



Certificate of Compliance

November 2, 2017

CITY AND
COUNTY OF
SAN FRANCISCO

Edwin M. Lee
Mayor

Dr. Warren S. Browner, MD, MPH, CEO
California Pacific Medical Center
633 Folsom Street, 1st Floor
San Francisco, CA 94107

Re: 2016 Annual Compliance Findings for the CPMC Development Agreement (Planning Case No. 2012.0403W; Ordinance No. 138-13)



**San Francisco
Planning
Department**

John Rahaim
Director of Planning

1650 MISSION ST
SUITE 400
SAN FRANCISCO
CA 94103

**San Francisco
Department
of Public Health**

Barbara A. Garcia,
MPA
Director of Health

101 GROVE ST
ROOM 308
SAN FRANCISCO
CA 94102

Dear Dr. Browner:

The San Francisco Planning Director and Director of Health find California Pacific Medical Center (“CPMC”) in compliance with the obligations described in the Development Agreement for calendar year 2016 (Case No. 2012.0403; Ordinance No. 138-13). The directors’ compliance findings, along with a discussion of key issues, are detailed below.

BACKGROUND

CPMC’s Development Agreement became effective on August 10, 2013. This compliance review, the fourth, covers the period of time from January to December 2016.

Consistent with the schedule outlined in Section 8.2.1 of the Development Agreement, CPMC submitted their fourth of ten annual Compliance Statements to the Planning Department on May 31, 2017 (reporting on 2016 obligations), in accordance with Section 8.2.1 of the Development Agreement. Public comments on CPMC’s 2016 Compliance Statement were accepted from June 1 through June 30, 2017. After reviewing CPMC’s Compliance Statement, the Planning Director published a report (the “City Report”) regarding CPMC’s compliance with the Development Agreement on July 28. On September 28, 2017, the Planning Commission and Health Commission held a joint public hearing on CPMC’s 2016 Compliance Statement.

Concurrent with the mailing of this Certificate of Compliance to CPMC, the Planning Director will forward the City Report and these Compliance Findings to an independent third party monitor. The Third Party Monitor will review the Findings, and send a letter to the Board of Supervisors within thirty (30) days, stating whether he or she concurs with the findings.

Compliance Findings on Healthcare Obligations

The Director of Health finds CPMC to be in compliance with the 2016 Healthcare Obligations of the Development Agreement, as detailed in the City Report. CPMC has met, and in some cases exceeded, its Healthcare Obligations. Some issues of concern detailed in the 2015 Certificate of Compliance were resolved, though others remain. These issues are discussed below, along with the specific actions that the Director of Health and CPMC are undertaking to address these concerns.

BASELINE CHARITY CARE

In 2016, CPMC served 43,370 charity care patients, exceeding the 30,445 required by the Development Agreement. This figure was verified by an independent third party, as required in the Development Agreement. The Development Agreement contains a 2-year rolling average provision that requires CPMC to make up for any shortfall in subsequent years. As of December 31, 2016, CPMC did not have a shortfall in charity care patients served.

1,500 MEDI-CAL MANAGED CARE BENEFICIARIES IN THE TENDERLOIN

CPMC is required to participate in a Medi-Cal managed care partnership with a Tenderloin-based primary care provider to serve up to 1,500 Medi-Cal beneficiaries. In August 2015, CPMC initiated a new partnership with NEMS and St. Anthony's Medical Clinic that provides a pathway for CPMC to meet this commitment. CPMC is obligated to remain open to new enrollees in this partnership for the remainder of the Development Agreement or until it reaches 1,500 participants, whichever is sooner.

As of December 2016, 115 beneficiaries were enrolled in this new partnership; enrollment had risen to 189 by September 2017. The partnership provides beneficiaries with a new choice when they choose or change their primary care provider. Beneficiaries may not be transferred to the new partnership without their consent. Thus, increased enrollment will be reliant on outreach, education, and patient choice.

To support the development and expansion of this partnership, in 2015, the CPMC Innovation Fund provided St. Anthony's with a \$420,000 grant to support the development of the billing and patient tracking infrastructure required to participate in the Medi-Cal program, as well as outreach and education to promote enrollment into this partnership. An additional \$35,000 was recently awarded in 2017 for St. Anthony's to continue outreach and enrollment for this partnership. The Department of Public Health is committed to continuing to work with NEMS, St. Anthony's, and CPMC to continue to increase participation in this new partnership.

CULTURALLY AND LINGUISTICALLY APPROPRIATE SERVICES (CLAS) STANDARDS

In 2015, CPMC conducted an outside assessment of their compliance with the CLAS Standards. Department of Public Health CLAS experts reviewed this assessment. In response to concerns raised about the St. Luke's Diabetes Clinic, Department of Public Health diabetes care experts met with St. Luke's Diabetes Clinic staff in April 2016 to discuss actions to improve the cultural and linguistic appropriateness of services. . The meeting resulted in agreements to add Spanish language capacity, offer Spanish language classes, add reception staff to improve patient access, and integrate the St. Luke's Diabetes Clinic into HealthFirst (CPMC's preventive medicine and health education program at St. Luke's) and the overall Sutter diabetes program.

CPMC has made progress on these agreements as follows:

- CPMC hired 0.8 full-time equivalent (FTE) Spanish-speaking Registered Dietician and Certified Diabetes Educator.
- Spanish group classes began on August 30, 2017.
- CPMC has reported that they will not be hiring reception staff. CPMC is monitoring patient access through a question on the bilingual patient satisfaction survey.
- The Advisory Council is now within Sutter Health Integrated Diabetes Education Network. St. Luke's Diabetes Clinic staff from the service line attend these council meetings.

The Director of Health encourages CPMC to continue to focus on care improvements to ensure the highest quality of culturally and linguistically appropriate services for CPMC's patients. The Department of Public Health looks forward to learning more about CPMC's progress from the supplemental information CPMC agreed to include in future annual compliance reports.

ST. LUKE'S HOSPITAL

As in previous Annual Compliance Report Hearings, the Health and Planning Commissions highlighted the importance and value of transparency and community input. While CPMC is continuing to hold quarterly meetings with interested community stakeholders, the Commissions encouraged CPMC to continue to find ways to meaningfully engage with and be responsive to the communities they serve.

The DA includes a provision requiring CPMC to work with the City to develop specific proposals for providing subacute care services in San Francisco and to present these proposals to the Health Commission. This requirement was completed in February 2016. However, subacute services have been an ongoing community concern, especially following Sutter Health's announcement of its planned closure in October 2017 of the St. Luke's skilled nursing facility (SNF) and subacute care unit. This planned closure has since been postponed to mid-2018, and Sutter has agreed to continue caring for the current SNF and subacute patients within their system in San Francisco. The City acknowledges Sutter's commitment to caring for these patients and encourages Sutter to continue to search for ways to provide SNF and subacute care within San Francisco.

Compliance Findings on Non-Healthcare Obligations

The Planning Director finds CPMC to be in compliance with the 2016 Non-Healthcare Obligations of the Development Agreement, as detailed in the City Report. The Workforce Agreement between the City and CPMC establishes hiring goals for CPMC in both construction and operations. It also outlines "good faith efforts" that CPMC must make to meet these hiring goals. CPMC has met its Non-Healthcare Obligations by either fully meeting hiring goals or demonstrating good faith efforts. Areas for continued improvement are discussed below.

HIRING GOALS

In the fourth hiring year, CPMC did not meet its hiring goal for local journey and apprentice level workers for construction activities; hours for these workers were 28 percent of total hours, slightly below the overall 30 percent hour requirement. Likewise, CPMC did not meet its hiring goal for 50 percent new entry-level union apprentice referrals through the system; such referrals accounted for 30 percent of hiring. CPMC and its contractors have indicated that the shortfalls are due to lack of availability of local

apprentices in various trades. Despite these shortfalls, CPMC and its contractors demonstrated the required good faith efforts to achieve the goals by sponsoring training and hiring through the CityBuild program of OEWD. CPMC met its other hiring goals in 2016, including the operational (non-construction) goal, and there are no hiring deficiencies to be rolled over to the 2017 annual hiring target.

GOOD FAITH EFFORTS

The Workforce Agreement requirement is that CPMC make good faith efforts to meet its construction and operations hiring obligations. For operations hiring, these obligations include, but are not limited to:

- Prompt delivery to OEWD of job notifications for all entry-level positions as soon as they become available;
- Exclusive consideration of system referral candidates during the ten business day period following delivery of the job notification;
- Written notice to OEWD of any “urgent need” hires, as defined in Section 4(a)(iii) of the Workforce Agreement, that preclude CPMC from following the two obligations listed above; and
- Completion and submittal of a Non-Construction First Source Employer’s Projection of Entry Level Positions, attached to the Workforce Agreement, as soon as reasonably practical after the Agreement’s effective date of August 10, 2013.

The City has determined that CPMC was in compliance for the fourth hiring year. Continuing the progress made in 2015, CPMC has largely overcome the initial issues with its operations activities noted in the City Report and Certificate of Compliance for the 2013 and 2014 reporting periods. CPMC’s actions to comply with hiring requirements include daily submittals of entry-level job notices, monthly reporting, weekly meetings/conference calls with OEWD staff, CPMC hiring manager trainings, and participation in hiring events and applications workshops in priority neighborhoods. The City will continue to closely monitor CPMC’s adherence to the good faith requirements outlined in the Development Agreement.

LOCAL BUSINESS ENTERPRISES

The Development Agreement requires CPMC to make a good faith effort to award at least 14 percent of the cost of all contracts for construction projects to certified local business enterprises (LBEs). CPMC did not achieve this level of LBE participation in previous reporting years. As of the end of 2016, however, there was a substantial increase in LBE contracts, with 14.5 percent of total contract costs to date for the three active construction projects awarded to LBEs. CPMC is in compliance with this requirement.

Conclusion and Summary

CPMC is in material compliance with its 2016 Obligations. CPMC has met and, in some instances, exceeded its obligations. While some issues of concern detailed in previous Certificates of Compliance were resolved, others remain, such as ongoing access to culturally and linguistically appropriate care for CPMC’s Spanish-speaking patients and entry-level construction hiring, as detailed above. Further, the Health and Planning Commissions have, in each of their joint hearings, stressed the need for CPMC to establish regular opportunities for community dialogue and to develop long-term community relationships. CPMC continues to hold quarterly meetings with community to build these relationships.

At the September 28, 2017 joint hearing, several Commissioners urged the Planning and Health Departments to use the upcoming 2017 compliance review process to provide greater detail on CPMC’s

actions toward and progress in meeting its commitments, including lessons learned from previous years and how these actions meet the needs of the City's residents and neighborhoods. The Planning and Health Departments will reach out to CPMC staff to discuss improvements to the annual review process in response to these comments in the upcoming review period. The Director of Health and the Planning Director look forward to working with CPMC to ensure CPMC's continued compliance with its obligations under the Development Agreement.

Sincerely,



John Rahaim
Planning Director



Barbara Garcia
Director of Health

cc: Lou Giraudo
Supervisor Mark Farrell
Supervisor Hillary Ronen
Melissa White, CPMC
Emily Webb, CPMC
Jim Macksood, CPMC

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