

# California Pacific Medical Center



September 6, 2018

Joint Hearing of Planning and  
Health Commissions

CPMC's 2017 Annual Compliance  
Statement and the City's Report

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# Compliance Overview



# Project Status

- Development Agreement became effective in 2013 – 10 year term
- Fifth annual reporting period (2017 calendar year for most requirements; August 2017-July 2018 for hiring programs)
- DA Obligations Completed:
  - Mission Bernal Campus (St. Luke's) Hospital
  - Payments (Housing, Healthcare, Transportation, and Public Improvements)



# Construction Schedule

- DA Obligation: Mission Bernal (St. Luke's Replacement) Hospital must open within 2 years after the opening of the new Van Ness Campus Hospital.
  - CPMC has met this obligation
- Under construction:
  - Van Ness and Geary (Cathedral Hill) Hospital
  - Van Ness and Geary Medical Office Building
- CPMC provides construction schedules and live updates through their web site ([www.cpmc2020.org](http://www.cpmc2020.org))



# Compliance Overview – Action Items

CPMC DA Compliance Review Period – JANUARY 1– DECEMBER 31, 2017

Community Benefit	Compliance	Community Benefit	Compliance
Workforce Commitments		Healthcare Commitments	
City Build / Construction Jobs	In Compliance	Baseline Healthcare	In Compliance
First Source / End 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		

# Fee Increase Limitation



# Fee Increase Update

- The DA requires Sutter to limit fee increases for services to the City's health care system to no more than 5 percent annually.
- In 2017, Sutter, Blue Shield of California (BSC) and Milliman (the actuary) reached an agreement regarding the data sets used to support the audit.
- The completed actuarial analysis of 2015 rate increase showed less than or equal to 5 percent, as required.
- Data for 2016 and 2017 have been provided to Milliman.
- Milliman will require approximately 8 weeks to conduct the analysis.



# Workforce



# First Source Hiring Program - Construction

## *1. Hiring Goals – August 2013 through July 2018*

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 2018*

### 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 29 of the 53 (56%) applicable positions to date with system referrals.

# First Source Hiring Program - Construction

## *3. Hiring Goals – August 2013 through July 2018*

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 2018*

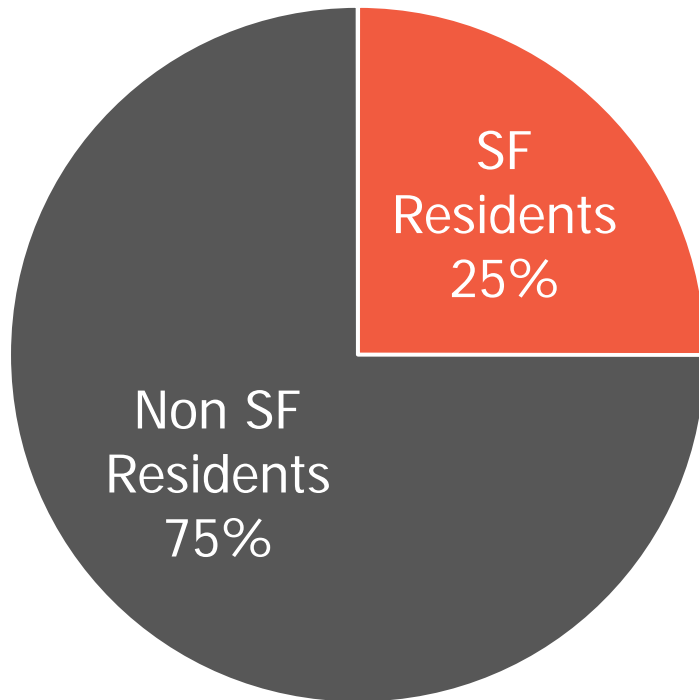
GOAL	STATUS
A minimum of 30% of trade hours for union journeymen and apprentices will be performed by San Francisco residents	CPMC's contractors reported 1,245,578 hours performed by San Francisco residents out of 5,091,742 total hours. This represents 25% of overall work hours performed by San Francisco residents.



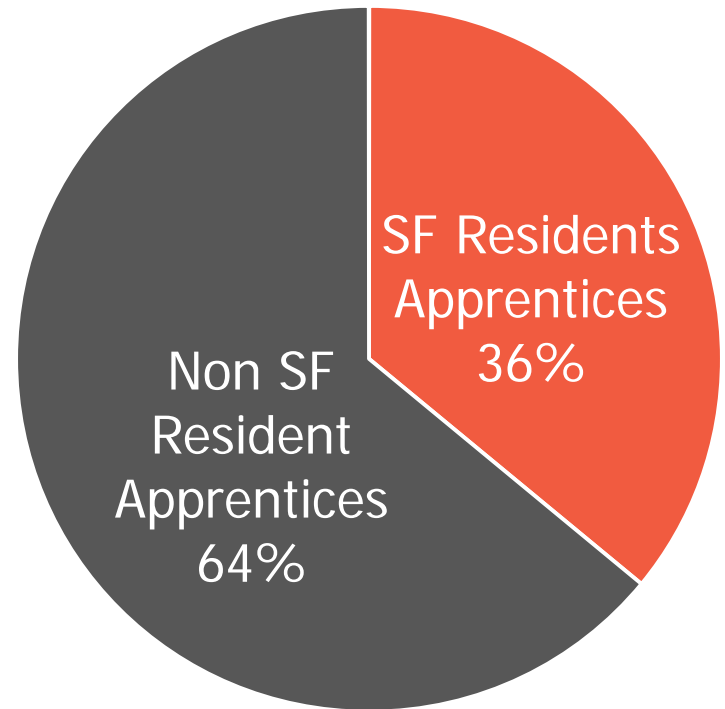
# CPMC Construction Local Hiring Summary

Combined Data through July 2018

TOTAL WORK HOURS:  
5,091,742



TOTAL APPRENTICE WORK HOURS:  
1,050,395

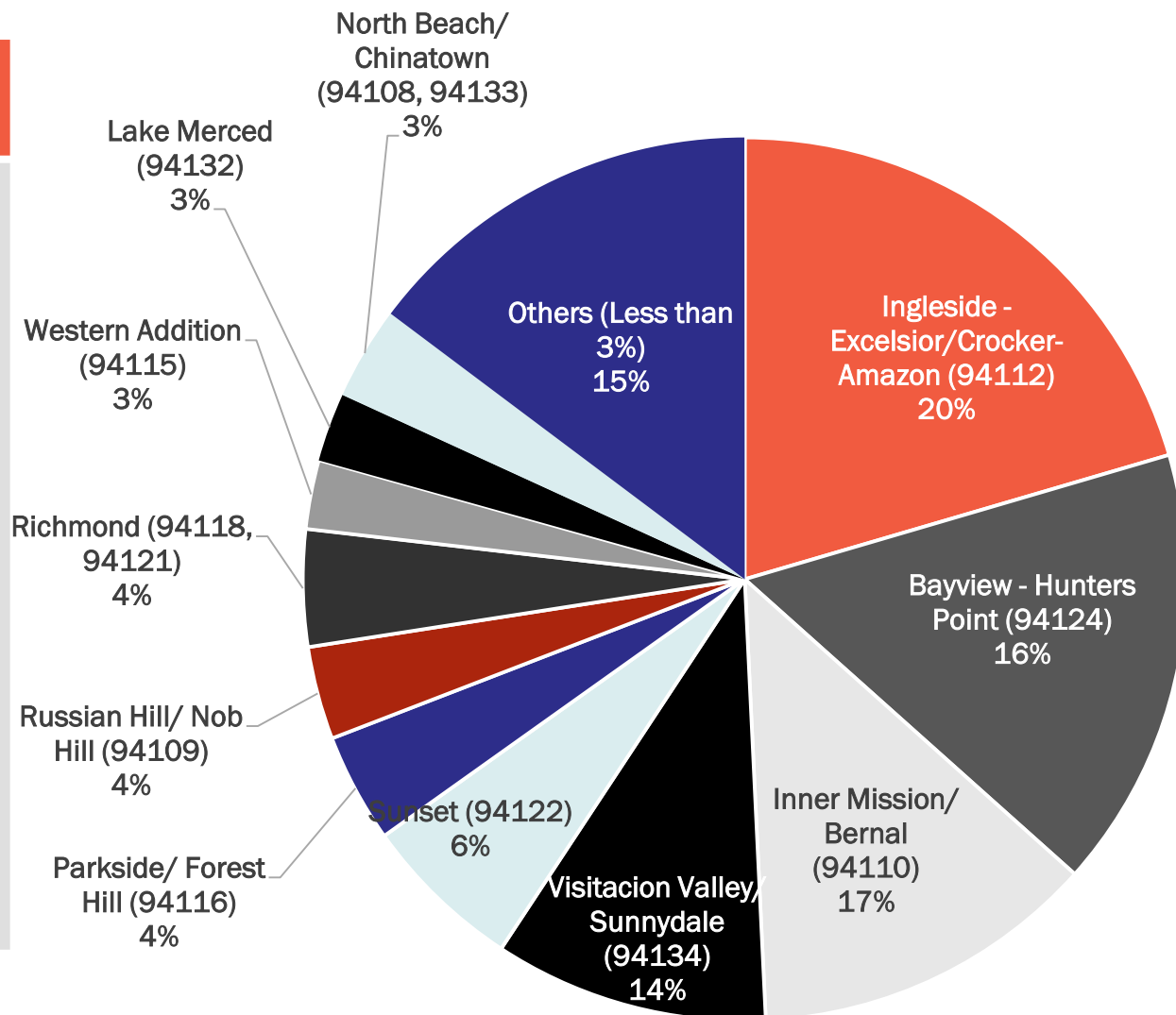


# CPMC SF Work Hours by Neighborhood

Combined Data through July 2018

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

- ❖ Russian Hill/ Nob Hill (94109)
- ❖ Potrero Hill/Dogpatch (94107)
- ❖ South of Market (94103)
- ❖ Haight Ashbury (94117)
- ❖ Twin Peaks/Glen Park (94131)
- ❖ West Portal (94127)
- ❖ Treasure Island (94130)
- ❖ Castro/Noe Valley (94114)
- ❖ Marina (94123)
- ❖ Mission Bay (94158)
- ❖ Financial District (94104, 94105)



# Local Business Enterprise Program for CPMC Construction

## *5. Contracting Goals – As of July 2018*

- CPMC Local Business Enterprise Program
  - At least 14% of the cost of all contracts for the workforce projects are awarded to certified LBEs under the DA Agreement
- Program Progress
  - Van Ness and Geary Campus Hospital Project – 15.3%
  - Van Ness Medical Office Building – 12.8%
  - The Replacement Hospital at St. Luke's Campus – 21.3%
  - Three Projects combined – 16.4%
  - Through July 2018 – \$225,934,299 revenue to LBEs

# 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 Five, August 2017- July 2018

- 54% goal
- Hired 35 out of 65 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 2017 Performance	Compliant
Care for 30,445 charity care or Medi-Cal patients annually*	CPMC served a total of 39,569 unduplicated patients between 1/1/2017 and 12/31/2017. CPMC exceeded its requirement by 9,123 unduplicated patients.	Yes
Spend \$8 million annually for community benefit for the poor and underserved*	Community benefit in the amount of \$12,503,722 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 2017 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 2017, CPMC had a total of 32,739 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, 2017, St. Anthony's has 170 members that enrolled in the NEMS/CPMC partnership (1 Healthy Kids &amp; 169 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 2017 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>\$8.6 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> <li>• \$1.125 on 11/14/17</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 2017 granted \$677,000 to support:</p> <ul style="list-style-type: none"> <li>• Transportation to the Sobering Center to reduce ER visits</li> <li>• St. Anthony's Foundation to increase patient referrals and clinic outreach efforts</li> <li>• Central City Hospitality House in the Tenderloin</li> <li>• Garden2Table to support healthy living and cultural events for Tenderloin SRO residents</li> <li>• Neighborhood Empowerment Network to engage Bayview residents in community planning</li> <li>• The merger between Women's Community Clinic and HealthRight360</li> </ul>	Yes

# Additional Healthcare Provisions

DA Provision	CPMC 2017 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. CPMC reported it has maintained these recommendations during 2017.	Yes

# Key Healthcare Issues

- Culturally and linguistically appropriate services at the St. Luke's Diabetes Clinic
- Shifting services to Sutter Pacific Medical Foundation (SPMF)
  - CPMC informed the Health Commission of plans to transfer management of 5 outpatient clinics to SPMF through Prop Q hearing process
- Closure of St. Luke's SNF and Subacute SNF
  - Closed in 2018; results in 68% reduction in overall SNF beds at CPMC
  - CPMC has committed to continuing to care for remaining sub-acute patients at the Davies Campus

# Summary





# Summary of Key Points

- Sutter is in compliance with DA provisions
  - Construction obligations and payments completed
- Ongoing areas of concern:
  - Construction hiring requirement
  - Tenderloin Medi-Cal provision
  - Culturally and Linguistically Appropriate Services



# Comments And Questions

Development Agreement Questions:

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**Background Slides**

**TDM Requirements**

# Approved Enhanced TDM Plan

- **Transportation Demand Management Plan** dated 4/1/13 was approved as part of the EIR and included as a condition of project approval (Condition #35 of Motion #18889), and is on-file with City ([cpmc.sfplanning.org](http://cpmc.sfplanning.org)).
- **Goal** is to reduce single occupant vehicle/drive alone trips (and related parking demand) to 15% below baseline by 2024 , associated air quality and greenhouse gas emissions, as well as promote the City of San Francisco's Transit First policies
- **Divided** into Near-Term (0-2 Year), Mid-Term (2-5 year), and Long-Term (5+ year) obligations.

# Approved TDM Plan, cont'd

- Near Term TDM Components (0-2 years) for outreach, marketing and information include:
  - Hire TDM coordinator – *Done.*
  - Reinstate the Transportation Services Newsletter – *Done. Included in other employee communications*
  - Provide TDM communication boards in campus cafeterias, enhance the TDM site on intranet and public website - *Done*
  - Reinstate and expand the annual Transportation Fair (*completed in 2016. CPMC plans to expand to 12 campus-wide fairs/meetings in next year.*)
  - Promote the existing courtesy ride home program – (*completed in 2016 by partnering with LYFT program. Currently exploring arrangement with Scoop rideshare service.*)
  - Increase marketing of the City's Emergency Ride Home program (*completed in 2016, continues to participate*).
  - Design an outreach program (*completed*), and
  - Develop a TDM operations and maintenance budget – (*completed*).
- Near Term and Mid-Term Measures substantially progressing toward fulfillment; therefore in compliance.
- Presented at SFMTA Citizens Advisory Council (CAC) on August 7, 2014

# TDM– Mid Term (2 to 5 years)

- **Shower Facilities** – Showers and changing facilities required in new facilities (*complete – included in new campus construction at Cathedral Hill and Mission/Bernal*).
- **Marketing and Outreach** –Continue the TDM and Outreach program and implement methods for improving marketing and outreach (*under way*).
- **Real Time Transit Information** –Install real-time transit information signs in the lobbies of existing facilities and provide links to real time transit information on the intranet/public website (*under way – CPMC intranet has 511 information*).
- **Bicycle Parking** – Monitor number and location of bicycle racks annually and increase as necessary. Install bicycle lockers in new and existing garages (*under way*) .
- **Carsharing** –Allot additional parking spaces to carsharing services in both new and existing buildings based on demand (*under way*) .
- **Rideshare Program** – CPMC shall create an internal rideshare program (e.g. RideSpring or a 511.org interface). CPMC shall also explore the feasibility of coordinating a rideshare program with other large institutions in order to increase the pool of carpoolers and vanpoolers (*under way – negotiating with Scoop online rideshare program*) .
- **Carpool and Vanpool Parking** – CPMC shall continue to provide reserved carpool and vanpool parking at all new parking facilities based on demand (*registered carpoolers get free monthly parking in garage at campus*).
- **Shuttle Restructuring** and development of 10-year fleet replacement plan with ADA/Green Vehicles (*To be restructured with campus changes*).
- **Transit Subsidy** – CPMC shall expand the transit subsidy program to include all campuses and increase the value of the monthly subsidy to be up to the equivalent of the cost of a MUNI Fast Pass, with the employee covering up to 50% of the transit pass cost [rather than subsidy] (*under way – started at all campuses in January 2017. Participation has been steadily increasing and stands at approximately 18% of eligible employees as of June 2018. Some employees use public transit, but are ineligible for the subsidy, e.g., due to part-time status*). ).
- **Transportation Surveys** - CPMC shall continue to conduct an annual employee transportation survey. CPMC shall achieve at a minimum a thirty percent response rate. Each three years, an employee/patient/visitor survey shall also be conducted. If the goals are not met, CPMC must pay SFMTA for enhanced TDM measures up to \$75,000 (*employee survey conducted annually, with special survey expected soon after Cathedral Hill opening*).



# TDM– Long Term (5+ years)

*Measures envisioned to coincide with new hospital openings:*

- **Real Time Transit Information** – install real-time transit information signs in the lobbies of all new facilities and provide links to real time transit information on the intranet/public website. *(CPMC Intranet site contains 511 transit information. GPS installed on some shuttles especially those used for BART service, so employees can look on phone app and see real time location and seat availability)*
- **Car Sharing** – Create a corporate carshare account with reduced rates to staff. *(Zipcar parking and vehicles currently active at Pacific, California, and Mission/Bernal Campuses, with availability based on demand.)*
- **Parking Pricing** – Monitor parking demand, adjust permit fees to balance supply and demand. *(CPMC has increased hourly, daily, and monthly parking rates across all campus garages. Employees continue to be offered discounted rates.)*
- **Marketing and Outreach** – Continue the TDM and Outreach program and investigate methods for improving marketing and outreach. *(More extensive campus fairs/meetings planned for 2018-19.)*
- **Transportation Surveys** - Continue to conduct annual employee transportation survey to receive feedback on TDM programs. CPMC shall achieve at a minimum a thirty percent response rate. Each three years, a patient/visitor survey shall also be conducted to track visitor mode split. *(Surveys to be conducted separately after opening of Mission/Bernal and Cathedral Hill hospitals.)*