

May 1, 2015

San Francisco Board of Supervisors
1 Dr. Carleton B. Goodlett Pl.
San Francisco, CA 94102

Re: Annual compliance findings for CPMC Development Agreement

Dear President Breed 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 February 9, 2015, from Planning Director John Rahaim and Health Director Barbara Garcia. The following are my comments on that document:

I agree with Directors Garcia and Rahaim that CPMC has met the burden of compliance with the requirements of the DA, but also share many of the significant concerns expressed in their letter and believe that CPMC must not only meet the minimum requirements in the agreement, but must also fully live up to its obligations as a care provider in San Francisco. I would suggest that members of the Board of Supervisors and responsible City agencies pay close attention in the coming years to CPMC's performance in the following areas:

- 1) **Baseline Charity Care:** There is no question that CPMC met its requirements under the DA for calendar year 2013 in this category. However the Department of Public Health is aware that CPMC may not meet this requirement for calendar year 2014. I have been advised that the Department is working with CPMC to find ways to make sure CPMC has access to enough charity care and Medi-Cal patients to meet this requirement every year.

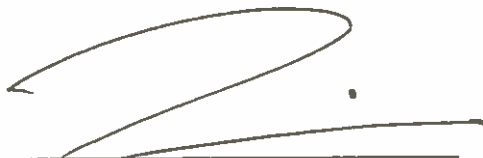
- 2) **Medi – Cal Managed Care Beneficiaries in the Tenderloin:** Under the DA, CPMC is required to partner with a newly established management services organization (MSO) in the Tenderloin to provide hospital care for at least 1,500 Medi-Cal managed care beneficiaries . I have been made aware that after analysis the community based clinics have determined that establishing a new Tenderloin MSO would not be feasible. I am also aware that DPH is exploring other options to make a Tenderloin provider available to partner with CPMC in Medi-Cal managed care. I agree with the City that this is a critical provision of the DA and that all parties must work together to arrive at a solution.

- 3) **Culturally and Linguistically Appropriate Services at St. Luke’s:** CPMC has demonstrated that it has met minimum “CLAS” standards by adopting a formal hospital policy adopting basic standards. But I do not believe this is enough and am disturbed by reports that CPMC has eliminated bilingual Spanish-speaking providers at its St. Luke’s diabetes clinic, which serves a largely mono-lingual Spanish speaking population. I do not believe that patients are as well served by interpreters, no matter how skillful, as they are by providers who speak their own language. It should not be difficult for CPMC to continue to employ Spanish-speaking providers at St. Luke’s and I believe strongly they should do so.

- 4) **Operations Activities Hiring Goals:** CPMC easily met its obligations under the DA for construction related hiring. However the DA also mandates a 40% hiring rate from the San Francisco Workforce System for entry-level operations jobs and CPMC only made 13% of its hires in calendar year 2013 from the system. Because the unmet obligation rolls over to the following year and because this is a good faith obligation, I am prepared to agree with the City’s conclusion that CPMC was in compliance in this first reporting period, despite the early missteps documented in the City’s compliance certificate.

It is my understanding that as of February 2015, CPMC hiring rate from the Workforce System has risen to 31%, showing considerable improvement. I would fully expect to see the 40% goal met starting with calendar 2015 and each year thereafter.

Sincerely,

A handwritten signature in black ink, appearing to read "Louis J. Giraud", written over a horizontal line.

Louis J. Giraud