



**San Mateo Medical Center**  
*A County System of Healthcare*

# **BOARD OF DIRECTORS MEETING**

Thursday, April 2, 2015

8:00 AM – 10:00 AM

**SAN MATEO MEDICAL CENTER**

**EXECUTIVE BOARD ROOM**

*Second Floor, Administration Wing*



San Mateo Medical Center  
*A County System of Healthcare*

## BOARD OF DIRECTORS MEETING

April 2, 2015 8:00 – 10:00 AM

Executive Board Room – Second Floor, Administration Wing

### AGENDA

**A. CALL TO ORDER**

**B. CLOSED SESSION**

*Items Requiring Action*

1. Medical Staff Credentialing Report
2. Quality Report

*Dr. Janet Chaikind*

*Dr. Julia Hersk*

*Informational Items*

3. Medical Executive Committee

*Dr. Janet Chaikind*

**C. REPORT OUT OF CLOSED SESSION**

**D. PUBLIC COMMENT**

Persons wishing to address items not on the agenda

**E. FOUNDATION REPORT**

*Bernadette Mellott*

**F. CONSENT AGENDA**

**TAB 1**

*Approval of:*

1. March 5, 2015 Meeting Minutes
2. Burlingame Long Term Care Report

**G. MEDICAL STAFF REPORT**

Chief of Staff Update

*Dr. Janet Chaikind*

**H. ADMINISTRATION REPORTS**

- 1. Quality – Emergency Department *Dr. CJ Kunnappilly*..... Verbal
- 2. Building Healthy Communities = Disease Prevention *Jean Fraser*..... Verbal
- 3. Right Care, Time and Place: HS Behavioral Health Clients *Dr. Susan Ehrlich* ..... Verbal
- 4. Financial Report *David McGrew*..... **TAB 2**
- 5. CEO Report *Dr. Susan Ehrlich*..... **TAB 2**

**I. HEALTH SYSTEM CHIEF REPORT**

Health System Snapshot *Jean Fraser*..... **TAB 2**

**J. COUNTY MANAGER’S REPORT**

*John Maltbie*

**K. BOARD OF SUPERVISOR’S REPORT**

*Supervisor Adrienne Tissier*

**L. ADJOURNMENT**

*Enclosed:*

**MEDIA ARTICLES**

**TAB 3**

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*Meetings are accessible to people with disabilities. Individuals who need special assistance or a disability-related modification or accommodation (including auxiliary aids or services) to participate in this meeting, or who have a disability and wish to request an alternative format for the agenda, meeting notice, agenda packet or other writings that may be distributed at the meeting, should contact the executive secretary at least two working days before the meeting at (650) 573-3533 (phone) or [mlee@smcgov.org](mailto:mlee@smcgov.org) (e-mail). Notification in advance of the meeting will enable San Mateo Medical Center to make reasonable arrangements to ensure accessibility to this meeting and the materials related to it.*



San Mateo Medical Center  
*A County System of Healthcare*

# TAB 1

# CONSENT AGENDA

HOSPITAL BOARD OF DIRECTORS  
MEETING MINUTES  
Thursday, March 5, 2015  
SMMC Executive Board Room

Board Members Present

Supervisor Adrienne Tissier  
Supervisor Carole Groom  
John Maltbie  
Jean Fraser  
Dr. Janet Chaikind  
Dr. Susan Ehrlich  
Dr. Julie Hersk  
Sharon Petersen

Staff Present

Glenn Levy  
John Thomas  
Viral Mehta  
Liz Evans  
Dr. Alpa Sanghavi  
Cecilia Diaz  
Tosan Boyo

Michelle Lee  
Gary Horne  
David McGrew  
Naomi Yunker  
Karen Pugh  
Cecilia Diaz  
Angela Gonzales

Members of the Public

ITEM	DISCUSSION/RECOMMENDATION	ACTION
Call to Order	Supervisor Groom called the meeting to order at 8:00 AM, and the Board adjourned to Closed Session.	
Reconvene to Open Session	The meeting was reconvened at 8:10 AM to Open Session. A quorum was present (see above).	
Report out of Closed Session	Medical Staff Credentialing Report for March 5, 2015. Medical Executive Committee Minutes for February 10, 2015. QIC Report from March 5, 2015.	Glenn Levy reported that the Board unanimously approved the Credentialing Report. It also accepted the Medical Executive Committee minutes.
Public Comment	None	
Foundation Report	March 21, 2015 will be the official grand opening celebration of the Fair Oaks Health Center in Redwood City. The new 3-story, 36,000 sq. ft. facility will provide greater access to patients living in the Redwood City, Menlo Park, and East Palo Alto areas.  The Bundle of Joy fundraiser will be held at the Poplar Creek Grill at Coyote Point on April 25, 2015.  The 2015 annual Golf Tournament will be held at the Sharon Heights Golf Club on August 24, 2015.	FYI
Consent Agenda	Approval of: 1. Hospital Board Meeting Minutes for February 5, 2015. 2. Proposed language change to the Medical Staff Rules and Regulations. 3. Hospital Board Bylaws.	It was MOVED, SECONDED and CARRIED unanimously to approve all items on the Consent Agenda.

<p>Medical Staff Report Dr. Janet Chaikind Chief of Medical Staff</p>	<p>Dr. Hersk reported that the Medical Staff and Sound Physicians are working closely together to resolve staffing challenges experienced in the last month.</p>	<p>FYI</p>
<p>Quality Report</p>	<p>Presentation: Pharmacy Department presented by Gary Horne, Pharmacy Director.</p> <p>Scope of services: Acute, Medication Therapy Monitoring, Outpatient pharmacy services (retail model), LTC, and 340B program oversight.</p> <p>Antibiotic Stewardship: State law becomes effective July 1, 2015</p> <ul style="list-style-type: none"> <li>• Definition: <ul style="list-style-type: none"> <li>○ Narrowing broad spectrum coverage</li> <li>○ Assessing the use of antifungals</li> <li>○ Redundant antibiotic coverage</li> <li>○ Attention to multiple/frequent changes in antibiotic regimens</li> </ul> </li> <li>• Vancomycin Dosing Guidelines and</li> <li>• “Right Bug, Right Drug” Quick Reference Guide have been created through these efforts</li> <li>•</li> </ul> <p>Clinical Pharmacy</p> <ul style="list-style-type: none"> <li>• Implemented pharmacist working on 2AB to be available as a resource for our other healthcare providers <ul style="list-style-type: none"> <li>○ Clinical interventions</li> <li>○ More easily able to resolve issues with medication orders</li> <li>○ The pharmacist attends discharge rounds on 2AB daily</li> </ul> </li> <li>• Pharmacy Clinical Coordinator attends weekly ICU interdisciplinary rounds <ul style="list-style-type: none"> <li>○ Again acting as a resource for other healthcare providers</li> <li>○ Assists in further establishing pharmacists’ role in the healthcare team</li> </ul> </li> </ul> <p>Accomplishments</p> <ul style="list-style-type: none"> <li>• De-centralized Pharmacy Service</li> <li>• Clinical Decision Support</li> <li>• Antibiotic Stewardship</li> <li>• Pyxis Anesthesia Systems</li> <li>• OP Pharmacy Lean</li> <li>• Software &amp; Hardware Updates</li> </ul>	<p>FYI</p>
<p>Culture of Care at SMMC</p>	<p>Creating a “culture of care” at SMMC presented by Srija Srinivasan, Director of Strategic Operations.</p> <p>Our #1 priority in maximizing coverage is Health System patients/clients</p> <ul style="list-style-type: none"> <li>• “No margin, no mission.”</li> <li>• Coverage matters. The fear of big bills deters patients from seeking the right care, at right time, right setting.</li> </ul> <p>We have taken large and small steps to increase the % covered</p>	<p>FYI</p>

	<ul style="list-style-type: none"> <li>• 2008: Unified two staff groups into Health Coverage Unit</li> <li>• 2010: Aligned appointment scheduling with coverage</li> <li>• 2011: Launched “bridge to reform” coverage for those expected to become Medi-Cal eligible</li> <li>• 2012: Initiated work to reduce # of visits among patients without coverage</li> <li>• 2014: Converted 10,000 ACE to Medi-Cal on 1/1/14; seeing financial results of focus on MC</li> </ul> <p>We are focused on efficiency and revenue capture</p> <ul style="list-style-type: none"> <li>• # of Completed Enrollments per application assistance FTE: <ul style="list-style-type: none"> <li>➢ Target of 1,100 completed enrollments per FTE met in FY 12-13, FY 13-14</li> </ul> </li> <li>• We have “in-sourced” eligibility follow-up work previously performed by a private, contingency-based vendor. We spend around \$165,000 for non-federal share of 3.0 FTEs vs. foregoing 15 to 20% of Medi-Cal inpatient revenue.</li> </ul> <p>We need to keep embedding eligibility into our policies and workflows</p> <ul style="list-style-type: none"> <li>• Local policies that promote incentive to obtain coverage – e.g., Temporary ACE seems to have worked</li> <li>• Leverage ability for providers to get eligibility info at the time of service</li> <li>• Get people covered quickly so that they can get the services they need. Tailor how we work with most complex, high-risk and partner with HSA to expedite their enrollment</li> </ul> <p>We need to keep earning clients’ trust through excellent service</p> <ul style="list-style-type: none"> <li>• One stop for all members of the household – Medi-Cal, Covered CA, ACE, HK – with least time</li> <li>• Retaining great staff with language, customer service and advocacy skills – <i>“Thank you for answering the phone and explaining what I need to do to enroll”</i></li> </ul> <p>Key results</p> <ul style="list-style-type: none"> <li>+ More than 61,000 SM County residents insured through ACA health coverage</li> <li>+ 89% of calls to our local health coverage phone # answered within 1 minute. Covered CA phone response times ranged from 5 minutes to 60+ minutes</li> <li>+ Our patients seeking in-person enrollment help can get it in a timely manner</li> </ul> <p>Key challenges</p> <ul style="list-style-type: none"> <li>- Remaining insured requires an annual renewal. Especially for Medi-Cal, this is not easy yet.</li> <li>- For some patients/ clients, completion of enrollment requires multiple handoffs</li> </ul> <p>Our staff use 6 different electronic systems to make enrollment easy enough for our patients/clients</p>	
<p>SMMC Pillar Goals Dr. Susan Ehrlich, CEO</p>	<p>Presentation: SMMC Pillar Goals FY 2015-2020 presented by Dr. Susan Ehrlich.</p> <p>Critical Success Factors are:  LEARN → Tap into deepest collective insights  ENGAGE → Involve team in plan and execution  ASPIRE → Align all action with clear goals  PERFECT → Stay focused and iterate</p> <p>Pillar 1, Patient at the Center. We focus on what matters most to our patients and their families, and partner with them to provide outstanding, compassionate care.</p>	<p>FYI</p>

	<p>Pillar 2, Best Care. We partner with patients to achieve their goals by providing the best care possible through an integrated health care delivery system.</p> <p>Pillar 3, Compassionate Care Community. We are a great place to work for those passionate about serving our community.</p> <p>Pillar 4, High Value. We partner with our patients to deliver health care when, how and where they want it.</p> <p>Pillar 5, Right Care, Right Time, Right Place. We ensure that our patients get the right care at the right time and place.</p>	
Financial Report David McGrew, CFO	The January FY14/15 financial report was included in the Board packet and David McGrew answered questions from the Board.	FYI
CEO Report Dr. Susan Ehrlich, CEO	The CEO Report was included in the Board packet and Dr. Ehrlich answered questions from the Board.	FYI
Health System Report Jean Fraser, HS Chief	The Health System Monthly Snapshot for February 2015 was included in the Board packet.	FYI
County Manager John Maltbie	No report.	FYI
Board of Supervisors Supervisor Tissier	<p>The Board of Supervisors is closely evaluating initiatives for Measure A funds.</p> <p>Prompted by the current affordable housing crisis in the community, the Board of Supervisors is convening a March 17 study session on affordable options aimed at keeping current occupants in their homes and adding to the available stock.</p>	FYI

Supervisor Tissier adjourned the meeting at 9:40 AM. The next Board meeting will be held on April 2, 2015.

Minutes recorded by:



Michelle Lee

Minutes approved by:



Dr. Susan Ehrlich, Chief Executive Officer



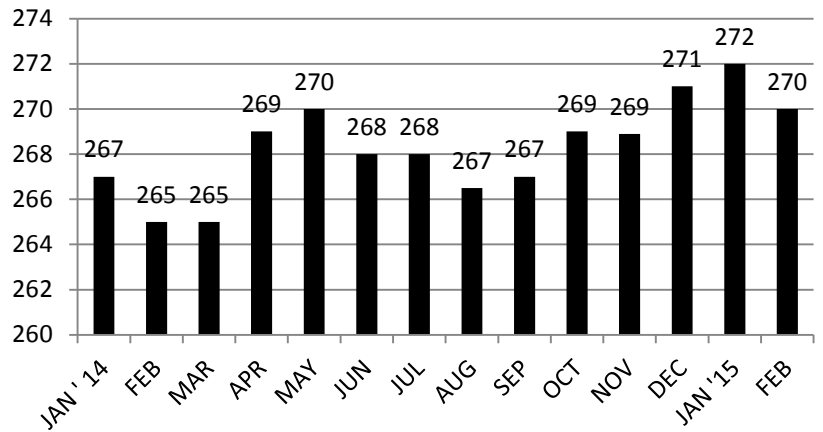


# San Mateo County HEALTH SYSTEM

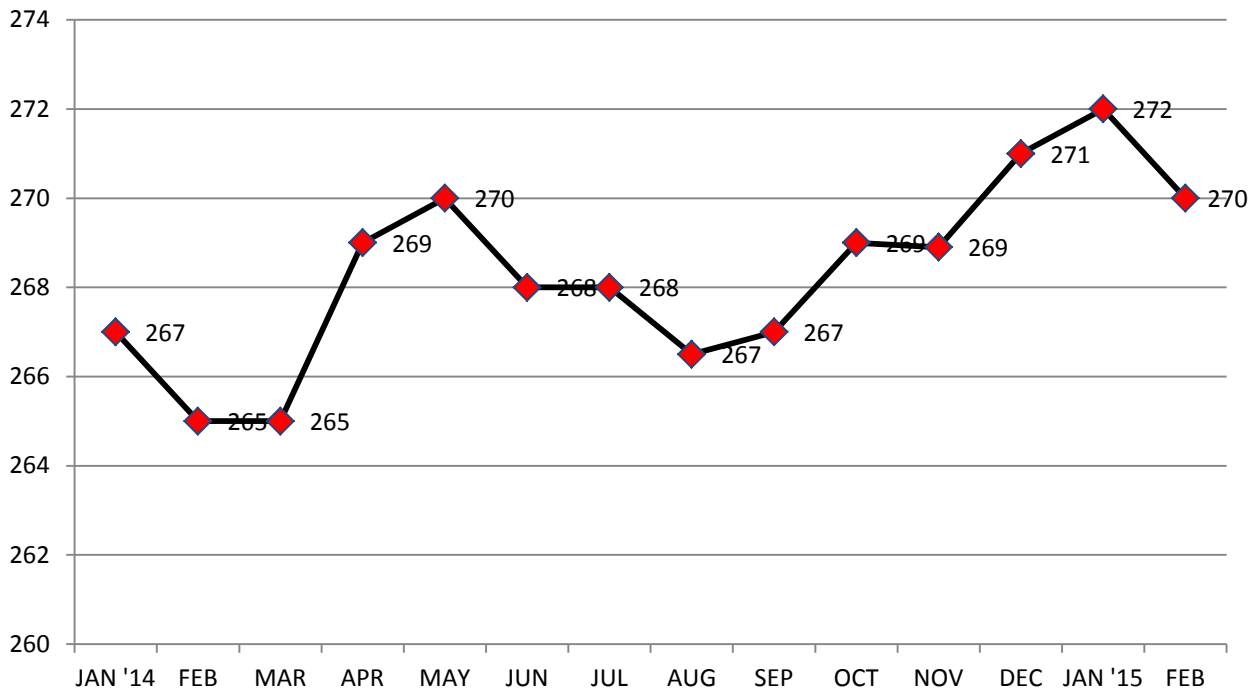
Date: Thursday, April 2, 2015  
 To: SMMC Board Members  
 From: Nora De Leon-Flores, Marcus Weenig, and Rhonda Alvarez  
 RE: Burlingame LTC Report to Executive Management Team

## Census - Total: 270

Medicare	11
Medi-Cal	241
Private	1
HMO	4
Hospice	9
Medi-Cal Pending	4
Bed Holds	2



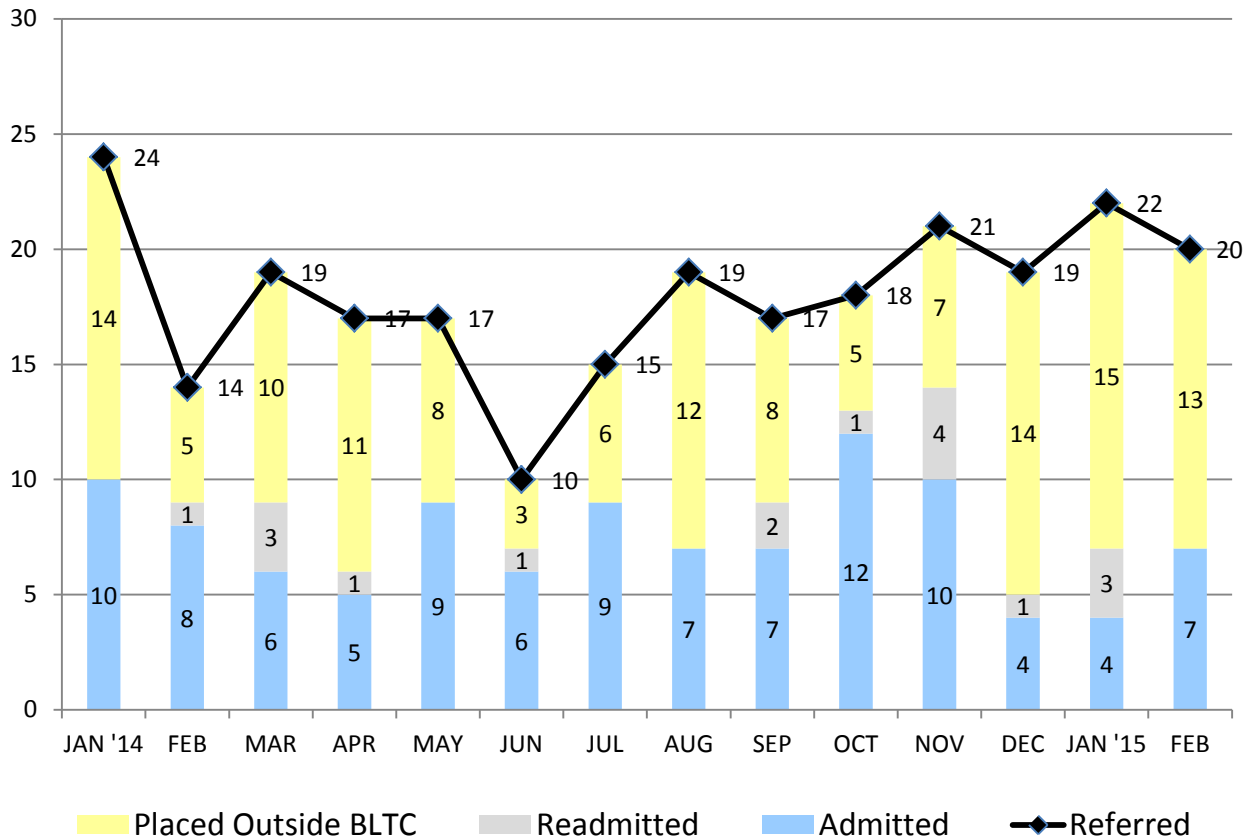
## January 2014 to February 2015



# San Mateo Medical Center – Referral Report February 2015

Patients Referred: 20  
 Patients Admitted: 7  
 Patients Re-Admitted: 0  
 Total Admissions: 7

<b>NON-ADMITTED (February)</b>	
Not SNF Appropriate:	2
Refused BLTC:	1
Expired at SMMC:	1
No Skilled Needs:	2
Still in Acute:	1



# CDPH Activity January and February 2015

## Self-Reported Events (2015)

2015	January	February
Power Outage	1	
Resident Altercation	2	2
Fire Watch	1	
Alleged Abuse (Staff)	1	1
Alleged Fiduciary Abuse (Family)		1

## Complaint Visit Events (2015)

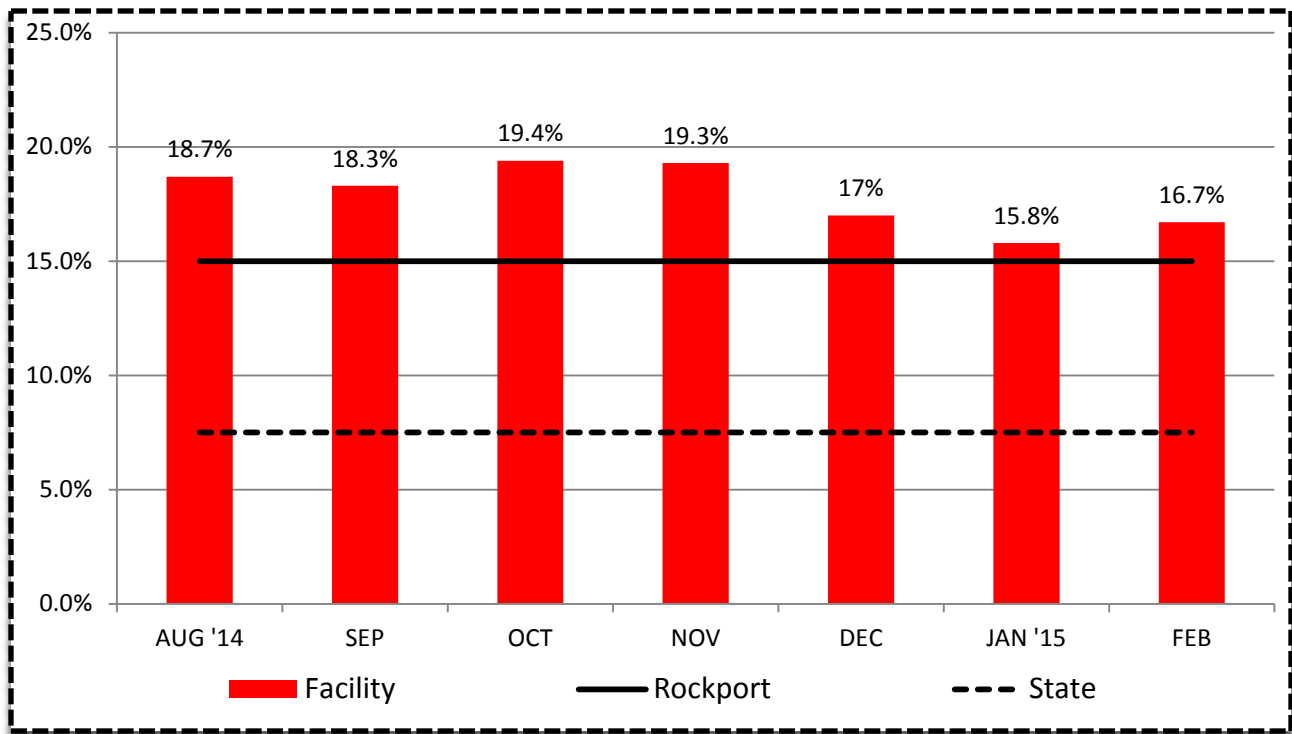
2015	Jan	Feb
Multiple Issues and Concerns		2
Smoking		1
Pressure Ulcer and Quality of Care		1

### 2015 GOALS

- Continue consistent and timely reporting of any unusual occurrences and any alleged incidents of abuse.
- Ensure all investigations are completed timely.
- Monitor residents for safety and continue post-incident care planning to identify any change of conditions to prevent recurrence.

# Monthly Quality Indicators Report

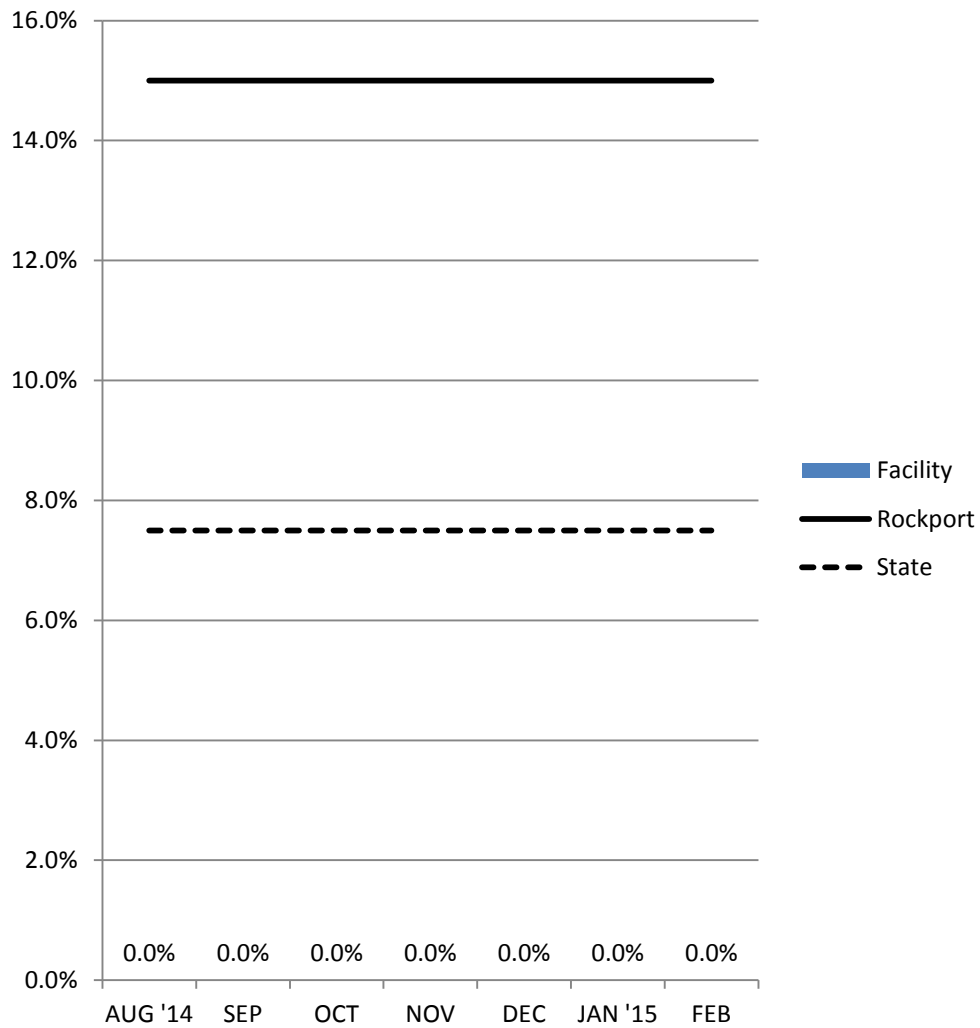
## ROUTINE ANTI-PSYCHOTIC MEDICATIONS



- ★ There is an expected increase in the use of anti-psychotic medications as residents admitted to the facility already have or have mostly psychiatric diagnoses and/or has dementia with psychotic features.

# Monthly Quality Indicators Report

## Anti-Psychotic Medications for Residents with Diagnosis of Dementia Only

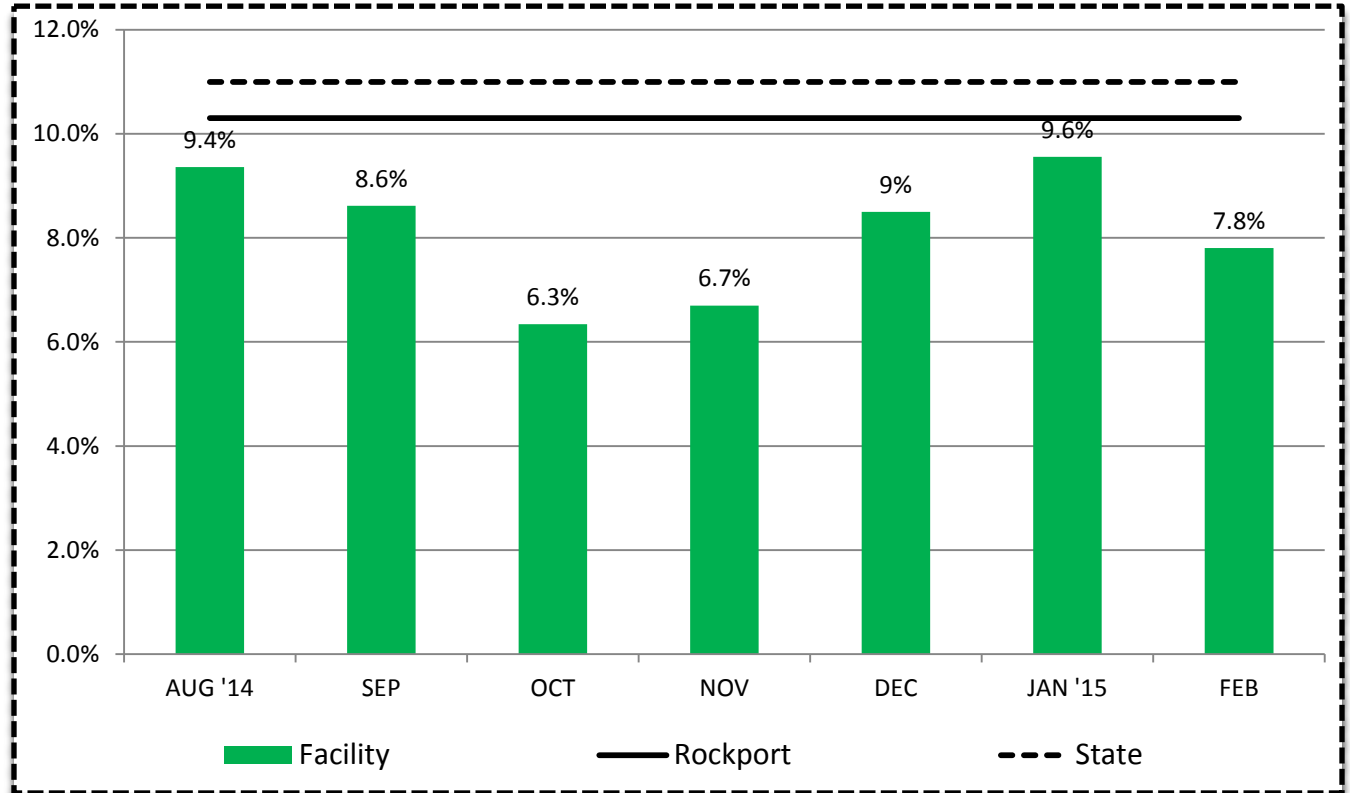


### **GOAL(S):**

- ★ ZERO USE OF ANTI-PSYCHOTIC MEDICATIONS FOR PATIENTS WITH DIAGNOSIS OF DEMENTIA ONLY.

# Monthly Quality Indicators Report

## FALLS



### REPORT

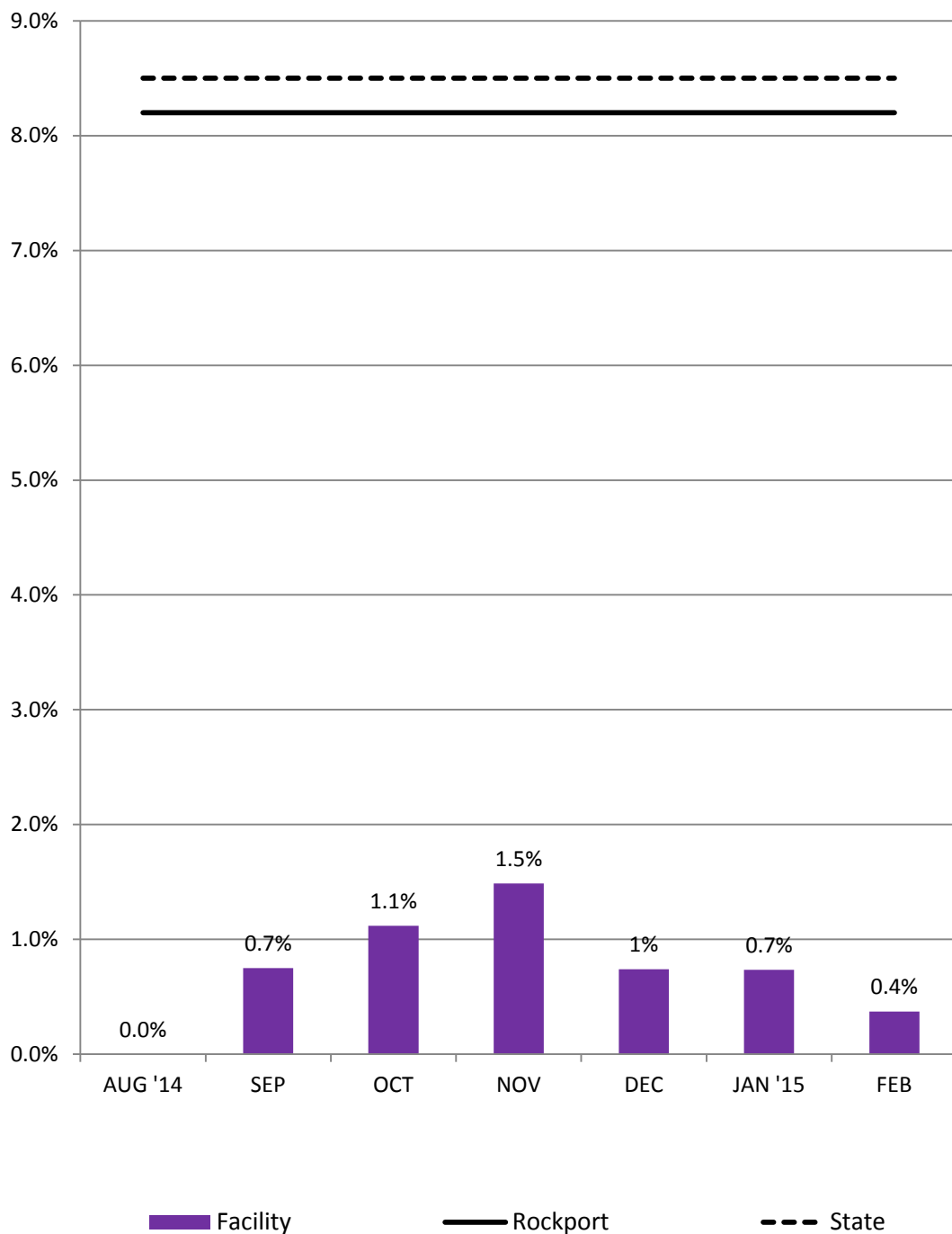
- ★ Continue implementation of the Falling Leaf program to reduce falls and/or prevent injury.
- ★ Utilization and assessment of a resident's risk for fall upon admission
- ★ IDT to continue oversight of the Falling Leaf program and discuss RCA (root-cause analysis) post-fall.
- ★ Continue implementation of the Safety Bingo program for staff.

### GOALS

- ★ NO INJURIES FROM FALL

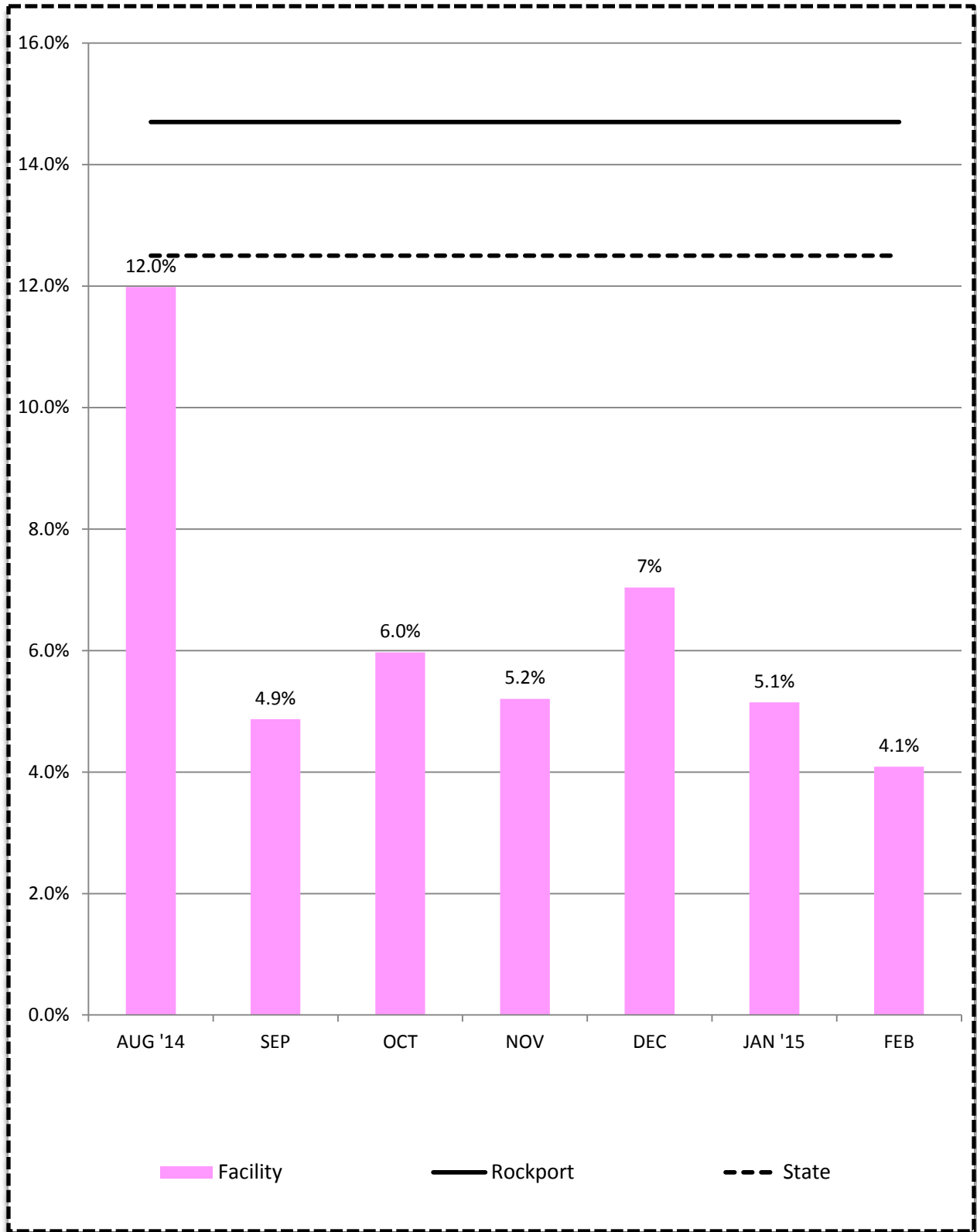
# Monthly Quality Indicators Report

## HEALTHCARE-ACQUIRED PRESSURE ULCERS



# Monthly Quality Indicators Report

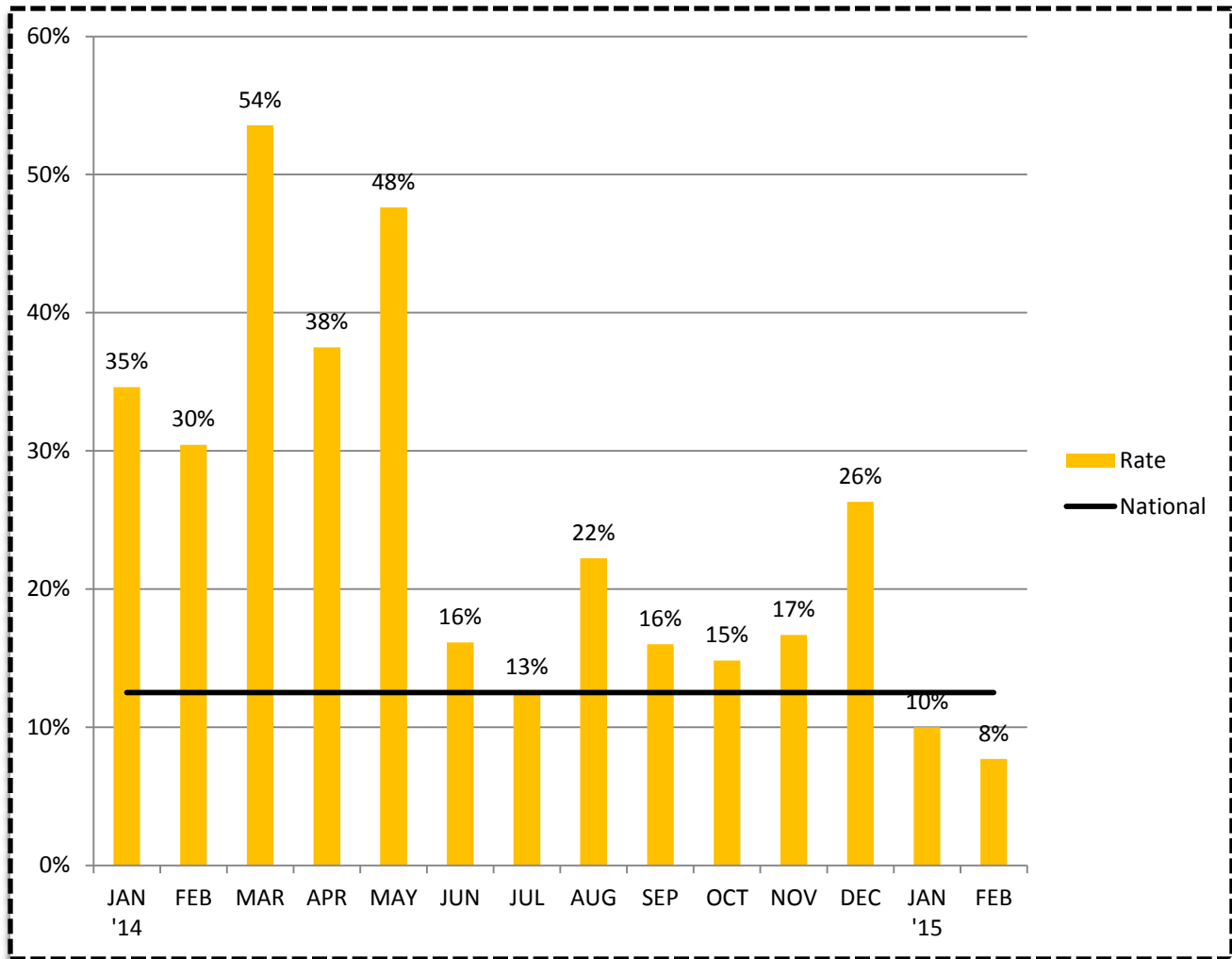
## HEALTHCARE-ACQUIRED INFECTIONS





# Monthly Quality Indicators Report

## READMISSIONS



### REPORT:

- ★ Re-hospitalization Rate
  - ★ Reduced to meet benchmark set nationally at 12.5%.
  - ★ Past six months reduced readmissions by 25%
- ★ The implementation of a CHF program assisted in lowering our re-hospitalization rate
- ★ Monitoring weight gain
- ★ Utilizing an in-house nurse practitioner.

# Customer Satisfaction » Pinnacle Survey



CUSTOMER SATISFACTION  
SHORT STAY vs. LONG TERM

BURLINGAME LONG TERM CARE CENTER

February 2015

<http://pinnacleql.com/reports/shortstay>

## SHORT STAY



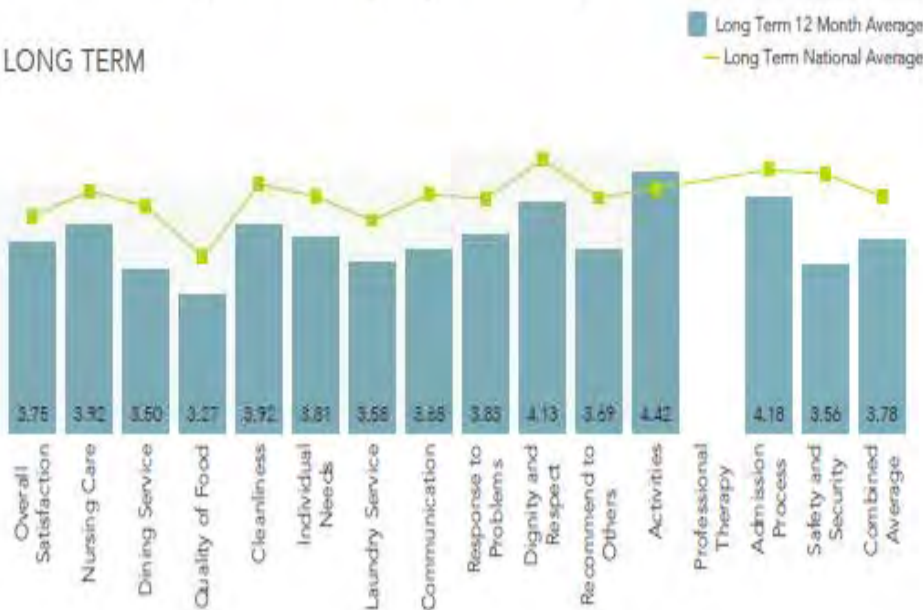
## SHORT STAY SATISFACTION RATE

percentage that rated  
Recommend to Others as a 4 or 5.

77.6%

86.3% National Average

## LONG TERM



## LONG TERM SATISFACTION RATE

percentage that rated  
Recommend to Others as a 4 or 5.

61.9%

79.7% National Average

# Customer Satisfaction » Pinnacle Survey



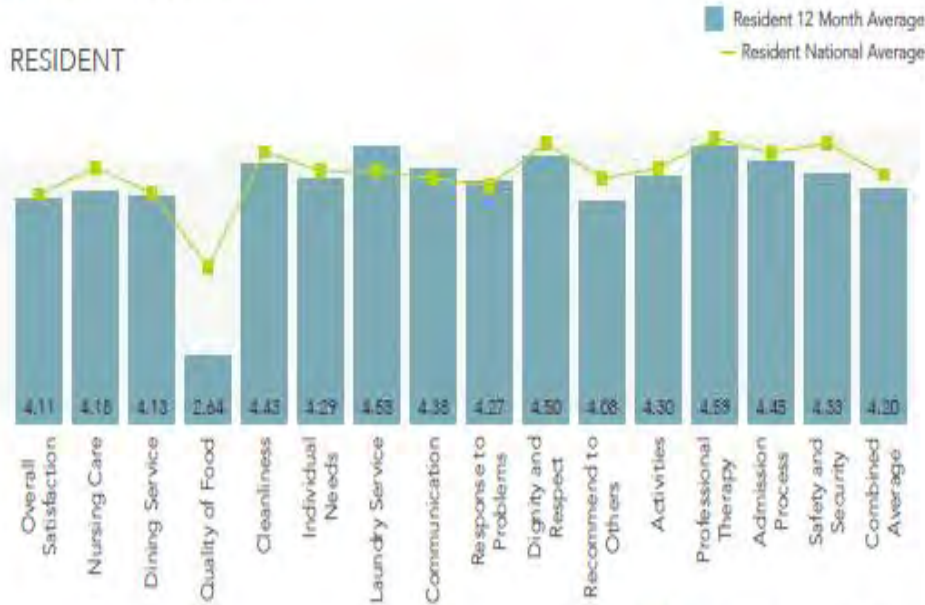
CUSTOMER SATISFACTION  
RESIDENT vs. RESPONSIBLE PARTY

BURLINGAME LONG TERM CARE CENTER

February 2015

<http://pinnacleql.com/reports/resident>

## RESIDENT



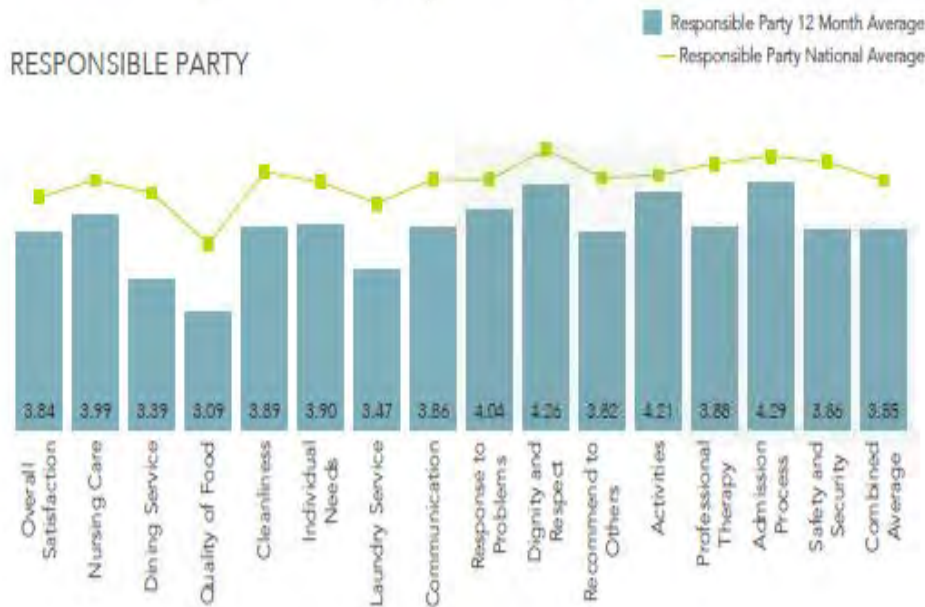
## RESIDENT SATISFACTION RATE

percentage that rated  
Recommend to Others as a 4 or 5.

**69.2%**

82.7% National Average

## RESPONSIBLE PARTY



## RESPONSIBLE PARTY SATISFACTION RATE

percentage that rated  
Recommend to Others as a 4 or 5.

**73.7%**

84.5% National Average

# CUSTOMER SATISFACTION SURVEY

## What is Valued Most?

- Health and Safety
- Comfort
- Updates on Health
- Quality of Care

## What is Burlingame Long Term Care?

*“The quality of nursing staff is excellent.”*

*“The nursing staff is good and very caring.”*

*“The professionalism and care they give is like family.”*

*“The staff is caring, professional and impressive.”*

*“The staff are very loving and nurturing.”*

# OSHPD RENOVATION PROJECT

Final stages of completing OSHPD permits relating to two OSHPD projects:

- I. Project related to cosmetic changes and renovation:
  - Addition of facility ramp by front entrance
  - New elevators
  - Kitchen hood
  - Fire Suppression System
  - Cosmetic changes
  
- II. Project related to sub-acute unit



San Mateo Medical Center  
*A County System of Healthcare*

# TAB 2

# ADMINISTRATION REPORTS



**San Mateo Medical Center**  
*A County System of Healthcare*

# February FY 2014-15 Financial Report

Department Managers Meeting  
April 2, 2015

# Financial Highlights

## Bottom Line:

- February: \$247k net income
  - Operating revenue unfavorable \$1.3m (-8%)
  - Operating expenses favorable \$1.2m (5%)
- YTD: \$2.4 million net income

## Financial Drivers:

- Favorable HPSM capitation membership
- Favorable Inpatient days, clinic visits & ancillary procedures
- ED visits slightly unfavorable
- Favorable contracted services
- FQHC cost report take-back



# Financial Highlights

## Forecast:

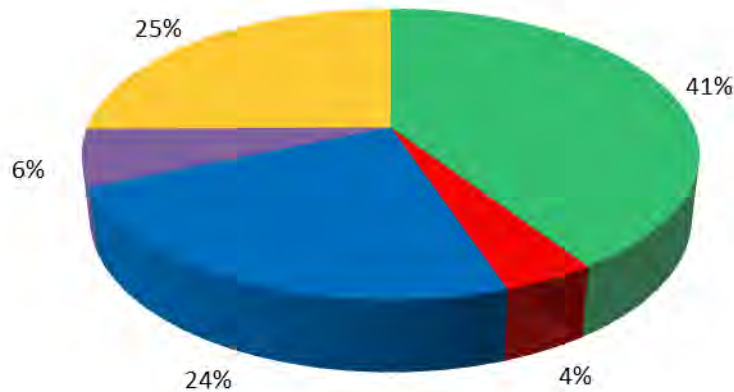
- Full year results are forecasted to be \$3 million positive due to implementation of the new HPSM capitation rates and strong expense management

## Risks & Opportunities:

- HPSM Capitation Membership
- Medi-Cal dis-enrollments
- Capitation rate reductions (State to HPSM)
- Supplemental revenue displacement (e.g. DSH)
- FQHC Cost Report reconciliations
- Nurse staffing
- Clinic demand

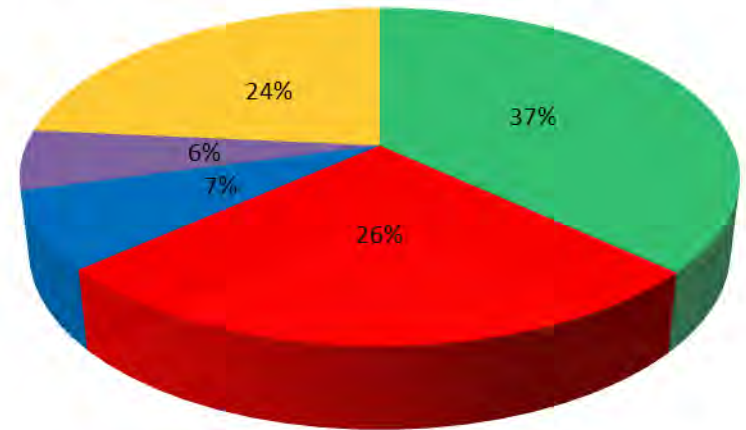
# Revenue Mix

Before Capitation (Jan 2014 - Jun 2014)



■ Patient Net ■ Capitation ■ Supplemental ■ Other ■ County Contribution

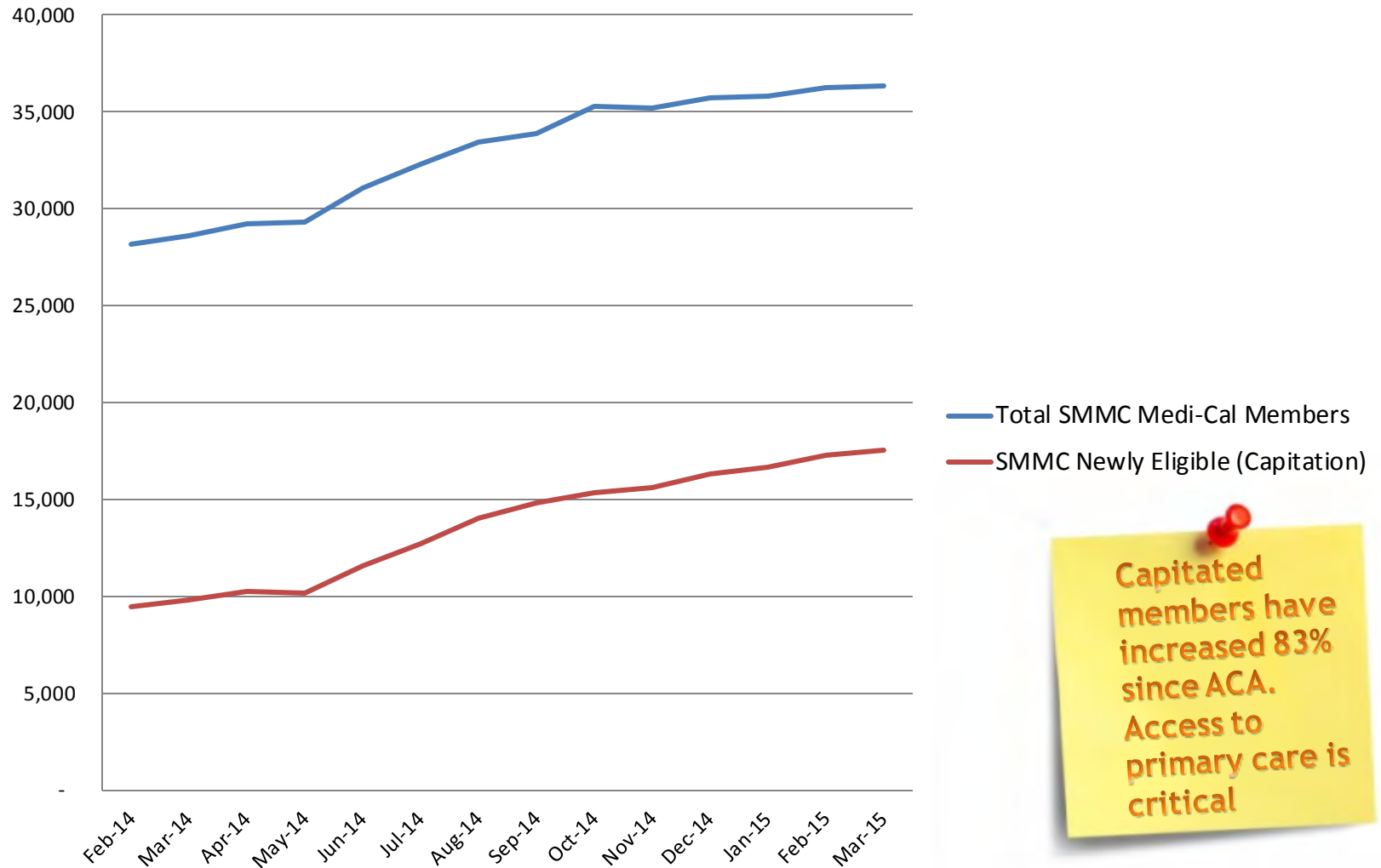
After Capitation (Jul 2014 - Feb 2015)



■ Patient Net ■ Capitation ■ Supplemental ■ Other ■ County Contribution

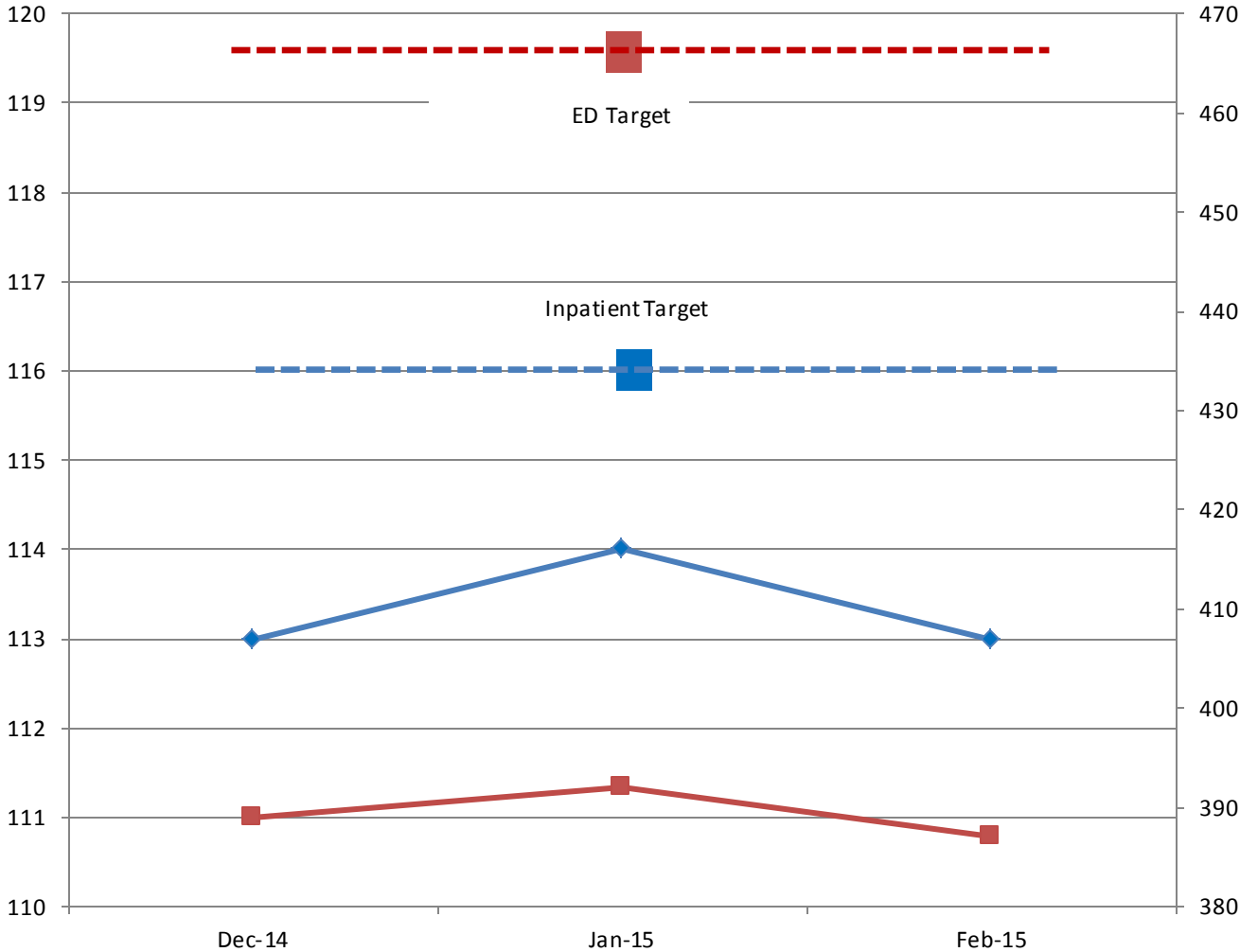
**Capitation** is a payment arrangement for health care service providers such as hospitals and physicians. It pays a hospital and physician or group of physicians a set amount for each enrolled person assigned to them, per period of time, whether or not that person seeks care.

# SMMC Medi-Cal Members



Capitated members have increased 83% since ACA. Access to primary care is critical

# Capitation Utilization - Hospital

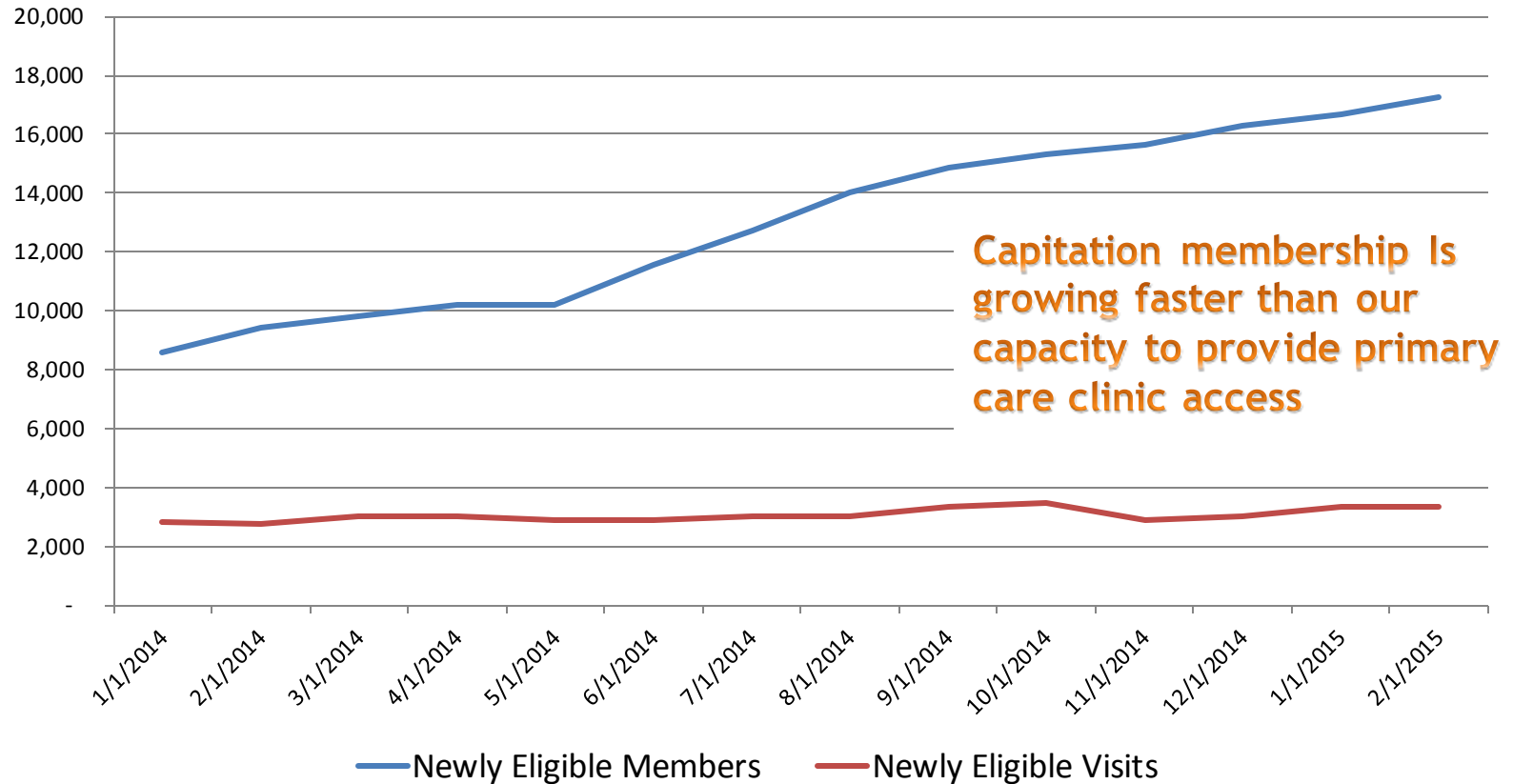


**Below budget is good for capitation, but not good for FFS**

- ◆ Inpatient days
- ED visits

# Capitation Utilization – Primary Care

## HPSM Newly Eligible



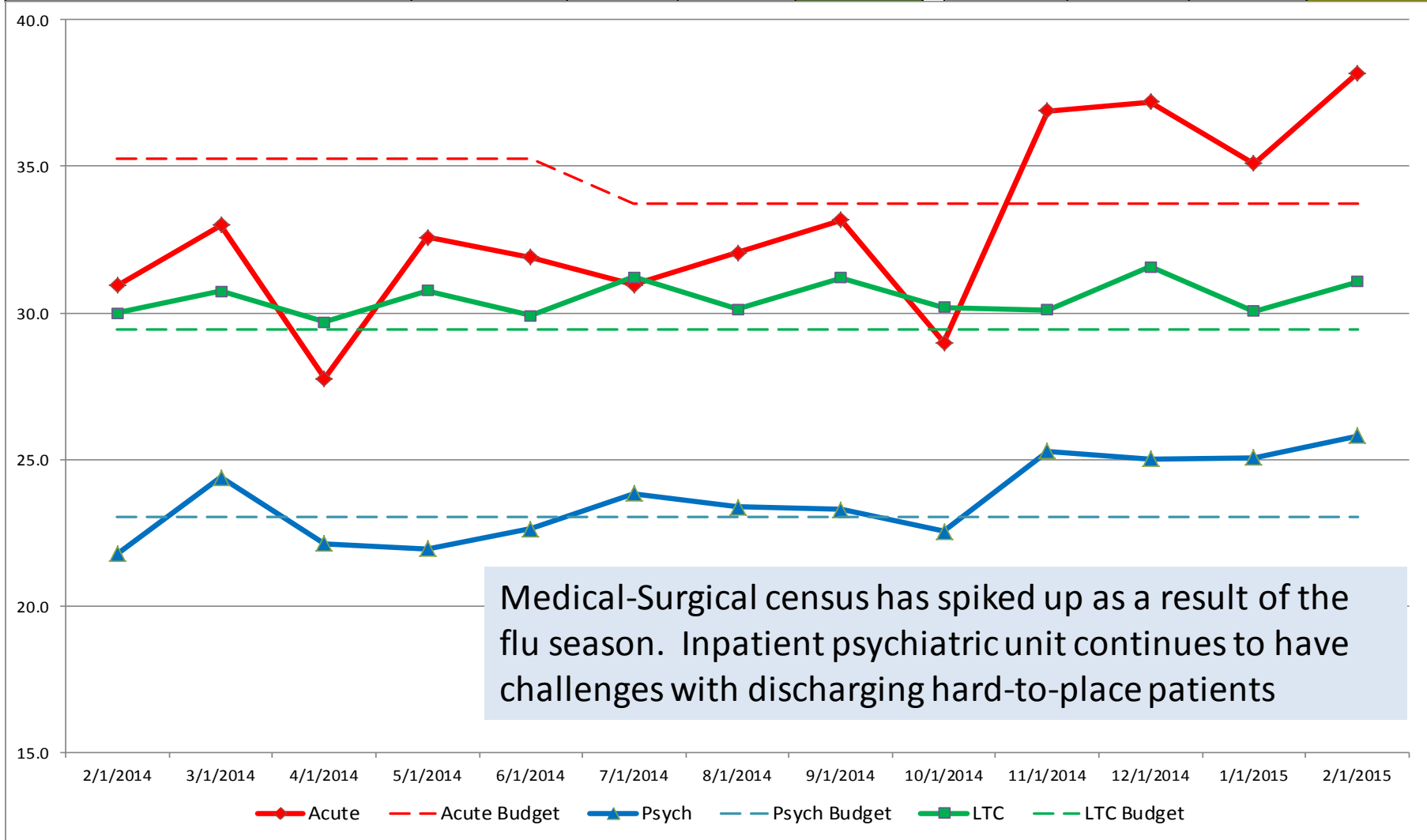
# **APPENDIX**

San Mateo Medical Center  
 Inpatient Census  
 February 28, 2015

MONTH			
Actual	Budget	Variance	Stoplight
2,662	2,542	120	5%

YEAR TO DATE			
Actual	Budget	Variance	Stoplight
21,620	22,058	(438)	-2%

Patient Days



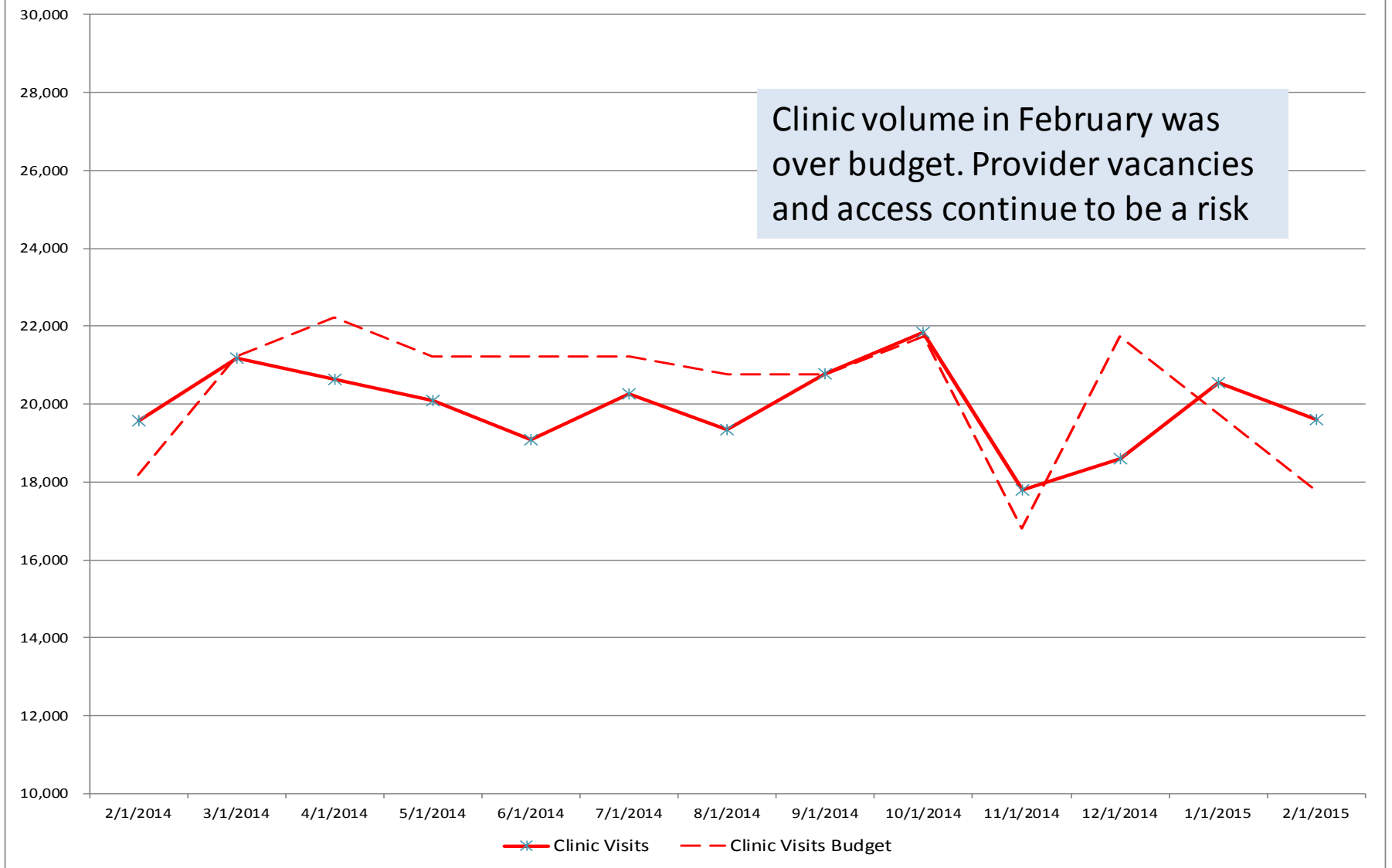
Medical-Surgical census has spiked up as a result of the flu season. Inpatient psychiatric unit continues to have challenges with discharging hard-to-place patients

**San Mateo Medical Center  
Clinic Visits  
February 28, 2015**

MONTH			
Actual	Budget	Variance	Stoplight
19,612	17,784	1,828	10%

YEAR TO DATE			
Actual	Budget	Variance	Stoplight
158,787	139,306	19,481	14%

**Clinic Visits**



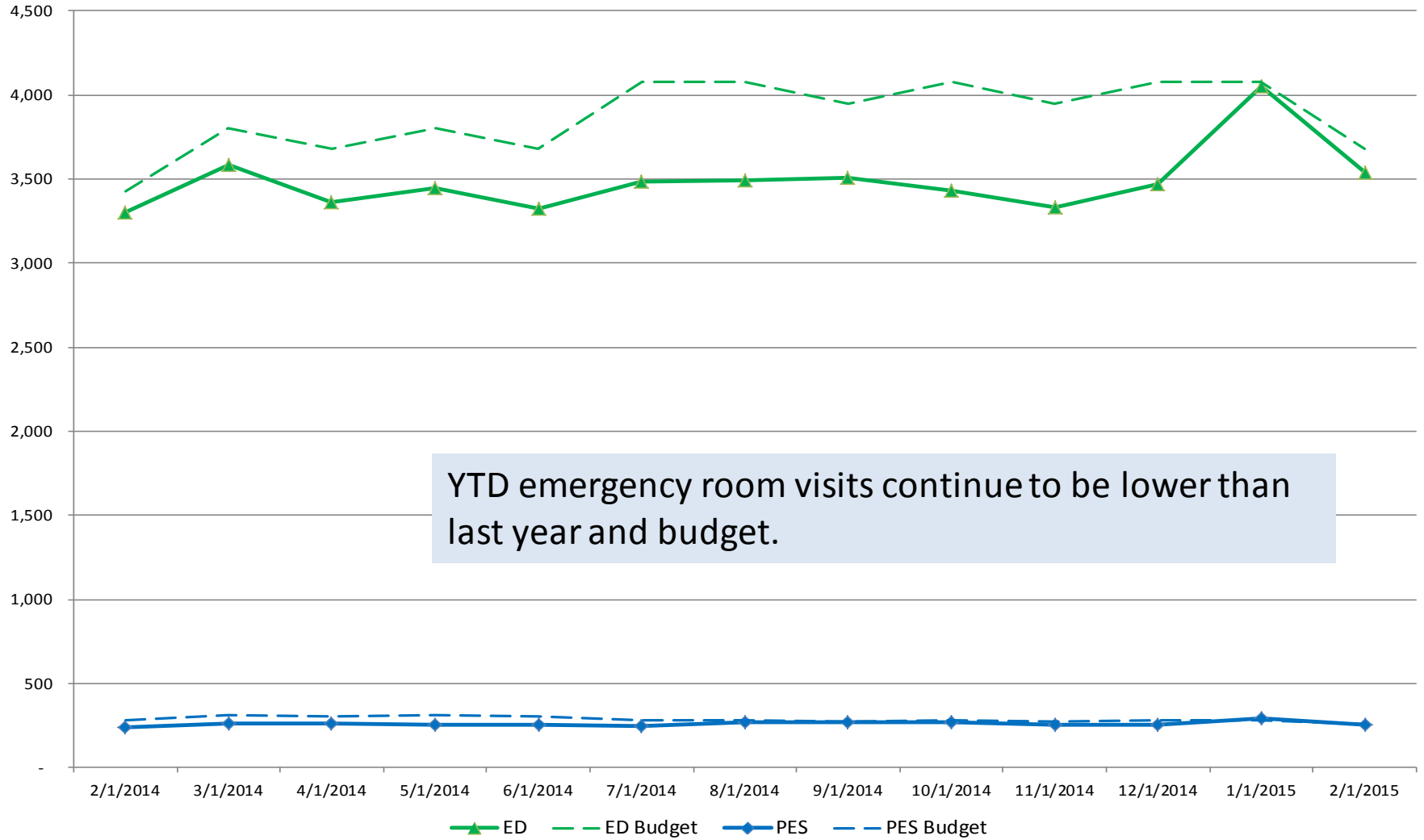


San Mateo Medical Center  
Emergency Visits  
February 28, 2015

MONTH			
Actual	Budget	Variance	Stoplight
3,788	3,938	(150)	-4%

YEAR TO DATE			
Actual	Budget	Variance	Stoplight
30,418	34,180	(3,762)	-11%

ED Visits

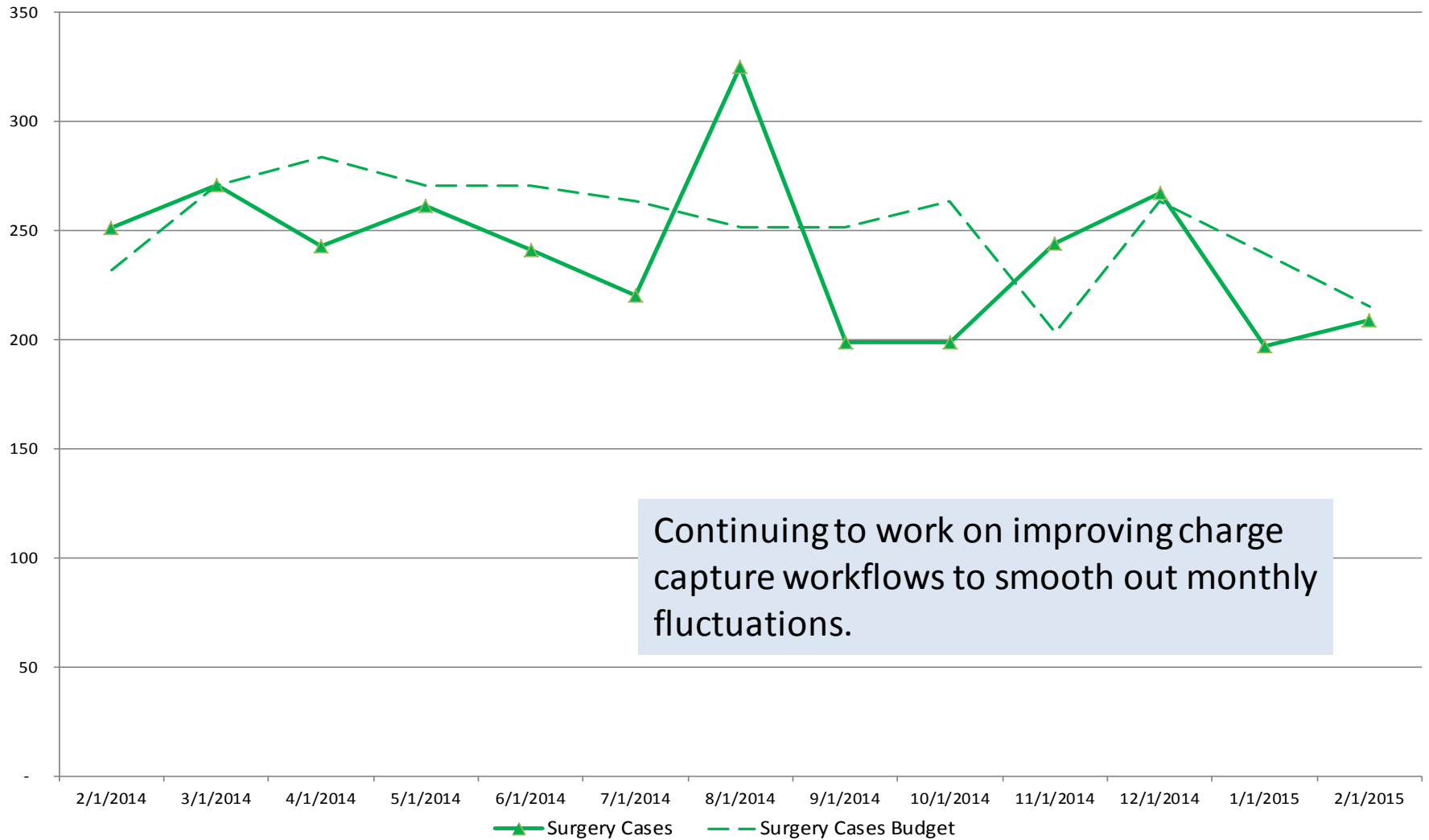


**San Mateo Medical Center  
Surgery Cases  
February 28, 2015**

MONTH			
Actual	Budget	Variance	Stoplight
209	215	(6)	-3%

YEAR TO DATE			
Actual	Budget	Variance	Stoplight
1,860	1,951	(91)	-5%

**Surgery Cases**

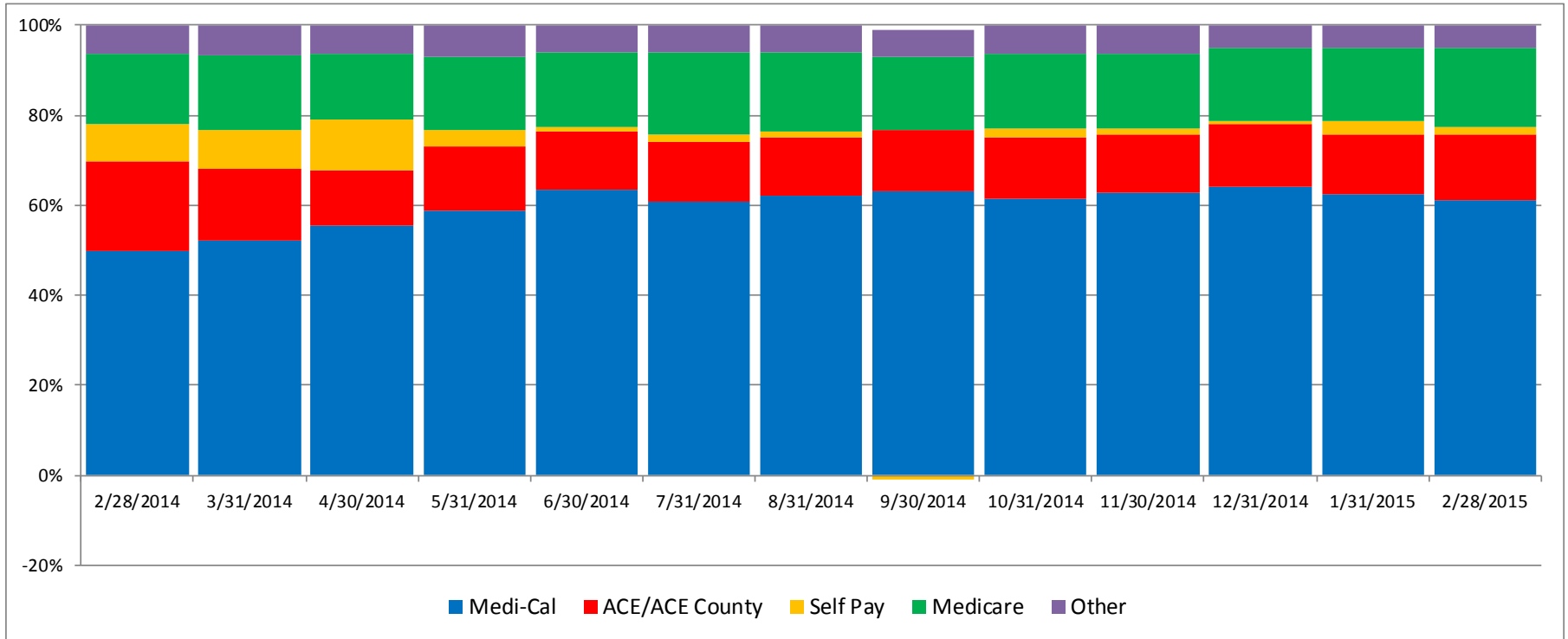


San Mateo Medical Center

Payer Mix

February 28, 2015

		MONTH				YEAR TO DATE			
		Actual	Budget	Variance	Stoplight	Actual	Budget	Variance	Stoplight
Payer Type by Gross Revenue		A	B	C	D	E	F	G	H
15	Medicare	17.7%	15.3%	2.3%		17.7%	15.3%	2.3%	
16	Medi-Cal	61.1%	50.6%	10.4%		61.1%	50.6%	10.4%	
17	Self Pay	1.4%	8.7%	-7.3%		1.4%	8.7%	-7.3%	
18	Other	5.1%	6.5%	-1.4%		5.1%	6.5%	-1.4%	
19	ACE/ACE County	14.8%	18.9%	-4.1%		14.8%	18.9%	-4.1%	
20	<b>Total</b>	100.0%	100.0%			100.0%	100.0%		



**San Mateo Medical Center  
Income Statement  
February 28, 2015**

	MONTH				YEAR TO DATE				
	Actual	Budget	Variance	Stoplight	Actual	Budget	Variance	Stoplight	
	A	B	C	D	E	F	G	H	
1 <b>Income/Loss (GAAP)</b>	247,228	0	247,228		2,384,148	0	2,384,148		
2 <b>HPSM Medi-Cal Members Assigned to SMMC</b>	36,266	32,282	3,984	12%	277,848	258,256	19,592	8%	
3 <b>HPSM Newly Eligible Medi-Cal Members Assigned to SMMC</b>	17,251	14,000	3,251	23%	122,714	112,000	10,714	10%	
4 <b>Patient Days</b>	2,662	2,542	120	5%	21,620	22,058	(438)	-2%	
5 <b>ED Visits</b>	3,788	3,938	(150)	-4%	30,418	34,180	(3,762)	-11%	
6 <b>ED Admissions %</b>	6.0%	-	-		6.3%	-	-		
7 <b>Surgery Cases</b>	209	215	(6)	-3%	1,860	1,951	(91)	-5%	
8 <b>Clinic Visits</b>	19,612	17,784	1,828	10%	158,787	139,306	19,481	14%	
9 <b>Ancillary Procedures</b>	61,832	53,617	8,215	15%	480,981	485,003	(4,022)	-1%	
10 <b>Acute Administrative Days as % of Patient Days</b>	8.2%	9.0%	0.8%	9%	8.5%	9.0%	0.5%	6%	
11 <b>Psych Administrative Days as % of Patient Days</b> (Days that do not qualify for inpatient status)	56.8%	58.0%	1.2%	2%	67.8%	58.0%	-9.8%	-17%	
<b>Pillar Goals</b>									
12 <b>Patient Revenue per Adjusted Patient Day</b>	613	735	(122)	-17%	714	678	36	5%	
13 <b>Operating Expenses per Adjusted Patient Day</b>	2,011	2,139	128	6%	1,963	1,972	9	0%	
14 <b>Full Time Equivalentents (FTE)</b>	1,051	1,085	34	3%	1,017	1,085	68	6%	

**San Mateo Medical Center**  
**Income Statement**  
**February 28, 2015**

	MONTH				YEAR TO DATE			
	Actual	Budget	Variance	Stoplight	Actual	Budget	Variance	Stoplight
	A	B	C	D	E	F	G	H
21 <b>Inpatient Gross Revenue</b>	7,676,240	8,302,734	(626,494)	-8%	62,464,700	66,421,871	(3,957,171)	-6%
22 <b>Outpatient Gross Revenue</b>	22,568,433	25,740,448	(3,172,016)	-12%	186,972,584	205,923,587	(18,951,002)	-9%
23 <b>Total Gross Revenue</b>	30,244,672	34,043,182	(3,798,510)	-11%	249,437,284	272,345,458	(22,908,174)	-8%
24 <b>Patient Net Revenue</b>	6,428,763	7,662,140	(1,233,377)	-16%	61,624,788	61,297,124	327,664	1%
25 <b>Net Patient Revenue as % of Gross Revenue</b>	21.3%	22.5%	-1.3%	-6%	24.7%	22.5%	2.2%	10%
26 <b>Capitation Revenue</b>	6,672,475	6,446,661	225,814	4%	44,182,851	51,573,287	(7,390,435)	-14%
27 <b>Supplemental Patient Program Revenue</b> (Additional payments for patients)	1,526,443	1,614,399	(87,956)	-5%	12,327,629	12,915,196	(587,567)	-5%
28 <b>Total Patient Net and Program Revenue</b>	14,627,681	15,723,201	(1,095,520)	-7%	118,135,269	125,785,607	(7,650,337)	-6%
29 <b>Other Operating Revenue</b> (Additional payment not related to patients)	1,020,917	1,200,055	(179,138)	-15%	9,545,585	9,600,441	(54,855)	-1%
30 <b>Total Operating Revenue</b>	15,648,598	16,923,256	(1,274,658)	-8%	127,680,854	135,386,047	(7,705,193)	-6%

**San Mateo Medical Center**  
**Income Statement**  
**February 28, 2015**

	MONTH				YEAR TO DATE			
	Actual	Budget	Variance	Stoplight	Actual	Budget	Variance	Stoplight
	A	B	C	D	E	F	G	H
<b>Operating Expenses</b>								
31 Salaries & Benefits	12,353,279	12,379,814	26,535	0%	97,571,381	99,038,509	1,467,128	1%
32 Drugs	592,022	879,447	287,425	33%	4,620,173	7,035,575	2,415,402	34%
33 Supplies	775,393	1,031,914	256,520	25%	6,617,238	8,255,309	1,638,071	20%
34 Contract Provider Services	2,425,800	2,752,852	327,051	12%	20,776,287	22,022,813	1,246,526	6%
35 Other fees and purchased services	3,116,951	3,412,372	295,421	9%	25,644,251	27,298,980	1,654,729	6%
36 Other general expenses	608,749	599,716	(9,033)	-2%	4,541,960	4,797,725	255,764	5%
37 Rental Expense	164,023	183,335	19,312	11%	1,300,437	1,466,682	166,245	11%
38 Lease Expense	812,030	812,030	0	0%	6,496,243	6,496,243	(0)	0%
39 Depreciation	241,114	240,914	(200)	0%	1,928,915	1,927,311	(1,603)	0%
40 <b>Total Operating Expenses</b>	21,089,362	22,292,393	1,203,031	5%	169,496,886	178,339,147	8,842,260	5%
41 <b>Operating Income/Loss</b>	(5,440,764)	(5,369,137)	(71,627)	-1%	(41,816,032)	(42,953,099)	1,137,068	3%
42 <b>Non-Operating Revenue/Expense</b>	782,483	463,628	318,855	69%	4,956,101	3,709,027	1,247,075	34%
43 <b>Contribution from County General Fund</b>	4,905,509	4,905,509	(0)	0%	39,244,079	39,244,073	6	0%
44 <b>Total Income/Loss (GAAP)</b>	247,228	0	247,228		2,384,148	0	2,384,148	
(Change in Net Assets)								

# HPSM Medi-Cal Managed Care Capitation Performance

## Membership & Utilization

Membership	Actual	Budget	Variance	% Variance	
February 2015	17,251	14,000	3,251	23%	●
February 2015 YTD (member months)	122,714	112,000	10,714	10%	●

February 2015 YTD Utilization per 1,000 member	Actual	Budget	Variance	% Variance	
Acute inpatient days	113	116	3	3%	●
ED visits	387	467	79	17%	●
Clinic visits	2,509	3,163	654	21%	●

Below budget is good for capitation, but not good for FFS

## February 2015 YTD Financial

	PMPM Actual	PMPM Budget	PMPM Variance	Dollar Variance	
Revenue	\$ 277	\$ 277	\$ -	\$ 2,970,445	●
Expenses	\$ 209	\$ 227	\$ 18	\$ (231,980)	●
Net	\$ 68	\$ 50	\$ 18	\$ 2,200,098	



# SAN MATEO COUNTY HEALTH SYSTEM

DATE: April 2, 2015  
TO: SMMC Board Members  
FROM: Susan Ehrlich, M.D., Chief Executive Officer  
RE: CEO Report to the Hospital Board and SMMC Leadership

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## **QUALITY IMPROVEMENT AND SAFETY:**

- **SMMC DY 10 First Semi-Annual Report demonstrates major improvements in quality:** On March 25, we submitted our semi-annual report for the last year of the current Medi-Cal waiver, which ends September 30, 2015. Highlights of our numerous achievements include:
  - Performance on hypertension control had a dramatic improvement from 35% in DY 9 to **53%**.
  - Performance on the Optimal Diabetes Care Composite had a large improvement from 26% in DY 9 to **35%**.
  - We achieved **81.58%** compliance with Sepsis Resuscitation Bundle, our goal was 53%.
  - We achieved an **81% reduction from DY 9's sepsis mortality rate** of 58% to our current mortality rate of 11%.
  - We achieved perfect **100%** compliance with CLIP, goal is 95.7%
  - We had 0 cases of CLABSI on both the ICU and Acute Care Units. **The last case of CLABSI at SMMC was in January 2013- 2 years ago!**
  - We had **0** Surgical Site Infections; goal is .7448 or lower. **The last SSI was in September 2013, 1 year and 3 months ago!**
  - **100%** of our diabetic non-emergency surgery patients are having their HbA1c screened prior to surgery.

## **LEAP UPDATES:**

### **Highlighted Accomplishments:**

- In the Ambulatory value stream, Fair Oaks Health Center met and exceeded its mammography goal, improving from a baseline of 59% to **83%** this month – 83% of women eligible for mammography screening received mammograms.
- In the ED Value Stream, we have reduced the time it takes to get a lab result by 65%.
- In the Business Intelligence strategic initiative, we have reduced the number of reports maintained and archived by 45%.

### **Other Updates:**

- **SMMC Strategy:** This year we are applying our LEAP Strategic Improvement System toward our 5 year visioning as well as our 1 year focus. Following review and input by the Hospital Board, the Executive Management Team and invited subject matter experts refined our 5 year pillar goals and created 6





strategic initiatives to focus our efforts in the 2015-16 fiscal year. Much planning work remains between now and June 30, but we have a clear vision and a robust strategy on which to base our continued efforts, and will bring this to the Hospital Board again in June.

- **5S Event at Emergency Department:** This 3-day event took place in March; the main goal was to improve workspace organization, workspace ergonomics, and reduce waste in the Cardiac and Trauma work areas. Since the ED does not close, the team began at 3AM to minimize the effect on patients and staff. The event also created standardized tools to maintain the improvements.
- **Ambulatory (Patient Centered Medical Home) Improvement Event:** This week-long event was held at Fair Oaks, and focused on designing a process to create urgent access to care, thereby reducing avoidable ED visits and improving patient experience. The team created a robust model for same or next-day resolution of issues, which will soon be piloted at Fair Oaks Health Center before eventually being spread to all Primary Care clinics. By the end of the improvement week, this model was tested and shown to reduce the number of patients requesting urgent care from 248 to 0.
- **5S Event at Ron Robinson Senior Care Center:** This 3-day event took place in March; the main goal was to improve workspace organization, workspace ergonomics, and reduce waste in the supply closet, one exam room, and the nurse station forms areas. Once piloted, the improvements will be spread to the rest of the exam rooms in RRSCC.
- **LEAP Leadership System:** In preparation for April's Leadership System spread, LEAP 101 trainings have occurred at both Dental and Fair Oaks Health Center all-staff meetings. Simultaneously, pilot cell supervisors are preparing for report-outs at monthly performance review meetings, ensuring that the communication chain established in the Leadership System is working effectively.

#### **PATIENT AND STAFF EXPERIENCE:**

- **Significant improvement on annual Press-Ganey Staff Engagement Survey:** We've received the results from our 2015 staff engagement survey and I am very pleased to report a statistically significant improvement on ALL 40 questions. Our overall "partnership score" is 67.5, an improvement of 6.3 mean points, putting us in the 41<sup>st</sup> percentile of 858 hospitals and health care facilities nationwide, increasing from the 14<sup>th</sup> percentile from just last year! Eighty percent of our staff and providers would recommend San Mateo Medical Center as a great place to work, up from 70% a year ago. Initial analysis of the data indicate (1) executive, manager and supervisor training, (2) consistent workgroup huddles, and (3) the LEAP Leadership System pilot had a positive impact on engagement. We are creating a plan to sustain and improve engagement by focusing on spreading the initiatives that worked, and finding new ways to address perennial issues such as communication gaps and resource needs.
- **39<sup>th</sup> Avenue Ballers Dominate:** On March 14 at Carlmont High School, over 90 employees and family members gathered for the County's version of "March Madness" – the employee basketball tournament. Every team played three games against randomly selected opponents. SMMC's team, the 39<sup>th</sup> Avenue Ballers, won all four of its games and, in the final championship game, prevailed over Probation's team, Still Got It, 63-51. Congratulations to our awesome team!



Front Row (L to R): Elonda Robinson (Med/Surg), Richard Alota (FNS), Ava Carter (FNS), Antoine Nunn Jr (son of FNS employee, Wanda Morgan)

Back Row (L to R): Mohammed Khan (FNS), Ed Jackson (FNS), Coach Jerome Witherspoon (FNS), Tia Witherspoon (Jerome's daughter), Angela Goodall (Jerome's daughter), Darryl Robinson (Elonda's son), Tyrone Witherspoon (Jerome's son)

Not pictured: Keith Reeves (FNS), Gerald Gihlchrist (Surgery)

## FINANCIAL STEWARDSHIP:

- ICD-10 is LIVE!:** In preparation for the national deadline to transition to ICD-10 in October, 2015, SMMC began using ICD-10 procedure and diagnosis codes at the beginning of March. Coding staff and providers were trained on how to strengthen clinical documentation to support the new ICD-10 codes as well as on how to select the appropriate codes. As anticipated in this early stage of go-live, there is a decrease in coding productivity and delays in generating billing claims. Our HIM Coding team is monitoring ICD-10 usage on a daily basis and working with providers to assist with the full adoption of the new codes and we expect to clear coding and billing backlogs during April. To support our implementation plans, we have engaged temporary external resources to assist with translating codes to ICD-9 for billing purposes and to audit the accuracy of ICD-10 code selection.
- Contract savings tripled:** MedAssets, our current Group Purchasing Organization (GPO), collects administrative fees (1.5-3%) from manufacturers based on SMMC contract purchases. For every dollar spent on MedAssets contracts, SMMC receives a “shareback” in return. SMMC currently receives a 30% percent shareback of the gross administrative fees collected from the manufacturers. We achieve additional supply savings through the use of MedAssets contracts. This past year, after several improvements dedicated

towards streamlining purchasing processes and improving contract compliance, SMMC has more than tripled its initial shareback amount; collecting \$103,822 of the fees paid to MedAssets.

#### **COMMUNITY PARTNERSHIP:**

- **Fair Oaks Health Center celebrates its first birthday!**: On Saturday, March 21, FOHC celebrated its first birthday with a community health fair. Attended by more than 100 community members and staff, the event included health information booths, games and activities for kids, and a raffle for kid's bikes. Congresswomen Anna Eshoo and Jackie Speier, Supervisors Carole Groom and Warren Slocum, and Lee Michelson from the Sequoia Health Care District all attended the event. Many thanks to Bernie Mellot and the San Mateo County Health Foundation for organizing the event, and to the Board of Supervisors, the Sequoia Healthcare District, and the Foundation for supporting the building and making our idea of a clinic without walls a reality!
- **Pescadero Clinic goes live**: On Thursday, March 5<sup>th</sup>, a small group of patients inaugurated Puente's new "Pescadero Clinic" – a converted meeting room inside a portable, now home to an exam table and some limited medical equipment. Puente has started scheduling patients for 30-minute time slots on Thursday nights from 5-7 p.m. The new clinic, a pilot project, is a co-initiative of Puente and the San Mateo County Health System. Its funding source is Measure A, a county sales tax that passed in November 2012. It may expand based on how well it works for local patients. For now, the clinic is equipped for primary care services, such as blood draws for lab testing, physical exams and vaccinations. Just like the Coastsides clinic, the Pescadero clinic will serve patients with public insurance (ACE, Healthy Kids or Medi-Cal).

*Check out our two most recent blog posts:  
"Coming Soon to a Theater Near You" and "Honoring our Providers"  
<http://smmcblog.wordpress.com/>*



# SAN MATEO COUNTY HEALTH SYSTEM

To: SMMC Board Members  
From: Jean S. Fraser, Chief  
Subject: Health System Monthly Snapshot – March 2015

Indicator	Short-Term Change over Previous Month	Long-Term Change over Last Year
ACE Enrollees	-1.0% (19,231)	-0.9%
San Mateo Medical Center Emergency Department Visits	16.2% (4,241)	-3.0%
New Clients Awaiting Primary Care Appointment	-19.8% (178)	-75.0%

### **Second largest Healthy Nail Salon program in the Bay Area – and growing**

In just one year, we certified 13 Healthy Nail Salons in San Mateo County. This month, Supervisor Don Horsley, Environmental Health, California Nail Salon Collaborative, and certified Healthy Nail Salon owners celebrated the one year anniversary of this successful program. Certified salons use safer products and ventilation units to keep salon air clean, and reduce risk of health problems like asthma, cancer, and rashes that can be caused by chemicals in polish and other salon materials. With over 200 nail salons employing more than 500 people in our County, we look forward to certifying more salons and improving the health of everyone who works for and patrons nail salons.



### **Helping parents support healthy high school students**

Teens are facing more competition than ever to get into college, which can cause stress and lead to serious mental health conditions if not addressed early on. To give parents more tools to help their kids during this difficult period, the Behavioral Health & Recovery Services Chinese Health Initiative hosted a workshop for over 100 local parents to help their teens thrive in and out of the high school. Highlights included parents learning how to recognize symptoms of depression, how to communicate successfully based on cultural backgrounds, and how to access the many local resources available to help. We received positive feedback from parents and teachers and hope to host similar workshops in the future.

### **Making national and international headlines**

The San Mateo County Psychiatry Residency Training Program fosters leadership and both professional and personal growth in medical residents who are committed to making a positive impact on the lives of the patients they serve. Hailing from prestigious medical schools, they are self-starters with diverse life experiences and we are so proud of all our residents, including two who recently received accolades for their work. In his fourth year of Psychiatry Residency, Jesse Adams published a paper in the Journal of the American Academy of Child and Adolescent Psychiatry on *Managing Media: Reflections on Media and Video Game Use from a Therapeutic Perspective*. The International Mental Health Congress has also accepted second year Psychiatry Resident Farah Zaidi's poster that will be displayed in France this April. Having such a dedicated and talented team is one more step to ensure our patients and clients receive the right care, at the right time, in the right place.



San Mateo Medical Center  
*A County System of Healthcare*

**TAB 3**

**MEDIA  
ARTICLES**

Printed from THE DAILY JOURNAL, dtd. 03/19/2015

## Providing care: Fair Oaks Health Center open 15 months, served 17,000

March 19, 2015, 05:00 AM By Bill Silverfarb Daily Journal Staff

The largest building in North Fair Oaks is also the only health facility in the unincorporated county area that serves mostly uninsured individuals living in south county, many of them who live within walking distance of the full-service clinic.

The Fair Oaks Health Center on Middlefield Road has been open for 15 months now and provides primary care, optometry, dental, pediatric and obstetrics and gynecology services.

The 36,000-square-foot facility is the consolidation of the Fair Oaks and Fair Oaks Children's clinics, which have both been razed, and the Willow Clinic in Menlo Park that the county previously leased from the U.S. Department of Veterans Affairs.

In its first year of operation, it served 17,000 individuals and had more than 61,000 visits. About a third of the visits were at the pediatric clinic, which treated 7,200 children.

The center will serve up to 20,000 individuals and provide 70,000 patient visits in the future, said Jonathan Mesinger, who manages the San Mateo County Health System clinic.

The center houses 54 examination rooms on multiple floors and the largest dental clinic in the county, Mesinger said.

For many of the older patients who access the clinic, it is the first time any of them have ever seen a dentist, said Mesinger, who gave the Daily Journal a tour of the facility Wednesday.

It provides complete prenatal care for women right up to delivery, he said.

The center also has a Wellness Clinic that provides intensive care for patients with diabetes or other chronic diseases, he said.

With 85 percent of the clinic's patients being Latino, and 75 percent of those not speaking English, the center has taken extraordinary efforts to communicate with the population including video and voice interpreters, he said.

Most workers at the clinic, except for the doctors, are also bilingual. The doctors, however, are provided with an interpreter when seeing patients, he said.

The center also has a patient health library, the only one in the county Health System, where patients can learn more about their conditions.

It also has the only Safeway pharmacy anywhere in the country that is not located in a Safeway store, Mesinger said.

The facility features state-of-the-art equipment and is "bright and airy" compared to the old clinics, he said.

Each day, the center also provides specialty care. One day it might be for podiatry and the next for endocrinology, Mesinger said.

The clinic is celebrating its belated one-year birthday Saturday with a health fair featuring healthy cooking demonstrations, gardening tips to grow fresh produce, a raffle with local officials on hand including U.S. Rep. Jackie Speier, D-San Mateo and Supervisor Warren Slocum, who represents the district.

"The Fair Oaks Health Center is a world-class facility. Now families and seniors can get their health care and



*The Fair Oaks Health Center in unincorporated Redwood City has the largest dental clinic in the county's Health System. It celebrates its first anniversary Saturday.*

prescriptions at one convenient neighborhood location close to public transit. Not only that but it's a modern center with a great staff who are 100 percent dedicated to public health," Slocum wrote in an email.

The health fair is 9 a.m. to noon, Saturday, Fair Oaks Health Center, 2710 Middlefield Road, Redwood City.

[bill@smdailyjournal.com](mailto:bill@smdailyjournal.com)

(650) 344-5200 ext. 102

## Puente houses new health clinic on coast

By Julia Reis [ [julia@hmbreview.com](mailto:julia@hmbreview.com) ] | Posted: Thursday, March 12, 2015 1:33 pm

In her time as Puente de la Costa Sur's community health coordinator, Molly Wolfes has lost count of the number of times she's had South Coast residents tell her they haven't seen a doctor in five years — or longer.

For some, it's a matter of putting off attending to a medical issue and only doing so when it gets bad enough. They use the emergency room as their primary physician knowing they can pay for their treatment in cash. Others don't want to lose their wages by taking time off work to see a medical professional.

Now, with help from the San Mateo County Health System and sales taxes, Puente is looking to improve access to affordable, local health care, a handful of patients at a time. The resource center inaugurated its new pilot clinic Thursday evening with five patients who were seen by a medical team staffed with a doctor, nurse and medical assistant from San Mateo County's Coastside Clinic. The clinic will operate once a week for two hours for the time being, expanding its appointment opportunities once demand warrants. And Wolfes anticipates that demand will grow as word starts to trickle out about the new clinic in town.

"As soon as word gets out, people are going to be knocking our door down," she said.

Located inside a converted meeting room in a Puente portable building, the clinic is outfitted with limited medical equipment and will meet basic medical needs like physical exams, blood draws for lab testing and vaccinations. Those with chronic health conditions will get priority for appointments.

It's not the first time a clinic has been established in Pescadero. One was set up at Pescadero Community Church in the 1970s, and another at Pescadero Elementary School in 2002.

The South Coast has also seen mobile health clinics in its midst, in 1994, 2002 and 2007. All were discontinued due to lack of funding.

Today's the brick and mortar clinic at Puente was originally envisioned as another mobile health clinic for the South Coast. The San Mateo County Board of Supervisors set aside \$1 million in Measure A funds over two years to finance the purchase of a van, staff it with medical professionals and furnish it with equipment. The hope was that it would be ready to go by early 2014.

But talk shifted away from a mobile health clinic for a number of reasons, said San Mateo County Supervisor Don Horsley. The van itself would cost around \$500,000, and staff would have limited access



### New health clinic

Dr. Rebecca Ashe, left, and Molly Wolfes, a community health coordinator at Puente, look over paperwork in the new medical clinic at Puente in Pescadero on Thursday, March 5, 2015. ( Dean Coppola / Review )



to computerized medical records in parts of the South Coast with no cellphone or Internet service. Horsley added that some overestimated how many people it could reach, that it may only service hundreds and not the 5,000 individuals first anticipated.

“It would be a lot of money for something we still had specific issues with,” Horsley said. “This is an intermediate step.”

The county is not ruling out a mobile health clinic for the South Coast in the future, and in the meantime it will operate an American Medical Response ambulance outfitted in a clinic manner that the company has indicated it will donate for this purpose. Horsley said that will be online within a month. Details about how often it will be used and where have not yet been determined, Wolfes said.

“We’ll take it as it comes,” she said. “AMR seems really enthusiastic and willing to give us an ambulance, so we’re more than willing to take it and put it to good use.”

Wolfes says there are drawbacks and benefits to having a mobile-only clinic versus a permanent clinic site, but having an on-site clinic means people always know where to find it, and it can have guaranteed Internet connectivity.

Horsley estimated that only \$100,000 of this year’s \$500,000 in Measure A dollars for the clinic will be used, leaving the remainder for carryover into next fiscal year. That money can be used to make Puente’s Wi-Fi system more robust so medical staff can better access medical records, and to fund equipment purchases, staffing and possible expansion of the clinic.

“We’ll see how this goes,” Horsley said. “If we develop a much more rigorous analysis of how many people out there have medical needs, maybe a stand-alone clinic makes more sense than either a van or ambulance.”

Puente has limited space within its Pescadero center, and Wolfes says staff has talked about the possibility of expansion. But in the meantime, they want to prove the community trusts Puente and is willing to use this service.

“We’re doing this slow and right, so it fits the community in the way they need it,” she said.

Printed from THE DAILY JOURNAL, dtd. 03/16/2015

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## The remarkable Harvey S. Kaplan, M.D.

March 16, 2015, 05:00 AM By Sue Lempert

Harvey Kaplan easily could have gone into private practice as a very successful pediatrician. Instead, he has devoted his medical career to helping children who need help the most — the poor sick and the abused.

In 1969, he was hired as a staff physician by the legendary Harold D. Chope (For a long time, the county hospital was called “Chope” before it became the San Mateo Medical Center).

Kaplan served as chief of pediatrics from 1971 to 2003 and has been a member of the medical center staff for more than 46 years.

He was one of the first to identify childhood abuse when it was new in medical literature. Children suspected of having been abused or suffering from severe forms of neglect were brought to the hospital by Children’s Protective Services (CPS), social workers or law enforcement. Kaplan realized there was much he needed to know about this new medical condition — the battered child syndrome — that he had never heard about in medical school.

Kaplan began reading all he could find on the subject, attended conferences and collaborated with others so he could better recognize the signs. He told me he “became interested in what happens to children after abuse is reported and realized that there were not many parent support services available and that even in foster care, children had many problems to deal with related to their traumatic experiences.”

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In those days, most people did not know about child abuse. Today, there is a state law which requires teachers to report any suspected child abuse to CPS. What’s more, child abuse pediatrics is now a full sub-specialty of the profession. Dr. Kaplan was in the forefront of making this happen.

In 1974, he helped organize and chair the first countywide community conference on child abuse. He served as medical director of the hospital’s children’s Safe Center which provides forensic evaluation of child sexual abuse. He started the CHAMP program whereby all children removed from their homes by CPS are brought to the hospital for an exam prior to placement in a shelter or foster care.

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In 1965, he received a state award for “sensitivity to children’s needs, and inspiring others to look a little deeper when a problem occurs.” In 2010, the Board of Supervisors honored Kaplan for his service “as a physician and as a person, who has worked tirelessly to advocate for children and families; he has greatly served two — perhaps three — generations of San Mateo County residents and continues to give generously of his time.”

For 11 years, he served on the First Five Commission and chaired its board from 2007-2012. Since leaving First Five, he has joined the board of San Mateo Court Appointed Special Advocates, or CASA, for foster children. Here he is sharing his expertise in pediatrics and child abuse. While not full time, Kaplan still works in the pediatric clinic at the hospital.

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I asked if he had any regrets about not going into private practice. He hasn’t and looking back is convinced he made the right decision. Actually, at one point in his career, he did start a private practice for a short time when the future of the hospital was in doubt. But he never made any profit and didn’t know how and what to charge



patients. Harvey S. Kaplan is remarkable and an inspiration to young people considering a medical career.

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Jeffrey Marque, in a March 4 Daily Journal guest perspective, reports he was "sorely disappointed" by viewpoints expressed by two speakers at a recent meeting of the Beresford Hillsdale Homeowners Association against high-density housing along the railroad corridor and against retention of open space.

Marque has lived a life where he was able to get around without an automobile. Unfortunately, the residents of Beresford Hillsdale, especially those above Alameda de las Pulgas, are not able to go any place unless they drive. It's too far to walk to the shopping center and too steep for non-experts to ride their bikes. Therefore, they can't understand how people can exist without a car. Ironically, it's the people who are auto dependent who cause traffic. Not those who live where they can walk to shop or ride transit to work.

Sue Lempert is the former mayor of San Mateo. Her column runs every Monday. She can be reached at [sue@smdailyjournal.com](mailto:sue@smdailyjournal.com).

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## Health care plan to help middle class: Fair Access to Health Care Act seeks to raise subsidy limits for high-cost areas

March 17, 2015, 05:00 AM By Samantha Weigel Daily Journal Staff

As the cost of living disparity deepens among varying parts of the country, two Bay Area congressional representatives are seeking to ensure people who may be struggling to live in Silicon Valley benefit from the intent of the Affordable Care Act.

This month U.S. representatives Anna Eshoo, D-Palo Alto, and Mike Thompson, D-Napa, reintroduced the Fair Access to Health Care Act, which would expand tax credit eligibility for people living in high-cost areas who buy insurance through federal or state programs created by the ACA.

"The bill helps to make health insurance affordable and really the operative phrase is 'no matter where someone lives,'" Eshoo said. "Right now, the ACA has across the board subsidies for a set income. But that doesn't take into consideration a high-cost-of-living area such as ours."

The ACA applies a blanket federal poverty level formula to determine who qualifies for tax subsidies. Currently, an individual making up to \$45,960 and a family of four that brings in up to \$94,200 a year qualify for premium tax credits.

While that level of income may make for a cozy lifestyle in other areas, Eshoo said middle-class families that have higher salaries are still struggling with the increasing rents and expenses of the Bay Area.

Instead, Eshoo's proposal would tie the income threshold used to determine health care subsidy eligibility to a particular area's cost of living. Eshoo said using geography as determined by the Census Bureau's Supplemental Poverty Measure will assist in ensuring the ACA truly makes health insurance affordable.

The proposal would allow an individual living in San Mateo County who makes up to \$62,852 a year or a family of four making up to \$129,495 a year to qualify for tax credits, according to Eshoo's office.

"In some areas of the country, that's a really high number. But middle class income means different things in different parts of our country. So I think this is not only sensible, it's fair," Eshoo said.

In Napa, a family of four earning up to \$116,808 and individuals earning up to \$56,990 would qualify, according to Eshoo's office.

"In many communities in our district, the cost of living is far higher than the national average," Thompson said in a press release. "With [ACA] qualifying income levels set across the board, many hard-working families in high-cost areas like ours don't qualify for subsidies and therefore can't get affordable insurance. This bill will help make health insurance affordable, no matter where someone lives."

The Fair Access to Health Care Act was introduced but died in Congress last year. Eshoo said she is continuing to advocate for support for the bill that was inspired by struggles her constituents related to her office.

Although she doesn't anticipate significant pushback, Eshoo noted the bill would only increase the threshold for eligibility in high cost-of-living areas; it wouldn't impact an individual who already qualifies and no region would see a reduction in their current subsidy level.

"For those in Congress who represent very rural areas, those frankly are already included in the bill," Eshoo said. "Places that are much lower income are already included. ... But income that we would consider very high in other parts of the country, would be considered average here. For much lower income people in our region, and there are many of them, they're already covered in the ACA. This is about middle class income meaning different things in different parts of the country."

The ACA already uses a higher income threshold to determine subsidy eligibility in Alaska and Hawaii. Eshoo's proposal would extend the consideration to the remaining states. Other federal laws also provide precedent for cost-of-living adjustments, Eshoo said.

“There’s two examples of places where the federal government uses cost of living already, we’re not cutting new ground. The [Federal Housing Administration] conforming loan limits and Medicare reimbursement for doctors — that’s based on geography and the cost of living,” Eshoo said.

The proposal is expected to be heard in the House Committee on Ways and Means; however, it is also ripe to become part of a larger package of related bills that could improve upon the ACA, according to Eshoo’s office. Last time around, the bill received solid support through co-sponsors and the hope is to identify senators who would be interested in chairing a Senate version of the bill, according to Eshoo’s office.

Eshoo said she and Thompson seek to ensure the ACA’s intention to make health care affordable applies to everyone.

“Some hard-working families in high-cost areas like ours don’t qualify for subsidies and therefore don’t have access to low-cost insurance like the ACA offers,” Eshoo said. “This helps make health insurance affordable no matter where someone lives. We don’t want to hold geography against them.”

[samantha@smdailyjournal.com](mailto:samantha@smdailyjournal.com)

(650) 344-5200 ext. 106