BOARD OF DIRECTORS MEETING

Thursday, October 6, 2016
8:00 AM – 10:00 AM

SAN MATEO MEDICAL CENTER

EXECUTIVE BOARD ROOM
Second Floor, Administration Wing
BOARD OF DIRECTORS MEETING
October 6, 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. Alex Ding

   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  Sara Furrer

F. CONSENT AGENDA  TAB 1
   Approval of:
   1. September 1, 2016 Meeting Minutes
   2. Burlingame Long Term Care Report
G. MEDICAL STAFF REPORT
   Chief of Staff Update                           Dr. Janet Chaikind

H. ADMINISTRATION REPORTS
   1. Department of Medicine             Dr. Susan Fernyak ................Verbal
   2. Soarian Financials                  David McGrew........................Verbal
   3. Integrated Medication Assisted Treatment  Louise Rogers ....................Verbal
   5. CEO Report                          Dr. CJ Kunnappilly..................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 Carole Groom

L. ADJOURNMENT

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 Michelle Lee, Executive Secretary, at least 48 hours before the meeting at (650) 573-2222 and/or mlee@smcgov.org. Notification in advance of the meeting will enable the County to make reasonable arrangements to ensure accessibility to this meeting and the materials related to it. Attendees to this meeting are reminded that other attendees may be sensitive to various chemical based products.
TAB 1

CONSENT

AGENDA
HOSPITAL BOARD OF DIRECTORS  
MEETING MINUTES  
Thursday, September 1, 2016  
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>John Maltbie</td>
<td>David McGrew</td>
<td>Michael Asip</td>
</tr>
<tr>
<td>Louise Rogers</td>
<td>Joan Spicer</td>
<td></td>
</tr>
<tr>
<td>Dr. CJ Kunnappilly</td>
<td>John Thomas</td>
<td></td>
</tr>
<tr>
<td>Dr. Janet Chaikind</td>
<td>John Nibbelin</td>
<td></td>
</tr>
<tr>
<td>Dr. David Lin</td>
<td>Nancy Lapolla</td>
<td></td>
</tr>
<tr>
<td>Dr. Alex Ding</td>
<td>Dr. Susan Fernyak</td>
<td></td>
</tr>
<tr>
<td>Deborah Torres</td>
<td></td>
<td></td>
</tr>
</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>John Maltbie 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 8:25 AM to Open Session. A quorum was present (see above).</td>
<td></td>
</tr>
</tbody>
</table>
| Report out of Closed Session | Medical Staff Credentialing Report for September 1, 2016.  
 | Medical Executive Committee Minutes from August 9, 2016.  
 | QIC Minutes from July 26, 2016. | John Nibbelin reported that the Board 8/0 approved the Credentialing Report and the QIC Minutes and accepted the MEC Minutes. |
| Public Comment            | None.                                                                                      |                                                                        |
| Foundation Report         | Dr. CJ Kunnappilly reported the following:  
 | • Alex Bennett is joining the Foundation office as a new grant writer. He is from the Bay Area and is familiar with the local development community.  
 | • A Foundation SWAT analysis is being developed which will inform the recruitment search for the Executive Director. | FYI                                                                    |
| Consent Agenda            | Approval of:  
 | 1. Hospital Board Meeting Minutes from August 4, 2016. | It was MOVED, SECONDED and CARRIED unanimously to approve all items on the Consent Agenda. |
| Medical Staff Report  
Dr. Janet Chaikind | No report. | FYI |
|---------------------|-------------|-----|
| Quality Report  
Dr. Alpa Sanghavi  
Chief Quality and  
Experience Officer | Presentation: Patient Experience by Dr. Alpa Sanghavi.  
The department of Patient Experience is comprised of the CQEO, Chaplains, Patient Experience Supervisor, Patient Advocate, Safety and Experience Officer, and Volunteer Services.  
WECARE: Welcome with a smile; Explain who you are; Communicate clearly; Ask how you can help; Respond to questions; Express gratitude.  
- Training and coaching for the entire medical center staff focusing on validation and feedback.  
- Trained 901 staff and conducted 500 observations for validation.  
Relationship-Centered Communication: Workshops on Improving Experience for Patients and Providers  
Patient and Family Advisory Council mission statement: “To seek change and improve patient experience for all who walk through our doors. We are the eyes, ears, and voices of patients and families.”  
- Validating WECARE  
- Environment of Care rounds  
- Ethics Committee  
- LEAP Events  
- Color of Joy committee  
Spiritual Care Services: Spirituality groups for psych patients; Bible study sessions; Sunday Mass; Palliative Care; and Staff consultations.  
A member of the Patient and Family Advisory Council, Michael Asip, shared his personal experience with the care he has received from the medical center and the reasons why he feels so passionately about patient experience. | FYI |
| Health System Report  
Louise Rogers  
Health System Chief | Presentation: STEMI and Stroke System Update by Nancy Lapolla.  
CARES: Cardiac Arrest Registry to Enhance Survival (CARES)  
- Hands only CPR  
- PulsePoint mobile app  
- STEMI System: ST-Elevation Myocardial Infarction started in May 2013. EMS is conducting STEMI designation verification visits. | FYI |
<table>
<thead>
<tr>
<th>Financial Report</th>
<th>The July FY16/17 financial report was included in the Board packet and David McGrew answered questions from the Board. The financial audit for fiscal year 15/16 is progressing normally.</th>
</tr>
</thead>
</table>
| Tiered System    | - Primary Stroke Centers = 6  
|                  | - Comprehensive Stroke Centers = 2  
| Uniform data     | - National database currently being used  
| Started system of care in 2007 | |
| CEO Report       | Dr. Kunnappilly presented the CEO report which is included in the Board packet and answered questions from the Board. |
| Health System Snapshot | The Health System, Sherriff’s department, Probation department, HPSM, and Human Services has agreed to share basic data (non HIPAA) about clients so that they can more easily access Housing. The information will also assist in planning for community services.  
|                  | The Health System is learning more about Whole Person Care which is premised on the recognition that the best way to care for people with complex needs is to consider their full spectrum of needs in a coordinated and integrated way. |
| County Manager   | The final budget will be going to the Board of Supervisors on September 20, 2016. Zip code analysis will lead to Measure A funding and census tract research. |
| Board of Supervisors | No report. |

John Maltbie adjourned the meeting at 9:15 AM. The next Board meeting will be held on October 6, 2016.

Minutes recorded by: Michelle Lee, Executive Secretary

Minutes approved by: Dr. Chester Kunnappilly, Chief Executive Officer (interim)
Date: Thursday, October 6, 2016
To: SMMC Board Members
From: Nora De Leon-Flores and Marcus Weenig
Re: Burlingame LTC Report to the Hospital Board

I. Achievements

II. Admissions and Discharges

III. Quality of Care
   a. Quality Measures: Anti-Psychotic Medications
   b. Quality Measures: Falls Prevention Program

IV. Quality of Life
   a. Activities

V. Customer Satisfaction

VI. CDPH Activity and Survey Results Look Back
I. Achievements

Burlingame Long Term Care continues to collaborate and coordinate with the Health Plan of San Mateo (HPSM), Aging and Adult Services, and the Institute on Aging (IOA) for appropriate alternate placement of residents to the community.

The facility continues to focus on reducing rates in quality measures, more specifically on use of anti-psychotic medications and the number of resident falls.

In addition, the facility continued to implement group activity programs introduced in recent months like “Alive Inside” – a music and memory program and a “Snooze Room” for sun-downing residents. The facility also has other activities such as resident choir, community outings, and celebrity chef.

The facility also continues to track trends related to residents’ customer satisfaction. These trends include satisfaction rates between short term stay and long term care residents. Other rates include dining experience and overall cleanliness of the facility.

Lastly, the facility’s staff turnover rate was at 27.24% for the year 2015.
II. Admissions and Discharges

The facility saw an increase in admissions and discharges. Last month, the facility admitted 50 residents and discharged 23 to a lower level of care. Most residents discharged found placement through assistance with IOA. The facility continues to collaborate and coordinate with IOA for appropriate placement of residents.
III. Quality of Care

The facility tracks and trends several quality measures and develops and implements a Quality Assurance Performance Improvement (QAPI) action plan to meet goals. Two examples of these quality measures are the facility’s use of anti-psychotic medications and the number of resident falls.

**Use of Anti-Psychotic Medications**

There is an expected higher rate than the state and company (Rockport) average rates in the use of anti-psychotic medications because many residents admitted to the facility have existing psychiatric diagnoses and/or has dementia with psychotic features.
The facility continues to implement the Falling Leaf Program to reduce falls and/or prevent injury. With timely utilization and assessment of a resident’s risk for fall upon admission, the facility is able to implement measures to prevent recurrences. The overall goal is not to have injuries.

The Interdisciplinary Team (IDT) committee will oversee the program and discuss root-cause analysis (RCA) post-fall. The facility continues to implement our post-fall rehabilitation screening and evaluation program to promote mobility and strength.
IV. Quality of Life: Activities

Active Games

Celebrity Chef
San Mateo County HEALTH SYSTEM

Community Outing

Pet Visits
Last month, the short term stay resident satisfaction rate was 56.0% compared to long-term residents at 86.7%.

The facility continues to work on improving our customer satisfaction to achieve the target goal which is at or above the national average.
San Mateo County
HEALTH SYSTEM

Short Stay versus Long Term Satisfaction Rate

Residents versus Responsible Party Satisfaction Rate
VI. CDPH Activity and Survey Results Look Back

**Self-Reported Events**

<table>
<thead>
<tr>
<th>INCIDENTS (August 2016)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
</tr>
<tr>
<td>Resident Altercation</td>
</tr>
</tbody>
</table>

**Goal(s):**
All self-reported events to be unsubstantiated without any deficiency.

**Action Plan:**
- Continue timely reporting of self-reported events to appropriate agencies.
- Ensure follow-up with resident(s) plan of care.
San Mateo County
HEALTH SYSTEM

**Complaint Visit Events**

**Complaint Visit Events (August 2016)**
- None

**Complaint Visit Events Thus Far (January 2016 – Current)**

<table>
<thead>
<tr>
<th>Category</th>
<th>Count</th>
</tr>
</thead>
<tbody>
<tr>
<td>Skin Condition</td>
<td>1</td>
</tr>
<tr>
<td>Administration/Personnel</td>
<td>1</td>
</tr>
<tr>
<td>Staffing</td>
<td>1</td>
</tr>
<tr>
<td>Quality of Care</td>
<td>2</td>
</tr>
<tr>
<td>Accommodation of Needs</td>
<td>1</td>
</tr>
<tr>
<td>Billing/Share of Cost Dispute</td>
<td>1</td>
</tr>
<tr>
<td>Patient/Hospice Care</td>
<td>1</td>
</tr>
</tbody>
</table>

The last three cases = investigation still on-going.
Facility received deficiency on “Administration/Personnel” (Staffing/PPD)

**Goals:**
All complaint events to be unsubstantiated without any deficiency.
San Mateo County
HEALTH SYSTEM

Dietary Services – Then and Now

Year 2015:
The facility was found non-compliant as a result of four (4) deficient practices in the Dietary Services department during the initial survey. The facility was re-surveyed and was found non-compliant as a result of three (3) deficient practices in the same department. A second re-survey was conducted before the facility was found compliant.

Federal tags identified:
F 363  Menu Meets Resident Needs
F 364  Nutritive Value / Palatability / Temperature *
F 368  Frequency of Snacks *
F 371  Food Procurement / Preparation / Sanitary *

* Same federal tag was identified during 1st re-survey.

Year 2016:
The facility was found non-compliant as a result of one (1) deficient practice in the Dietary Services department. There was no re-survey.

Federal tags identified:
F 371  Food Procurement / Preparation / Sanitary

Summary:
CDPH commended the complete change that Dietary Services made. It was noted that the Kitchen was “night and day” since their visit last year. The team lead surveyor was quite impressed. He applauded the changes made.
August FY 2016-17
Financial Report

Board Meeting
October 6, 2016
Financial Highlights – Net Income Trend

Financial Drivers:
- Inpatient Revenue – Volume
- Capitation Rate Cut
- Drug Expense

Full Year Forecast:
FY17 forecast is based on last year's run rate and will be updated throughout the year as more information is available.
HPSM Newly Eligible Members

Assigned increased by 25 from August
### San Mateo Medical Center

**Payer Mix**

**August 31, 2016**

<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>21.7%</td>
<td>16.6%</td>
</tr>
<tr>
<td>Medi-Cal</td>
<td>57.3%</td>
<td>59.9%</td>
</tr>
<tr>
<td>Self Pay</td>
<td>2.1%</td>
<td>3.5%</td>
</tr>
<tr>
<td>Other</td>
<td>4.5%</td>
<td>5.9%</td>
</tr>
<tr>
<td>ACE/ACE County</td>
<td>14.4%</td>
<td>14.1%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>100.0%</td>
<td>100.0%</td>
</tr>
</tbody>
</table>

**Chart:**

- **Aug-15**:
  - Medi-Cal: 50%
  - ACE/ACE County: 20%
  - Self Pay: 15%
  - Medicare: 10%
  - Other: 5%

- **Sep-15**:
  - Medi-Cal: 55%
  - ACE/ACE County: 15%
  - Self Pay: 15%
  - Medicare: 10%
  - Other: 5%

- **Oct-15**:
  - Medi-Cal: 60%
  - ACE/ACE County: 20%
  - Self Pay: 15%
  - Medicare: 5%
  - Other: 5%

- **Nov-15**:
  - Medi-Cal: 65%
  - ACE/ACE County: 20%
  - Self Pay: 15%
  - Medicare: 5%
  - Other: 5%

- **Dec-15**:
  - Medi-Cal: 70%
  - ACE/ACE County: 25%
  - Self Pay: 15%
  - Medicare: 5%
  - Other: 5%

- **Jan-16**:
  - Medi-Cal: 75%
  - ACE/ACE County: 30%
  - Self Pay: 15%
  - Medicare: 5%
  - Other: 5%

- **Feb-16**:
  - Medi-Cal: 80%
  - ACE/ACE County: 35%
  - Self Pay: 15%
  - Medicare: 5%
  - Other: 5%

- **Mar-16**:
  - Medi-Cal: 85%
  - ACE/ACE County: 40%
  - Self Pay: 15%
  - Medicare: 5%
  - Other: 5%

- **Apr-16**:
  - Medi-Cal: 90%
  - ACE/ACE County: 45%
  - Self Pay: 15%
  - Medicare: 5%
  - Other: 5%

- **May-16**:
  - Medi-Cal: 95%
  - ACE/ACE County: 50%
  - Self Pay: 15%
  - Medicare: 5%
  - Other: 5%

- **Jun-16**:
  - Medi-Cal: 100%
  - ACE/ACE County: 55%
  - Self Pay: 15%
  - Medicare: 5%
  - Other: 5%

- **Jul-16**:
  - Medi-Cal: 100%
  - ACE/ACE County: 60%
  - Self Pay: 15%
  - Medicare: 5%
  - Other: 5%

- **Aug-16**:
  - Medi-Cal: 100%
  - ACE/ACE County: 65%
  - Self Pay: 15%
  - Medicare: 5%
  - Other: 5%
<table>
<thead>
<tr>
<th>Patient Days</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>2,881</td>
<td>2,701</td>
</tr>
</tbody>
</table>

San Mateo Medical Center
Inpatient Census
August 31, 2016

Medical-Surgical census above budget. Inpatient psychiatric unit continues to have challenges with discharging hard-to-place patients with 78% not meeting medical necessity for inpatient status.
San Mateo Medical Center
Clinic Visits
August 31, 2016

### Clinic Visits

<table>
<thead>
<tr>
<th></th>
<th>Actual</th>
<th>Budget</th>
<th>Variance</th>
<th>Stoplight</th>
</tr>
</thead>
<tbody>
<tr>
<td>Clinic Visits</td>
<td>22,193</td>
<td>22,861</td>
<td>(668)</td>
<td>-3%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Actual</th>
<th>Budget</th>
<th>Variance</th>
<th>Stoplight</th>
</tr>
</thead>
<tbody>
<tr>
<td>Clinic Visits</td>
<td>41,281</td>
<td>42,740</td>
<td>(1,459)</td>
<td>-3%</td>
</tr>
</tbody>
</table>

Clinic volume on budget
San Mateo Medical Center
Emergency Visits
August 31, 2016

<table>
<thead>
<tr>
<th></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>3,562</td>
<td>3,773</td>
</tr>
</tbody>
</table>

Emergency room visits under budget. PES under budget due to increased length of stay.
<table>
<thead>
<tr>
<th>Month</th>
<th>Surgery Cases</th>
<th>Actual</th>
<th>Budget</th>
<th>Variance</th>
<th>Stoplight</th>
</tr>
</thead>
<tbody>
<tr>
<td>August 16</td>
<td>316</td>
<td></td>
<td>274</td>
<td>42</td>
<td>15%</td>
</tr>
</tbody>
</table>

YEAR TO DATE

<table>
<thead>
<tr>
<th>Actual</th>
<th>Budget</th>
<th>Variance</th>
<th>Stoplight</th>
</tr>
</thead>
<tbody>
<tr>
<td>556</td>
<td>512</td>
<td>44</td>
<td>9%</td>
</tr>
</tbody>
</table>

Combination of higher surgery cases and catch up of charge capture
APPENDIX
• **Managed Care** programs represent 57% of our Operating Revenue

• **Capitation** is a pre-payment reimbursement model that pays providers a set amount for each enrolled person assigned to them, per period of time, whether or not that person seeks care.
## San Mateo Medical Center
### Income Statement
#### August 31, 2016

<table>
<thead>
<tr>
<th></th>
<th>Month</th>
<th>Year to Date</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Actual</td>
<td>Budget</td>
</tr>
<tr>
<td>Income/Loss (GAAP)</td>
<td>76,015</td>
<td>(0)</td>
</tr>
<tr>
<td>HPSM Medi-Cal Members Assigned to SMMC</td>
<td>39,145</td>
<td>38,773</td>
</tr>
<tr>
<td>HPSM Newly Eligible Medi-Cal Members Assigned to SMMC</td>
<td>18,941</td>
<td>19,018</td>
</tr>
<tr>
<td>Patient Days</td>
<td>2,881</td>
<td>2,701</td>
</tr>
<tr>
<td>ED Visits</td>
<td>3,562</td>
<td>3,773</td>
</tr>
<tr>
<td>ED Admissions %</td>
<td>6.3%</td>
<td>-</td>
</tr>
<tr>
<td>Surgery Cases</td>
<td>316</td>
<td>274</td>
</tr>
<tr>
<td>Clinic Visits</td>
<td>22,193</td>
<td>22,861</td>
</tr>
<tr>
<td>Ancillary Procedures</td>
<td>73,048</td>
<td>67,163</td>
</tr>
<tr>
<td>Acute Administrative Days as % of Patient Days</td>
<td>8.4%</td>
<td>9.0%</td>
</tr>
<tr>
<td>Psych Administrative Days as % of Patient Days</td>
<td>77.5%</td>
<td>58.0%</td>
</tr>
</tbody>
</table>

(Prompt: Days that do not qualify for inpatient status)

### Pillar Goals

<table>
<thead>
<tr>
<th></th>
<th>Month</th>
<th>Year to Date</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Actual</td>
<td>Budget</td>
</tr>
<tr>
<td>Patient &amp; Capitation Revenue PMPM</td>
<td>191</td>
<td>195</td>
</tr>
<tr>
<td>Operating Expenses PMPM</td>
<td>351</td>
<td>349</td>
</tr>
<tr>
<td>Full Time Equivalents (FTE) including Registry</td>
<td>1,181</td>
<td>1,206</td>
</tr>
</tbody>
</table>
## San Mateo Medical Center
### Income Statement
**August 31, 2016**

<table>
<thead>
<tr>
<th>MONTH</th>
<th>Actual</th>
<th>Budget</th>
<th>Variance</th>
<th>Stoplight</th>
</tr>
</thead>
<tbody>
<tr>
<td>Inpatient Gross Revenue</td>
<td>10,101,576</td>
<td>7,933,661</td>
<td>2,167,915</td>
<td>27%</td>
</tr>
<tr>
<td>Outpatient Gross Revenue</td>
<td>26,255,331</td>
<td>24,786,360</td>
<td>1,468,971</td>
<td>6%</td>
</tr>
<tr>
<td>Total Gross Revenue</td>
<td>36,356,907</td>
<td>32,720,021</td>
<td>3,636,886</td>
<td>11%</td>
</tr>
<tr>
<td>Patient Net Revenue</td>
<td>9,886,744</td>
<td>8,292,539</td>
<td>1,594,204</td>
<td>19%</td>
</tr>
<tr>
<td>Net Patient Revenue as % of Gross Revenue</td>
<td>27.2%</td>
<td>25.3%</td>
<td>1.8%</td>
<td>7%</td>
</tr>
<tr>
<td>Capitation Revenue</td>
<td>3,773,853</td>
<td>5,985,516</td>
<td>(2,211,663)</td>
<td>-37%</td>
</tr>
<tr>
<td>Supplemental Patient Program Revenue</td>
<td>4,699,475</td>
<td>4,526,520</td>
<td>172,955</td>
<td>4%</td>
</tr>
<tr>
<td>Total Patient Net and Program Revenue</td>
<td>18,360,072</td>
<td>18,804,576</td>
<td>(444,504)</td>
<td>-2%</td>
</tr>
<tr>
<td>Other Operating Revenue</td>
<td>1,120,540</td>
<td>1,089,949</td>
<td>30,591</td>
<td>3%</td>
</tr>
<tr>
<td>Total Operating Revenue</td>
<td>19,480,612</td>
<td>19,894,524</td>
<td>(413,913)</td>
<td>-2%</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>Inpatient Gross Revenue</td>
<td>19,796,457</td>
<td>15,867,322</td>
<td>3,929,135</td>
<td>25%</td>
</tr>
<tr>
<td>Outpatient Gross Revenue</td>
<td>48,890,011</td>
<td>49,572,720</td>
<td>(682,710)</td>
<td>-1%</td>
</tr>
<tr>
<td>Total Gross Revenue</td>
<td>68,686,468</td>
<td>65,440,042</td>
<td>3,246,426</td>
<td>5%</td>
</tr>
<tr>
<td>Patient Net Revenue</td>
<td>19,198,560</td>
<td>16,585,079</td>
<td>2,613,481</td>
<td>16%</td>
</tr>
<tr>
<td>Net Patient Revenue as % of Gross Revenue</td>
<td>28.0%</td>
<td>25.3%</td>
<td>2.6%</td>
<td>10%</td>
</tr>
<tr>
<td>Capitation Revenue</td>
<td>7,557,578</td>
<td>11,971,033</td>
<td>(4,413,454)</td>
<td>-37%</td>
</tr>
<tr>
<td>Supplemental Patient Program Revenue</td>
<td>8,907,966</td>
<td>9,053,040</td>
<td>(145,074)</td>
<td>-2%</td>
</tr>
<tr>
<td>Total Patient Net and Program Revenue</td>
<td>35,664,104</td>
<td>37,609,151</td>
<td>(1,945,047)</td>
<td>-5%</td>
</tr>
<tr>
<td>Other Operating Revenue</td>
<td>1,903,487</td>
<td>2,179,897</td>
<td>(276,411)</td>
<td>-13%</td>
</tr>
<tr>
<td>Total Operating Revenue</td>
<td>37,567,591</td>
<td>39,789,049</td>
<td>(2,221,458)</td>
<td>-6%</td>
</tr>
<tr>
<td></td>
<td>MONTH</td>
<td></td>
<td></td>
<td>YEAR TO DATE</td>
</tr>
<tr>
<td>--------------------------------</td>
<td>------------------------------</td>
<td>----------------------</td>
<td>----------</td>
<td>------------------------------</td>
</tr>
<tr>
<td></td>
<td>Actual</td>
<td>Budget</td>
<td>Variance</td>
<td>Stoplight</td>
</tr>
<tr>
<td></td>
<td>A</td>
<td>B</td>
<td>C</td>
<td>D</td>
</tr>
<tr>
<td>Salaries &amp; Benefits</td>
<td>14,179,942</td>
<td>14,680,954</td>
<td>501,012</td>
<td>3%</td>
</tr>
<tr>
<td>Drugs</td>
<td>961,730</td>
<td>648,254</td>
<td>(313,475)</td>
<td>-48%</td>
</tr>
<tr>
<td>Supplies</td>
<td>1,006,481</td>
<td>906,478</td>
<td>(100,003)</td>
<td>-11%</td>
</tr>
<tr>
<td>Contract Provider Services</td>
<td>2,904,389</td>
<td>2,800,374</td>
<td>(104,015)</td>
<td>-4%</td>
</tr>
<tr>
<td>Other fees and purchased services</td>
<td>4,147,352</td>
<td>4,201,491</td>
<td>54,139</td>
<td>1%</td>
</tr>
<tr>
<td>Other general expenses</td>
<td>501,576</td>
<td>486,895</td>
<td>(14,681)</td>
<td>-3%</td>
</tr>
<tr>
<td>Rental Expense</td>
<td>166,247</td>
<td>206,306</td>
<td>40,059</td>
<td>19%</td>
</tr>
<tr>
<td>Lease Expense</td>
<td>817,105</td>
<td>745,153</td>
<td>(71,952)</td>
<td>-10%</td>
</tr>
<tr>
<td>Depreciation</td>
<td>245,424</td>
<td>241,114</td>
<td>(4,310)</td>
<td>-2%</td>
</tr>
<tr>
<td><strong>Total Operating Expenses</strong></td>
<td>24,930,247</td>
<td>24,917,019</td>
<td>(13,227)</td>
<td>0%</td>
</tr>
<tr>
<td>Operating Income/Loss</td>
<td>(5,449,635)</td>
<td>(5,022,495)</td>
<td>(427,140)</td>
<td>-9%</td>
</tr>
<tr>
<td>Non-Operating Revenue/Expense</td>
<td>682,181</td>
<td>179,027</td>
<td>503,155</td>
<td>281%</td>
</tr>
<tr>
<td>Contribution from County General Fund</td>
<td>4,843,468</td>
<td>4,843,468</td>
<td>0</td>
<td>0%</td>
</tr>
<tr>
<td><strong>Total Income/Loss (GAAP)</strong></td>
<td>76,015</td>
<td>0</td>
<td>76,015</td>
<td></td>
</tr>
</tbody>
</table>
LEAP UPDATES & EXCELLENT CARE

Strategic Planning Development

Strategic planning is in full swing at SMMC. Six focus areas (listed below) have been identified as the critical efforts for the organization to apply scientific problem solving strategies to make improvements that will allow us to meet our pillar goals and more effectively serve the needs of our patients. As mentioned in last month’s report, each initiative is sponsored by two executive management members and has a diverse workgroup of front line staff, managers and patients who are working together to understand the problems we are focused on, and the root causes for them, and develop experiments to address them. The strategic initiatives are:

- Care Transitions
- Disparities Reduction
- Financial Stewardship (Revenue Cycle Transformation)
- Improving Patient Experience through Use of Ancillary Services
- Nursing Practice Transformation
- Patient Centered Medical Home

These groups are hard at work conducting robust and thorough analyses to ensure that we have a true understanding of the problem and have confidence that we understand the root causes. The analysis portion, which relies on robust direct observations of our processes in real time as well as deep data analysis, is critical in ensuring that we focus our improvement efforts on the right things. Once the workgroups have confidence in understanding the true root causes of the problems, they will be engaging the organization in developing sets of experiments to run to close the gap between where we are and where we want to be.

SMMC Successfully Submits First PRIME Report

On September 30, 2016, SMMC submitted its first report under the new Medi-Cal PRIME program. PRIME (Public Hospital Redesign and Incentives in Medi-Cal) is the pay for performance portion of the latest Medi-Cal Waiver. SMMC’s performance areas for PRIME are:

- Integration of Behavioral Health and Primary Care
- Ambulatory Care Redesign: Primary Care
- Ambulatory Care Redesign: Specialty Care
- Cancer Screening and Follow-up
- Chronic Non-Malignant Pain Management
- Integrated Health Home for Foster Children
- Complex Care Management for High Risk Populations
- Care Transitions: Integration of Post-Acute Care
- Resource Stewardship: High Cost Imaging

This recent report established baseline performance during the time period from July 1 2015 to June
30, 2016. SMMC reported on 53 different metrics tied to approximately $21 million in core funding. This took tremendous effort on the part of multiple individuals throughout the organization. Special thanks to: Kristin Gurley, Srivatsa Hura, Virginia Di Paola, Jeane Arfin, Divya Sahadev, Lorrie Sheets, Celia Ortiz, James Burrows, Janet Hoffberg, Brian Faust, Kris Rozzi, Dianaliza Ponco, Jeanette Aviles, Evelyn Haddad and Janet Chaikind.

PATIENT CENTERED CARE & STAFF ENGAGEMENT

• **Health System Fitness Center Opens**: San Mateo Medical Center hosted an Open House and Ribbon Cutting for our new staff Fitness Center on Monday, September 12. More than 200 Health System staff attended the event and more than 500 are registered members. The Fitness Center was opened to promote a culture of health and well-being and is available to all Health System staff and providers. Special thanks to John Thomas for his vision and leadership, and Pam Gibson and the County for their support and guidance. I would also like to thank Michelle Lee, Kristin Gurley, Ankita Tandel and the entire Wellness Committee for all their hard work in preparing for the opening and registering staff.

• **Dr. Alpa Sanghavi selected for prestigious leadership program**: Dr. Alpa Sanghavi, Chief Quality and Experience Officer, has been selected as a member of the next cohort of leaders in the California HealthCare Foundation Health Care Leadership Program. This two year fellowship is designed to support promising clinical leaders in further developing their executive leadership skills. Congratulations to Dr. Sanghavi for being selected in what was said to be one of the most competitive application years.

• **Selected patient/family stories of gratitude**:
  - **From the Emergency Department**:
    - Jessica or Yessica (not sure on spelling) was an amazing friendly nurse who was constantly checking up on me and making sure I didn’t need anything. she made the hours much more enjoyable!
    - All categories I felt reflect excellent patient care by Dr. Cama Garcia and Erin (didn't find out Erin's last name).
  - **From 2A/B**:
    - Always attended me with much courtesy & respect thanks very good.
    - Nurses are detail-oriented. Very thorough and with love to treat patients.
    - Excellent physicians, treat patients with heart & care. Excellent social worker *Bill Moya is very thoughtful & help patients’ needs.
  - **From 3A/B/PES**:
    - The nurses were great. *Junko was very diligent & kind. I really enjoyed the staff.
    - A great experience. *Dr. Ramage was very gentle and kind. She was a great help and really seemed to care.
    - The medical staff along with security were quite enjoyable. All were generous as well as providing security along with fair medical care.
From Dental Services:
- They are always helpful!
- good dentist
- Very good. I would recommend

From Coastside Clinic:
- Dr. Wolgast is a great doctor, who cares & listens.
- Very good because the receptionists seem to be very nice.

From Daly City Clinic:
- THE DC CLINIC IS THE BEST FAR BETTER THAN KAISER FAST AND MORE TO MY NEEDS
- the doctor was knowledgeable and a great listener
- North County Clinic is very clean, and remolded. I look forward to going there, cause they at the counter are in tune with every patient’s needs.

From the Ron Robinson Senior Care Center:
- Dr Jao & her team represent Ron Robinson very well.
- I recommend the service of *Dr. Susan D. Joseph and the staff worked with her as the best
- Thank you Staffs of San Mateo Clinic we do appreciates your good hospitality and Hard Working not enough words to explain the best services and your kindness

From Fair Oaks Health Center:
- luv the doctor and the nurses i have for the 3 of my kids. great receptionist service as well.
- I've had a lot of doctors over the years. *Doctor Shandilya exceeds them all. She's even made off duty calls to see how I'm doing, with concerns. Other patients I've spoken with are saying the same about her.
- I have been a patient with Dr. Singh for the past 9 years and I think she is an excellent Dr.. I have had many health problems over the years and she has always provided excellent care, concern for my well-being and she had always discussed many options regarding my care.
- Dr Valencia was very friendly, professional and informative. This was my first visit with her and I have every confidence in her as my doctor.

From South San Francisco Clinic:
- The reception staff are helpful . one in particular named, Gilbert is very patient and helpful when I need assistance in my appointment scheduling.
- the assistant named, MARIA , was very helpful and patient with me.
- Dr Shorr , aside from being very knowledgeable about her profession, speaks kindly and clearly. She is very professional.

From the Innovative Care Center:
- Dr. Soma Mandal is an excellent doctor. Thank you very much for having her in your medical staff.
• All the personnel that attended me are very professional and very nice.
• All staff have been very courteous and listen to our requests needs or concerns whenever we call or come for an appointment

○ From OB/Gyn:
• my provider was excellent he gave me great information and also very kind and encouraging words ...
• All the personnel very kind.

○ From the Surgical Specialty Clinic:
• dr Martin and his nurse are great
• *Dr. Peter Schilling is very best.
• I hold his nurse in the highest regard. I think her name is Davinashe's the best also is David her assistant

○ From the Medical Specialty Clinic:
• Dr. Chen shows concern to his patient and explain the problem clearly.
• DR. Mak is great really knows his stuff
• It was a positive experience all around

FINANCIAL STEWARDSHIP
Revenue Cycle Transformation
Our work on our revenue cycle priorities is progressing in the areas of: 1) workflow redesign; 2) decrease defects through standard work; 3) software as an enabler to workflow efficiencies; and 4) performance benchmarking. This work is being refined as the FY17 Financial Stewardship Strategic Initiative (FSSI) workgroup is planning the specific tasks, milestones and deliverables for these priorities. An important new planning consideration is designing our improvement work to address patient experience and staff satisfaction.

Our current patient accounting and billing system, Invision, is outdated, doesn’t support industry standard workflows, and needs to be replaced. However, a new IT system implemented on top of poorly designed and inefficient workflows will fail. Therefore our first priority is to focus on the Front End processes of patient registration and treatment authorizations.

For registration workflows, we completed a gap assessment of current practices across SMMC. We’re now evaluating the recommendations and building an implementation roadmap for pre-registration
and registration standard work. This effort is expected to roll out in phases over the course of the next 6-9 months.

For treatment authorizations our next steps are to initiate improvement events identified during a value stream mapping event. Recommended actions include improving our collaboration and communication with our internal stakeholders as well as the Health Plan of San Mateo.

Over the past two months we began pre-work to prepare the business case and determining our readiness for implementing Cerner’s Soarian Financials to replace Invision. This work is essential to ensuring we understand the scope, business requirements and resource needs as a foundation for a successful implementation. We will continue to provide updates to the Board at regular intervals.
Mirroring Smart Space to Good Work
There have been many technological and safety advances since the Public Health Laboratory (PHL) was built over 50 years ago. In order to improve workflow, safety, and efficiency, the PHL underwent a LEAP event in 2014 and was awarded a SMC Saves grant to help implement recommendations, including renovation to accommodate some of the structural changes necessary to improve workflow. The PHL began the first phase of renovation in April 2016, which included opening up the main lab space, re-flooring, painting, and installing new workbenches. On September 6, the lab started phase two to create space for specimen receiving, pre-processing, and testing. Renovations are scheduled to be completed later this year. Once completed, the PHL will host an Open House during National Public Health Week next spring.

Helping Young Adults with Complex Care Needs
Family Health’s California Children’s Services (CCS) team, in partnership with the Health Plan of San Mateo (HPSM) and Legal Aid of San Mateo County, is seeing the value of a new program for parents who have children with complex health care needs and do not have the capacity to make medical decisions when they transition to adulthood. To help, HPSM and CCS have launched a new service to pair pro bono attorneys through Legal Aid with families of kids “aging out” of CCS so they can pursue the legal process of becoming conservators for their children. In the project’s first three months, more than a dozen families have been connected with an attorney, representing 50% of our annual goal of assisting 24 families with this new service.

Preventing Elder Abuse through Senior Friendly Banking
The Elder and Dependent Adult Protection Team (EDAPT), a collaboration between San Mateo County’s District Attorney’s Office, County Counsel’s Office, and Health System’s Aging and Adult Services, is spreading the word about how to prevent dependent and older adults from financial abuse – the most common form of older adult abuse in the county. Hosted at the San Mateo Credit Union, half a dozen financial services organizations gathered last month to hear from experts on how to protect their older adult clients from financial exploitation. Speakers included Dr. Marti DiLiema from the Stanford Center on Longevity and Jennifer Shannon, MSW, from the Alzheimer’s Association’s Project Safety Net. Research shows that for every one case of older adult abuse that is reported – there are another 24 that go unreported.

Honoring 25 Years of Progress for People with Disabilities
The San Mateo County Commission on Disabilities celebrated their 25th anniversary last month with a luncheon to honor the great work done to empower people with disabilities with a voice and to fully participate in the development of public policy in San Mateo County. Nearly 100 people attended, including current and former Commissioners and community partners, as well as Congresswoman Anna Eshoo who founded the Commission 25 years ago as a member of the San Mateo County Board of Supervisors, and County Manager John Maltbie who noted that the Commission has promoted democracy for all over the past 25 years – particularly for people with disabilities.

Improving Birth Registrations in San Mateo County
Vital Statistics has received a Certificate of Achievement from the California Department of Public Health for timely birth records registration in 2015. Improving registrations for births has been a long-term goal of the department. Between 2012 and 2015, San Mateo County Vital Statistics moved up seven spots in the statewide ranking – and looks forward to continuing the good work to move up the ladder each year.