

# California Pacific Medical Center



September 28, 2017

Joint Hearing of Planning and  
Health Commissions

CPMC's 2016 Annual Compliance  
Statement and the City's Report

# Presentation Contents

- Project Status
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# Project Status

- Development Agreement became effective in 2013
- This is the fourth annual reporting period (2016 calendar year for most requirements; August 2016-July 2017 for hiring programs)
- Under construction:
  - Van Ness and Geary (Cathedral Hill) Hospital
  - Van Ness and Geary Medical Office Building
  - Mission Bernal Campus (St. Luke's) Hospital
- Other major DA action requirements relate to Workforce/Hiring and to Health Care Services

# Construction Schedule

## DA Obligation

- St. Luke's Campus Hospital Opening Deadline: on or before 2 years after the opening of the Cathedral Hill Hospital.
  - Penalties begin accruing if St. Luke's is not open within 1 year of Cathedral Hill opening.
- CPMC is on track to meet this obligation
- CPMC continues to provide construction schedules and live updates through their web site.

# Compliance Overview





# Compliance Overview – Action Items

CPMC DA Compliance Review Period – JANUARY 1– DECEMBER 31, 2016

Community Benefit		Compliance	Community Benefit		Compliance
Workforce Commitments			Healthcare Commitments		
City Build / Construction Jobs		In Compliance	Baseline Healthcare		In Compliance
First Source / Use Jobs		In Compliance	Medi-Cal Commitment		In Compliance
Workforce Fund		In Compliance	Healthcare Innovation Fund		In Compliance
Local Business Enterprises		In Compliance	Other Healthcare Commitments		In Compliance
Housing Program		In Compliance			
Public Improvements		In Compliance			
Visioning Plans		In Compliance			

# Compliance Overview - Payments

CPMC DA Compliance Review Period – JANUARY 1– DECEMBER 31, 2016

Public Funding Recipient	CPMC Payments	Public Funding Recipient	CPMC Payments
Community Healthcare Program – Innovation Fund	Completed	Housing Program	
Public Improvements		Affordable Housing Payment	Completed
Tenderloin Lighting & Traffic Safety	Completed	Transportation Program	
Pac/Cal Enforcement & Traffic Safety	Completed	Transit Fee	Completed
Cathedral Hill Transit & Safety	Completed		

# Fee Increase Limitation





# Fee Increase Update

- Actuarial analysis of 2015 rate increase is in process
- In Q3 2017, Sutter, Blue Shield of California (BSC) and Milliman (the actuary) reached an agreement regarding the limited use data sets to support the audit.
- Data was released to Milliman on Friday, September 22, 2017.
- Milliman will require approximately 8 weeks to conduct the analysis.



# Workforce



# First Source Hiring Program - Construction

## *1. Hiring Goals – August 2013 through July 2017*

GOAL	STATUS
At least 50% of new entry-level positions for non-union administrative and engineering candidates will be filled with system referrals.	CPMC's contractors filled 32 of 37 (86%) applicable positions to date with system referrals.



# First Source Hiring Program - Construction

## *2. Hiring Goals – August 2013 through July 2017*

### GOAL

At least 50% of new entry-level positions for administrative and engineering internship candidates will be filled with system referrals.

### STATUS

CPMC's contractors filled 28 of the 51 (55%) applicable positions to date with system referrals.



# First Source Hiring Program - Construction

## *3. Hiring Goals – August 2013 through July 2017*

GOAL	STATUS
At least 50% of new entry-level union apprentice candidates will be filled with system referrals who are also CityBuild Academy graduates.	CPMC's contractors filled 30% of the applicable union apprentice positions with system referrals.



# First Source Hiring Program - Construction

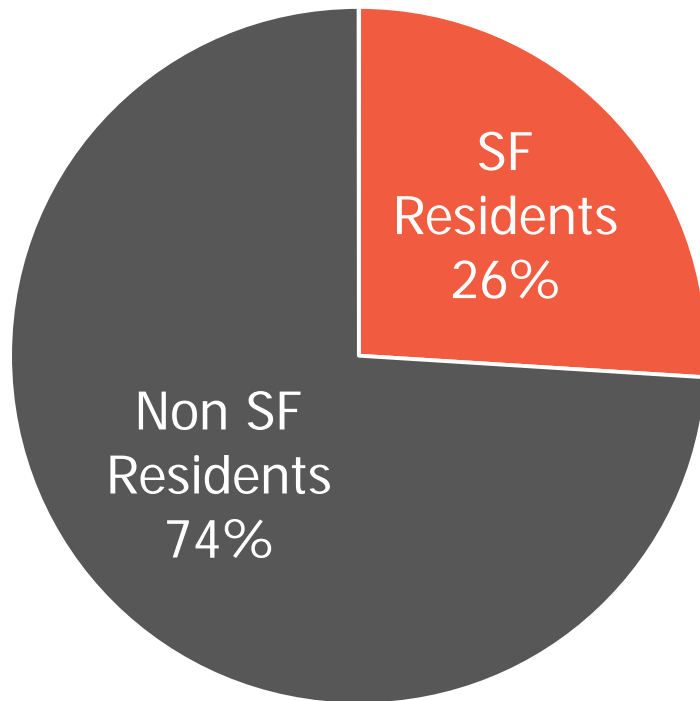
## *4. Hiring Goals – August 2013 through July 2017*

GOAL	STATUS
A minimum of 30% of trade hours for union journeymen and apprentices will be performed by San Francisco residents	CPMC's contractors reported 859,661 hours performed by San Francisco residents out of 3,259,091 total hours. This represents 26% of overall work hours performed by San Francisco residents.

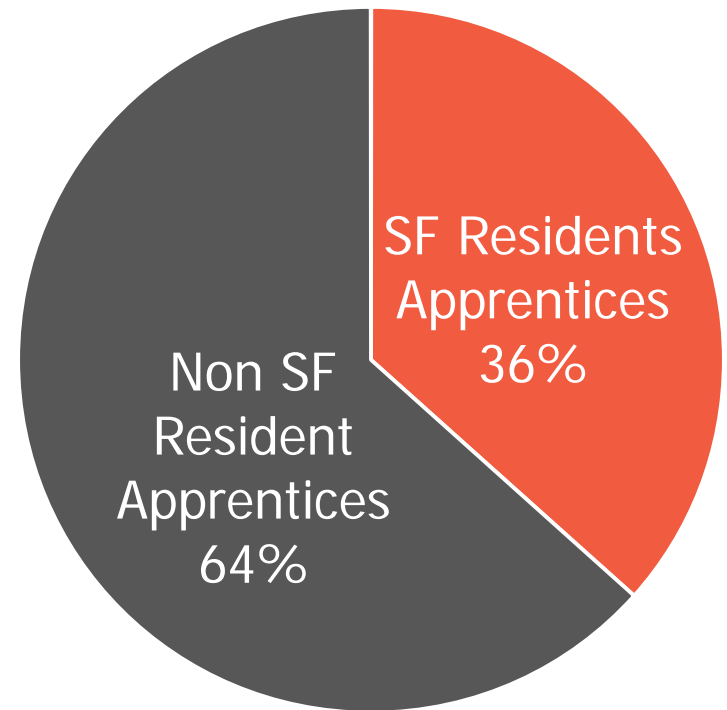
# CPMC Construction Local Hiring Summary

Combined Data through July 2017

TOTAL WORK HOURS:  
3,259,091



TOTAL APPRENTICE WORK HOURS:  
859,661

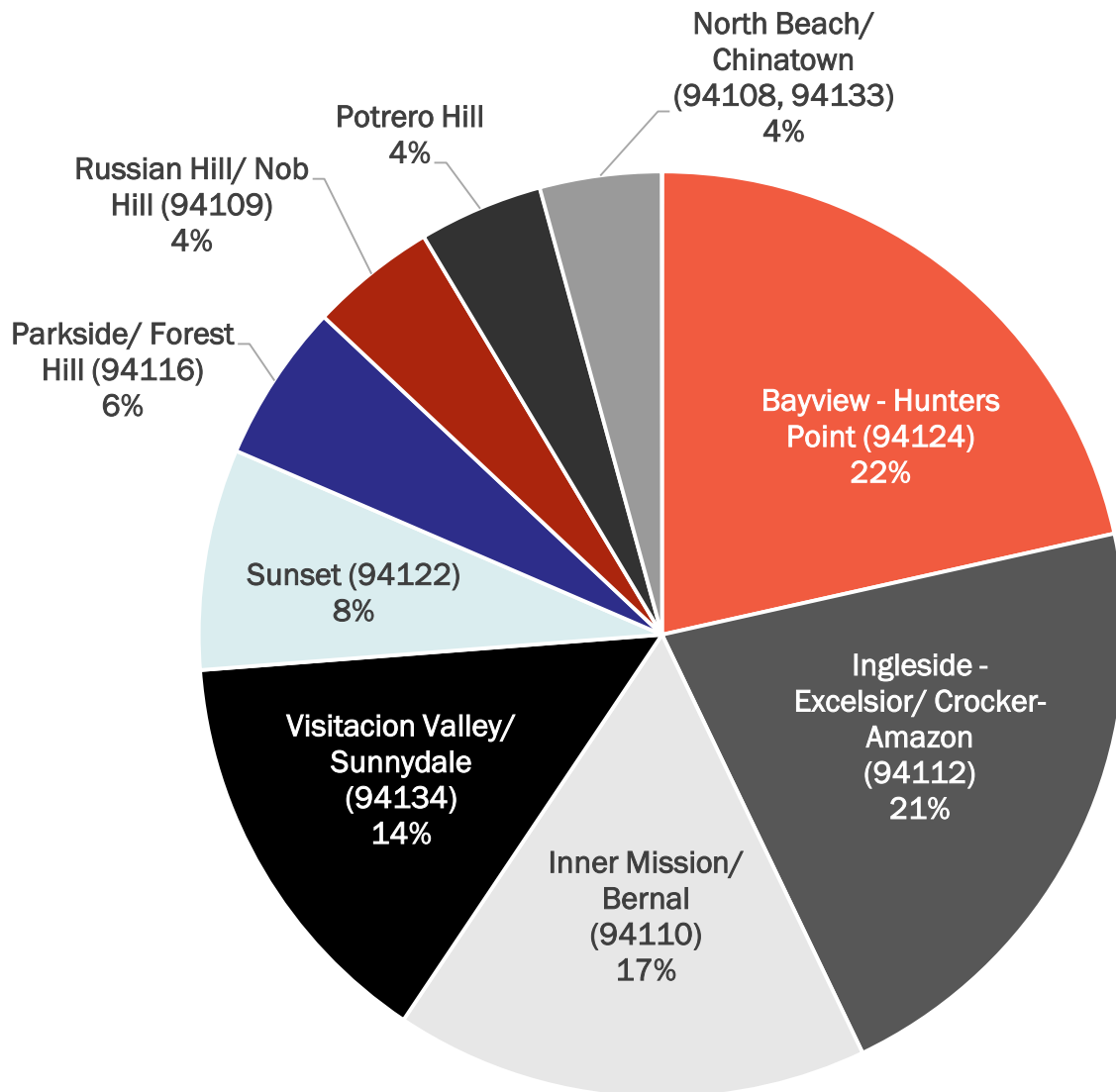


# CPMC SF Work Hours by Neighborhood

Combined Data through July 2017

## Other SF Zip Codes (Less than 3%)

- ❖ Hayes Valley/Tenderloin (94102)
- ❖ Lake Merced (94132)
- ❖ Western Addition (94115)
- ❖ Richmond (94118, 94121)
- ❖ Treasure Island (94130)
- ❖ South of Market (94103)
- ❖ Castro/Noe Valley (94114)
- ❖ Haight Ashbury (94117)
- ❖ Twin Peaks/Glen Park (94131)
- ❖ West Portal (94127)
- ❖ Marina (94123)
- ❖ Financial District (94105)





# Local Business Enterprise Program for CPMC Construction

## *5. Contracting Goals – As of July 2017*

- CPMC Local Business Enterprise Program
  - At least 14% of the cost of all contracts for the workforce projects are awarded to certified LBE's under the DA Agreement
- Program Progress
  - Van Ness and Geary Campus Hospital Project – 16%
  - Van Ness Medical Office Building – 7%
  - The Replacement Hospital at St. Luke's Campus – 24%
  - Three Projects combined – 17%
  - Through July 2017 \$176,222,668 revenue to LBE's

# First Source Hiring Program for CPMC Operations

## *Hiring Goals*

Fill at least 40% of entry-level positions with system referrals each hiring year (hiring year runs August – July)

- If CPMC does not fill 40% of entry-level positions with system referrals in a hiring year, the number of entry-level positions constituting the hiring deficiency will roll over and be added to the annual hiring target for the following hiring year.



# First Source Hiring Program for CPMC Operations

## *Hiring Goals*

Priority Neighborhoods:

- Western Addition
- Tenderloin
- Mission/SOMA
- Outer Mission/Excelsior
- Chinatown
- Southeast Neighborhoods



# First Source Hiring Program for CPMC Operations

- All non-construction hiring goals have been exceeded.
- There are no deficits or carry overs.

Program Year Four, August 2016- July 2017

- 59% goal
- Hired 42 out of 71 employees from workforce system referrals





# First Source Hiring Program for CPMC Operations

## *Workforce Fund Grant Agreement*

- CPMC has paid \$3 million into a workforce fund administered by San Francisco Foundation
- The Fund focuses on barrier removal and job training for the employment opportunities created by the project
- The Fund targets educational institutions and non-profit organizations with an existing track record of working in the priority neighborhoods
- Current grantees: FACES SF, Jewish Vocational Service, Self-Help for the Elderly, Success Center, Young Community Developers

# Healthcare



# Summary of Healthcare Commitments

DA Provision	Purpose
Baseline Charity Care	Maintain current levels of care for low-income individuals
New Medi-Cal Beneficiaries	Increase care for low-income individuals
Innovation Fund	Support community-based services to reduce unnecessary hospital care
Sub-acute Services	Work with other SF hospitals to develop proposals for addressing citywide need for sub-acute services
Integration of Medical Staff	Ensure seamless patient care across Sutter's SF facilities
Community Benefits Partnership	Continue community partnerships to improve health
Chinese Hospital Agreements	Maintain partnership with Chinese Hospital
Culturally and Linguistically Appropriate Services	Ensure culturally and linguistically appropriate services are provided

# Baseline Charity Care

DA Provision	CPMC 2016 Performance	Compliant
Care for 30,445 charity care or Medi-Cal patients annually*	CPMC served a total of 43,370 unduplicated patients between 1/1/2016 and 12/31/2016. CPMC exceeded its requirement by 12,925 unduplicated patients.	Yes
Spend \$8 million annually for community benefit for the poor and underserved*	Community benefit in the amount of \$12,682,128 provided	Yes
Maintain current charity care policies through 12/31/15	Obligation completed on 12/31/15	N/A
Maintain Charity Care policies that are in compliance with applicable California law, and do not deny Charity Care patients access to inpatient service.	CPMC maintained Charity Care policies that comply with California law and ensured Charity Care patients had access to inpatient services.	Yes
Provide financial and other services or operational support to the Bayview Child Health Center	Support to the Bayview Child Health Center consistent with 2011-2012 levels and included: <ul style="list-style-type: none"> <li>\$325,000 operations grant/yr for 5 years</li> <li>Transferred all assets, valued at \$91,786.22;</li> <li>Invested &gt;\$1million in tenant improvements</li> <li>Remains the clinic's specialty and hospital partner</li> </ul>	Yes

\* Compliance verified by third party audit



# New Medi-Cal Beneficiaries

DA Provision	CPMC 2016 Performance	Compliant
Continue to participate in <b>Medi-Cal managed care</b> with San Francisco Health Plan	Continued participation in Medi-Cal managed care with San Francisco Health Plan	Yes
Assume responsibility for <b>5,400 new Medi-Cal</b> Managed Care beneficiaries for a total of 20,250*	CPMC met the obligation of 5,400 additional Medi-Cal beneficiaries in 2014. As of December 2016, CPMC had a total of 33,372 Medi-Cal managed care beneficiaries.	Yes
1,500 of the new Medi-Cal beneficiaries to come through a <b>partnership with a Tenderloin-serving primary care provider</b> able to contract with Medi-Cal managed care	<p>No available Tenderloin-serving primary care provider able to contract with Medi-Cal managed care was available during the reporting period</p> <p>CPMC has contracted with an MSO, North East Medical Services (NEMS), and worked with NEMS and St. Anthony's Clinic, a primary care provider in the Tenderloin, to have St. Anthony's join the NEMS MSO. Through this partnership, CPMC is the hospital partner for St. Anthony's participating medical groups. As of Dec 31, 2016, St. Anthony's has 115 members that enrolled in the NEMS/CPMC partnership (4 Healthy Kids &amp; 111 Medi-Cal).</p>	Yes

\*This is a corrected figure, erroneously reported in the Development Agreement as 22,728. The obligation to serve 5,400 new Medi-Cal managed care beneficiaries remains.

# Innovation Fund

DA Provision	CPMC 2016 Performance	Compliant
<p>Provide <b>\$8.6 million to create an Innovation Fund</b></p> <ul style="list-style-type: none"> <li>• \$3.5 million in 2013</li> <li>• \$1.125 million in 2014</li> <li>• \$1.125 million in 2015</li> <li>• \$1.725 million in 2016</li> <li>• \$1.125 million in 2017</li> </ul>	<p>\$7.475 million in payments made:</p> <ul style="list-style-type: none"> <li>• \$2 million on 9/4/13</li> <li>• \$1.5 million on 11/26/13</li> <li>• \$1.125 million on 11/24/14</li> <li>• \$1.125 million on 11/25/15</li> <li>• \$1.725 million on 11/3/16</li> </ul>	Yes
<p><b>Grant funds to third-party recipients that</b></p> <ul style="list-style-type: none"> <li>• Support and improve the capacity of community clinics</li> <li>• Support community-based health, human service, and behavioral health service providers to reduce unnecessary hospitalizations</li> </ul>	<p>CPMC is a member of the Innovation Fund Committee, which, in 2016 granted awards totaling \$985,000 to support:</p> <ul style="list-style-type: none"> <li>• Planning and Implementation of a pre-booking diversion program to reduce incarceration and increase access to mental health services</li> <li>• Transportation to the Sobering Center to reduce ER visits</li> <li>• The merger of Women's Community Clinic with HealthRight360</li> <li>• Trainings to enhance community engagement</li> <li>• Healthy Neighborhood Initiative in the Tenderloin</li> </ul>	Yes

# Additional Healthcare Provisions

DA Provision	CPMC 2016 Performance	Compliant
Develop specific proposals for providing <b>sub-acute care services</b> in SF and present to Health Commission by 6/30/14	Obligation completed on 2/12/2016	N/A
Continue good faith efforts to <b>integrate medical staffs</b> at St. Luke's with medical staff of other hospital campuses	The integration of medical staff across the CPMC campuses, including St. Luke's, was completed and approved by the hospital's Board. CPMC now has a single medical staff at all four campuses.	Yes
Continue active participation in the <b>Community Benefits Partnership</b>	Continued participation in SFHIP, a CBP successor coalition	Yes
Continue <b>relationship with Chinese Hospital</b> in a manner generally consistent with existing agreements	Maintained agreements and continued to provide services in a manner agreeable to both parties	Yes
Deliver services in accordance with national <b>Culturally and Linguistically Appropriate Services standards</b>	CPMC delivers services at in accordance with the mandates, guidelines of the National Standards on CLAS.  In April 2016, DPH and CPMC staff met to discuss the St. Luke's Diabetes Clinic. The meeting resulted in specific recommendations related to Spanish-speaking staff, Spanish classes, patient satisfaction, and the HealthFirst program.	Yes

# Key Healthcare Issues

- Culturally and linguistically appropriate services at the St. Luke's Diabetes Clinic
  - Hired 0.8 FTE Spanish-speaking Registered Dietician and Certified Diabetes Educator
  - Spanish language classes began on 8/30/17
  - CPMC is monitoring patient access through a question on the bilingual patient satisfaction.
  - St. Luke's Diabetes Clinic and HealthFirst continue to collaborate & ensure services are meeting population's needs
- St. Luke's SNF and Subacute planned closure
  - Unit will now close in 2018
  - Resolved: CPMC has committed to continuing to care for the 24 sub-acute patients and any remaining SNF patients within their system in San Francisco

# Summary



# Summary of Key Points

- Construction and Payments
- Baseline Charity Care Commitment
- Tenderloin Medi-Cal provision
- 40% End-Use Hiring Requirement





# Comments And Questions