

**HEALTH COMMISSION
CITY AND COUNTY OF SAN FRANCISCO
Resolution No. 18-5**

DETERMINING THE IMPACT OF THE CHANGE IN MANAGEMENT OF FIVE OUTPATIENT DEPARTMENTS FROM CALIFORNIA PACIFIC MEDICAL CENTER TO SUTTER PACIFIC MEDICAL FOUNDATION

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

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

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

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

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

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

WHEREAS, CPMC reported that of the 7500 patients affected by the transition to SPMF, 17% Medi-Cal (Fee-for-Service and Managed Care), 48% commercially insured, and 35% other (Medicare, self-pay, etc.); and

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

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

WHEREAS, SPMF intends to contract with the same insurances currently accepted by CPMC, and has reached out to payors that contract with CPMC to establish the same contract with SPMF; and

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

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

WHEREAS, If a plan refuses to contract with SPMF and denies an LOA, the plan will need to find the service within their existing network to offer the patient services; and

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

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

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

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

WHEREAS, In 2017 the Sutter Bay Medical Foundations invested almost \$72M in community benefit, of that SPMF invested about \$20M; SPMF's community benefit investments include cash contributions to non-profit organizations, Medi-Cal shortfall (the uncompensated portion of providing care to Medi-Cal patients), and charity care costs; and

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

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

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

WHEREAS, In accordance with Proposition Q, the San Francisco Health Commission held public hearings on July 17, 2018, August 21, 2018, and December 4, 2018 regarding the various outpatient departments' change in management from CPMC to SPMF; and

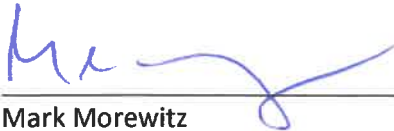
NOW, THEREFORE BE IT RESOLVED, The Health Commission strongly encourages SPMF to honor its commitment to make no changes to staffing models or the payor mix for these services; and be it

FURTHER RESOLVED, the change of management will have a detrimental impact on health care services unless CPMC and SPMF take the following actions:

- secure a contract with Hills Physicians or continues to successfully execute LOAs so no affected patients experience a disruption of services;
- proactively ensure adequate staff training regarding the LOA policy to prevent disruption of services;
- provide culturally linguistically appropriate services for affected service lines, and resumes education for patients with non-gestational diabetes at the St. Luke's campus; and be it

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

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



Mark Morewitz
Executive Secretary to the Health Commission