BOARD OF DIRECTORS MEETING

Thursday, January 7, 2016
8:00 AM – 10:00 AM

SAN MATEO MEDICAL CENTER

EXECUTIVE BOARD ROOM

Second Floor, Administration Wing
BOARDS OF DIRECTORS MEETING
January 7, 2016 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  Dr. Janet Chaikind
   2. Quality Report  Dr. Janet Chaikind
   Informational Items
   3. Medical Executive Committee  Dr. Alex Ding

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. November 5, 2015 Meeting Minutes
   2. Report from the Health Care for the Homeless/Farmworker Health Program

G. MEDICAL STAFF REPORT
   Chief of Staff Update  Dr. Janet Chaikind
H. ADMINISTRATION REPORTS

1. Psychiatry Department  
   Dr. CJ Kunnappilly ... Verbal

2. Burlingame Long Term Care  
   John Thomas ... Verbal

3. Mental Health First Aid  
   Louise Rogers ... Verbal

   David McGrew ... TAB 2

5. CEO Report  
   Dr. Susan Ehrlich ... TAB 2

I. HEALTH SYSTEM CHIEF REPORT

   Health System Snapshot  
   Louise Rogers ... TAB 2

J. COUNTY MANAGER’S REPORT  
   John Maltbie

K. BOARD OF SUPERVISOR’S REPORT  
   Supervisor Adrienne Tissier

L. ADJOURNMENT

MEDIA ARTICLES  
   TAB 3

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.
TAB 1

CONSENT

AGENDA
## HOSPITAL BOARD OF DIRECTORS
### MEETING MINUTES
Thursday, November 5, 2015
Executive Board Room

<table>
<thead>
<tr>
<th>Board Members Present</th>
<th>Staff Present</th>
<th>Members of the Public</th>
</tr>
</thead>
<tbody>
<tr>
<td>Supervisor Adrienne Tissier</td>
<td>Dr. C.J. Kunnappilly</td>
<td>Naomi Yunker</td>
</tr>
<tr>
<td>John Maltbie</td>
<td>Michelle Lee</td>
<td>Scott Diem (MGO Accounting)</td>
</tr>
<tr>
<td>Louise Rogers</td>
<td>David McGrew</td>
<td>Cynthia Pon (MGO Accounting)</td>
</tr>
<tr>
<td>Dr. Susan Ehrlich</td>
<td>Angela Gonzales</td>
<td></td>
</tr>
<tr>
<td>Dr. David Lin</td>
<td>Glenn Levy</td>
<td></td>
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<tr>
<td>Dr. Janet Chaikind</td>
<td>Ed Ortiz</td>
<td></td>
</tr>
<tr>
<td>Dr. Alex Ding</td>
<td>Maya Altman</td>
<td></td>
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<tr>
<td>Deborah Torres</td>
<td>Michelle Lee</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>ITEM</th>
<th>DISCUSSION/RECOMMENDATION</th>
<th>ACTION</th>
</tr>
</thead>
<tbody>
<tr>
<td>Call to Order</td>
<td>Supervisor Tissier called the meeting to order at 8:00 AM, and the Board adjourned to Closed Session.</td>
<td></td>
</tr>
<tr>
<td>Reconvene to Open Session</td>
<td>The meeting was reconvened at 8:10 AM to Open Session. A quorum was present (see above).</td>
<td></td>
</tr>
<tr>
<td>Report out of Closed Session</td>
<td>Medical Staff Credentialing Report for November 5, 2015. Medical Executive Committee Minutes for September 8, 2015. QIC Report from September 22, 2015.</td>
<td>Glenn Levy reported that the Board unanimously approved the Credentialing Report. It also accepted the Medical Executive Committee minutes.</td>
</tr>
<tr>
<td>Public Comment</td>
<td>No comments.</td>
<td></td>
</tr>
<tr>
<td>Foundation Report Bernadette Mellott</td>
<td>The showing of the documentary film “Being Mortal” was well attended by staff and providers. The after showing discussions were particularly rich and productive.</td>
<td>FYI</td>
</tr>
<tr>
<td>Consent Agenda</td>
<td>Approval of: 1. Hospital Board Meeting Minutes for October 1, 2015. 2. Compliance and Privacy Report</td>
<td>It was MOVED, SECONDED and CARRIED unanimously to approve all items on the Consent Agenda.</td>
</tr>
</tbody>
</table>
| Medical Staff Report Dr. Janet Chaikind | Dr. Chaikind reported that the Medical Executive Committee is working with Administration on two key areas:  
1.) Physician wellness assessment.  
2.) Physician engagement survey. The results were not as positive as expected and they are looking into ways to better engage providers with active participation from Administration. | FYI |
| Quality Report Dr. CJ Kunnappilly, Chief Medical Officer | DSRIP: A Crucial Key On Our Journey, presented by Kristin Lauria Gurley.  
DSRIP = Delivery System Reform Incentive Pool, is a component of CA’s Bridge to Reform Section 115 Waiver and it is the first of its kind in the country. It started in 2011. There are around 64 yearly milestones.  
DSRIP Funding Results  
• Original budget projection anticipated 16% of DSRIP funds were at risk for DY 9 & DY 10.  
• Due to teams’ extraordinary performance, we collected 98% of the funds for each of the last two years.  
• A total of $66,457,293.86 was paid to SMMC by the State  
What comes next?  
• Clinical guidelines, protocols and standard work integrated in Milestone areas to ensure performance is maintained.  
• State and CMS currently negotiating with CMS for next 1115 Waiver.  
• High level 5-year agreement reached with CMS for the new waiver that will include PRIME.  
  o Integration of Physical & Behavioral Health  
  o High Risk or High Cost Populations  
  o Outpatient Delivery System Transformation & Prevention  
  o Resource Utilization Efficiency  
  o Reduction in Health and Health Care Disparities | FYI |
| Health System Louise Rogers Health System Chief | HPSM Community Care Settings Pilot, presented by Maya Altman and Ed Ortiz.  
The Community Care Settings Pilot (CCSP) promotes community living and is focused on deinstitutionalization and supports aging in a community setting. It is a test-bed for incremental services and tools. Unique features for members include:  
• 1:20 case management (MSW/LCSW) resulting in significant face-to-face contact.  
• Housing services & retention.  
• Multi-disciplinary Core Group care planning & oversight has 25+ participants including AAS, BHRS, | FYI |
SMMC Clinics.

- For appropriate members, CCSP will deploy a full range of services necessary to migrate out of or avoid Long Term Care residency.

The Pilot is operated in partnership with two community-based organizations selected through an RFP:
- Institute on Aging (IOA): case management and oversight.
- Brilliant Corners: housing services and retention.

Stepping beyond CCSP

- CCSP is emblematic of the possibilities presented by Duals Demonstration/CCI/Cal Medi-Connect.
- Data and outcomes from CCSP will inform decisions across the State and even at the Federal level.
- Our hope for the future of healthcare is seamless integration, efficient service delivery, and a focus on member needs rather than program rules.
- New partnerships will continue to form the service mix.
- **San Mateo County continues to lead on a national scale, delivering innovation and results for our community.**

<table>
<thead>
<tr>
<th>Financial Audit</th>
<th>Financial Audit Results FY2014/2015, presented by Cynthia Pon of MGO Certified Public Accountants.</th>
<th>FYI</th>
</tr>
</thead>
<tbody>
<tr>
<td>David McGrew, CFO</td>
<td>Reconciliation of Preliminary Change in Net Position to FinalAudited Change in Net Position (in millions):</td>
<td></td>
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<tr>
<td></td>
<td>Change in Net Position, Preliminary close $ 3.2</td>
<td></td>
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<tr>
<td></td>
<td>SMMC post-close adjustments $ 0.5</td>
<td></td>
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<tr>
<td></td>
<td>Audit adjustments $ 0.0</td>
<td></td>
</tr>
<tr>
<td></td>
<td>GASB 68 pension adjustments:</td>
<td></td>
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<tr>
<td></td>
<td>Conversion of CY pension contributions to deferred outflows of resources $ 26.1</td>
<td></td>
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<tr>
<td></td>
<td>Current year pension expense resulting from actuarially determined changes in NPL $ (7.3)</td>
<td></td>
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<td></td>
<td>Change in Net Position, Final $ 22.5</td>
<td></td>
</tr>
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**Summary of Current Year Recommendations = None**

**Summary of Status Prior Year Recommendations**

- Implemented:
  - Significant Deficiency
  - 2011-03 Net Patient Revenue Completeness

<table>
<thead>
<tr>
<th>Financial Report</th>
<th>The September FY15/16 financial report was included in the Board packet and David McGrew answered questions from the Board.</th>
<th>FYI</th>
</tr>
</thead>
<tbody>
<tr>
<td>David McGrew, CFO</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

| Pillar Goals Update             | Dr. Ehrlich presented the monthly Pillar Goals update to the Board and answered questions.                                 | FYI |
| Dr. Susan Ehrlich, CEO          |                                                                                                                           |     |
### CEO Report
**Dr. Susan Ehrlich, CEO**

The CEO Report and the Pillar Goals Update was included in the Board packet and Dr. Ehrlich answered questions from the Board.

Dr. Ehrlich also introduced the newest member of the Hospital Board, Deborah Torres who occupies the Community member seat.

### Health System Report
**Louise Rogers**  
**Health System Chief**

This year’s STARS award will recognize several Health System initiatives. They are: WIC, Telepsychiatry, MATP, and Green projects.

### County Manager
**John Maltbie**

Marshall Wilson has returned to the County and will be working on Measure A programs which focus on education.

### Board of Supervisors
**Supervisor Adrienne Tissier**

Supervisor Tissier recognized the good work of all who were involved with the BLTC fire and who insured the residents were as minimally effected as possible.

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Supervisor Tissier adjourned the meeting at 9:37 AM. The next Board meeting will be held on January 7, 2016.

**Minutes recorded by:**  
Michelle Lee, Executive Secretary

**Minutes approved by:**  
Dr. Susan Ehrlich, Chief Executive Officer
The HCH/FH Program continued its efforts over the past year to support and provide access to Primary Care, Dental Care and Behavioral Health Services for the homeless and Migrant & Seasonal Farmworkers of San Mateo County. Recently, the program received its annual award for $2,373,376 for 2016. This represents an increase of over 58% ($873,951) from the 2010 award ($1,499,425). In addition, the program has also received an Expanded Services Award for $264,942, with which we will be initiating a street/field medicine program through the Public Health Mobile Van to reach those homeless that are reluctant to come to the mobile van of the clinics, and the farmworkers who feel they cannot afford to leave the field to get appropriate health services.

As the Board may recall, the program has been under significant scrutiny from our granting agency, the Health Services & Resources Administration (HRSA), to come into full program compliance since the addition of the farmworker population to the program scope of services in 2010. In September 2014, HRSA issued 16 grant conditions as the result of their Operational Site Visit in 2013. We are pleased to report that as of December 22, 2015, we have had all 16 grant conditions from that site visit lifted. However, HRSA performed another site visit in March of 2015 which generated a new set of grant conditions, issued November 9, 2015. We have initiated conversations with our HRSA Project Officer to establish clear expectations on clearing these conditions and expect to be able to do so during the first half of 2016.

During 2014, the program reported over 41,000 service visits for over 7,700 unduplicated homeless and farmworkers individuals, including 24,288 visits for 6,704 patients in the SMMC clinic system. We are just beginning the 2015 reporting process, but data through 10/31/2015 would put us on target for very similar numbers of patients and visits with SMMC.

In addition to the SMMC clinical services received by the homeless and farmworkers, the program contracts with multiple community based organizations and BHRS to provide services the support access to primary, dental and behavioral health services, along with some additional primary care and dental care services. During 2014 these contracts generated over 7,000 visits for 1,656 individuals.

In an effort to identify service needs and gaps, the HCH/FH Program did a Needs Assessment Survey in the summer of 2015 and is currently working on a Strategic Plan to focus the program’s efforts over the next 3-5 years. The Strategic plan is scheduled
to be completed and approved by the Co-Applicant Board during March/April of 2016.

With the additional federal grant funding, the HCH/FH Program is in the midst of a Request for Proposal process to identify and fund quality services – including, potentially, services not previously provided. The review and evaluation process is ongoing and it is hoped that the Co-Applicant Board will make decisions on the proposals during February and March of 2016. It is anticipated that the Strategic Planning effort will strongly inform the decision on funding the various service proposals.

The HCH/FH Program is excited to be moving forward in developing broad-based services in support of the health and medical care of the homeless and farmworkers in San Mateo County. And we are appreciative of the support and assistance provided by SMMC to the program and to the homeless and farmworkers we endeavor to serve.
TAB 2

ADMINISTRATION REPORTS
November FY 2015-16
Financial Report

Board Meeting
January 7, 2016
Financial Highlights – Net Income Trend

Financial Drivers:
- Patient revenue unfavorable $0.4 million (-5%)
- Operating expenses favorable $1.0 million (+4%)
- Nonoperating Revenue – SB1732 true up
- Patient volumes above or near budget
- Salaries – FTE Vacancies
- Purchased Services (contractors)
- Other General Services (taxes)
SMMC Medi-Cal Members

HPSM Newly Eligible and Assigned Members

HPSM Newly Eligible Members Assigned declined by 33 in Nov, but increased 115 in Dec.
Medical-Surgical census above budget and LTC at budget. Inpatient psychiatric unit continues to have challenges with discharging hard-to-place patients with 71% not meeting medical necessity for inpatient status.
San Mateo Medical Center
Clinic Visits
November 30, 2015

<table>
<thead>
<tr>
<th>Clinic Visits</th>
<th>MONTH</th>
<th>YEAR TO DATE</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Actual</td>
<td>Budget</td>
</tr>
<tr>
<td></td>
<td>18,909</td>
<td>17,820</td>
</tr>
</tbody>
</table>

Clinic volume over budget. Lower volume in November is due to holiday closures.
San Mateo Medical Center
Emergency Visits
November 30, 2015

<table>
<thead>
<tr>
<th>ED Visits</th>
<th>MONTH</th>
<th>YEAR TO DATE</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Actual</td>
<td>Budget</td>
</tr>
<tr>
<td>ED Visits</td>
<td>3,331</td>
<td>3,641</td>
</tr>
</tbody>
</table>

Emergency room visits under budget.
PES stays fairly constant.
### San Mateo Medical Center

#### Surgery Cases

**November 30, 2015**

<table>
<thead>
<tr>
<th>MONTH</th>
<th>Actual</th>
<th>Budget</th>
<th>Variance</th>
<th>Stoplight</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>206</td>
<td>213</td>
<td>7</td>
<td>-3%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>YEAR TO DATE</th>
<th>Actual</th>
<th>Budget</th>
<th>Variance</th>
<th>Stoplight</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1,275</td>
<td>1,232</td>
<td>43</td>
<td>3%</td>
</tr>
</tbody>
</table>

**Surgery slightly under budget.**
<table>
<thead>
<tr>
<th>Payer Type by Gross Revenue</th>
<th>MONTH</th>
<th>YEAR TO DATE</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Actual</td>
<td>Budget</td>
</tr>
<tr>
<td></td>
<td>A</td>
<td>B</td>
</tr>
<tr>
<td>Medicare</td>
<td>17.0%</td>
<td>16.6%</td>
</tr>
<tr>
<td>Medi-Cal</td>
<td>63.3%</td>
<td>59.9%</td>
</tr>
<tr>
<td>Self Pay</td>
<td>0.7%</td>
<td>3.5%</td>
</tr>
<tr>
<td>Other</td>
<td>5.4%</td>
<td>5.9%</td>
</tr>
<tr>
<td>ACE/ACE County</td>
<td>13.6%</td>
<td>14.1%</td>
</tr>
<tr>
<td>Total</td>
<td>100.0%</td>
<td>100.0%</td>
</tr>
</tbody>
</table>

San Mateo Medical Center
Payer Mix
November 30, 2015
• 65% of our Operating Revenue is for services provided to patients covered by a managed care program
• $40 million of our Supplemental Revenue is impacted by the renegotiation of the new Section 1115 Wavier.
## San Mateo Medical Center
### Income Statement
#### November 30, 2015

<table>
<thead>
<tr>
<th>MONTH</th>
<th>Actual</th>
<th>Budget</th>
<th>Variance</th>
<th>Stoplight</th>
<th>YEAR TO DATE</th>
<th>Actual</th>
<th>Budget</th>
<th>Variance</th>
<th>Stoplight</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. <strong>Income/Loss (GAAP)</strong></td>
<td>878,999</td>
<td>(0)</td>
<td>878,999</td>
<td></td>
<td>2,632,827</td>
<td>-2</td>
<td>2,632,828</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2. <strong>HPSM Medi-Cal Members Assigned to SMMC</strong></td>
<td>39,130</td>
<td>36,314</td>
<td>2,816</td>
<td>8%</td>
<td>194,930</td>
<td>181,570</td>
<td>13,360</td>
<td>7%</td>
<td></td>
</tr>
<tr>
<td>3. <strong>HPSM Newly Eligible Medi-Cal Members Assigned to SMMC</strong></td>
<td>20,121</td>
<td>17,520</td>
<td>2,601</td>
<td>15%</td>
<td>99,434</td>
<td>87,600</td>
<td>11,834</td>
<td>14%</td>
<td></td>
</tr>
<tr>
<td>4. <strong>Patient Days</strong></td>
<td>2,741</td>
<td>2,607</td>
<td>134</td>
<td>5%</td>
<td>13,924</td>
<td>13,294</td>
<td>630</td>
<td>5%</td>
<td></td>
</tr>
<tr>
<td>5. <strong>ED Visits</strong></td>
<td>3,331</td>
<td>3,641</td>
<td>(310)</td>
<td>-9%</td>
<td>17,816</td>
<td>18,569</td>
<td>(753)</td>
<td>-4%</td>
<td></td>
</tr>
<tr>
<td>6. <strong>ED Admissions %</strong></td>
<td>6.5%</td>
<td>-</td>
<td>-</td>
<td></td>
<td>23.0%</td>
<td>-</td>
<td>-</td>
<td></td>
<td></td>
</tr>
<tr>
<td>7. <strong>Surgery Cases</strong></td>
<td>206</td>
<td>213</td>
<td>(7)</td>
<td>-3%</td>
<td>1,275</td>
<td>1,232</td>
<td>43</td>
<td>3%</td>
<td></td>
</tr>
<tr>
<td>8. <strong>Clinic Visits</strong></td>
<td>18,909</td>
<td>17,820</td>
<td>1,089</td>
<td>6%</td>
<td>102,545</td>
<td>102,959</td>
<td>(414)</td>
<td>0%</td>
<td></td>
</tr>
<tr>
<td>9. <strong>Ancillary Procedures</strong></td>
<td>59,494</td>
<td>52,533</td>
<td>6,961</td>
<td>13%</td>
<td>325,059</td>
<td>302,889</td>
<td>22,170</td>
<td>7%</td>
<td></td>
</tr>
<tr>
<td>10. <strong>Acute Administrative Days as % of Patient Days</strong></td>
<td>15.1%</td>
<td>9.0%</td>
<td>-6.1%</td>
<td>-67%</td>
<td>10.1%</td>
<td>9.0%</td>
<td>-1.1%</td>
<td>-12%</td>
<td></td>
</tr>
<tr>
<td>11. <strong>Psych Administrative Days as % of Patient Days</strong></td>
<td>70.5%</td>
<td>58.0%</td>
<td>-12.5%</td>
<td>-21%</td>
<td>75.0%</td>
<td>58.0%</td>
<td>-7.0%</td>
<td>-29%</td>
<td></td>
</tr>
</tbody>
</table>

**Pillar Goals**

<table>
<thead>
<tr>
<th>Actual</th>
<th>Budget</th>
<th>Variance</th>
<th>Stoplight</th>
</tr>
</thead>
<tbody>
<tr>
<td>12. <strong>Patient &amp; Capitation Revenue PMPM</strong></td>
<td>167</td>
<td>174</td>
<td>(7)</td>
</tr>
<tr>
<td>13. <strong>Operating Expenses PMPM</strong></td>
<td>327</td>
<td>342</td>
<td>15</td>
</tr>
<tr>
<td>14. <strong>Full Time Equivalents (FTE)</strong></td>
<td>1,092</td>
<td>1,158</td>
<td>66</td>
</tr>
</tbody>
</table>

(Days that do not qualify for inpatient status)
# San Mateo Medical Center
## Income Statement
November 30, 2015

<table>
<thead>
<tr>
<th>MONTH</th>
<th>Actual</th>
<th>Budget</th>
<th>Variance</th>
<th>Stoplight</th>
<th>YEAR TO DATE</th>
<th>Actual</th>
<th>Budget</th>
<th>Variance</th>
<th>Stoplight</th>
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</thead>
<tbody>
<tr>
<td></td>
<td>A</td>
<td>B</td>
<td>C</td>
<td>D</td>
<td></td>
<td>E</td>
<td>F</td>
<td>G</td>
<td>H</td>
</tr>
<tr>
<td>21</td>
<td>Inpatient Gross Revenue</td>
<td>8,550,281</td>
<td>7,848,949</td>
<td>701,331</td>
<td>9%</td>
<td>42,806,432</td>
<td>39,244,747</td>
<td>3,561,685</td>
<td>9%</td>
</tr>
<tr>
<td>22</td>
<td>Outpatient Gross Revenue</td>
<td>22,527,547</td>
<td>24,719,016</td>
<td>(2,191,470)</td>
<td>-9%</td>
<td>122,887,841</td>
<td>123,595,082</td>
<td>(707,241)</td>
<td>-1%</td>
</tr>
<tr>
<td>23</td>
<td>Total Gross Revenue</td>
<td>31,077,828</td>
<td>32,567,966</td>
<td>(1,490,138)</td>
<td>-5%</td>
<td>165,694,273</td>
<td>162,839,830</td>
<td>2,854,444</td>
<td>2%</td>
</tr>
<tr>
<td>24</td>
<td>Patient Net Revenue</td>
<td>7,887,055</td>
<td>8,270,730</td>
<td>(383,675)</td>
<td>-5%</td>
<td>40,168,780</td>
<td>41,353,650</td>
<td>(1,184,870)</td>
<td>-3%</td>
</tr>
<tr>
<td>25</td>
<td>Net Patient Revenue as % of Gross Revenue</td>
<td>25.4%</td>
<td>25.4%</td>
<td>0.0%</td>
<td>0%</td>
<td>24.2%</td>
<td>25.4%</td>
<td>-1.2%</td>
<td>-5%</td>
</tr>
<tr>
<td>26</td>
<td>Capitation Revenue</td>
<td>4,553,180</td>
<td>4,439,557</td>
<td>113,623</td>
<td>3%</td>
<td>22,620,018</td>
<td>22,197,784</td>
<td>422,234</td>
<td>2%</td>
</tr>
<tr>
<td>27</td>
<td>Supplemental Patient Program Revenue</td>
<td>3,925,686</td>
<td>5,264,148</td>
<td>(1,338,462)</td>
<td>-25%</td>
<td>22,305,345</td>
<td>26,320,742</td>
<td>(4,015,397)</td>
<td>-15%</td>
</tr>
<tr>
<td></td>
<td>(Additional payments for patients)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>28</td>
<td>Total Patient Net and Program Revenue</td>
<td>16,365,921</td>
<td>17,974,435</td>
<td>(1,608,514)</td>
<td>-9%</td>
<td>85,094,143</td>
<td>89,872,175</td>
<td>(4,778,032)</td>
<td>-5%</td>
</tr>
<tr>
<td>29</td>
<td>Other Operating Revenue</td>
<td>826,762</td>
<td>1,096,740</td>
<td>(269,979)</td>
<td>-25%</td>
<td>4,605,705</td>
<td>5,483,701</td>
<td>(877,996)</td>
<td>-16%</td>
</tr>
<tr>
<td></td>
<td>(Additional payment not related to patients)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>30</td>
<td>Total Operating Revenue</td>
<td>17,192,683</td>
<td>19,071,175</td>
<td>(1,878,493)</td>
<td>-10%</td>
<td>89,699,848</td>
<td>95,355,877</td>
<td>(5,656,028)</td>
<td>-6%</td>
</tr>
</tbody>
</table>
# San Mateo Medical Center
## Income Statement
### November 30, 2015

<table>
<thead>
<tr>
<th>Operating Expenses</th>
<th>MONTH</th>
<th>YEAR TO DATE</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Actual (A)</td>
<td>Budget (B)</td>
</tr>
<tr>
<td>Salaries &amp; Benefits</td>
<td>14,034,886</td>
<td>14,267,825</td>
</tr>
<tr>
<td>Drugs</td>
<td>541,400</td>
<td>648,254</td>
</tr>
<tr>
<td>Supplies</td>
<td>796,594</td>
<td>906,478</td>
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<td>Contract Provider Services</td>
<td>2,523,944</td>
<td>2,800,373</td>
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<tr>
<td>Other fees and purchased services</td>
<td>3,580,126</td>
<td>4,147,418</td>
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<tr>
<td>Other general expenses</td>
<td>773,286</td>
<td>455,369</td>
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<tr>
<td>Rental Expense</td>
<td>173,806</td>
<td>173,805</td>
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<tr>
<td>Lease Expense</td>
<td>817,105</td>
<td>817,105</td>
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<td>Depreciation</td>
<td>225,658</td>
<td>241,114</td>
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<tr>
<td>Total Operating Expenses</td>
<td>23,466,806</td>
<td>24,457,742</td>
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<tr>
<td>Operating Income/Loss</td>
<td>(6,274,123)</td>
<td>(5,386,567)</td>
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<tr>
<td>Non-Operating Revenue/Expense</td>
<td>2,247,449</td>
<td>480,893</td>
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<tr>
<td>Contribution from County General Fund</td>
<td>4,905,674</td>
<td>4,905,674</td>
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<tr>
<td>Total Income/Loss (GAAP)</td>
<td>878,999</td>
<td>0</td>
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2015 Year End Reflection  
Report to the Hospital Board and SMMC Leadership  
January 7, 2016

“Dr. Ehrlich – I wanted to take a minute to thank you, your entire staff and the people of San Mateo. Unfortunately my circumstances changed for the worst and after losing large amounts of money and suffering a heart attack I found myself "in the system" which I thought was going to be the worst experience of my life as all the negative press would have everyone believe. I want to tell you that quite to the contrary the treatment I have received is, I believe, the best and most comprehensive health care I have ever had. Everyone I have interacted with from primary care, cardiac care, dental care, eye care, Med Psych, and ER have been understanding, compassionate and above all extremely competent. As in every public organization of this size and complexity there are things that might be improved upon but I always remind myself that the excellent care far outweighs the minor inconveniences not to mention that the service is without cost to the patient. Please be assured that I will continue to be an outspoken advocate for you and San Mateo Medical Center. “

This testimony from one of our patients represents the kind of accolades to which we always aspire. After more than a decade, in 2015 we restated our mission, vision and values and re-envisioned our pillar goals to 2020, emphasizing patient-centered care more than ever. This patient’s statement reflects the progress we’re making. We set five pillar goals:

- Patient-Centered Care
- Staff Engagement
- Excellent Care
- Right Care, Place and Time
- Financial Stewardship

Of course, we used LEAP (Learn-Engage-Aspire-Perfect) techniques and processes to obtain input from hundreds of staff and patients, resulting in a mission, vision, values and goals that truly reflect the hearts and minds of our stakeholders. In order to achieve these ambitious goals, we set out our annual work through six strategic initiatives, ongoing through 2015. In August, 200 employees attended the first-ever SMMC Mission Fair to learn more about our new mission, vision, values and goals. Between the Mission Fair and employee forums, we were able to communicate about our new mission and strategic work directly with more than 500 of our staff. The rest of the staff were educated through our newsletter, blog, team meetings and huddles.
Spanning across our pillar goals, **SMMC met its ambitious milestones for the five years of the California “Bridge to Reform” Medi-Cal waiver.** 2015 was the waiver’s final year, and we marked its end on October 31, 2015 with remarkable success. **Due to our teams’ extraordinary performance, we collected a total of $66.5 million over the five years!**

**Highlights include:**

- Our aggregate average baseline time to third next available appointment shrank from 17 days to 8 days.
- 99.9% of our patients have accurate race, ethnicity and language (REAL) data recorded.
- 97% of eligible patients are assigned to a primary care provider team.
- Our aggregate average no show rate for primary care clinic appointments shrank from 14% to 11%.
- 1,940 adult diabetic patients at the Innovative Care Clinic (ICC) and Fair Oaks Health Center (FOHC) were screened for depression, and given the opportunity for treatment.
- 75% of referrals to specialty care are evaluated within 30 days, up from a baseline rate of 13%.
- 100% of referrals from a Primary Care Provider to specialty care are now made using a bidirectional electronic referral system.
- During the waiver’s five years, we held 90 LEAP events, training 742 people.
- Mammography screening improved from a baseline of 62% to 68%.
- In the last year of the waiver, children with a Body Mass Index (BMI) above the 85th percentile decreased from 49% to 45%.
- Hypertension control improved from a baseline rate of 45% to 55%.
- The percent of patients with persistent asthma prescribed a controller medication increased from a baseline rate of 35% to 61%.
- Sepsis resuscitation bundle compliance increased from 46% to 86%, resulting in part in a 57% reduction in Sepsis Mortality.
- Baseline compliance with central line insertion practices (CLIP) increased from 40% to 98%.
- 2AB and the Intensive Care Unit (ICU) have had a 100% reduction in central line-associated blood stream infections (CLABSI). The last case of CLABSI at SMMC was in January 2013. Our CLABSI success made the news: Vox Media has been writing a year-long series on fatal medical harm, it’s most recent piece on central line infections showing SMMC as a stand out with ZERO infections.
- We have had a 100% reduction in surgical site infections (SSI), down from a baseline rate of 10% to now 0%. The last SSI was in September 2013!
- Our last patient fall with injury was in August of 2014. The Stumble Stoppers group from medical-surgical services received state-wide recognition for its work on falls without injury.
PATIENT CENTERED CARE

- **Our efforts to improve patient experience are making a big difference and it shows in our patients’ “likelihood to recommend SMMC” scores:**
  - Emergency Department (ED) scores have risen to 85.8 (70th percentile) in December, 2015 from 70.6 (3rd percentile) in March, 2013
  - Inpatient scores have risen to 87.5 (34th percentile) in December, 2015 from 82.1 (5th percentile) in December, 2013
  - Clinic scores have risen to 87.5 (13th percentile) in December, 2015 from 84.3 (3rd percentile) in March, 2014

- **We’re improving access to primary care:** In 2015, as the number of patients assigned to us for primary care has grown, we’ve focused attention on improving access to care in three major ways:
  - **New clinic phone system:** With this new system installed in Daly City Clinic, Coastside Health Center, Main Campus, South San Francisco Clinic and FOHC, our average abandoned call rates dropped to less than 10% by December.
  - **New Patient Connection Center:** Prior to the creation of this new department in September, 50% of all new patient contact needs were going unmet. Now, not only are 90% of all calls being answered, we are actively onboarding new patients into our patient centered medical homes across our ambulatory network.
  - **Express Care Clinics:** Express Care Clinics are live at Daly City Clinic, the Innovative Care Clinic, and at Fair Oaks Health Center. Express Care Clinics are specifically focused on meeting urgent needs of established patients within 24 hours of their call while connecting them with their primary care provider.

- **Access in radiology improves in ultrasound and MRI:** Building on its success with mammography last year, the radiology department focused on improving wait times in two areas, ultrasound and MRI. In ultrasound, purchasing two new machines and enhancing staffing brought wait times down from 20 to 4 weeks, and extending our MRI hours brought wait times down from 10 to 2 weeks.

- **WE CARE focused on improving customer service:** We branded our own customer service program WE CARE, which stands for: Welcome with a smile, Explain who you are, Communicate clearly, Ask how you can help, Respond to questions, and Express gratitude. We are rolling out an interactive training for all staff to convey empathy and caring to our patients at every level.

- **Patient and Family Advisory Council up and running:** This year we launched our Patient and Family Advisory Council, inviting patients and their family members to give us their ideas and suggestions about designing and improving care for patients. We have had sixteen patients (improvement partners) participate in
different improvement projects including developing our new vision mission and goals, a number of LEAP improvement events and also training and validating staff in WE CARE.

- **First patient experience day celebration**: In April, we held our first patient experience fair. We had 18 departments participate, and hundreds of staff attending to learn and teach about what patient centered care really means.

- **Food service transforming**: This year, our Food & Nutrition Services department implemented a host/hostess system, whereby our inpatients are visited throughout the day by a host/hostess. This bilingual patient-centered program lifted our Press Ganey “quality of food” mean score above 81, from 75 in 2012. In the cafeteria, we added new items to the healthy menu and increased sales by 10%.

**STAFF ENGAGEMENT**

- **2015 brought us an exceptional and diverse group of new and newly promoted managers and physician leaders:**
  
  - Brita Almog, Supervising Physician, South San Francisco Clinic
  - Teddy Christanto, Management Analyst, Financial Planning & Analysis
  - Portia Dixon, Patient Financial Services Manager
  - Melissa Fledderjohann, Supervising Mental Health Psychologist, Pain Clinic
  - Conrad Fernandes, Safety Officer
  - Teasha Fleming, Manager, Corporate and HIPAA Compliance
  - Dr. Suja Georgie, Supervising Physician, Inpatient Medical-Surgical
  - Bradley Jacobson, Strategist, Office of Managed Care
  - Grant Jones, Management Analyst, HIT
  - John Jurow, Manager, Diagnostic Imaging
  - Noris Larkin, Manager, Patient-Centered Medical Home Integration
  - Gloria Lau, Clinical Services Manager, Inpatient Medical-Surgical
  - Ho Yan Lo, Associate Management Analyst, Health Care for the Homeless
  - Steven Needles, Clinical Services Manager, Respiratory Therapy
  - Sam Perryman, Manager, Office of Managed Care
  - Dianaliza Ponco, Management Analyst, Quality Assurance
  - Melissa Rombaoa, Strategist, Office of Managed Care
  - Carolyn Senger, Supervising Physician, Medical and Surgical Specialty Services
  - Katalin Szabo, Assistant Medical Director for Psychiatry
  - Suzanne Tsang, Strategist, Office of Managed Care

- **SMMC Nurses Enhancing and Celebrating Practice**: In 2015 nursing has focused on developing professionalism by establishing Clinical Practice, Education and Leadership Nursing Shared Decision Councils, which include 50 nurses who are developing the Nursing Practice Framework at SMMC. Nurses celebrated Nurses’ Day with the theme “SMMC Nurses have the Heart to Heal.” More than one
hundred nurses took time to pause their busy day to come together for breakfast or afternoon snacks in honor of the day.

- **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.

- **LEAP Leadership system engages staff to identify and solve problems**: In 2015 we spread our LEAP leadership system to 10 new areas, with a focus on improving team engagement. With a total of 13 areas trained, the teams have identified a total of 761 improvement ideas.

### EXCELLENT CARE

- **SMMC hosted improvement leaders from throughout the Bay Area to learn about our LEAP leadership system**: SMMC and the LEAP Institute hosted scores of improvement leaders (clinicians, executives and managers,) from the California Association of Public Hospitals, San Francisco General Hospital, Contra Costa Regional Medical Center, Sutter Health System, and the University of California, San Francisco. A Sutter Health System Vice President reported, "You organized an exceptional day of learning. I am truly humbled by the leadership team's commitment and depth of experience in teaching the organization. San Mateo County Health System is special and has a lot to offer other organizations trying to follow your lead. Thank you for sharing."

- **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 collaboration between the Health System’s primary care and behavioral health services.

- **In 2015, SMMC completed multiple accreditation reviews**:
  - **Joint Commission Laboratory Survey**: The Joint Commission surveyor spent three days reviewing all aspects of the laboratory in detail. After addressing a few findings, we were granted unconditional accreditation.
- **Mammography Quality Standard Acts and Program Radiology Survey**: We passed with one violation that we corrected immediately.

- **Annual Long Term Care Survey**: The Department of Public Health Licensing and Certification conducted our annual long term care survey. We were granted accreditation after two revisits.

- **Medication Error Reduction Program (MERP) Survey**: The State Department of Public Health conducted an unannounced survey for the Medication Error Reduction Program (MERP). The report provided us opportunities to improve our compliance with Title 22 and to improve the way the medical staff and administration work to identify and reduce medication errors.

- **State CHDP Audit**: The San Mateo County Child Health and Disability Prevention (CHDP) Program conducted a state mandated site review at Coastside Clinic. The clinic met all the State standards required for continued approval as a CHDP provider.

- **Ron Robinson Senior Care Clinic HPSM site review**: The Health Plan of San Mateo came to the RRSCC for a required review of physician sites to ensure they are compliant with all applicable local, state and federal standards. RRSCC received 100% on its Facility Site Review, and identified its 5S practice as a “Best Practice” activity.

- **Outstanding teamwork and performance demonstrated in response to Burlingame Long Term Care (BLTC) electrical fire and evacuation**: On the morning of Friday, October 16th, BLTC lost all power due to a small electrical fire. It appeared that repairs would take at least several days, and so they began planning to evacuate all 274 patients. We initially planned to take 55 patients, and when power was restored at BLTC by the early evening evacuations ceased, ultimately admitted a total of 35 patients. We opened our suspended 1B unit in about 2 hours in order to create capacity beyond what we were able to accommodate on 2A. It was a remarkable show of teamwork by staff and providers throughout the Health System.

### RIGHT CARE, TIME, PLACE

- **Program to treat alcohol addiction and reduce unnecessary ED visits up and running in the Emergency Department**: With Behavioral Health and Recovery Services (BHRS), we have an exciting new partnership: the Integrated Medication Assisted Therapy, or IMAT program. This program helps chronic alcoholics address their addiction through intensive case management and an injectable medication called Vivitrol that reduces alcohol cravings. By the end of November, the IMAT
team received over 300 referrals, almost 90% of which have come from our ED and PES, and now has 19 people who have received 65 Vivitrol injections.

- **Sequoia Health Care District (SHCD) supported Ron Robinson Senior Care Center (RRSCC), Care Transitions**: The SHCD granted three years of funding for two key programs at SMMC: the RRSCC and Care Transitions. For RRSCC, the SHCD will provide $429,000 over three years to support a portion of a half-time care team at the FOHC. For Care Transitions, it will provide $918,000 over three years to support uninsured District residents who are discharged from the hospital, in order to prevent unnecessary readmissions.

- **San Mateo Area Chamber of Commerce recognized SMMC**: At its 2015 Business Recognition Awards in February, 2015, the San Mateo Area Chamber of Commerce and the City of San Mateo recognized SMMC for its outstanding community service. Along with this award, we received proclamations from the San Mateo City Council, the San Mateo County Board of Supervisors, the California State Assembly, and the California State Senate. This was the first award of its type for SMMC.

- **Fair Oaks Health Center celebrated its first birthday**: 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.

- **Pescadero Clinic went live**: We inaugurated Puente’s new “Pescadero Clinic” – a co-initiative of Puente and the San Mateo County Health System, funded by Measure A. The clinic is equipped for primary care services, such as blood draws for lab testing, physical exams, and vaccinations.

**FINANCIAL STEWARDSHIP**

- **SMMC audit without findings for the second year running**: SMMC's external auditors issued their audit report on the Medical Center's financial statements in November. For the second year in a row SMMC had NO negative audit findings and NO audit adjustments to the financial statements. In addition, all prior year audit findings have been resolved.

- **ICD-10 (International Classification of Diseases, Tenth Revision) is LIVE**: In preparation for the national deadline to transition to ICD-10 in October 2015, SMMC coding staff and providers began using ICD-10 procedure and diagnosis codes at the beginning of March. Our early implementation paid off, as we have had a smooth transition with no appreciable impact on our revenue cycle.
• **Materials Management drives savings:** Our Materials Management team created a cross disciplinary Clinical Quality Value Analysis (CQVA) committee in Radiology, Specialty Clinic, Operating Room, and Laboratory and realized $60k in savings in the first three months.

• **SMMC wins “Green” STARS award:** SMMC won a STARS award this year for its Green Initiatives to reduce waste, to divert trash from landfills, and to reduce water usage. These initiatives:
  - Divert food scraps from the kitchen away from regular trash, composting approximately 100 tons annually.
  - Accept only electronic submittals during the RFP process, eliminating about 15,000 pieces of paper annually.
  - Eliminate the gas sterilizer in Central Processing with a less toxic alternative that sterilizes equipment in 15 minutes instead of 12 hours.
  - Remove approximately 2,250 square feet of lawn in front of the Administration building and replace it with native vegetation, decreasing water usage by 50%.

• **Corporate Integrity Agreement (CIA) closed:** On May 1st, 2015, the Office of the Inspector General’s website reflected officially that our five year CIA was closed. During the five year CIA we’ve greatly improved our policies and practices related to compliance.
To: SMMC Board Members  
From: Louise Rogers, Chief  
Subject: Health System Monthly Snapshot – December 2015

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Number</th>
<th>Change from previous month</th>
<th>Change from last year</th>
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</thead>
<tbody>
<tr>
<td>ACE Enrollees</td>
<td>18,940</td>
<td>0.9%</td>
<td>-6.1%</td>
</tr>
<tr>
<td>(November 2015)</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>SMMC Emergency Department Visits</td>
<td>3,647</td>
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<td>(October 2015)</td>
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<td></td>
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<tr>
<td>New Clients Awaiting Primary Care Appointment</td>
<td>255</td>
<td>-37.2%</td>
<td>-13.8%</td>
</tr>
<tr>
<td>(December 2015)</td>
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**HHS Visitor Celebrates Black Infant Health Program**
Dr. Nadine Gracia, Director of the Office of Minority Health for the US Department of Health and Human Services, recently visited San Mateo County and honored the Health System’s Black Infant Health program with a visit. Throughout its 20+ year history, the East Palo Alto-based program has used culturally tailored approaches to engage African American mothers to assure healthy births and early childhood development. This work is especially critical because African American women experience much higher rates of infant mortality and low birth weight than any other racial or ethnic group in San Mateo County. For example, from 2008-2010, the San Mateo County African American infant mortality rate was 9.8 per 1,000 live births, compared to 3.7 per 1,000 among all races in the county. While this is a significant improvement from a rate of 17 per 1,000 in 1991-1995, African American infants continue to suffer disproportionately from infant mortality. Locally, low birth weight births are also more frequent in the African American population (11.5%) compared to all races (6.8%).

**County EMS Serves as Model for Visitors from Vietnam**
On November 18, a delegation of politicians, doctors and health department representatives from Ho Chi Minh City, Vietnam, visited San Mateo County to meet with the San Mateo County Health System’s EMS and American Medical Response (AMR), the 911 ambulance contractor for San Mateo County, to learn about our emergency medical services system and our partnership between the County and AMR. The delegation was eager to learn about AMR’s role, local government oversight and how the organizations partner to provide day-to-day services and respond to disasters like the San Bruno gas pipeline explosion and the Asiana plane crash. The delegation also toured AMR’s operations, including their training room, training ambulance, medical equipment, and sample 911 ambulance.

**Santa Speeds to San Mateo Medical Center on Harley Loaded with Gifts**
In the 26th year of an amazing partnership, the Golden Gate Harley Owners Group (HOGs) and Santa rumbled into San Mateo Medical Center (SMMC) to deliver more than 2600 gifts for children who receive care at the medical center during the holidays. The HOGs also donate backpacks during an annual event at SMMC in August, helping lower-income kids get the tools they need to do well in school.
California, Feds Reach Deal on Medicaid Reform

By Anna Gorman

California and the federal government agreed in concept Saturday on a $6.2-billion deal to reform the Medicaid program and to help pay for care of the low-income population.

The largest share of the funds — nearly $3.3 billion — is aimed at helping public hospitals improve the safety and quality of patient care. The plan, known as the Medicaid waiver, also provides money to cover the uninsured and create pilot programs to keep high-need populations out of emergency rooms.

Erica Murray, CEO of the California Association of Public Hospitals and Health Systems, said that while the deal provides less than the state requested, it includes all the key policies needed to help public hospitals continue the work they started under the last waiver agreement.

“We are now excited to roll up our sleeves, negotiate the details and get to work,” Murray said.

State officials called the deal a “conceptual agreement” and said they would continue working with the federal government to work out specifics. In the meantime, the current waiver — which would have expired Saturday — will be extended until Dec. 31.

The funds come from both the federal and state governments and ease the rules on how to run the Medicaid program, known as Medi-Cal in California.

The state Department of Health Care Services submitted a proposal for the waiver, also known as “Medi-Cal 2020,” in March and had been negotiating with the federal Centers for Medicare & Medicaid Services ever since. The original proposal was whittled down from $17 billion to $7.25 and finally to $6.2 billion during the negotiations.

Even so, Dr. Susan Ehrlich, CEO of San Mateo Medical Center, said Saturday that public hospitals can now keep improving access to primary care, integrating physical and mental health services and making other changes to help patients stay healthy and out of the hospital.

Ehrlich, who traveled to Washington earlier this week with several other hospital leaders to push for the new waiver, said she and others will be watching closely to see how the details get worked out.

“But mostly, we are just really pleased that the overarching substance of the deal turned out the way it did,” she said.

Under the expiring five-year waiver, known as the “Bridge to Reform,” hospitals across the state began to overhaul the way they provided care. For example, they created programs to track chronically ill patients and expanded their primary care clinics. Other programs helped reduce deaths by sepsis infections and the number of patients with uncontrolled diabetes.

Hospital leaders said they expect the changes to save money for the state and federal government.

With the new waiver, health officials can take their efforts to the next level, Anthony Wright, executive director of Health Access California, said in a statement. Once the details are hammered out, Wright said, “we expect to see an explosion of exciting activity at the county level to improve health care.”

Wright added that the agreement has the potential to “spur innovation in counties across the state.”

The waiver also fundamentally changes the way government covers the uninsured. Instead of only covering hospital-
based care, public hospitals and clinics will have more flexibility and be able to focus more on outpatient and primary care.

Instead of funding five years of care for the uninsured, however, the plan only specifies $236 million for the first year. Funding for the next four will depend on an outside assessment of how much hospitals need.

The Affordable Care Act expanded coverage to millions of Californians. Still, more than 3 million are believed to be without insurance. Murray of the hospital association said she believes there will still be “significant need” for hospitals to receive additional funding for the uninsured population.
Instructions for taking medications are difficult enough to understand for the average person, but when low literacy rates and English as a second language join the scenario, patients are likely to fall into a quagmire of non-compliance and confusion.

The 2013 U.S. Census found that 44% of Californians speak a language other than English at home. The 2014 Language Access Ordinance Report indicated that 36% of residents are immigrants; 45% over the age of five speak a language other than English at home -- mostly Chinese, Spanish, Tagalog or Russian -- and in 13% of households, no one over age 14 speaks English "well" or "very well."

A program called Meducation from Polyglot Systems is helping to counteract the comprehension problem by explaining to patients how and when to take their drugs.

The Center for Care Innovations, which aims to create innovation hubs in actual patient settings without disrupting workflow, is the impetus behind pilots developed to test Meducation. This year, CCI tried Meducation on for size and found it could fit into the care processes at San Francisco General Hospital; three Northern California health clinics -- Petaluma Medical Center, San Mateo Medical Center and West County Health Center -- and the San Francisco Department of Public Health.

Although not a CCI hub, Anderson Valley Health Center in Mendocino County uses Meducation as a stand-alone platform for patient education.

The application relies on a calendar with pictograms and icons -- a sun for daytime and the moon for nighttime, for example -- highlighting each medication prescribed for a patient, explaining how much to take and when and how to administer it; all copy is personalized and written at a fifth grade reading level and translated into 21 languages as needed.

Patients participating in Meducation also receive easy-to-understand, ethnically appropriate consumer medical information on each drug prescribed for them and have access to demonstrations on properly taking drugs and other information on video.

Ray Pedden, who heads up strategy and innovation for CCI, said his organization negotiated a general memorandum of understanding and assisted in contract negotiations between the hubs and Polyglot; tested the interface between Meducation and companies, eClinicalWorks and NextGen, who provide a cloud electronic health record and EHR software, respectively; and developed evaluation metrics.

Once Meducation is up and running, each hub will be responsible for managing and evaluating its use of the program.

"Meducation gives patients all they need to know to be compliant with their medications," Pedden said. "Education
increases the probability of better outcomes.”

If the setting is a hospital, such as SFGH, patients receive Meducation shortly before discharge; clinic patients have access after their exams at which time physicians could use Meducation to ensure patients understand how to take their current drugs and any newly prescribed medications.

**SFGH Pilot Shows Improvement in Readmissions**

So far, the only completed pilot is the one at SFGH, which included 70 high-risk patients admitted to the hospital. Dave Smith, a clinical pharmacist at SFGH and leader of the hospital's study, said SFGH chose a cohort of patients who were at risk for readmissions, especially due to medication-related issues; those with a limited understanding of their drugs and health care; and patients with chronic conditions, such as chronic heart disease or chronic obstructive pulmonary disease, or who were taking more than six medications for chronic disease.

The majority of them spoke Spanish, Cantonese and Mandarin.

Twenty-six percent of patients receiving standard medication instructions and counseling at the time of discharge were readmitted to the hospital within 30 days, while those who received counseling from a pharmacist and used Meducation returned to the hospital only 8% of the time, indicating a 70% improvement.

"While we hypothesized that the group receiving pharmacist counseling and the Meducation instructions would have fewer readmissions than the comparison group, we were quite surprised by the magnitude of the difference," said Michelle Schneidermann, a physician and professor of clinical medicine at UC-San Francisco and SFGH. "Given the study limitations, I would recommend continued evaluation before promising the end-user similar results.

"Most hospitals and health systems are unable to deliver medication instructions tailored to patients with limited health literacy and/or limited English proficiency, but Meducation gives us the capacity to bridge this gap and provide safe and person-centered care and transitions of care for our patients," Schneidermann said.

SFGH is currently working on identifying an operational "definition" for high-risk patients and high-risk medications with a plan to offer Meducation, bundled with nursing or pharmacist education, to patients who meet the definition, she said.

"We are also exploring the feasibility of offering Meducation in our outpatient clinics to enhance continuity and create a more streamlined and effective care experience for our high-risk patients and their care providers," she explained.

Smith said that limited staffing for the pilot presented the biggest challenge. In addition, SFGH has not yet been able to integrate the Meducation software into its EHR, providing a workflow challenge, Schneidermann said.

**Bay Area Medical Clinics To Evaluate Meducation**

The San Mateo County Health System plans to launch a Meducation pilot in its clinics by the end of the year, said Michael Aratow, chief medical information officer for the system and the lead for programs initiated under the San Mateo Medical Center's innovation hub. Ninety percent of its patient population are Medicaid beneficiaries, and they primarily speak Spanish, Mandarin, Cantonese, Tagalog, Arabic and Portuguese.

He said the pilot will include 2,500 patients and expects outcomes to be operational -- saving staff time by requiring fewer explanations of drugs by practitioners because Meducation would provide clinics with written drug summaries for the first time. Aratow also foresees increased patient satisfaction but said that clinical outcomes, such as fewer doctor visits and hospital admissions, will come later.

"If we have more compliance, we will have healthier patients and hopefully realize savings," he added.

As for challenges, Aratow said it is more difficult, complicated and takes more time to innovate in an organization while it is
Petaluma Medical Center, a community health center, has conducted a pre-pilot, testing the Meducation interface with its EHR. Danielle Oryn, chief medical information officer for the center, anticipates that the real pilot will begin in January and focus on one clinical care team of four physicians, seven providers and four nurse practitioners or physician assistants and the patients it sees on an average day.

Oryn said that Petaluma Medical Center’s population is 45% Hispanic, and one-third is better served in a language other than English. Currently, drug information is only in English, while care summaries and standard forms are in Spanish and English.

While she doesn't expect that Meducation will save practitioners any time, she hopes to see increased safety and patient satisfaction and fewer admissions, as well as drug information that low-literacy patients find easier to read and understand.

**Meducation Falls in Place With Legislation**

Meducation aligns with recently passed legislation that requires pharmacists to provide either their own translations or use the state Board of Pharmacy’s 15 standardized translations for directions such as “take one pill at bedtime” or “take one pill in the morning.” The board has translated instructions into Chinese, Korean, Russian, Spanish and Vietnamese. Besides California, New York is the only other state that has passed a similar law.

Previously, pharmacists were required only to provide verbal interpretation over the phone. “Pharmacy services play a central role in modern medicine, and language skills should never be a cause of complications or death,” Assembly member Phil Ting (D-San Francisco), sponsor of the bill, AB 1073, said in a statement.

With a reduction in readmissions as a key objective of Meducation, the application could benefit hospitals in their efforts to comply with readmission standards set by CMS. If rates during a 30-day period exceed the national average for a set of patients with the same conditions, hospitals would receive a penalty of 3% of their base inpatient claims.

Cary Sanders, director of policy analysis for the California Pan-Ethnic Health Network, said Meducation could serve as a tool to put culturally appropriate information into the hands of consumers with low literacy, enabling better access to medication instructions, while improving both the management of care outside of a hospital setting and communication with doctors.