



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

## **BOARD OF DIRECTORS MEETING**

Thursday, February 5, 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

February 5, 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. January 8, 2015 Meeting Minutes

**G. MEDICAL STAFF REPORT**

Chief of Staff Update

*Dr. Janet Chaikind*

**H. ADMINISTRATION REPORTS**

- 1. Quality – Primary Care
- 2. Financial Report
- 3. Board Self Evaluation Survey Results
- 4. CEO Report
- 5. Results from Employee Engagement and  
Manager/Supervisory Feedback

*Dr. CJ Kunnappilly*..... Verbal  
*David McGrew*..... **TAB 2**  
*Dr. Susan Ehrlich* ..... Verbal  
*Dr. Susan Ehrlich*..... **TAB 2**  
  
*Jean Fraser*..... Verbal

**I. HEALTH SYSTEM CHIEF REPORT**

Health System Snapshot

..... **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 (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, January 8, 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  
Dr. David Lin  
Sharon Petersen

Staff Present

Glenn Levy  
Chester Kunnappilly  
John Thomas  
Viral Mehta  
Liz Evans  
Dr. Alpa Sanghavi  
Cecilia Diaz  
Tosan Boyo  
Michelle Lee  
Gary Horne  
Dr. Mike Aratow  
Joan Spicer  
Dr. Ann Marie Silvestri  
Marcus Weenig  
Nora De Leon Flores  
Rhonda Alvarez

Members of the Public

ITEM	DISCUSSION/RECOMMENDATION	ACTION
Call to Order	Supervisor Tissier 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 8:15 AM to Open Session. A quorum was present (see above).	
Report out of Closed Session	Medical Staff Credentialing Report for January 8, 2015. Medical Executive Committee Minutes for December 9, 2014.	Glenn Levy reported that the Board approved the Credentialing Report. It also accepted the Medical Executive Committee minutes.
Public Comment	None	
Foundation Report	The 2015 annual Golf Tournament will be held at the Sharon Heights Golf Club on August 24.  Over \$250,000 was raised at San Mateo County's Health Foundation 25 <sup>th</sup> Year Anniversary Gala. The event benefitted the Keller Center for Family Violence Intervention.  March 21, 2015 will be the official grand opening 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.	FYI
Consent Agenda	Approval of: 1. Hospital Board Meeting Minutes for November 6, 2014.	It was MOVED, SECONDED and CARRIED unanimously to

		approve all items on the Consent Agenda.
Medical Staff Report Dr. Janet Chaikind Chief of Medical Staff	Recently the MEC meetings have started off with a provider member who takes 5-10 minutes and shares a little bit about their personal background and work experiences. This simple practice injects a sense of collegiality for the rest of the meeting and some physicians have commented that it reminds them about why they entered health care in the first place.	FYI
Quality Report Dr. CJ Kunnappilly Chief Medical Officer	<p>Presentation: Dental Services at SMMC, by Ann Marie Silvestri, DDS.</p> <p>Dental Program:</p> <ul style="list-style-type: none"> <li>• Adult and Pediatric Comprehensive Care. Services are also available for HIV/AIDS patients, pre/post natal patients, cardiac and pre-oncology treatment patients and LTC residents. They also provide correctional dental services and surgical clearance for prosthetic joint.</li> <li>• In 2014, 17, 113 dental visits: 9,485 adult, 6,524 children, and 1,104 pregnant women.</li> <li>• 20 dental operatories around the county</li> <li>• Demand is up 30% and the new patient waiting list is over 400. No new comprehensive appointments could be made in late 2014. On a daily basis 36% of dentists and 38% of dental assistants are Extra Help.</li> </ul> <p>Staff Engagement and Patient Experience:</p> <ul style="list-style-type: none"> <li>• Increase in patient complaints and staff turnover. <ul style="list-style-type: none"> <li>○ Long wait times for appointments.</li> <li>○ Reduced staff due to quality issues. Reduced staff due to vacancies.</li> </ul> </li> <li>• Canceled and rescheduled appointments are happening daily, especially at FOHC.</li> <li>• Backlog in Ortho surgeries due to inability to grant dental clearance.</li> </ul> <p>Growth and Management:</p> <ul style="list-style-type: none"> <li>• Dental is an important service line. <ul style="list-style-type: none"> <li>○ Ravenswood is the only other FOHC in San Mateo County</li> <li>○ There are limited Dent-Cal Providers in San Mateo County</li> <li>○ Denti-Cal dentists provide limited services. Patients who know this want to go to a FOHC facility</li> <li>○ Mid level providers, such as hygienists, are needed</li> </ul> </li> <li>• Dental Operations Leadership <ul style="list-style-type: none"> <li>○ Additional Supervisory staff is needed</li> <li>○ Succession planning</li> </ul> </li> </ul>	FYI
Burlingame Long-Term Care Quarterly Report John Thomas, Chief Operating Officer	<p>The Quarterly Report from Burlingame Long-Term Care was presented by Marcus Weenig, Nora de Leon Flores, and Rhonda Alvarez of Brius.</p> <p>Census Goals:</p> <ul style="list-style-type: none"> <li>• Growth. In July 2012, there were 154 residents at BLTC. On December 31, 2014 the facility had 273 residents.</li> <li>• Increase bed capacity to 278 (currently 273) by relocating the Business Office and back office support departments to a newly leased space.</li> <li>• Continue to work closely with the San Mateo County Health System (HPSM, Aging and Adult Services and</li> </ul>	FYI

	<p>Institute on Aging).</p> <p>Compliance with State and Federal Regulations:</p> <ul style="list-style-type: none"> <li>• Continue consistent and timely reporting of any unusual occurrences and any alleged incidents of abuse.</li> <li>• Ensure all investigations are completed timely.</li> <li>• Monitor residents for safety and continue post-incident care planning to identify any change of conditions to prevent recurrence.</li> </ul> <p>Renovation Project:</p> <p>December 12, 2012 -- Original OSHPD submittal.</p> <p>January 2014 -- Received OSHPD approval for cosmetic changes.</p> <p>April and ongoing -- Contractor and architect plus all sub-contractors continue to bid on projects.</p> <p>January 2015 -- Working with architect on OSHPD revisions pertaining to exterior ramp and sub-acute unit.</p> <p>June 2015 -- Expect to commence renovation. Expected completion is within 12 to 18 months.</p> <p>Quality of Care Successes:</p> <ul style="list-style-type: none"> <li>• The facility received its first American Health Care Association Quality Award in October 2014.</li> <li>• Re-hospitalization rate was reduced</li> <li>• The implementation of a CHF program assisted in flagging patients, monitoring weight gain, and utilizing an in-house nurse practitioner.</li> <li>• The implementation of a Falls Reduction program with the utilization of assessing a resident's risk for fall upon admission as well as on-going risk assessment. The facility implemented a Safety Bingo program to prevent accidents and injuries.</li> <li>• 100% compliance with hand-washing skills check for staff.</li> <li>• Flu immunization: 85% residents, 96% staff</li> </ul>	
<p>Health Information Technology Dr. Susan Ehrlich, CEO</p>	<p>Presentation: eConsult by Dr. Mike Aratow, Chief Medical Information Officer.</p> <p>What is eConsult?</p> <ul style="list-style-type: none"> <li>• Known as "Smart Referral" at SMMC. Platform for primary provider and specialist communication</li> <li>• Automated specialty referral management</li> <li>• Embedded within the Electronic Medical Record (EMR)</li> </ul> <p>Why Smart Referral?</p> <ul style="list-style-type: none"> <li>• Provider communication challenging. Embedded into EMR. Inconsistent guidance for referrals</li> <li>• Benefits <ul style="list-style-type: none"> <li>○ Reduce unnecessary referrals. Providers practice to the top of their license</li> <li>○ First specialty clinic visit to have the utmost value to the patient</li> <li>○ Reduce overall costs</li> </ul> </li> </ul> <p>Current state of smart referral at SMMC.</p> <ul style="list-style-type: none"> <li>• Consensus based workflow created</li> <li>• Some specialty clinics have referral requirements for certain diagnoses</li> <li>• Agreement with EMR vendor (eClinicalWorks)</li> </ul>	<p>FYI</p>

	<p>Smart Referral grant award.</p> <ul style="list-style-type: none"> <li>• \$317K from the Blue Shield Charitable Foundation. Start date January 2015. 18 month project duration</li> <li>• Goal is to implement Smart Referral at SMMC within eClinicalWorks (EMR) and at Ravenswood Clinic within NextGen (EMR)</li> </ul>	
<p>Annual Board Orientation Dr. Susan Ehrlich, CEO</p>	<p>Board orientation is required for all new and current members – welcome Drs. Hersk and Lin.</p> <p>Dr. Ehrlich presented on the background of the San Mateo Medical Center and discussed the following topics.</p> <ul style="list-style-type: none"> <li>• Medical Center's mission, vision, and values.</li> <li>• The five pillars of our strategic goals which are Quality and Safety, Patient Experience, Staff Engagement, Financial Stewardship, and Community Partnership.</li> <li>• The LEAP Institute.</li> <li>• Organizational structure and the County Governing structure.</li> <li>• Scope of Services and demographics of individuals served.</li> <li>• Responsibilities delegated by the Board of Supervisors.</li> <li>• Medical Staff's responsibilities.</li> </ul>	FYI
<p>Financial Report Dr. Susan Ehrlich, CEO</p>	<p>The November FY14/15 financial report was included in the Board packet and David McGrew answered questions from the Board.</p>	FYI
<p>CEO Report Dr. Susan Ehrlich, CEO</p>	<p>The end of year CEO was included in the Board packet and Dr. Ehrlich answered questions from the Board.</p>	FYI
<p>Health System Report Jean Fraser, HS Chief</p>	<p>The Health System Monthly Snapshot for December 2014 was included in the Board packet.</p> <p>Continuing Medical Education will now be overseen by the Health System by Kimberlee Kimura. In the past, each division managed CME on its own with some variations.</p>	FYI
<p>Board of Supervisors Supervisor Groom</p>	<p>No report</p>	FYI

Supervisor Groom adjourned the meeting at 9:45 AM. The next Board meeting will be held on February 5, 2015.

Minutes recorded by:



\_\_\_\_\_  
Michelle Lee

Minutes approved by:



\_\_\_\_\_  
Dr. Susan Ehrlich, Chief Executive Officer

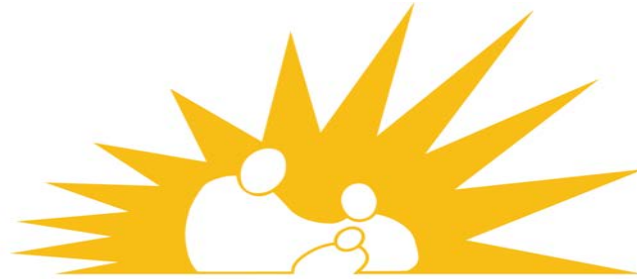




San Mateo Medical Center  
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# TAB 2

# ADMINISTRATION REPORTS



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

# December FY 2014-15 Financial Report

Board of Directors Meeting  
February 5, 2015

# Financial Highlights

## Bottom Line:

- December: \$400k net loss
  - Revenue unfavorable \$1.0 million
  - Operating expenses \$600k favorable
- YTD: \$500k net income

## Financial Drivers:

- Implemented new HPSM capitation rates
- Medi-Cal mix at 64%
- Fewer clinic days & ancillary procedures in December  
= lower net patient revenue

# Financial Highlights

## Forecast:

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

## Risks & Opportunities:

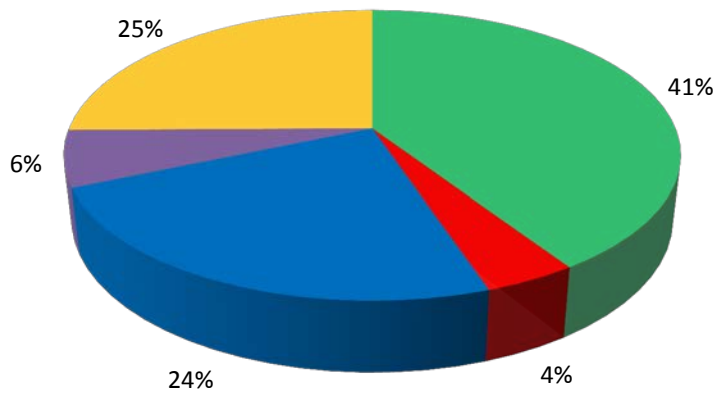
- Supplemental revenue displacement (e.g. DSH)
- Capitation rate reductions (State to HPSM)
- Medi-Cal dis-enrollments
- Clinic Access

**San Mateo Medical Center**  
**Income Statement**  
**December 31, 2014**

	MONTH				YEAR TO DATE				Variance Explanation
	Actual	Budget	Variance	Stoplight	Actual	Budget	Variance	Stoplight	
	A	B	C	D	E	F	G	H	
1 <b>Income/Loss (GAAP)</b>	(415,636)	0	(415,636)		526,845	0	526,845		
2 <b>HPSM Medi-Cal Members Assigned to SMMC</b>	35,684	32,282	3,402	11%	205,739	193,692	12,047	6%	
3 <b>HPSM Newly Eligible Medi-Cal Members Assigned to SMMC</b>	16,286	14,000	2,286	16%	88,812	84,000	4,812	6%	
4 <b>Patient Days</b>	2,906	2,814	92	3%	16,162	16,702	(540)	-3%	
5 <b>ED Visits</b>	3,650	4,360	(710)	-16%	21,796	25,881	(4,085)	-16%	
6 <b>ED Admissions %</b>	32.7%	-	-		6.5%	-	-		
7 <b>Surgery Cases</b>	266	263	3	1%	1,453	1,496	(43)	-3%	
8 <b>Clinic Visits</b>	18,208	21,736	(3,528)	-16%	115,328	123,498	(8,170)	-7%	Lower visits due to holiday season
9 <b>Ancillary Procedures</b>	56,721	65,370	(8,649)	-13%	354,992	371,817	(16,825)	-5%	
10 <b>Acute Administrative Days as % of Patient Days</b>	8.3%	9.0%	0.7%	7%	8.9%	9.0%	0.1%	1%	5 patients with more than 5 Admin Days in Dec
11 <b>Psych Administrative Days as % of Patient Days</b> (Days that do not qualify for inpatient status)	80.3%	58.0%	-22.3%	-38%	70.7%	58.0%	-12.7%	-22%	13 patients with more than 20 Admin Days in Dec
<b>Pillar Goals</b>									
12 <b>Patient Revenue per Adjusted Patient Day</b>	530	664	(135)	-20%	734	671	63	9%	Due to drop in ED Pro Fees and lower Clinic revenue
13 <b>Operating Expenses per Adjusted Patient Day</b>	2,146	1,932	(214)	-11%	1,955	1,953	(2)	0%	Due to lower Adjusted Patient Days
14 <b>Full Time Equivalents (FTE)</b>	1,009	1,085	76	7%	1,008	1,085	77	7%	

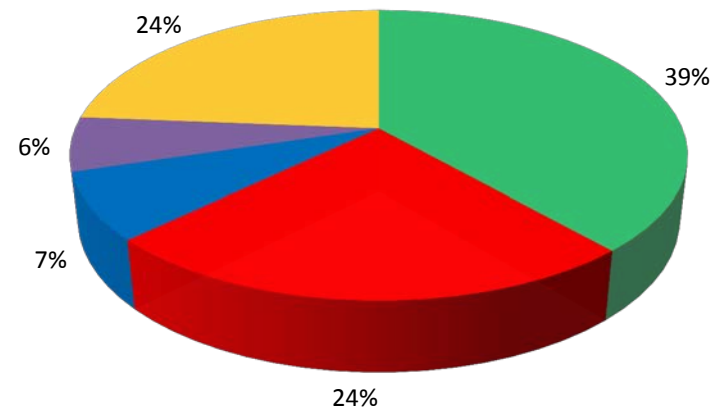
# Revenue Mix

**Before Capitation (Jan 2014 - Jun 2014)**



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

**After Capitation (Jul 2014 - Dec 2014)**



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

# HPSM Medi-Cal Managed Care Capitation Performance

## Membership & Utilization

Membership	Actual	Budget	Variance	% Variance	
December	16,286	14,000	2,286	16%	●
December YTD	88,812	84,000	4,812	6%	●

Dec 2014 YTD Utilization per 1,000 members	Actual	Budget	Variance	% Variance
Acute inpatient days	113	116	4	3%
ED visits	389	467	78	17%
Clinic visits	2,530	3,163	633	20%

## Dec 2014 YTD Financial

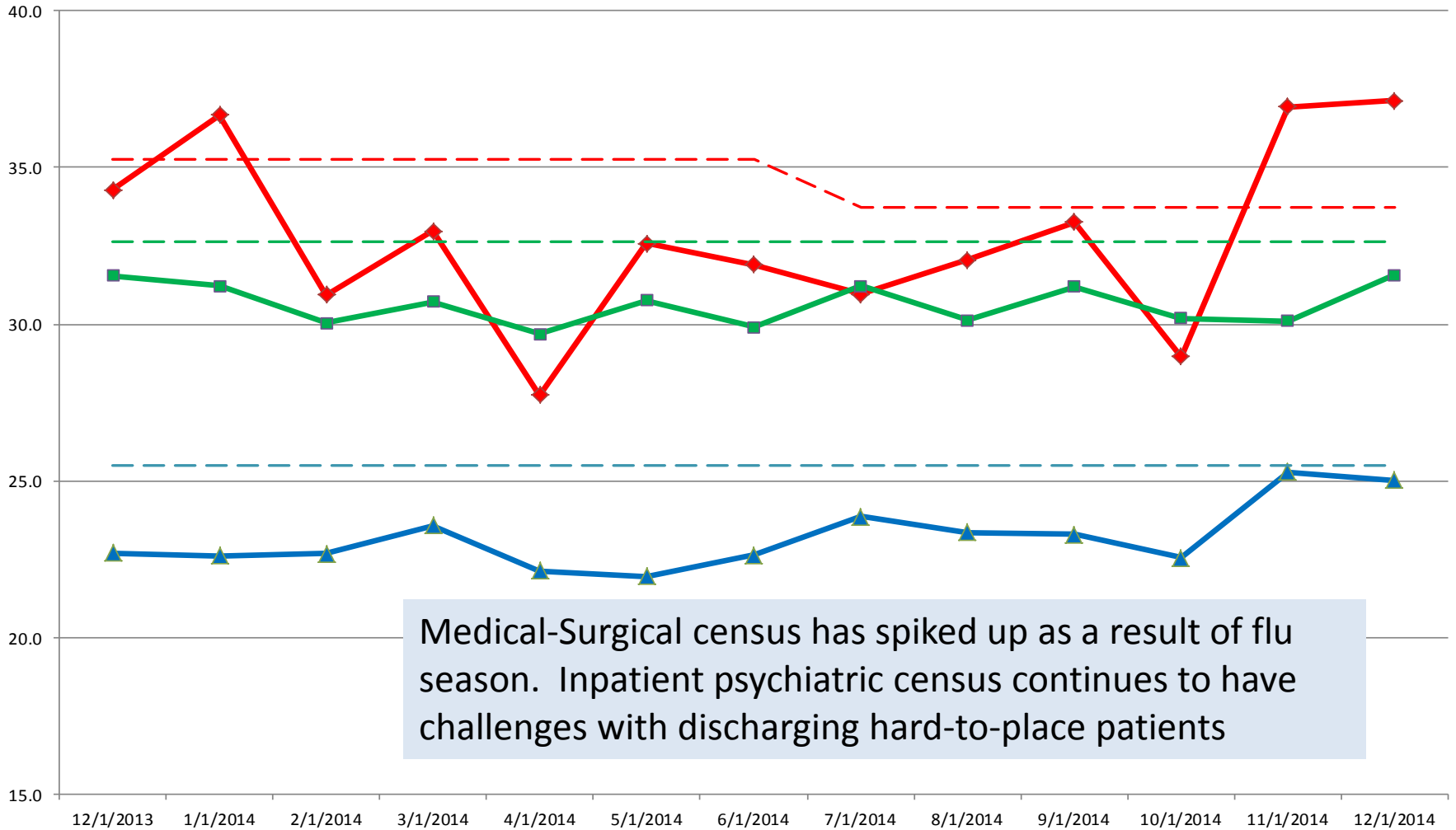
	PMPM Actual	PMPM Budget	PMPM Variance	Dollar Variance	
Revenue	\$ 260	\$ 260	\$ -	\$ 1,251,986	●
Expenses	\$ 208	\$ 227	\$ 19	\$ 584,947	●
Net	\$ 52	\$ 33	\$ 19	\$ 1,677,271	

San Mateo Medical Center  
 Inpatient Census  
 December 31, 2014

MONTH			
Actual	Budget	Variance	Stoplight
2,906	2,814	92	3%

YEAR TO DATE			
Actual	Budget	Variance	Stoplight
16,162	16,702	(540)	-3%

Patient Days



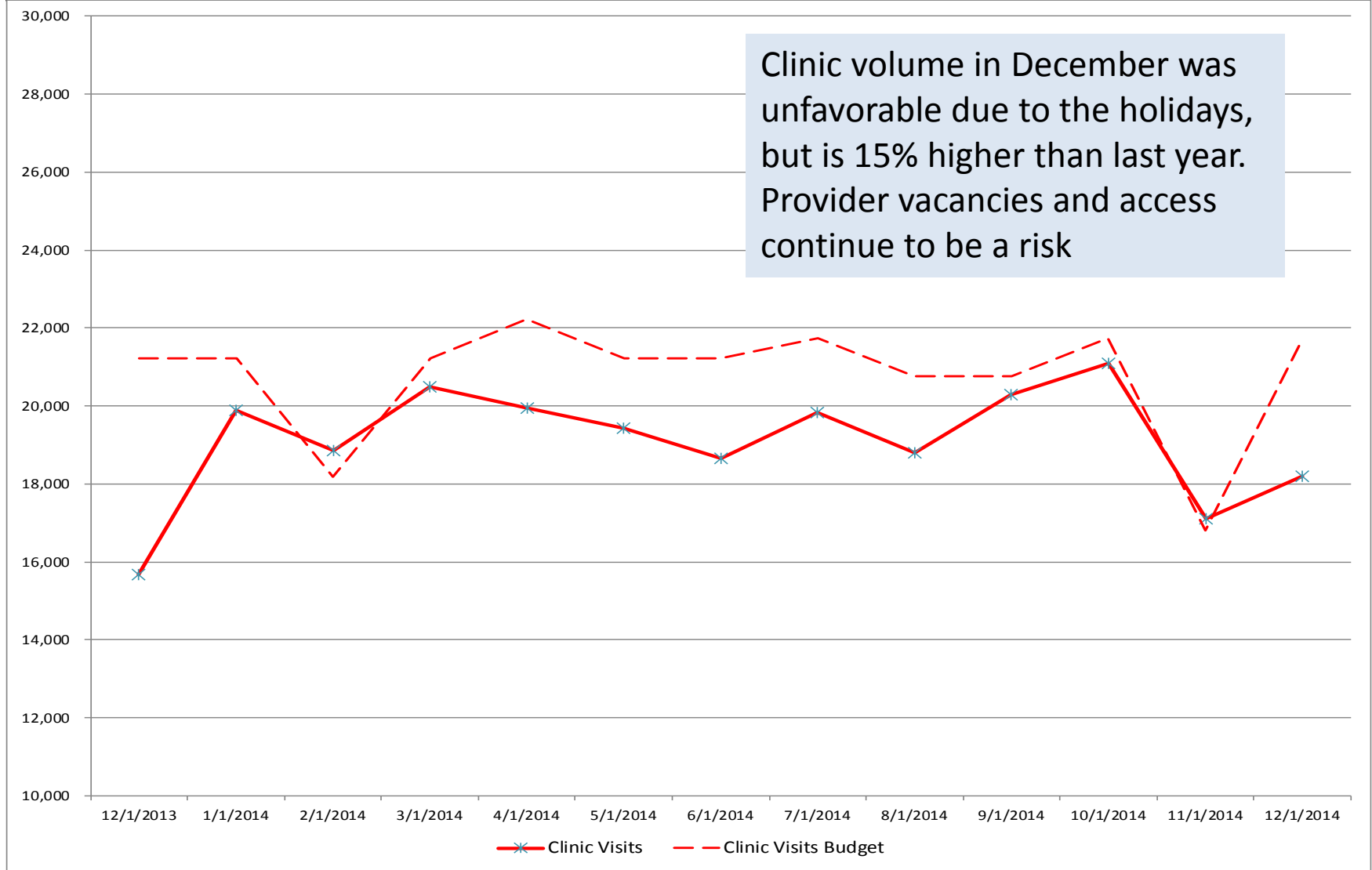
Medical-Surgical census has spiked up as a result of flu season. Inpatient psychiatric census continues to have challenges with discharging hard-to-place patients

◆ Acute   
 - - - Acute Budget   
 ▲ Psych   
 - - - Psych Budget   
 ■ LTC   
 - - - LTC Budget



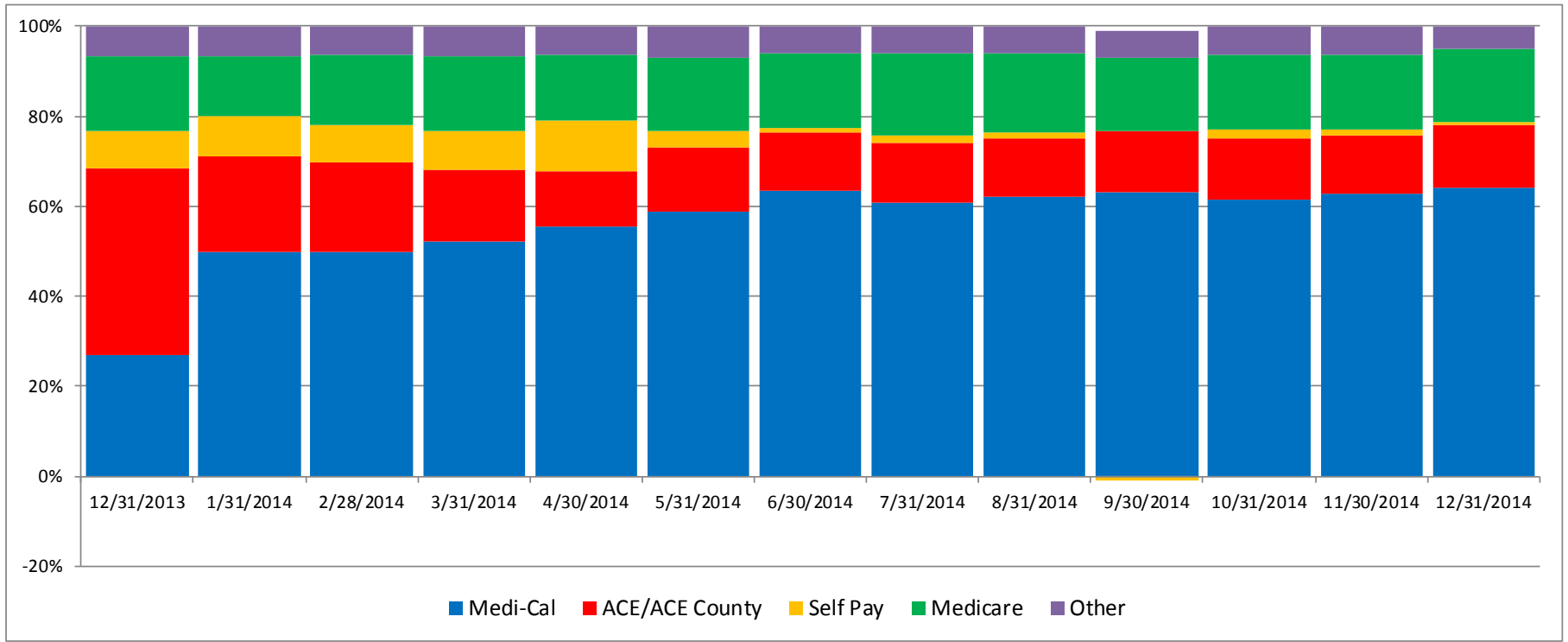
**San Mateo Medical Center  
Clinic Visits  
December 31, 2014**

	MONTH				YEAR TO DATE			
	Actual	Budget	Variance	Stoplight	Actual	Budget	Variance	Stoplight
<b>Clinic Visits</b>	18,208	21,736	(3,528)	-16%	115,328	123,498	(8,170)	-7%



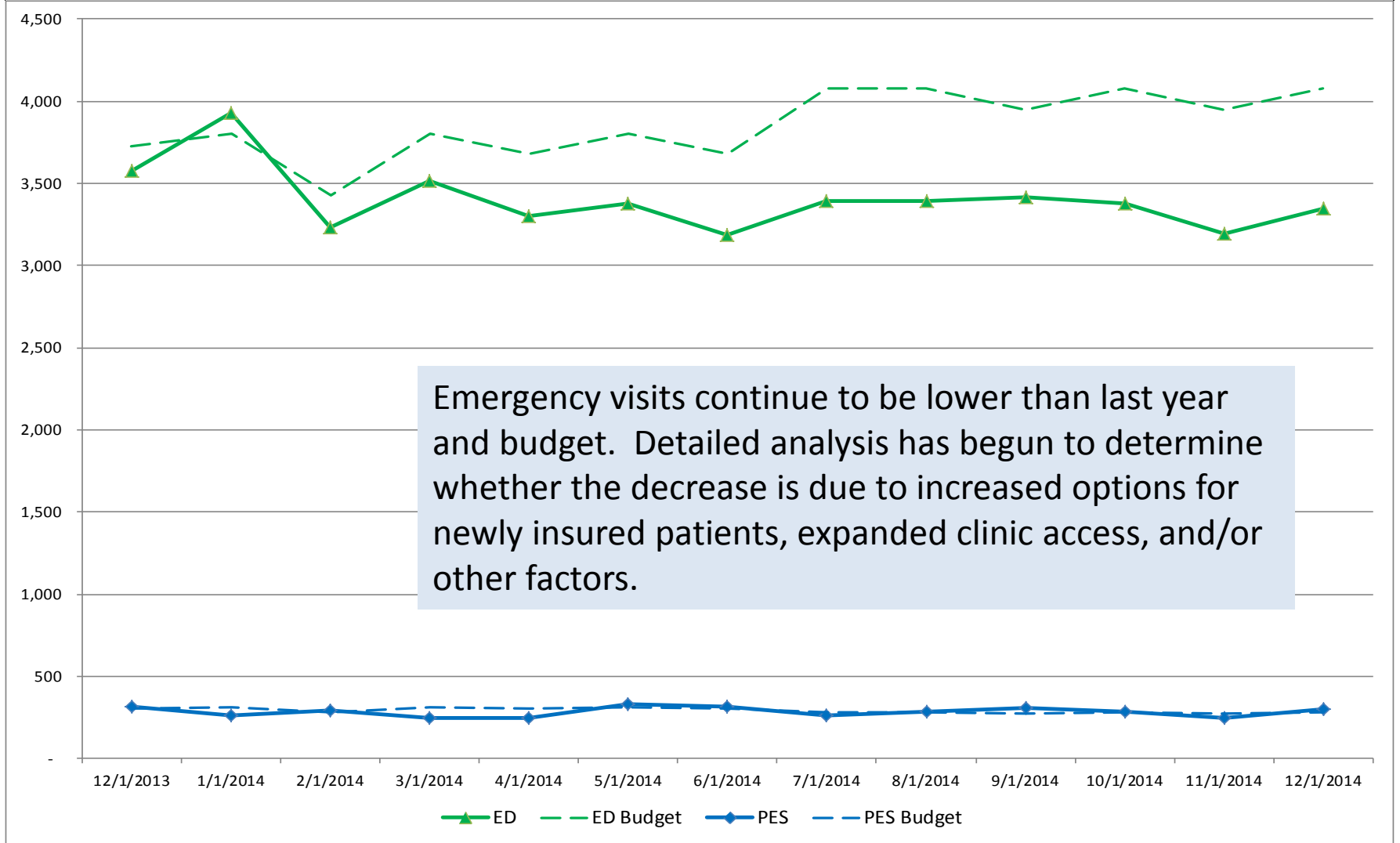
**San Mateo Medical Center  
Payer Mix  
December 31, 2014**

		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	16.3%	15.3%	0.9%		17.0%	15.3%	1.6%	
16	Medi-Cal	64.1%	50.6%	13.4%		62.6%	50.6%	11.9%	
17	Self Pay	0.6%	8.7%	-8.1%		1.0%	8.7%	-7.7%	
18	Other	5.0%	6.5%	-1.5%		6.0%	6.5%	-0.5%	
19	ACE/ACE County	14.1%	18.9%	-4.8%		13.5%	18.9%	-5.4%	
20	<b>Total</b>	100.0%	100.0%			100.0%	100.0%		



**San Mateo Medical Center  
Emergency Visits  
December 31, 2014**

	MONTH				YEAR TO DATE			
	Actual	Budget	Variance	Stoplight	Actual	Budget	Variance	Stoplight
<b>ED Visits</b>	3,650	4,360	(710)	<b>-16%</b>	21,796	25,881	(4,085)	<b>-16%</b>

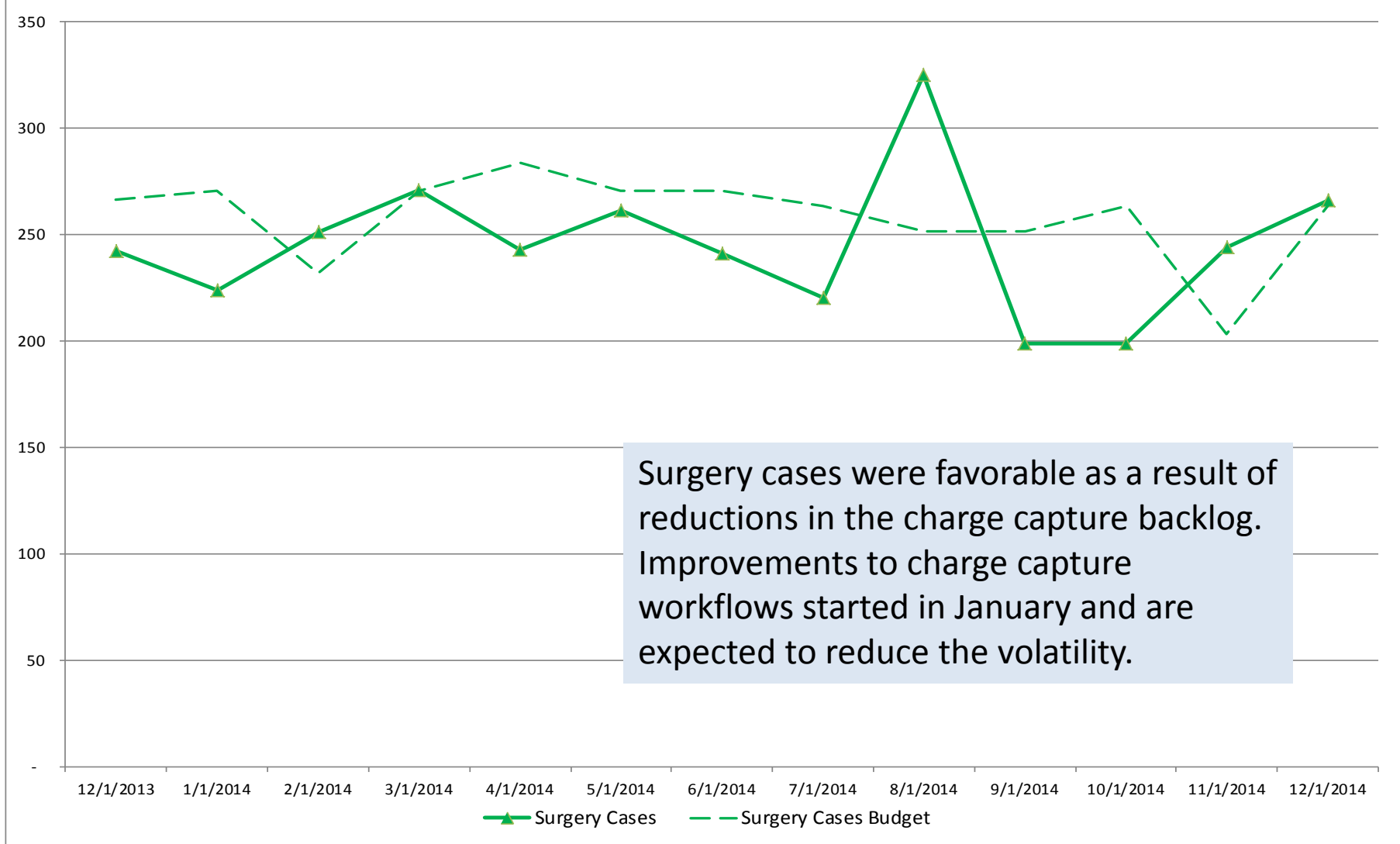


**San Mateo Medical Center  
Surgery Cases  
December 31, 2014**

MONTH			
Actual	Budget	Variance	Stoplight
266	263	3	1%

YEAR TO DATE			
Actual	Budget	Variance	Stoplight
1,453	1,496	(43)	-3%

**Surgery Cases**



Surgery cases were favorable as a result of reductions in the charge capture backlog. Improvements to charge capture workflows started in January and are expected to reduce the volatility.

**San Mateo Medical Center**  
**Income Statement**  
**December 31, 2014**

	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>	8,908,894	8,302,734	606,160	7%	46,574,729	49,816,403	(3,241,675)	-7%
22 <b>Outpatient Gross Revenue</b>	22,072,507	25,740,448	(3,667,941)	-14%	140,903,797	154,442,690	(13,538,893)	-9%
23 <b>Total Gross Revenue</b>	30,981,401	34,043,182	(3,061,782)	-9%	187,478,526	204,259,093	(16,780,568)	-8%
24 <b>Patient Net Revenue</b>	5,351,059	7,662,140	(2,311,082)	-30%	47,764,220	45,972,843	1,791,377	4%
25 Net Patient Revenue as % of Gross Revenue	17.3%	22.5%	-5.2%	-23%	25.5%	22.5%	3.0%	13%
26 <b>Capitation Revenue</b>	23,728,844	6,478,895	17,249,949	266%	30,168,329	38,873,369	(8,705,040)	-22%
27 <b>Supplemental Patient Program Revenue</b>	(14,484,770)	1,582,165	(16,066,936)	-1016%	9,219,807	9,492,993	(273,186)	-3%
(Additional payments for patients)								
28 <b>Total Patient Net and Program Revenue</b>	14,595,132	15,723,201	(1,128,069)	-7%	87,152,356	94,339,205	(7,186,849)	-8%
29 <b>Other Operating Revenue</b>	1,175,680	1,198,388	(22,708)	-2%	7,489,484	7,190,330	299,153	4%
(Additional payment not related to patients)								
30 <b>Total Operating Revenue</b>	15,770,812	16,921,589	(1,150,777)	-7%	94,641,840	101,529,535	(6,887,696)	-7%

**San Mateo Medical Center**  
**Income Statement**  
**December 31, 2014**

	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	12,517,638	12,379,814	(137,825)	-1%	72,251,047	74,278,882	2,027,835	3%	
32 Drugs	713,700	879,447	165,747	19%	3,523,871	5,276,681	1,752,810	33%	
33 Supplies	577,003	1,031,914	454,910	44%	4,963,316	6,191,481	1,228,166	20%	
34 Contract Provider Services	2,968,023	2,752,852	(215,172)	-8%	16,205,199	16,517,110	311,911	2%	
35 Other fees and purchased services	3,459,687	3,410,706	(48,981)	-1%	19,576,207	20,464,235	888,028	4%	
36 Other general expenses	670,101	599,716	(70,386)	-12%	3,397,511	3,598,293	200,783	6%	
37 Rental Expense	67,463	183,335	115,872	63%	972,391	1,100,011	127,620	12%	
38 Lease Expense	812,030	812,030	0	0%	4,872,182	4,872,182	0	0%	
39 Depreciation	(97,608)	240,914	338,521	141%	1,446,686	1,445,483	(1,203)	0%	
40 <b>Total Operating Expenses</b>	21,688,040	22,290,727	602,687	3%	127,208,408	133,744,360	6,535,952	5%	
41 <b>Operating Income/Loss</b>	(5,917,228)	(5,369,137)	(548,090)	-10%	(32,566,568)	(32,214,824)	(351,744)	-1%	
42 <b>Non-Operating Revenue/Expense</b>	596,082	463,628	132,454	29%	3,660,359	2,781,770	878,589	32%	
43 <b>Contribution from County General Fund</b>	4,905,509	4,905,509	(0)	0%	29,433,054	29,433,054	(0)	0%	
44 <b>Total Income/Loss (GAAP)</b> (Change in Net Assets)	(415,636)	0	(415,636)	-	526,845	0	526,845	+	



# SAN MATEO COUNTY HEALTH SYSTEM

DATE: February 5, 2014  
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:

- **Total Wellness Program recognized for exemplary success:** In its publication "Driving Outcomes in Integration: Profiles of High Achieving Grantees in Primary and Behavioral Health Care Integration (PBHCI), the Center for Integrated Health Solutions analyzed health indicator data from all Primary and Behavioral Health Care Integration (PBHCI) grantees from around the US and conducted interviews with all grantees that were in the top five percent of health improvement for each health indicator. Ten programs were recognized, including ours. Our data showed a 51% improvement in blood sugars, compared to an average of 32%, and a 58% improvement in cholesterol, compared to an average of 32%. This program is a wonderful collaboration between the Health System's primary care and behavioral health services.
- **"Stumble Stoppers" presented SMMC's Nursing Best Practices at State Conference:** SMMC Nurses from 2A/B, known as the "Stumble Stoppers," presented SMMC Nursing best practices for preventing and reducing patient falls with injury at the Association of Californian Nurse Leaders annual conference in Anaheim, California on February 2. The Stumble Stopper's goal was to have no patient falls with injuries for six months, and they exceeded this goal by having no patient falls with injuries for twelve months. SMMC's poster presentation was selected as one out of ninety entries. Highlighted in the bundle of best practice interventions was the "Got-A-Minute" campaign. This campaign also received national recognition by America's Essential Hospitals as a best practice for implementing evidenced-based practice. Congratulations Stumble Stoppers for making SMMC safer for our patients and for providing leadership in nursing practice beyond SMMC's walls!
- **SMMC participates in a regional drill disaster drill:** On Thursday, November 20<sup>th</sup>, SMMC participated in a drill designed primarily to test communication in the event of a disaster. We tested walkie-talkies and 700 megahertz radios. The larger drill scenario was an anthrax bioterrorism attack that affects the entire Bay Area and requires a large number of people receive medication to prevent them from getting sick. Participants include health departments from Alameda, Contra Costa, Marin, San Benito, San Mateo, Santa Clara, San Francisco and Sonoma counties, and the City of Berkeley. This particular drill was the culmination of three years of



planning by local health departments, which have been meeting monthly since 2005 to coordinate overall Bay Area public health emergency preparedness efforts.

## **LEAN UPDATES:**

### **Highlighted Accomplishments:**

- In January, we have been contacted by 6 different hospital systems (most, but not all, from the safety net), who want to visit us to learn about the implementation of our LEAP Leadership System, as well as our general LEAP transformation infrastructure.
- Our wait list for new primary care appointments continues to drop: from 300 to 100 in the last month.
- In the Emergency Department, quarterly patient experience scores have gone from the 6<sup>th</sup> percentile to the 46<sup>th</sup> percentile in 9 months.
- In Acute Psychiatry, the defect rate of completed client safety histories dropped in the last month from 43% to 31%.

### **Other LEAP Updates, from December 2014 and January 2015:**

- **Health System Recruitment Kaizen:** As part of our robust partnership to improve hiring, Human Resources and the Health System held their first kaizen event following value stream mapping. The team worked on:
  - Giving managers the ability to initiate the recruitment process by opening requisitions directly in NeoGov;
  - Creating a recruitment meeting between the hiring manager and the HR analyst in order to lay-out the entire hiring process and agree on milestones that will streamline the process; and
  - Developing tools to clarify and stipulate accountability and timing of tasks during recruitment.
- **New Patient Access Kaizen:** In its 6<sup>th</sup> kaizen event, the team focused on reducing the amount of time it takes from the patient calling the call center to having a face-to-face visit. In the South San Francisco Clinic's first improvement event, the team developed an innovative new system of team-based care that reduces this time from 41 days to less than 6 days. This system also decreases the burden on providers by involving a broader group of team members, and ultimately increases the number of new patients seen by 18 each week in just the pilot clinic. We had the unique benefit of having two patients dedicate a full week of their time in helping design and test, giving us much more confidence that we will have a system that works much better for our patients.
- **Emergency Room Kaizen:** In its 5<sup>th</sup> kaizen event, our goals were to reduce lead times for lab and radiology tests being ordered by ED providers, as well as to improve patient experience. Leveraging our patients' perspectives with the help of two patients spending their week with us to design and test, the team created a robust signaling system. At the end of the week, they reduced lab, CT, and diagnostic X-ray lead times by 39%, 26%, and 44% respectively.
- **Business Intelligence Kaizen:** In its 3<sup>rd</sup> kaizen event, the team focused on improving the workflow of BI analysts, with a goal of reducing the lead time from the submission of data request to closure of report ticket. The team developed milestones to track work progress and



to communicate with requestors; defined prioritization and complexity of reports; and configured the Remedy system to develop work status reports for analysts and requestors. The ultimate result was that requestor satisfaction went from 40% to 86% within just this week.

## **PATIENT AND STAFF EXPERIENCE:**

- **Commonwealth Fund recognizes SMMC as Innovation Hub**: The Commonwealth Fund, in its December/January issue of "Quality Matters: Innovations in Health Care Quality Improvement," showcased San Mateo Medical Center and our \$100,000 grant from the Center for Care Innovations to form an innovation hub, which will help vet new technologies and care processes that may benefit SMMC and all safety net institutions in the US. Interviewed for the article were our Chief Medical Information Officer, Dr. Mike Aratow, and Syed Khan from the Health System's Health Information Technology department. I deeply appreciate their innovative work to improve the quality, safety and experience of care for our patients.
- **Dr. CJ Kunnappilly published on-line in Time magazine**: On December 16, 2014, Time magazine online published Dr. Kunnappilly's thoughtful and well-written essay on how the ACA has changed SMMC and our patients: "How Obamacare Has Changed My Hospital." In it, he describes how the Affordable Care Act (ACA) has had a profound and rapid change on SMMC. Despite these challenges, we have brought almost 7,500 new patients into primary care, facilitating better preventative health and chronic disease management. The majority of these patients are newly eligible for Medi-Cal. I very much appreciate Dr. Kunnappilly sharing his views with a national audience!
- **Dr. Susan Joseph featured in San Francisco Magazine as "Top Doc"**: Dr. Susan Joseph, Medical Director of the Ron Robinson Senior Care Center, was featured as one of the Bay Area's 551 top physicians. She was one of only seven MDs chosen in the geriatric medicine category. Congratulations to Dr. Joseph!
- **New patient centered care menus**: In October, SMMC hired its first patient experience dietician, Ankita Sachdev. Ankita's charge is to completely revamp the patients' menus and to increase patient experience scores from the 46 percentile to the 80th percentile. Patients and nursing staff have completed taste testing for the new breakfast menu and the new menu is being rolled out. Ankita will be assisted by a new "host/hostess" who will meet with patients every day and select the perfect menu for each patient. The new lunch/dinner menu will begin in February. Our goal is to create a patient centered experience for our patients. Kudos to our Director of Food and Nutrition, Ava Carter, for this wonderful innovation!
- **New indoor wayfinding begins**: December marked the beginning of bright new indoor signage at SMMC. The new directories are color-coded for easier navigation around the medical center, and in English and Spanish. Our outdoor signs were installed one year ago and greatly enhanced the patient's experience from the street to the front door. Our goal now is to get our patients and families from the door to their destination with the least amount of stress and to create a patient centered environment.
- **Welcome to HEARTbeat - San Mateo Medical Center's new employee newsletter**: SMMC has a new and attractive way of communicating current events to providers and employees:

HEARTbeat, our on-line newsletter. Here's the link:

[http://intranet.co.sanmateo.ca.us/smmc/HeartBeat\\_2-2015.pdf](http://intranet.co.sanmateo.ca.us/smmc/HeartBeat_2-2015.pdf)

Included in our February Issue: - SMMC Newsletter Gets New Name and Design, New Hospital Signage, Are You Prepared?; SAFE Award Recipient; Calendar of Classes and Events; Patient Comments; Service Awards; and LMS Training. We hope you like the newly designed newsletter! Kudos to Karen Pugh and Kate Johnson for this new communication tool!

## FINANCIAL STEWARDSHIP:

- **Medicare now a pay for value program:** The U.S. Department of Health and Human Services (HHS) announced in January a plan for shifting 30 percent of traditional Medicare fee-for-service reimbursements to alternative payment models – such as accountable care organizations (ACOs) or bundled payment arrangements – by 2016, and to 50 percent by the end of 2018. Acknowledging that not all providers will be able to participate in ACOs or other alternative payment models, HHS also announced it will seek to link 90 percent of all fee-for-service payments to quality metrics through programs such as hospital value-based purchasing by 2018. This change further underscores the imperative for SMMC to improve quality, safety and patient experience because all of our payments will ultimately be linked to these measures.
- **ICD-10 “soft go-live” this month:** In preparation for the national deadline to transition to ICD-10 this fall, SMMC will begin using ICD-10 procedure and diagnosis codes starting in February. Coding staff and providers have been trained both on how to strengthen clinical documentation to support the new ICD-10 codes as well as on how to select the appropriate codes. Health IT has tested our systems to ensure a smooth transition. Coding staff have created tools to help providers make the transition. Our inpatient, ancillary, and ED go-live date is Tuesday, February 24, and our clinic go-live date is Tuesday, March 3<sup>rd</sup>.
- **Resource Management team 100% with treatment authorization:** In 2013 the California Department of Health Care Services (DHCS) Utilization Management Division delegated to public hospitals responsibility for reviewing all fee-for-service Medi-Cal cases and doing their own authorizing or denying of payment for acute stays based on medical necessity. Once the daily reviews are completed, the SMMC case managers make a determination to authorize or deny payment. The cases are then submitted to the DHCS where auditors review the work of SMMC Case Managers. In our most recent submission of over 350 days the auditors found 100% of the daily reviews conducted by the SMMC case managers accurate with appropriate authorization levels. Congratulations to this awesome team!

## COMMUNITY PARTNERSHIP:

- **Dr. Neel Patel named by the Board of Supervisors to the First Five Commission:** First 5 San Mateo County funds programs and services that help better the lives of children in San Mateo County. In doing so, it guides the investment of Proposition 10 funding in San Mateo County. In January, the Board of Supervisors appointed Dr. Neel Patel, our Medical Director of Pediatrics at the Fair Oaks Health Center, to serve on this Commission. Dr. Patel joins Jean Fraser, our Health System Chief in this important service role. Congratulations to Dr. Patel!

- **Fair Oaks Health Center wins breathing award:** Breathe California Golden Gate seeks to empower communities eliminate the causes and burden of lung disease, promote clean air and improve public health. This organization recognized the Fair Oaks Health Center's wonderful work on preventing asthma in children by honoring the Center as its 2014 Community Partner of the Year. Congratulations to the team at Fair Oaks Health Center for improving our children's lives!
- **San Mateo County Health Foundation 25<sup>th</sup> Anniversary Gala honors Keller Center for Family Violence Intervention:** On November 7, 2014, the SMCHF held its 25<sup>th</sup> anniversary gala event, the proceeds of which went to the KCFVI. Held at the Carolands Mansion, 120 people attended, including Congresswoman Jackie Speier, Supervisor David Pine, and Health System Chief Jean Fraser. Congresswoman Speier presented SMMC with a beautifully-worded plaque honoring the KCFVI. The event raised \$175,000 for the KCFVI.

*Check out our most recent blog post: "Thanksgiving and Gratitude"  
<http://smmcblog.wordpress.com>*



# SAN MATEO COUNTY HEALTH SYSTEM

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

Indicator	Short-Term Change over Previous Month	Long-Term Change over Last Year
ACE Enrollees	-1.2% (19,939)	-36.0%
San Mateo Medical Center Emergency Department Visits	6.1% (3,439)	-19.0%
New Clients Awaiting Primary Care Appointment	5.2% (222)	-69.0%

### **Number of new HIV infections falls dramatically**

Newly released data shows only 47 new cases of HIV in San Mateo County in 2013 – a 17% decrease from 2012 and 43% lower than 2011. This downward trend is particularly strong among the County's African American population. The overall reduction is likely due to beginning antiretroviral therapy as soon as someone is diagnosed with HIV, which suppresses the virus early on and makes it much less transmissible.

### **Health System recognized for success in treating medical conditions of BHRS clients**

Adults with serious mental illness live on average 25 years less than the general population due to lack of care for preventable medical issues. In response, Behavioral Health and Recovery Services (BHRS) and San Mateo Medical Center created the Total Wellness project, focused on integrating primary care into client services. We were recently recognized for being one of the best programs in the nation for improving BHRS clients' fasting blood sugar levels by 51% and cholesterol by 58%. This significant improvement was achieved by holding weekly team meetings to review individual health data, developing health coaching plans for each new enrollee, and stratifying enrollees by health needs and risk levels. Clients were able to access their own data in real-time and in an easy-to-read dashboard format. Nurse Care Managers also reviewed the results with clients to help them take action to achieve their health goals.

### **Health Coverage Unit assisting residents to meet Feb. 15 deadline to enroll in Covered California**

The Affordable Care Act is already making a big difference for San Mateo County residents with more than 55,000 residents enrolled in health coverage in 2014. The Health Coverage Unit's goal now is to assist as many of the estimated 30,000 County residents who remain uninsured to enroll by the February 15<sup>th</sup> deadline for Covered California. Enrollment sites are available at locations throughout the County, including weekend and after hour sites, and staffed with assistants who speak English, Spanish, Tagalog, Cantonese, and Mandarin. Residents who do not enroll by February 15<sup>th</sup> may have to wait until January 2016 to have access to affordable health insurance.





San Mateo Medical Center  
*A County System of Healthcare*

**TAB 3**

**MEDIA  
ARTICLES**



## How Obamacare Has Changed My Hospital

**So far in 2014, we have brought almost 7,500 new patients into primary care facilitating better preventative health and chronic disease management**

The holidays are a convenient time to take stock of our blessings and opportunities, and to consider the challenges we have overcome in the previous year. As I reflect back, I have many things to be thankful for: good health, a supportive, healthy family, colleagues I enjoy and respect, and a job that I love.

This year, the Affordable Care Act (ACA) had a profound and rapid change on my professional life as a physician who works in an institution that forms part of California's safety net for those in need. I'm the chief medical officer for San Mateo Medical Center, the county hospital and affiliated clinics in San Mateo County. I also provide primary care in one of our outpatient clinics.

As a result of the ACA, many patients we serve in our county became newly eligible for Medi-Cal, California's Medicaid program. With this transition, they were offered far more choices: They had access to services that were previously unavailable, such as dental services and expanded mental health services. And, instead of having to travel to our specialty clinic in the middle of the county, they could be referred to "private" specialists in their own communities. Far from luxuries, these new choices will help promote preventative care and early disease intervention; patients who in the past might have delayed a gallbladder or hernia surgery (and ended up in the emergency department with pain) can get prompt treatment with their new Medi-Cal coverage.

Before the ACA, most of our patients were either uninsured or were enrolled in a county program that only covered services at our institution; they could not seek care elsewhere. So more choice for patients means more pressure on us; as patients become eligible for Medi-Cal, they may now choose to leave our organization to seek care elsewhere. I will try to avoid clichés as I write this, but there is one that is especially appropriate here: "pressure makes diamonds." I am seeing a spectacular gem being built around me here in San Mateo, far from flawless but beautiful nonetheless.

Competition has forced us to confront some difficult questions, such as: What is the role of the safety net in this new era when many more people are insured? Why should we, as an institution, continue to exist? Thankfully the answers to these questions came fairly easily.

As an integrated health system, we offer a range of services from outpatient to emergency services to inpatient to long-term care; we offer a distinct advantage over the traditional fragmented health care system. Embedded in the San Mateo County Health System, we can work with our colleagues in Adult and Aging Services, Family Health Services, and Public Health

to better meet all the psychosocial needs of our patients. For example, our partnership with the county's Behavioral Health and Recovery Services has allowed us to embed behavioral health experts in our primary care clinics so that they can better address the mental health needs of our patients; this partnership also expands our ability to refer patients with drug and alcohol problems.

As our patients have moved to Medi-Cal, the ACA has brought our institution some new funding. But we realize that this will be short-lived; many of the new programs of the ACA are funded by reductions to other parts of the safety net. Such pressure is not new; safety net programs are often short of resources, forcing adjustments and redesigns. But the ACA ramps up this pressure on us to innovate, to find ways to do things cheaper and more efficiently.

Fortunately, we had a head start. We began almost a decade ago by redesigning our primary care services and establishing team based care. The county implemented an electronic health record in our clinics long before there was a mandate to do so. The ACA, through its resetting of priorities and funding mechanisms, offers us an opportunity to build on this foundation. We have repurposed some staff roles and brought in new staff members with new skill sets. For example, we have staffers who are specially trained to extract information from electronic records to better manage chronic disease, and pharmacists have been added to some primary care teams to assist with medication management.

The ACA has facilitated new partnerships with other community provider, allowing us to focus on those services that we provide well while partnering to provide services that are best delivered by others. This is a transition from the past, when we were the provider of last resort, forced to provide as much as we could and living without the services we could not provide by ourselves.

One of our biggest investments has been in what we call our Lean transformation. Lean, based on the Toyota Production System, is a proven performance improvement methodology. Lean healthcare principles focus on increasing value by constantly improving quality and reducing defects and other wastes. Within the San Mateo County Health System, this transformation is being organized through our LEAP Institute. LEAP stands for Learn, Engage, Aspire, and Perfect (as a verb). As part of LEAP, we bring together teams that include line staff to observe and analyze our core processes – and then design new improved approaches that reduce waste and improve outcomes.

There is much work ahead, but much has already been accomplished. So far in 2014, we have brought almost 7,500 new patients into primary care facilitating better preventative health and chronic disease management. The majority of these patients are newly eligible for Medi-Cal. We have also seen a reduction of more than 20 percent in the number of patients leaving our Emergency Department without being seen due to long waits. We have seen an improvement in our performance on patient satisfaction surveys in a variety of areas including the Emergency and Inpatient Departments. And our pharmacy has reduced the time patients must wait for their prescriptions by about 75 percent. These are just a few of the gains. We look forward to many more.

*Dr. Chester Kunnappilly is chief medical officer for San Mateo Medical Center, the county hospital and affiliated clinics in San Mateo County. He is board certified in Internal Medicine and also serves the organization as a primary care physician. He is a graduate of Dartmouth College and the University of Pennsylvania Perelman School of Medicine. He wrote this for [Zocalo Public Square](#). Zocalo Public Square is a not-for-profit Ideas Exchange that blends live events and humanities journalism*



# Battle between Blue Shield, Sutter Health turns patients into 'pawns'

By Tracy Seipel

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Posted: 01/29/2015 05:54:40 AM PST [0 Comments](#) | Updated: 4 days ago

## Related Stories

Susan Mattson is one of 284,000 Northern Californians caught in the middle of a bitter contract battle between Blue Shield of California and Sutter Health as they fight over the price of MRIs, colonoscopies and other medical procedures.

The 59-year-old San Mateo resident is seething. She knows that if the two sides can't resolve their differences she could lose access to her Sutter hospital and doctors -- and then have to scramble to find new ones by June 30.

"I feel like a pawn," said Mattson, a marketing professional who last week might have caught a glimpse of her health care future after a car crash landed her at a Sutter hospital that told her it didn't accept Blue Shield. She ended up in a county hospital filled with shackled prisoners dressed in orange jumpsuits.

But health care experts say people with private health insurance should get used to it.

The showdowns, they say, will continue because of two trends: hospital consolidations and Medicare and Medicaid payment rates consuming a larger share of hospital revenue. Those trends have led insurers such as Blue Shield to square off with medical providers like Sutter over who should get how much of a shrinking medical-payments pie.

A similar battle over cost led to a months-long standoff last fall between Anthem Blue Cross of California and Stanford Health Care. Until the dispute was resolved, about 10,000 Bay Area customers were held captive while the negotiations between the hospital system and insurer dragged on.

## Advertisement

After the contract between Blue Shield and Sutter terminated on Dec. 31 and they failed to reach an agreement, the insurance company told its managed-care plan customers that they have until March 31 before they lose access to Sutter providers, while Blue Shield's PPO customers have until June 30 to look for another provider or face much higher out-of-network costs.

"As hospitals are getting larger within markets -- and, in the case of Sutter, consolidating across markets -- they have more clout in their negotiations with insurers," said Dr. Robert Berenson, a fellow at the Urban Institute, based in Washington, D.C. "And it's likely to just continue to increase unless something intervenes."

That "something," he said, could include more vigorous anti-trust enforcement against consolidating hospitals, either by the federal or state government. The state could also impose price ceilings on the payments hospitals can receive -- or move to a more regulatory approach of setting payment rates for all public and private insurers, as is done in Maryland.

The other challenge is that an increasing number of Americans are getting their health care from public -- rather than private -- health plans. "An amazing number of baby boomers are moving off their employer-sponsored insurance and onto Medicare," Berenson said.

That means hospitals are seeing shrinking profits because fewer patients are being admitted with higher-paying private health plans.

At the same time, the Affordable Care Act has resulted in a huge expansion of Medicaid, called Medi-Cal in California. And Medicaid reimburses hospitals below what they say are their costs. In California, the situation is even worse because it has one of the lowest Medicaid reimbursement rates in the country.

Health care experts say that as they renegotiate their contracts every few years, hospitals have been pressuring insurance companies to raise their rates to make up for the money they say they lose on Medicare and Medi-Cal patients.

In the past, in showdowns between insurance companies and hospitals, health insurers would typically blink -- and the hospitals pretty much got what they wanted and passed the increased costs along to insurers, who in turn raised their premiums.

But that is changing.

"With all the press on cost containment, employers who pay the bill are getting a little more backbone and want their insurers to negotiate more aggressively when they think the hospital is asking too much," Berenson said.

In the current dispute, he said, Blue Shield is between a rock and a hard place. Its tens of thousands of customers will be furious if their premiums are raised, but they'll also be outraged if Sutter is excluded from their health plans because Sutter is so prevalent in Northern California.

Meanwhile, the public relations face-off -- and stream of dueling, often misleading news releases -- goes on.

"It's kind of like the parents arguing in front of the kids," said Nicholas Bloom, an economics professor at the Stanford Graduate School of Business whose five-member family has a Blue Shield plan. "It could drag on for a long time."

The California Department of Insurance, the Department of Managed Health Care and Covered California, the state's insurance exchange, are monitoring the situation. People with Covered California plans -- like Mattson, the San Mateo woman hurt in a crash -- say they have nowhere else to go because the exchange's coverage options are more limited.

And Mattson doesn't want to revisit the nightmare she stumbled into last week when the staff at Sutter-owned Mills Peninsula Hospital wouldn't accept her Blue Shield plan and turned her away -- apparently by mistake, since the Sutter contract hasn't yet expired. They pointed her to San Mateo County Medical Center, where Mattson waited seven hours -- mingling with county jail inmates -- before she was seen by a doctor.

A Sutter spokeswoman said it is investigating the incident and that it does not turn away anyone in need of emergency care.

"There were more police and sheriff's deputies than there were nurses," recalled Mattson, who suffered severe neck pain in the accident. "One prisoner was peeing on my shoes, and one guy died next to me after they couldn't resuscitate him. It was not the Sutter level of care that I paid for in my contract."

Contact Tracy Seipel at 408-920-5343. Follow her at [Twitter.com/taseipel](https://twitter.com/taseipel).

What's THE BEEF?

Sutter Health's proposed rate increases are unacceptable to Blue Shield. Sutter, meanwhile, says Blue Shield's proposed rate rollbacks are unrealistic. Sutter Health wants Blue Shield to agree to an expanded mandatory arbitration provision to resolve all disputes. Blue Shield says this would block its self-insured customers from suing Sutter for anti-competitive business practices in open court.

Source: Blue Shield of California and Sutter Health

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