BOARD OF DIRECTORS MEETING

Monday, February 3, 2020
8:00 AM – 10:00 AM

SAN MATEO MEDICAL CENTER

EXECUTIVE BOARD ROOM
Second Floor, Administration Wing
BOARD OF DIRECTORS MEETING
February 3, 2020        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. Julie Hersk
   2. Quality Report
      Dr. Frank Trinh
   
   Informational Items
   3. Medical Executive Committee
      Dr. Julie Hersk

C. REPORT OUT OF CLOSED SESSION

D. PUBLIC COMMENT
   Persons wishing to address items not on the agenda

E. FOUNDATION REPORT
   Paul Rogerville

F. CONSENT AGENDA
   Approval of:
   1. January 6, 2020 Minutes
G. MEDICAL STAFF REPORT
  Chief of Staff Update
                  Dr. Julie Hersk

H. ADMINISTRATION REPORTS
  1. Anchoring Health: Leveraging Resources
     Louise Rogers. ............ VERBAL
  2. Financial Report
     David McGrew. .............. TAB 2
  3. Board Survey Results
     Dr. CJ Kunnappilly ....... VERBAL
  4. CEO Report
     Dr. CJ Kunnappilly ....... TAB 2

I. COUNTY HEALTH CHIEF REPORT
  County Health Snapshot
                 Louise Rogers ....... TAB 2

J. COUNTY MANAGER’S REPORT
    Mike Callagy

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 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
### Board Members Present
- Supervisor Carole Groom
- Supervisor David Canepa
- Mike Callagy
- Louise Rogers
- Dr. CJ Kunnappilly
- Dr. Julie Hersk
- Dr. Frank Trinh
- Dr. Gordon Mak
- Deborah Torres

### Staff Present
- Michelle Lee
- David McGrew
- Dr. Susan Fernyak
- Dr. Alpa Sanghavi
- Joan Spicer
- Robert Blake
- Brighton Ncube
- Peggy Jensen
- Aimee Armsby

### Members of the Public
- Kate Broderick
- Karen Pugh
- Gabriela Behn
- John Jurow
- Angela Gonzales
- Ginger Campbell
- Dianaliza Lamsen
- Tony Bayuden
- Neighbor

### ITEM | DISCUSSION/RECOMMENDATION | ACTION
--- | --- | ---
Call to Order | Supervisor Groom called the meeting to order at 8:00 AM, and the Board adjourned to Closed Session. |  
Reconvene to Open Session | The meeting was reconvened at 8:10 AM to Open Session. A quorum was present (see above). |  
Report out of Closed Session | Medical Staff Credentialing Report for January 6, 2020. QIC Minutes from November 26, 2019. Medical Executive Committee Minutes from December 10, 2019. | Aimee Armsby reported that the Board unanimously approved the Credentialing Report as amended and the QIC Minutes and accepted the MEC Minutes.  
Public Comment | None. |  
Foundation Report | No report. | FYI  
Consent Agenda | Approval of: 1. Hospital Board Meeting Minutes from December 2, 2019. 2. Bylaws of SMMC Board of Directors. | It was MOVED, SECONDED and CARRIED unanimously to approve all items on the Consent Agenda.  
Medical Staff Report Dr. Julie Hersk | Dr. Hersk reported that the Provide Pulse Surveys will be sent out soon and this year’s emphasis will be on provider well-being. | FYI
Patient Experience
Dianaliza Lamsen

Patient Experience is: Patient feedback, Volunteer Services, and Spiritual Care. The department has a team of 5.

Patient Feedback
- NRC Health – Survey Administrator
- CGCAHPS/HCAHPS Survey
- Real-Time Survey
- Response Rate
- Likelihood to Recommend

Complaints and Grievances
- Goal is to have 90% of all grievances reviewed and resolved within 7 calendar days
- 388 Grievances filed in 2019

Volunteer Program and Services
- 75 Active Volunteers across the hospital and clinics
- Patient and Family Advisory Council
- Community Partners
- Welcome Desks (Main Lobby, 2nd Floor, West Entrance)
- Patient Outreach Events
- Gift Shop

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Health Budget Planning
Update FY 20-21
Louise Rogers

Structural challenge of costs increasing faster than revenues in the healthcare delivery arena is unchanged. The proposals we are bringing forward rely heavily on strategies to increase revenues that require us to experiment with different ways of working. An example of that is the work related to our outpatient clinics reported at the last SMMC Board mtg. Unfortunately, we must also propose reductions.

Principles and criteria for recommendations
- Anchored in our mission of longer and better lives for everyone in San Mateo County and key principles
- Within SMMC, recognize our long-term strength is as an integrated delivery system
- Within BHRS, recognize our accountabilities as a health plan and delivery system
- Across areas, strived to minimize direct service impacts to the populations that need us most and to retain our stellar workforce and network of partners

Summary of FY 20-21 impacts
- Ongoing solutions $ 49 M
- One-time SMMC reserves $8 M; plan further cost-cutting or revenue generation initiatives for FY 21-22
- Elimination of 37 permanent positions (23 filled)
- Elimination of 93 extra help/limited term (60 filled)
- Impact 5 community partners

Next Steps, Jan-June 2020
JAN: BOS Study Session
FEB: Beilenson hearing
Engage with EMS, EH stakeholders affected by fee proposals
Finalize FY 20-21 by JUNE budget hearing

Next Steps, July 2020-June 2021
Implement proposals necessary to achieve fiscal balance
Fall 2020 through JAN 2021: Phase 3 plan to close remainder of gap by JUNE budget hearing

Next Steps, July 2021-June 2023
Implement proposals necessary to achieve fiscal balance

Financial Report
David McGrew, CFO

The January FY19/20 financial report was included in the Board packet and David McGrew answered questions from the Board.

CEO Report
Dr. CJ Kunnappilly

Dr. Kunnappilly presented the CEO report which was included in the Board packet and answered questions from the Board.

County Health Chief Report
Louise Rogers

To address the lack of safe disposal options, Environmental Health Services’ Household Hazardous Waste Program hosted marine flare collection events in November at Oyster Point Marina in South San Francisco and Pillar Point Harbor in Half Moon Bay. A total of 34 boaters attended and 1,088 marine flare were collected and safely transported to a facility in Louisiana by a license contractor.

County Manager
Mike Callagy

The Homelessness sub-committee, led by Peggy Jensen, is addressing the growing issue in the County and will explore best practices for effectively handling it.
In the coming year, the CMO office will be promoting positive work/life balance which will include mental health, environmental health, and physical health.

Board of Supervisors
Supervisor Groom

The President of the Board of Supervisors will be Warren Slocum and the Vice President will be David Canepa.
Supervisor Canepa is monitoring recent events related to the Seton Medical Center’s future. The court deadline for its sale has passed and there is a possibility that the delayed sale could lead to plans for commercial development of the site. The medical center needs to remain a hospital.

Supervisor Groom adjourned the meeting at 9:18 AM. The next Board meeting will be held on February 3, 2020.

Minutes recorded by: Michelle Lee, Executive Secretary

Minutes approved by: Dr. Chester Kunnappilly, Chief Executive Officer
TAB 2

ADMINISTRATION REPORTS
Forecast FY20: The FY20 budget projected a $1.7 million loss each month to be covered by prior year Fund Balance reserves. Identified risks to the full year budget at this time are full achievement of the PRIME/QIP performance measures, declines in patient volumes, increasing payroll costs, and unpaid non-acute days.

Potential opportunity for increased EPP revenue once approved by CMS.

December Operating Loss of $4.6M:
- FTEs below budget
- FY2018 AB85 Realignment
- ACE outside medical costs

Memberhip decline
- FY2020 Enhanced Payment Program (EPP) pending approval
- Patient Service Revenue
  - Decline in patient volume
FY 19-20 Structural Deficit

Several factors have resulted in the need for $10.5 million of more reserves than planned. Delays in CMS approval of the EPP funding, lower patient volume resulting in lower revenue, while our workforce costs aren’t flexing down in response, and delays in HPSM payments. One-time settlements partially mitigated these factors.

Note: Volume %s are Current Month/YTD
Acute and Main Long Term Care census under budget due to low admission. Inpatient psychiatric unit continues to have challenges with discharging hard-to-place patients with 79.4% not meeting medical necessity for inpatient status.
San Mateo Medical Center
Clinic Visits
December 31, 2019

<table>
<thead>
<tr>
<th>MONTH</th>
<th>Actual</th>
<th>Budget</th>
<th>Variance</th>
<th>Stoplight</th>
</tr>
</thead>
<tbody>
<tr>
<td>Clinic Visits</td>
<td>18,607</td>
<td>21,931</td>
<td>(3,324)</td>
<td>-15%</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>Clinic Visits</td>
<td>124,114</td>
<td>130,543</td>
<td>(6,429)</td>
<td>-5%</td>
</tr>
</tbody>
</table>

Clinic volume under budget but higher than last year.
San Mateo Medical Center
Emergency Visits
December 31, 2019

<table>
<thead>
<tr>
<th>MONTH</th>
<th>Actual</th>
<th>Budget</th>
<th>Variance</th>
<th>Stoplight</th>
</tr>
</thead>
<tbody>
<tr>
<td>ED Visits</td>
<td>3,429</td>
<td>3,594</td>
<td>(165)</td>
<td>-5%</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>ED Visits</td>
<td>20,452</td>
<td>21,332</td>
<td>(880)</td>
<td>-4%</td>
</tr>
</tbody>
</table>

Emergency visits under budget. PES visits on budget. PES length of stay continues to be higher than planned.
## Revenue Improvement Plan
### Executive Summary

<table>
<thead>
<tr>
<th>Initiative</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Registration Accuracy</strong></td>
<td>- Implemented eCareNEXT - registration quality software</td>
</tr>
<tr>
<td></td>
<td>▶  All areas live</td>
</tr>
<tr>
<td></td>
<td>▶  Performance reporting rolled out to Clinics November 11\textsuperscript{th}. <strong>Incorporated in Monthly Operating Reviews</strong></td>
</tr>
<tr>
<td></td>
<td>❑  Optimization period &amp; post-live support underway</td>
</tr>
<tr>
<td><strong>Clinical Documentation Improvement (CDI)</strong></td>
<td>- Chartwise software live</td>
</tr>
<tr>
<td></td>
<td>▶  Reviewing Medicare and Medi-Cal IP charts</td>
</tr>
<tr>
<td></td>
<td>▶  CDI Steering Committee launched</td>
</tr>
<tr>
<td></td>
<td>▶  CDS staff started July 1\textsuperscript{st}</td>
</tr>
<tr>
<td></td>
<td>❑  Roll-out Outpatient CDI</td>
</tr>
<tr>
<td><strong>Accounts Receivable Follow-Up and Denials Management</strong></td>
<td>- Implemented Colburn Hill automated patient account follow-up software</td>
</tr>
<tr>
<td></td>
<td>▶  Priority, Hints and Robots are live</td>
</tr>
<tr>
<td></td>
<td>❑  Optimization period &amp; post-live support underway</td>
</tr>
<tr>
<td></td>
<td>▶  Implementing new centralized treatment authorization process – SSU, Infusion, Rehab Therapy</td>
</tr>
<tr>
<td><strong>Self-Pay Collections</strong></td>
<td>- RFP issued and vendors selected</td>
</tr>
<tr>
<td></td>
<td>❑  Implementation in progress. <strong>Go live on February 4\textsuperscript{th}</strong></td>
</tr>
</tbody>
</table>
The collection rate dipped below 30% since February due to higher claim denials resulting from increased catch-up efforts on older accounts. Further drop since August was due to increase in charge rates in inpatient and outpatient services and low cash collection due to delays in HPSM and Medicare SNF payments.
Key Performance Indicators

**A/R Days - Rolling 12 Months**
- Industry benchmark to collect receivables is 45 days
- FYTD Avg. = 52
- Dec-19 = 51

**A/R Unbilled - Rolling 12 Months**
- Target = $5.8 million
- FYTD Avg. = 5.9 million
- Dec-19 = $5.9 million

**Cash - Rolling 12 Months**
- Target = $11.7 million
- FYTD Avg. = $9.1 million
- Dec-19 = $10 million

**% of A/R Over 180 Days - Rolling 12 Months**
- Target = 10%
- FYTD Avg. = 13%
- Dec-19 = 14%
Call first to check vaccine availability.
APPENDIX
Managed Care Membership Trend

Spike in FY14 & FY15 due to Medi-Cal expansion under ACA. 4% decline since the peak in FY17.
### Payer Mix

**San Mateo Medical Center**

**December 31, 2019**

<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>25.1%</td>
<td>21.0%</td>
</tr>
<tr>
<td>Medi-Cal</td>
<td>52.6%</td>
<td>58.0%</td>
</tr>
<tr>
<td>Self Pay</td>
<td>3.3%</td>
<td>2.0%</td>
</tr>
<tr>
<td>Other</td>
<td>5.3%</td>
<td>5.0%</td>
</tr>
<tr>
<td>ACE/ACE County</td>
<td>13.8%</td>
<td>14.0%</td>
</tr>
<tr>
<td>Total</td>
<td>100.0%</td>
<td>100.0%</td>
</tr>
</tbody>
</table>

### Payer Mix Chart

![Payer Mix Chart](chart.png)

- Medi-Cal
- ACE/ACE County
- Self Pay
- Medicare
- Other
Health Plan of San Mateo (HPSM) represents 52% of our Operating Revenue
- Medi-Cal Managed Care and Medicare Managed Care FFS
- Medi-Cal PCP Capitation

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.

NO commercial contracts
Revenue Mix by Service Line

- Inpatient: 29%
- Hospital ED & Outpatient: 25%
- Ambulatory Clinics: 24%
- Ancillary Services: 22%
• **Value-Based** programs represent 29.8% of our Supplemental Revenue

• **Volume-Based** programs represent 70.2% of our Supplemental Revenue
EXCELLENT CARE METRICS

**Monthly Harm Events**: Measures all instances of patient harm or staff harm including delays in care, falls, medication errors, surgical infections, catheter associated urinary infections, central line associated blood stream infections, other preventable staff and patient injuries. **Lower is better.**

**Patient Self-Assessment of Health**: All Primary Care patients receive an experience survey. One question asks them to rate their health from poor to excellent. This is the percentage that rate their health as very good or excellent. **Higher is better.**

**Quality Metrics at 90th Percentile**: SMMC seeks excellence in all that it does. The organization currently participates in a number of pay for performance programs including PRIME, QIP and the Health Plan of San Mateo Pay for Performance Program. This metric measures the percentage of quality metrics in which the SMMC performance is equal to or better than the 90th percentile of Medicaid nationally. **Higher is better.**
**PATIENT CENTERED CARE METRICS**

**Likelihood to Recommend Clinics:** Percentage of patients who gave SMMC the highest score (9 or 10) on the patient experience survey question, “How likely are you to recommend this clinic to friends and family?” **Higher is better.**

**Likelihood to Recommend Hospital:** Percentage of patients who gave SMMC the highest score (9 or 10) on the patient experience survey question, “How likely are you to recommend this hospital to friends and family?” **Higher is better.**

**Ambulatory Access:** Number of days until the third available appointment for established patients in Primary Care and for new consults in Specialty Services. The third next available appointment is a validated measure of patient access. **Lower is better.**
STAFF ENGAGEMENT METRICS

Likelihood to Recommend SMMC as a Great Place To Work

- Percentage of staff who agree or strongly agree that they would recommend SMMC as a great place to work. Measured using the annual Blessing White staff engagement survey. **Higher is better.**

RIGHT CARE, TIME AND PLACE METRICS

Potentially Avoidable ED Visits

- Percentage of emergency department visits by established SMMC primary care patients where the discharge diagnosis is one that traditionally could have been treated in an outpatient setting rather than the emergency department. **Lower is better.**

FINANCIAL STEWARDSHIP METRICS

Revenue Per Member, Per Month

- Total patient revenue divided by total number of assigned members. **Higher is better.**
**Cost Per Member, Per Month:** Total cost divided by total number of assigned members. **Lower is better.**

**Assigned But Not Engaged:** SMMC has approximately 52,000 patients assigned to it through the Health Plan of San Mateo. This metric measures the percentage of those assigned patients who have not yet engaged in care. **Lower is better.**
SMMC Celebrates Excellence Awards Winners— Every year, staff and providers nominate their peers for the SMMC Excellence Awards which recognize those who exemplify excellence in their profession. It was again a tough year for the selection committee as there were a large number of outstanding nominees. I would like to congratulate the following 2019 recipients who were celebrated at an Excellence Awards event on January 16, 2020 (Pictured above L to R: CJ Kunnappilly-CEO, Patrick Grisham, Demetra Stamm, Janette Blancaluz-Hansen, Suja Georgie, Julian Kent, Adelaida Ruiz, Robert Blake-COO, Nicky Reynicke, Ron Keating):

- **Change Champion**: Julian Kent and Christopher Rangel, Patient Access
- **Leader Excellence**: Adelaida Ruiz, Daly City Clinic
- **Leader Excellence**: Ron Keating, Material Management
- **Nursing Excellence**: Nicky Reynicke, Innovative Care Clinic
- **Patient-Centered Excellence**: Janette Blancaluz-Hansen, Resource Management
- **Provider Excellence**: Dr. Suja Georgie, 2AB provider
- **Provider Excellence**: Dr. Demetra Stamm, Integrated Behavioral Health
- **Service Excellence**: Marga Dolorfino, Integrated Behavioral Health
- **Team Player**: Patrick Grisham- Ron Robinson and Innovative Care Clinic

Iconic Nurse Leader Spends Time with SMMC Nurses — Dr Maria.O’Rourke, RN, FAAN, a renowned pioneer in Nursing Practice, joined SMMC Nurses at their January Shared Decision Making Councils. Dr. O’Rourke is known nationally for her seminal work on professional Nurse Role clarity. On her arrival to California in the mid 1960’s she found the California Nursing Practice Act on the books was written in 1939 and consisted of a list of tasks for Nurses to do. Dr. O’Rourke was instrumental in spearheading the initiative in Sacramento to re-write the law to expand the California Nursing Practice Act to include independent practice and interdisciplinary leadership. Nurses attending the Council meetings found Dr. O’Rourke to be engaging and inspirational as she reviewed the intent of every phrase in the current Nursing Practice law. SMMC felt privileged to spend the day with this iconic Nurse Leader.
SNAPSHOT: San Mateo County Health

TO: SMMC Board Members  |  FROM: Louise Rogers, Chief

<table>
<thead>
<tr>
<th>INDICATOR</th>
<th>NUMBER</th>
<th>CHANGE FROM PREVIOUS MONTH</th>
<th>CHANGE FROM PREVIOUS YEAR</th>
</tr>
</thead>
<tbody>
<tr>
<td>ACE Enrollees</td>
<td>22,562</td>
<td>6.5%</td>
<td>3.9%</td>
</tr>
<tr>
<td>SMMC Emergency Department Visits</td>
<td>3,429</td>
<td>2.6%</td>
<td>-5.0%</td>
</tr>
<tr>
<td>New Clients Awaiting Primary Care Appt.</td>
<td>67</td>
<td>6.4%</td>
<td>-37.9%</td>
</tr>
</tbody>
</table>

County Health, Human Services Agency & Health Plan of San Mateo partner to implement Medi-Cal expansion for young adults

As the California legislature’s expands the Medi-Cal program to include young adults aged 19-26, County Health’s Health Coverage Unit and San Mateo Medical Center, the Human Services Agency, and the Health Plan of San Mateo partnered to assure that 1,900 eligible young adults will benefit from this expansion at the earliest date possible. These teams planned for the January 1st expansion last fall by coordinating communications and the necessary operations so that those in the eligible age range and who were previously enrolled in the local ACE program could seamlessly transition to Medi-Cal. The first week in January revealed a few glitches that the teams continue to address to eliminate gaps in access to coverage for these participants and to smooth processes for other young adults who will qualify. The young adult expansion, included in the State’s 2019-2020 budget, allows full-scope coverage for adults aged 19-26, regardless of their documentation status, as long as they meet income and other eligibility requirements. Previously, they only could qualify for “limited scope” services, such as emergency medical care.

Recuperative Care Home will provide care for discharged homeless patients

The San Mateo Recuperative Care Home, inaugurated in December in South San Francisco, will provide safe, structured care for homeless clients referred from San Mateo Medical Center. Available for up to 28 days, the six-bed facility offers room and board, basic nursing care, behavioral health support, linkage to benefits and care management, and a post-discharge plan. Supported by funds from Measure K, the Recuperative Care Home represents a collaboration between the Health Plan of San Mateo and San Mateo Medical Center and is operated under contract by Bay Area Community Services. “We know that returning to good health is difficult for people who don’t have a home,” said Louise Rogers, County Health chief. “Recuperative care will provide a safe and supportive place for our most vulnerable patients to recover after a stay in the hospital.” County Health services such as Whole Person Care and the Bridges to Wellness Team will support discharge planning and care navigation.

Communicable disease investigators assist with coronavirus screenings at SFO

Two County Health communicable disease investigators joined their counterparts at the Centers for Disease Control (CDC) Quarantine Station at San Francisco International Airport to test the first passengers arriving from Wuhan, China after the CDC implemented a screening protocol. A new form of coronavirus, which causes pneumonia-like symptoms and can be fatal, was discovered in China in December. Public Health, Policy and Planning staff members Jeanne Chevillet and Kendra Bentinen joined nine other screeners to process 350 passengers and 19 crew on the arriving flight. San Mateo County Health has also joined other local health departments through the Association of Bay Area Health Officials to participate in a Joint Information Center to respond to media inquiries. Actions taken by the Chinese government to limit travel from the region in which the virus appears to have originated are expected to lessen the risks of disease spread.