

LOUIS J. GIRAUDO

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

November 20, 2017

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

Re: 2016 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 November 2, 2017, from Planning Director John Rahaim and Health Director Barbara Garcia. The following are my comments on that document:

I am in agreement with Directors Rahaim and Garcia that CPMC has met the burden of compliance with the requirements of the DA, and in some cases exceeded its obligations. They note remaining issues from the 2015 Certificate of Compliance. My comments on those items and the 2016 Certificate of Compliance are included below. I would suggest that members of the Board of Supervisors continue to be aware in the coming years of CPMC’s performance in the following areas:

1. **2016 BASELINE CHARITY CARE SHORTFALL:** CPMC significantly exceeded the 30,445 charity care patients required in the Development Agreement by serving 43,370 charity care patients in 2016.
2. **MEDI-CAL MANAGED CARE BENEFICIARIES IN THE TENDERLOIN:** CPMC is required to provide care to 1,500 Medi-Cal beneficiaries coming from a new partnership with a Tenderloin-based management services organization (MSO) or independent physician association (IPA) that has the ability to contract with Medi-Cal managed care. 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 September 2017, 189 beneficiaries were enrolled. While I appreciate that CPMC has continued to invest in the

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long-term sustainability of St. Anthony's Medical Clinic, this beneficiary number has not risen substantially since the 2015 report (125 beneficiaries). I encourage CPMC to continue to partner with St. Anthony's Medical Clinic on outreach and enrollment efforts so that the full 1,500 Tenderloin residents are enrolled and have access to CPMC services to provide a pathway for CPMC to meet this commitment.

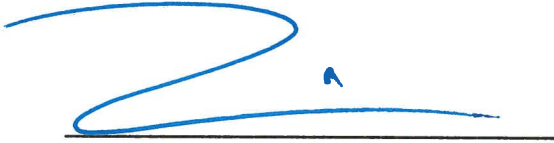
3. **CULTURALLY AND LINGUISTICALLY APPROPRIATE SERVICES (CLAS) STANDARDS:** CPMC is in compliance with national CLAS standards, however concerns were raised in the 2013, 2014 and 2015 Annual Compliance reports, as well as by the Coalition of San Franciscans for Healthcare, Housing, Jobs and Justice, especially around the St. Luke's Diabetes Clinic. In 2015, CPMC conducted an outside assessment of their compliance with the CLAS Standards and in 2016 discussions between the Department of Public Health and CPMC resulted in agreement to add Spanish language capacity, offer Spanish language classes, add reception staff to improve patient access, and to better integrate the St. Luke's Diabetes Clinic into HealthFirst and the overall Sutter diabetes program. While these improvements are promising and CPMC has hired a Spanish-speaking Registered Dietician and Certified Diabetes Educator and CPMC began group Spanish classes in 2016, I encourage CPMC to continue to focus on improving cultural and linguistic appropriateness at St. Luke's.
4. **SUBACUTE CARE SERVICES:** The Development Agreement includes a provision requiring that CPMC work with the City to develop specific proposals to provide subacute care services. This requirement was completed in February 2016, but various community stakeholders raised concerns more recently when Sutter Health announced the closure of the St. Luke's Skilled Nursing Facility (SNF) and subacute unit for October 2017. This closure has been postponed and Sutter has agreed to continue caring for current SNF and subacute patients within their system in San Francisco. I encourage CPMC to finalize additional details about this agreement, including impact of this agreement on the City's overall SNF capacity, and continue to engage in dialogue with community stakeholders.
5. **HIRING GOALS AND GOOD FAITH EFFORTS:** Scarcity of local apprentices in various trades was a challenge again for CPMC in 2016, as it was in 2015. 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 2016 and they demonstrated the required good faith efforts to achieve the goals.

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I am happy to confirm again that CPMC made additional progress in 2016 and met all the material commitments and continues to invest in building community relationships and demonstrating good faith efforts to meet the full intent of the Development Agreement.

Sincerely,



Louis J. Giraurdo