

**LOUIS J. GIRAUDO**

50 Francisco Street, Suite 235, San Francisco, CA 94133

November 19, 2018

San Francisco Board of Supervisors  
1 Dr. Carlton B. Goodlett Place, room 244  
San Francisco, CA 94102

Re: 2017 annual compliance findings for CPMC Development agreement

Dear President Cohen and Members of the Board of Supervisors:

Section 8.2.2 of the CPMC Development Agreement (DA) with the City and County of San Francisco identifies me as a “third party monitor”, charged with reviewing the City’s annual compliance findings and presenting to the Board of Supervisors my agreement or disagreement with the City’s findings. I have received and reviewed the Certificate of Compliance, dated October 10, 2018, from Planning Director John Rahaim and Acting Health Director Greg Wagner. The following are my comments on that document:

1. **ST. LUKE’S HOSPITAL OPENING:** One of the most heated negotiation issues for this development agreement was the retention and rebuilding of St. Luke’s Hospital. The Development Agreement ensured that St. Luke’s would be saved, and the new St. Luke’s hospital, renamed the “Mission Bernal campus”, was opened on August 25<sup>th</sup>, 2018, two years before the deadline. I applaud all involved in achieving this significant milestone.
2. **BASELINE CHARITY CARE:** CPMC significantly exceeded the 30,445 Medi-Cal and charity care patients required in the DA by serving 39,569 charity care patients in 2017. CPMC has more than made up previous shortfalls and does not have a shortfall in Medi-Cal and charity care patients served.
3. **MEDI-CAL MANAGED CARE BENEFICIARIES IN THE TENDERLOIN:** CPMC is required to provide care to up to 1,500 Medi-Cal beneficiaries coming from a partnership with a Tenderloin-based management services organization or independent physician association that has the ability to contract with Medi-Cal managed care if one such partner became available before December 31, 2015. Although a partner did not become available, in August 2015, CPMC began a partnership with NEMS and St. Anthony’s Medical Clinic that provides a pathway to serve Tenderloin residents. As of

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December 2017, 170 beneficiaries were enrolled. CPMC has funded St. Anthony's Clinic to do outreach in the community and to dining room clients. Additionally, CPMC partners with NEMS to serve Medi-Cal patients and through other Tenderloin primary care providers in the NEMS network CPMC cares for over 2,600 patients that reside in zip codes 94102, 94103 and 94109. I encourage CPMC to continue to partner with St. Anthony's Medical Clinic on outreach and enrollment efforts and to ensure patients through the additional NEMS Tenderloin serving providers continue to have access to CPMC facilities.

4. **CULTURALLY AND LINGUISTICALLY APPROPRIATE SERVICES (CLAS) STANDARDS:** CPMC is in compliance with national CLAS standards; however, stakeholders including the City have raised concerns regarding whether culturally and linguistically appropriate care is provided at the St. Luke's Diabetes Clinic. While CPMC is technically compliant with CLAS standards, I encourage CPMC to continue to provide additional information and analysis in future reports to demonstrate excellence in appropriate cultural and linguistic access across all of its campuses.
5. **Service Agreement with Chinese Hospital:** The DA requires that CPMC provide services in a manner generally consistent with existing service agreements. While CPMC is compliant with this obligation and has added additional service contracts with Chinese Hospital since the DA Effective Date, concerns have been raised regarding the potential for future significant rate increases. I encourage CPMC to work in good faith with Chinese Hospital when it is appropriate to begin contract renewals to ensure access to robust pediatric and obstetric services for the Chinese community.
6. **COMMUNITY ENGAGEMENT:** I understand that CPMC has made improved efforts to engage in dialogue with community stakeholders. I encourage them to continue this activity and to reach outside of historical partners, especially as it relates to development of CPMC's Centers of Excellence for Community Health and Senior Health.
7. **SUBACUTE CARE SERVICES:** The DA required CPMC to work with the City to develop specific proposals to provide subacute care services. This requirement was completed in February 2016, but community stakeholders raised significant concerns about and the closure of the subacute unit in late 2017 and the lack of citywide access to subacute beds. Sutter has since agreed to continue caring for current SNF and subacute patients within their system in San Francisco. I encourage CPMC to participate in dialogue lead by the Department of Public Health and community stakeholders on this critical issue.

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- 8. HIRING GOALS AND GOOD FAITH EFFORTS:** Scarcity of local apprentices in various trades was a challenge again for CPMC in 2017, as it was in 2016. CPMC fell slightly short of the 30 percent hour requirement for local journey and apprentice level workers for construction activities, as well as short of the 50 percent new entry-level union apprentice. CPMC did meet their other hiring goals for 2017 and they demonstrated the required good faith efforts to achieve the goals.

I agree with Director Rahaim and Acting Director Wagner that CPMC has met the burden of compliance with the requirements of the DA and its obligations. While some remaining issues from previous years remain, CPMC has also exceeded their obligations in several areas. I would suggest that members of the Board of Supervisors continue to be aware in the coming years of CPMC's performance in the areas noted above.

Sincerely,

A handwritten signature in blue ink, consisting of a large, stylized 'L' shape with a horizontal line extending to the right.

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Louis J. Giraud