrolling members in summer 2007.

FY 2013 – FY 2015 UCSFMC Patient Population and Services

	2013	2014	2015
Adjusted patient days	282,502	290,350	310,566
Outpatient visits*	861,313	921,393	1,016,359
Emergency service visits*	37,905	42,295	49,114

* 2013 and 2014 Outpatient and Emergency visit data have been updated to match methodology for 2015.

Attachment 4: Hospital Charity Care Data for FY 2015

Charity Care Hospital Data FY 2015

	CPMC	St. Luke's	Chinese	Saint Francis	St. Mary's		KFH-SF	ZSFG	UCSF
Data Categories	2015	2015	2015	2014-15	2014-15		2015	2014-15	2014-15
Cost of Charity Care Provided									
Non-HSF Charity Care Costs	7,381,505	$1,147,353	$225,661	$4,712,714	$1,620,265		$2,730,278	$35,798,805	$6,504,960
HSF Charity Care Costs	$282,300	$156,966	$0	$697,288	$819,576		$816,160	$21,100,312	$237,561
Total	$7,663,805	$1,304,319	$225,661	$5,410,002	$2,439,841		$3,546,438	$56,899,117.00	$6,742,521
Applications for Charity Care									
Total # of Apps Accepted	2,437	1,042	228	1291	222		3,062	21,905	8,040
Total # of Applications Denied	159	42	0	66	40		924	5,953	639
Total	2,596	1,084	228	1,357	262		4,814	27,858	8,679
Referred to Other Facilities	none	none	none	none	none		none	none	none
Unduplicated/Individual CC Recipients									
Total Unduplicated CC Patients (HSF)	107	135	0	639	492		698	16,619	39
Total Unduplicated Patients (Non-HSF)	2,437	1,042	228	3108	1,427		3,329	28,728	1,733
Emergency (HSF)	42	128	0	222	143		234	1,676	13
Emergency (Non-HSF)	1,491	1,007	17	2,533	954		1,353	5,254	305
Inpatient (HSF)	7	4	0	17	11		38	354	18
Inpatient (Non-HSF)	133	22	17	190	77		790	1,660	767
Outpatient (HSF)	68	11	0	400	413		675	15,716	8
Outpatient (Non-HSF)	1,023	62	208	385	478		2,896	23,591	844
Costs & Charges									
Gross Patient Revenue	$3,562,286,754	$587,605,453	219,412,792	877,214,299	857,799,158			2,551,741,666	9,933,461,000
Total Other Operating Revenue	$89,066,208	$2,256,946	7,341,651	2,816,101	5,004,387			86,678,880	31,197,000
Total Operating Expenses	$1,123,915,675	$146,210,185	114,814,440	214,769,116	224,579,614			801,730,508	2,614,878,000
Cost-to-Charge Ratio	29.10%	24.50%	48.98%	24.39%	25.60%			28.00%	26.01%
Medi-Cal Shortfall	$65,037,619	$36,641,821	$633,589	$19,285,535	$22,193,118		$13,068,153	$108,563,783	$70,374,000

Attachment 5: Traditional Charity Care Applications by Hospital, FY 2011 to FY 2015

Traditional Charity Care Applications & Patients FY 2015				
Reporting Hospitals	**Accepted**	**Denied**	**Total**	**Unduplicated Patients**
CPMC	2,437	159	2,596	2,437
St. Luke's	1,042	42	1,084	1,042
Chinese	228	0	228	228
Saint Francis	1,291	66	1,357	3,108
St. Mary's	222	40	262	1,427
Kaiser	3,062	924	3,986	3,329
ZSFG	21,905	5,953	27,858	28,728
UCSF	8,040	639	8,679	1,733
Total	**38,227**	**7,823**	**46,050**	**42,032**

8.0% decrease from FY 14 to FY 15

Traditional Charity Care Applications & Patients FY 2014				
Reporting Hospitals	**Accepted**	**Denied**	**Total**	**Unduplicated Patients**
CPMC	2,818	299	3,117	2,818
St. Luke's	1,210	101	1,311	1,210
Chinese	682	0	682	164
Saint Francis	2,161	--	2,161	2,161
St. Mary's	1,096	42	1,138	1,428
Kaiser	3,275	902	4,673	3,352
ZSFG	29,121	5,977	35,098	31,047
UCSF	14,706	139	14,845	3,376
Total	**55,069**	**7,460**	**63,025**	**45,556**

6.9% decrease from FY 13 to FY 14

Traditional Charity Care Applications & Patients FY 2013				
Reporting Hospitals	**Accepted**	**Denied**	**Total**	**Unduplicated Patients**
CPMC	4,105	433	4,538	4,105
St. Luke's	2,329	213	2,542	2,329
Chinese	719	0	719	246
Saint Francis	2,098	3	2,101	1,476
St. Mary's	349	3	352	1,053
Kaiser	2,554	548	3102	2,958
ZSFG	27,184	12,670	39,854	33,762
UCSF	10,081	638	10,719	2983
Total	**49,419**	**14,508**	**63,927**	**48,912**

9.5% decrease from FY 12 to FY 13

Traditional Charity Care Applications & Patients FY 2012				
Reporting Hospitals	**Accepted**	**Denied**	**Total**	**Unduplicated Patients**
CPMC	4,419	716	5,135	4,419
St. Luke's	2,679	263	2,942	2,679
Chinese	513	0	513	513
Saint Francis	860	25	885	1,417
St. Mary's	449	10	459	1,260
Kaiser	2,658	494	3,152	2,488
ZSFG	31,011	12,784	43,795	38,630
UCSF	7,055	454	7,509	2,646
Total	**49,644**	**14,746**	**64,390**	**54,052**

7.3% decrease from FY 11 to FY 12

Traditional Charity Care Applications & Patients FY 2011				
Reporting Hospitals	**Accepted**	**Denied**	**Total**	**Unduplicated Patients**
CPMC	7,347	361	7,708	7,347
St. Luke's	3,440	49	3,489	3,440
Chinese	308	0	308	308
Kaiser	1,769	456	2,225	2,766
Saint Francis	765	24	789	1,247
St. Mary's	523	0	523	710
UCSF	3,397	0	3,397	3,353
ZSFG	35,710	13,375	49,085	39,137
Total	**53,259**	**14,265**	**67,524**	**58,308**

10.7% decrease from FY 10 to FY 11

Traditional Charity Care Applications & Patients FY 2010				
Reporting Hospitals	**Accepted**	**Denied**	**Total**	**Unduplicated Patients**
CPMC	6,810	524	7,334	6,810
St. Luke's	2,585	121	2,706	2,585
Chinese	316	0	316	310
Kaiser	1,327	270	1,597	267
Saint Francis	885	25	910	1,715
St. Mary's	918	0	918	918
UCSF	2,457	0	2,457	2,402
ZSFG	54,148	12,437	66,585	50,298
Total	**69,446**	**13,377**	**82,823**	**65,305**

Attachment 6: Charity Care Unduplicated Patients by Hospital, FY2011 to FY2015

Charity Care Unduplicated Patients FY 2015 - HSF & Traditional Charity Care					
	Non-HSF	Non-HSF %	HSF	HSF %	Total
CPMC	2,437	95.8%	107	4.2%	**2,544**
St. Luke's	1,042	88.5%	135	11.5%	**1,177**
Chinese	228	100.0%	0	0.0%	**228**
Saint Francis	2,975	83.3%	596	16.7%	**3,571**
St. Mary's	1,427	74.4%	492	25.6%	**1,919**
Kaiser	3,329	82.7%	698	17.3%	**4,027**
ZSFG	28,728	63.4%	16,619	36.6%	**45,347**
UCSF	1,733	97.8%	39	2.2%	**1,772**
Total	**41,899**	**95.8%**	**18,686**	**4.2%**	**60,585**

37.7% decrease from FY 14 to FY 15

Charity Care Unduplicated Patients FY2014 - HSF & Traditional Charity Care					
	Non-HSF	Non-HSF %	HSF	HSF %	Total
CPMC	2,818	86%	463	14%	**3,281**
St. Luke's	1,210	82%	259	18%	**1,469**
Chinese	164	72%	63	28%	**227**
Saint Francis	2,161	53%	1,943	47%	**4,104**
St. Mary's	1,428	51%	1,390	49%	**2,818**
Kaiser	3,352	65%	1,792	35%	**5,144**
ZSFG	31,047	40%	45,733	60%	**76,780**
UCSF	3,376	100%	11	0%	**3,387**
Total	**45,556**	**47%**	**51,654**	**53%**	**97,210**

11.8% decrease from FY13 to FY14

Charity Care Unduplicated Patients FY2013 - HSF & Traditional Charity Care					
	Non-HSF	Non-HSF %	HSF	HSF %	Total
CPMC	4,105	79%	1,111	21%	**5,216**
St. Luke's	2,329	72%	909	28%	**3,238**
Chinese	246	74%	87	26%	**333**
Saint Francis	1,476	41%	2,098	59%	**3,574**
St. Mary's	1,053	41%	1,503	59%	**2,556**
Kaiser	2,958	53%	2,582	47%	**5,540**
ZSFG	33,762	39%	52,886	61%	**86,648**
UCSF	2,983	94%	184	6%	**3,167**
Total	**48,912**	**44%**	**61,360**	**56%**	**110,272**

2.5% decrease from FY12 to FY13

Charity Care Unduplicated Patients FY2012 - HSF & Traditional Charity Care					
	Non-HSF	Non-HSF %	HSF	HSF %	Total
CPMC	4,419	80%	1,087	20%	**5,506**
St. Luke's	2,679	81%	631	19%	**3,310**
Chinese	513	84%	98	16%	**611**
Saint Francis	1,417	41%	2,013	59%	**3,430**
St. Mary's	1,260	44%	1,585	56%	**2,845**
Kaiser	2,488	48%	2,663	52%	**5,151**
ZSFG	38,630	43%	50,834	57%	**89,464**
UCSF	2,646	95%	142	5%	**2,788**
Total	**54,052**	**48%**	**59,053**	**52%**	**113,105**

3.8% decrease from FY11 to FY12

Charity Care Unduplicated Patients FY2011 - HSF & Traditional Charity Care					
	Non-HSF	Non-HSF %	HSF	HSF %	Total
CPMC	7,347	91%	728	9%	**8,075**
St. Luke's	3,440	92%	291	8%	**3,731**
Chinese	308	78%	87	22%	**395**
Saint Francis	1,247	40%	1,872	60%	**3,119**
St. Mary's	710	33%	1,428	67%	**2,138**
Kaiser	2,766	63%	1,604	37%	**4,370**
ZSFG	39,137	42%	53,118	58%	**92,255**
UCSF	3,353	98%	76	2%	**3,429**
Total	**58,308**	**50%**	**59,204**	**50%**	**117,512**

12.4% increase from FY10 to FY11

Charity Care Unduplicated Patients FY 2010 - HSF & Traditional Charity Care					
	Non-HSF	Non-HSF %	HSF	HSF %	Total
CPMC	6,810	97%	213	3%	**7,023**
St. Luke's	2,585	93%	193	7%	**2,778**
Chinese	310	77%	93	23%	**403**
Saint Francis	1715	41%	2904	59%	**4,619**
St. Mary's	918	42%	1,293	58%	**2,211**
Kaiser	267	9%	2,560	91%	**2,827**
ZSFG	50,298	54%	31,907	46%	**82,205**
UCSF	2,402	98%	55	2%	**2,457**
Total	**65,305**	**62%**	**39,218**	**38%**	**104,523**

Attachment 7: Charity Care Expenditures by Hospital, FY2011 to FY2014

Charity Care Expenditures FY 2015 – HSF & Traditional Charity Care			
Reporting Hospital	**Non-HSF (Traditional)**	**HSF**	**Total Charity Care**
CPMC	$7,381,505	$282,300	$7,663,805
St. Luke's	$1,147,353	$156,966	$1,304,319
Chinese	$225,661	$0	$225,661
Saint Francis	$4,712,714	$697,288	$5,410,002
St. Mary's	$1,620,265	$819,576	$2,439,841
Kaiser	$2,730,278	$816,160	$3,546,438
ZSFG	$35,798,805	$21,100,312	$56,899,117
UCSF	$6,504,960	$237,561	$6,742,521
Total	**$60,121,541**	**$24,110,163**	**$84,231,704**

52.7% decrease from FY 14 to FY 15

Charity Care Expenditures FY 2014 – HSF & Traditional Charity Care			
Reporting Hospital	**Non-HSF (Traditional)**	**HSF**	**Total Charity Care**
CPMC	$7,387,137	$1,378,495	$8,765,632
St. Luke's	$1,857,462	$595,844	$2,453,306
Chinese	$1,216,987	$1,909,418	$3,126,405
Saint Francis	$4,342,712	$4,337,442	$8,680,154
St. Mary's	$1,063,680	$4,028,096	$5,091,776
Kaiser	$3,174,015	$1,803,733	$4,977,748
ZSFG	$49,575,970	$80,695,651	$130,271,621
UCSF	$14,513,477	$73,631	$14,587,108
Total	**$83,131,440**	**$94,822,310**	**$177,953,750**

10.7% decrease from FY13 to FY14

Charity Care Expenditures FY2013 – HSF & Traditional Charity Care			
Reporting Hospital	**Non-HSF (Traditional)**	**HSF**	**Total Charity Care**
CPMC	$10,705,757	$7,207,411	$17,913,168
St. Luke's	$4,100,620	$3,746,893	$7,847,513
Chinese	$777,068	$1,555,395	$2,332,463
Saint Francis	$4,338,209	$5,731,758	$10,069,967
St. Mary's	$1,694,849	$4,489,450	$6,184,299
Kaiser	$2,182,703	$2,555,849	$4,738,552
ZSFG	$41,651,432	$99,508,540	$141,159,972
UCSF	$7,497,723	$1,488,571	$8,986,294
Total	**$72,948,361**	**$126,283,867**	**$199,232,228**

2.2% decrease from FY12 to FY13

Charity Care Expenditures FY 2012 – HSF & Traditional Charity Care			
Reporting Hospital	**Non-HSF (Traditional)**	**HSF**	**Total Charity Care**
CPMC	$8,112,969	$4,832,311	$12,945,280
St. Luke's	$2,954,657	$2,003,398	$4,958,055
Chinese	$390,154	$628,531	$1,018,685
Saint Francis	$4,373,498	$5,405,651	$9,797,149
St. Mary's	$1,227,215	$4,356,395	$5,583,610
Kaiser	$5,215,906	$2,796,654	$8,012,560
ZSFG	$57,360,542	$96,509,500	$153,870,042
UCSF	$6,002,001	$1,512,021	$7,514,022
Total	**$85,636,942**	**$118,044,461**	**$203,699,403**

15.9% increase from FY11 to FY12

Charity Care Expenditures FY 2011 – HSF & Traditional Charity Care			
Reporting Hospital	**Non-HSF (Traditional)**	**HSF**	**Total Charity Care**
CPMC	$10,739,085	$3,617,423	$14,356,508
St. Luke's	$4,494,005	$922,528	$5,416,533
Chinese	$309,602	$188,831	$498,433
Saint Francis	$3,620,157	$4,891,635	$8,511,792
St. Mary's	$1,721,359	$4,046,602	$5,767,961
Kaiser	$6,320,229	$2,772,003	$9,092,232
ZSFG	$49,188,916	$76,254,858	$125,443,774
UCSF	$5,796,915	$858,354	$6,655,269
Total	**$82,190,268**	**$93,552,234**	**$175,742,502**

1.0% decrease from FY10 to FY11

Charity Care Expenditures FY 2010 – HSF & Traditional Charity Care			
Reporting Hospital	**Non-HSF (Traditional)**	**HSF**	**Total Charity Care**
CPMC	$10,538,613	$1,864,439	$12,403,052
St. Luke's	$3,146,093	$1,080,424	$4,226,517
Chinese	$224,131	$121,220	$345,351
Saint Francis	$3,645,416	$4,108,598	$7,754,014
St. Mary's	$2,112,231	$4,031,298	$6,143,529
Kaiser	$3,490,463	$1,998,457	$5,488,920
ZSFG	$51,616,040	$78,218,941	$129,834,981
UCSF	$10,509,349	$749,825	$11,259,174
Total	**$85,282,336**	**$92,173,202**	**$177,455,538**