



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

## **BOARD OF DIRECTORS MEETING**

Thursday, November 5, 2015

8:00 AM – 10:00 AM

**SAN MATEO MEDICAL CENTER**

**EXECUTIVE BOARD ROOM**

*Second Floor, Administration Wing*



San Mateo Medical Center  
*A County System of Healthcare*

## BOARD OF DIRECTORS MEETING

November 5, 2015 8:00 – 10:00 AM

Executive Board Room – Second Floor, Administration Wing

### AGENDA

**A. CALL TO ORDER**

**B. CLOSED SESSION**

*Items Requiring Action*

1. Medical Staff Credentialing Report
2. Quality Report

*Dr. Janet Chaikind*

*Dr. 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. October 1, 2015 Meeting Minutes
2. Compliance and Privacy Report

**G. MEDICAL STAFF REPORT**

Chief of Staff Update

*Dr. Janet Chaikind*

**H. ADMINISTRATION REPORTS**

- 1. Delivery System Reform Incentive Program (DSRIP) *Dr. CJ Kunnappilly*..... Verbal
- 2. Community Care Settings Pilot *Louise Rogers* ..... Verbal
- 3. Financial Audit *David McGrew*..... Verbal
- 4. Financial Report *David McGrew*..... **TAB 2**
- 5. CEO Report *Dr. Susan Ehrlich*..... **TAB 2**
- 6. Pillar Goals Update *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**

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



San Mateo Medical Center  
*A County System of Healthcare*

# TAB 1

# CONSENT AGENDA

HOSPITAL BOARD OF DIRECTORS  
MEETING MINUTES  
Thursday, October 1, 2015  
Executive Board Room

Board Members Present

Supervisor Adrienne Tissier  
Supervisor Carole Groom  
Peggy Jenson  
Louise Rogers  
Dr. Susan Ehrlich  
Dr. David Lin  
Dr. Janet Chaikind  
Dr. Alex Ding

Staff Present

|                |                   |                     |
|----------------|-------------------|---------------------|
| John Thomas    | Michelle Lee      | Naomi Yunker        |
| Bernie Mellott | David McGrew      | Joan Spicer         |
| Cecilia Diaz   | Angela Gonzales   | Sandra Santana-Mora |
| Ankita Sachdev | Glenn Levy        |                     |
| Toni Demarco   | Dr. Alpa Sanghavi |                     |
| Gary Horne     | Tosan Boyo        |                     |

Members of the Public

| ITEM                                    | DISCUSSION/RECOMMENDATION  | ACTION  |
|---|--|---|
| Call to Order                           | Supervisor Tissier called the meeting to order at 8:00 AM, and the Board adjourned to Closed Session.  |   |
| Reconvene to Open Session               | The meeting was reconvened at 8:10 AM to Open Session. A quorum was present (see above).   |   |
| Report out of Closed Session            | Medical Staff Credentialing Report for October 1, 2015.<br>Medical Executive Committee Minutes for September 8, 2015.<br>QIC Report from August 25, 2015.  | Glenn Levy reported that the Sup. Tissier did not participate in the approval of the QIC report which was otherwise approved. Sup. Tissier and Peggy Jenson did not participate in the Credentialing report which was otherwise approved. The Board accepted the Medical Executive Committee minutes. |
| Public Comment                          |  |   |
| Foundation Report<br>Bernadette Mellott | The showing of the documentary film "Being Mortal" was well attended by staff and providers. The after showing discussions were particularly rich and productive.<br>October 30, 2015 will be the Foundation's Masque Ball at the Peninsula Golf and Country Club. Proceeds will benefit the expanded Infusion Center at SMMC. Corporate sponsors are CEP and Cerner | FYI   |
| Consent Agenda                          | Approval of:<br><ol style="list-style-type: none"> <li>1. Hospital Board Meeting Minutes for September 3, 2015.</li> <li>2. Burlingame Long Term Care report.</li> </ol>   | It was MOVED, SECONDED and CARRIED unanimously to approve all items on  |

|   |   |                     |
|---|---|---------------------|
|   |   | the Consent Agenda. |
| Medical Staff Report<br>Dr. Janet Chaikind                          | Dr. Chaikind reported that the Medical Executive Committee is working with Administration on two key areas:<br>1.) Physician wellness assessment.<br>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. Louise Rogers commented that part of the review should include cultural and language education.   | FYI                 |
| Quality Report<br>Dr. Chester Kunnappilly,<br>Chief Medical Officer | SMMC Food and Nutrition presented by Ankita Sachdev, interim F&N Director.<br><br>33 staff serving 317,000 meals per year to patients and staff through Café' 39, patient meal service, home delivered meals, and catering.<br><br><ul style="list-style-type: none"> <li>• Patient experience is at an all-time high at 84.8%. The Press Ganey surveys cited quality of food, temperature of food, and courtesy of person serving the food.</li> <li>• Quality of food: hostess system, menu revision, patient experience dietitian, long term care dining expansion, patient and family advisory council.</li> <li>• Excellent care: ServSafe food safety training offered to all staff members. Registered dietitians' role in F&amp;N.</li> <li>• Health and Wellness: nutritional content on Grab &amp; Go items; vegetarian options, exclusively sugar-free products, reduced salt in soups and entrees.</li> <li>• Staff engagement: Staff driven department where employees have a voice; huddles conducted twice daily; continuous employee growth, celebrating successes.</li> <li>• Community collaborations: Dietary interns and nutrition students from SJSU and SFSU; high school volunteers; patient artwork printouts used as meal tray liners.</li> <li>• Financial stewardship: Café' 39 sales have increased 9% since last year.</li> </ul>  | FYI                 |
| Health System<br>Louise Rogers<br>Health System Chief               | Presentation: Trauma – Informed Care for Youth presented by Toni De Marco.<br><br>Trauma affects all aspects of self: cognitive, emotional, social, cultural, physical/somatic, spiritual.<br>Types of trauma: pre- and perinatal, complex, intergenerational and historical, single episode, organizational, vicarious and secondary.<br><br>Developmental Stressors often lead to immediate and long-term difficulties in many areas of functioning. They are a result of traumatic experiences that are interpersonal, intentional, prolonged and repeated. Physical abuse, emotional abuse, sexual abuse, neglect, caregiver with substance use and/or mental health needs, loss/death of caregiver, bullying, incarceration of caregiver, divorce or separation of parents, domestic violence, immigration.<br><br>Adaptive Responses to Trauma: Eating disorders, physiological hyperarousal agitation, hypervigilance, decreased interest, numbing, irritability, depression, generalized anxiety panic attacks, insomnia, hopelessness, amnesia, substance abuse, somatic systems of chronic pain, self-destructive behavior, dissociative symptoms.<br><br><u>The Neurosequential Model of Therapeutics (NMT)</u><br>NMT is responsive to the needs of youth and their families. It is trauma-informed, culturally flexible, and appropriate for co-occurrence and developed for complicated presentation, and involves the community in helping children and families heal. Central to NMT is the recommendation of the importance of the therapeutic opportunities in: school/childcare, extracurricular activities, and culture and community of faith. | FYI                 |

|  |   |     |
|--|---|-----|
|  | <p><b>Building full NMT capacity through Measure A funding:</b> Developing somatosensory services using animal assisted therapy; therapeutic infant massage; dance and movement, yoga; YMCA-based activities; expressive arts; drumming; art and crafts therapy; horticultural therapy; speech and language and occupational therapy; therapeutic preschool consultation partnership.</p> <p>What we have accomplished in three years:</p> <ul style="list-style-type: none"> <li>• Canyon Oaks Youth Center: expanding trauma-informed model change <ul style="list-style-type: none"> <li>○ 7/09-7/10 (n=16 youth) AWOLs:15, Hands on Interventions:53</li> <li>○ 7/14-7/15 (n=25 youth) AWOLs:8, Hands on Interventions:5</li> </ul> </li> <li>• 30 staff NMT Phase I Certified</li> <li>• Ranked 4th international Fidelity exercise. Invited to Present at NMT International Symposium</li> <li>• 120+ staff completed in 16-hour NMT concepts training (BHRS,CBOs, PHNs, CFS, CASA)</li> <li>• STC certification for Probation staff training</li> <li>• Over 300 assessments completed</li> <li>• Minimum 90 additional individuals to complete 16-hour training program this coming year</li> <li>• SMC first site to implement NMT in a large public health system or expand to an Adult System</li> </ul> |     |
| Financial Report<br>David McGrew, CFO                        | The August FY15/16 financial report was included in the Board packet and David McGrew answered questions from the Board. The audit team is drafting the initial audit assessment and the final audit results will be presented to the Board in November.  | FYI |
| Pillar Goals Update<br>Dr. Susan Ehrlich, CEO                | Dr. Ehrlich presented the monthly Pillar Goals update to the Board and answered questions.  | FYI |
| CEO Report<br>Dr. Susan Ehrlich, CEO                         | The CEO Report was included in the Board packet and Dr. Ehrlich answered questions from the Board. ICD-10 went live today after months of preparation. All signs indicate a smooth transition.  | FYI |
| Health System Report<br>Louise Rogers<br>Health System Chief | The Health System Monthly Snapshot for September 2015 was included in the Board packet. Currently reviewing replacing the SSF clinic building. Some HS staff have been deployed to help with the Lake County fires. The solar project at the HS main campus is nearly complete.   | FYI |
| County Manager<br>Peggy Jenson                               | No report.  | FYI |
| Board of Supervisors<br>Supervisor Adrienne<br>Tissier       | Discussions are proceeding regarding the location of the Daly City Youth Center operations. It will retain FCHQ status.   | FYI |


Supervisor Tissier adjourned the meeting at 9:30 AM. The next Board meeting will be held on November 5, 2015.

Minutes recorded by:



Michelle Lee, Executive Secretary

Minutes approved by:

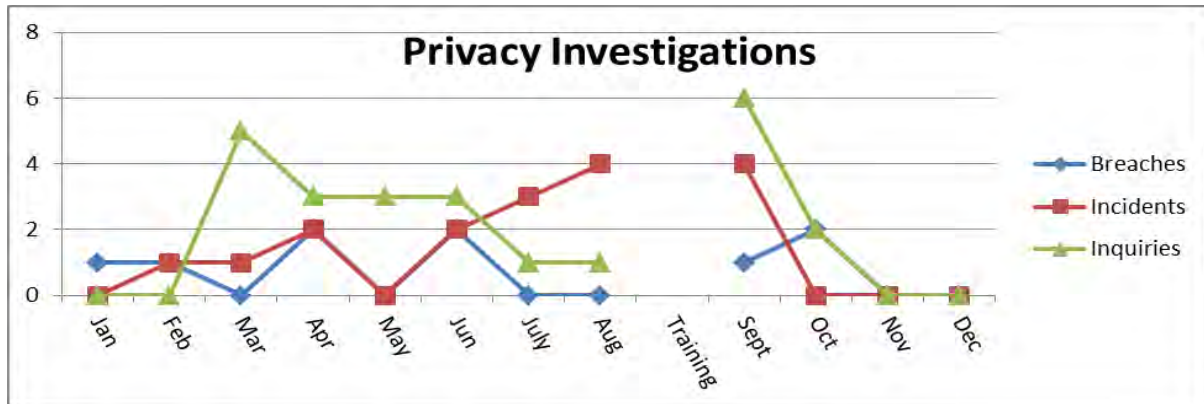


Dr. Susan Ehrlich, Chief Executive Officer

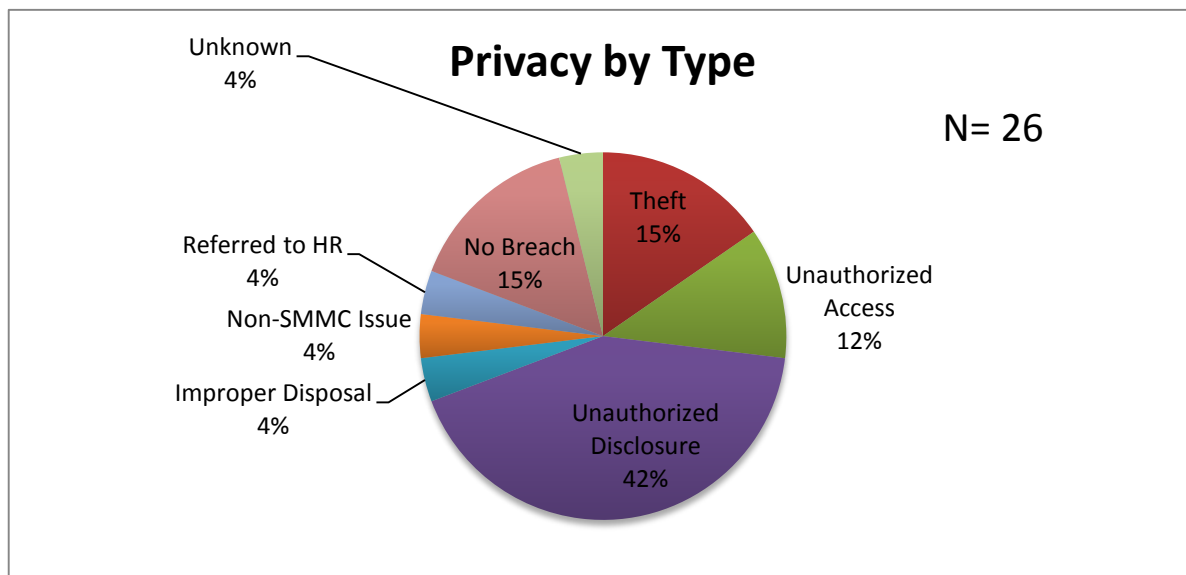
DATE: November 5, 2015  
TO: San Mateo Medical Center Board of Directors  
FROM: Teasha Fleming, CHC, Manager, Corporate Compliance and HIPAA  
RE: Compliance/Privacy Report to the Hospital Board

**HIPAA**

In the 3<sup>rd</sup> quarter of the calendar year, there was 1 reportable breach (from BHRS), 11 incidents and 8 inquiries.



From January through September, there have been a total of 26 breaches or incidents.





SECTION TITLE: COMPLIANCE/PRIVACY REPORT TO THE HOSPITAL BOARD

**Compliance**

No additional compliance issues were reported for the quarter.

To date, 15 documented compliance issues have been noted and resolved.

| Billing - Coding | COI/Vendor Relationships | Stark Law / Anti-kickback | Other Compliance* | Total |
|------------------|--------------------------|---------------------------|-------------------|-------|
| 11               | 0                        | 1                         | 3                 | 15    |

\* Other compliance includes general inquiries but no true regulatory issue.

**Training & Education**

The final HIPAA Training module was released on August 26<sup>th</sup>. It was assigned to all SMMC employees and current training completion rate is 71%. A series of in person training sessions were held to assist employees with meeting this requirement. Reminders and additional in person training options have been sent to managers.



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# TAB 2

# ADMINISTRATION REPORTS

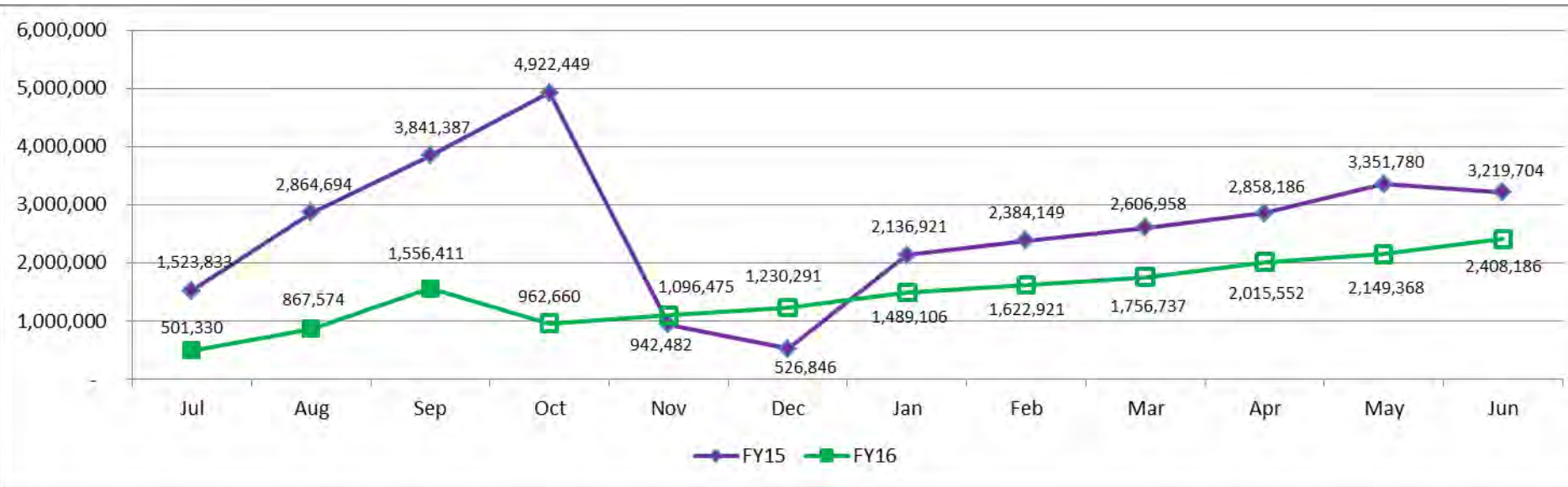


**San Mateo Medical Center**  
*A County System of Healthcare*

# September FY 2015-16 Financial Report

Board Meeting  
November 5, 2015

# Financial Highlights – Net Income Trend

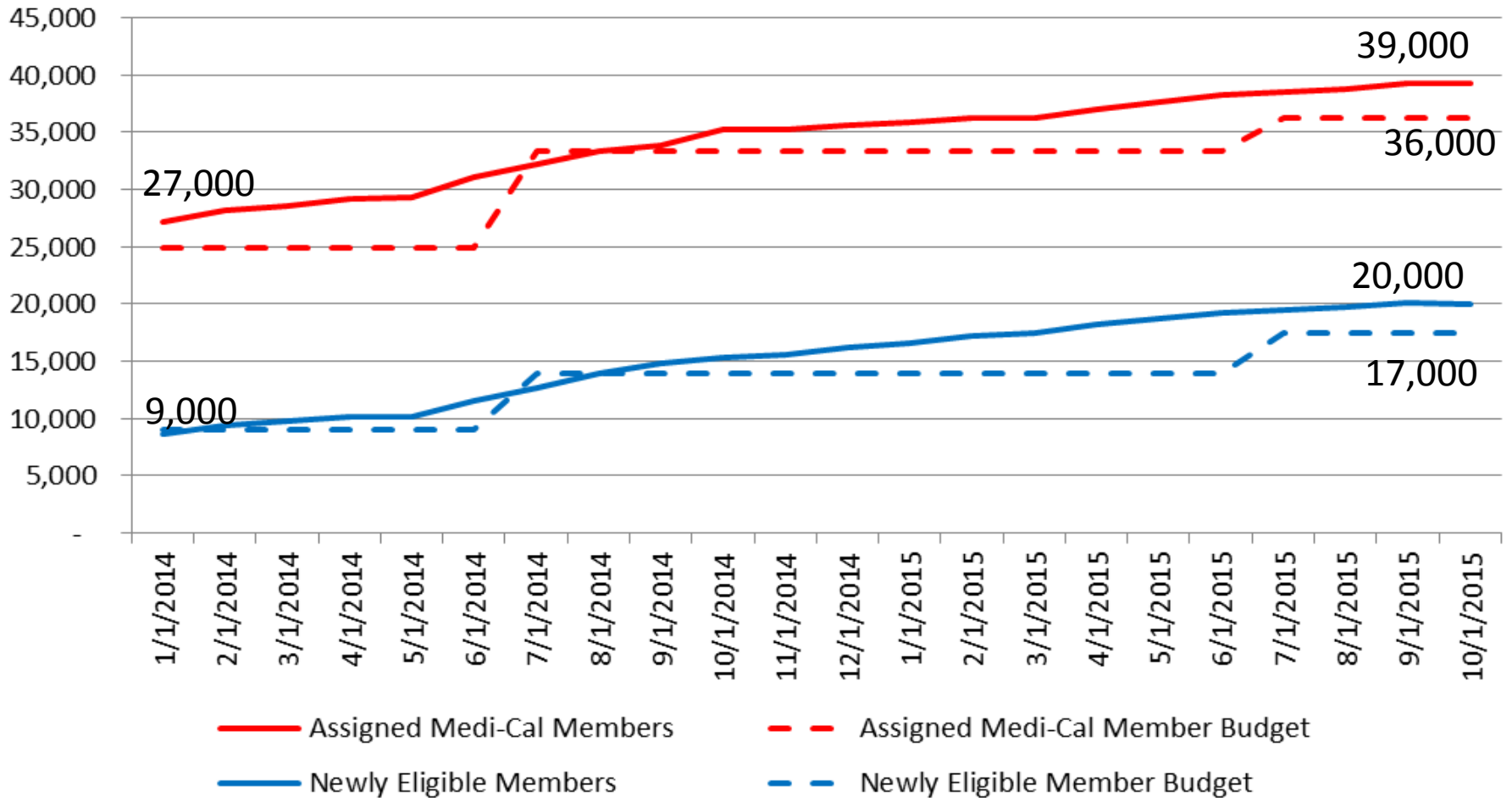


## Financial Drivers:

- Patient revenue unfavorable \$0.4 million (-2%)
- Operating expenses favorable \$1.1 million (+5%)
- Patient volumes above or near budget
- Salaries – FTE Vacancies
- Contract Providers – RN Registry

# SMMC Medi-Cal Members

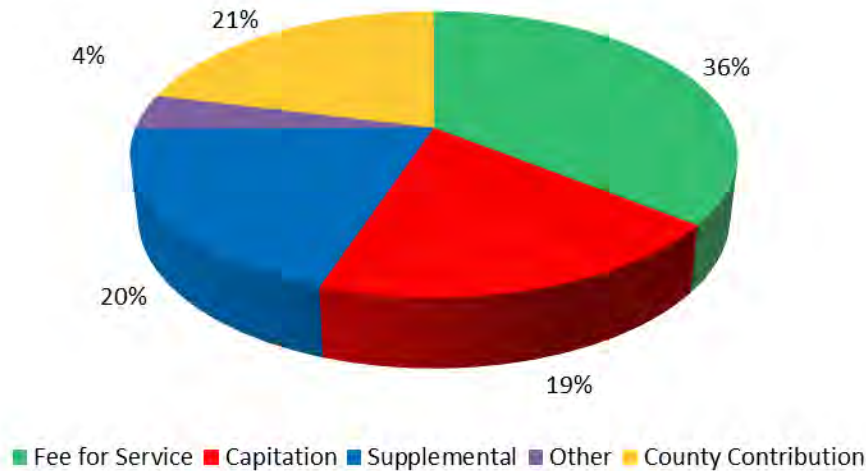
## HPSM Newly Eligible and Assigned Members



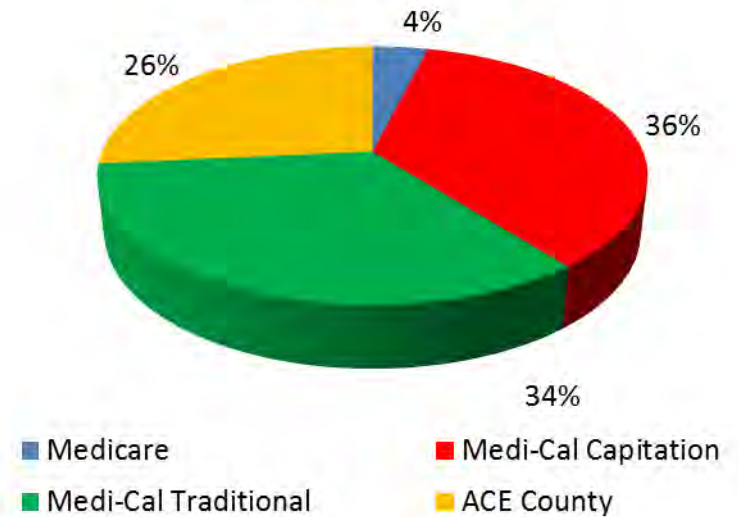
# Revenue Mix

58,000  
Managed  
Care  
Lives

### Sources of Revenue



### Managed Care Mix



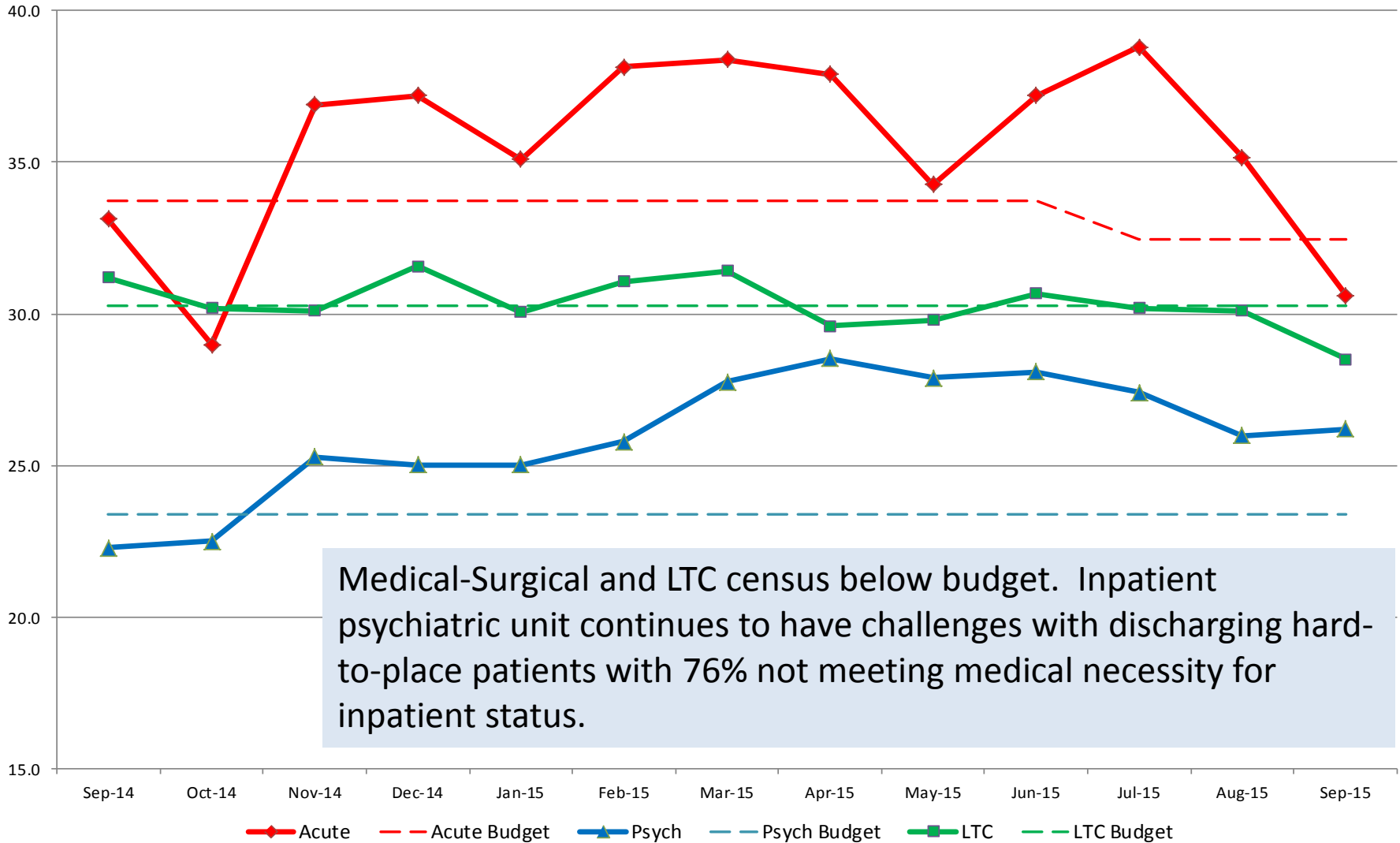
- 65% of our Operating Revenue is for services provided to patients covered by a managed care program
- \$40 million of our Supplemental Revenue is impacted by the renegotiation of the new Section 1115 Waiver.

San Mateo Medical Center  
 Inpatient Census  
 September 30, 2015

| MONTH  |        |          |           |
|--------|--------|----------|-----------|
| Actual | Budget | Variance | Stoplight |
| 2,559  | 2,607  | (48)     | -2%       |

| YEAR TO DATE |        |          |           |
|--------------|--------|----------|-----------|
| Actual       | Budget | Variance | Stoplight |
| 8,377        | 7,994  | 383      | 5%        |

Patient Days

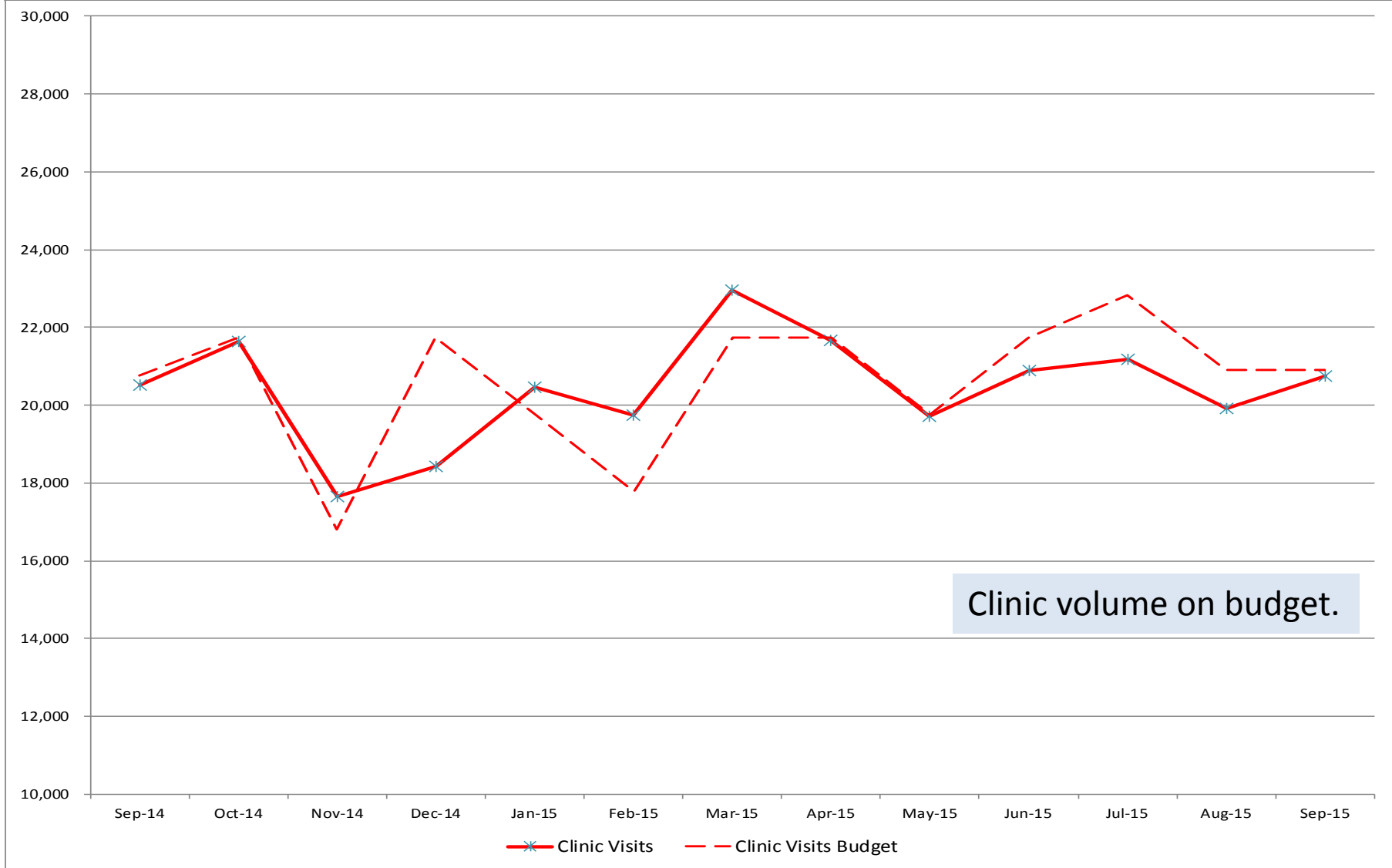


**San Mateo Medical Center  
Clinic Visits  
September 30, 2015**

| MONTH  |        |          |           |
|--------|--------|----------|-----------|
| Actual | Budget | Variance | Stoplight |
| 20,756 | 20,811 | (55)     | 0%        |

| YEAR TO DATE |        |          |           |
|--------------|--------|----------|-----------|
| Actual       | Budget | Variance | Stoplight |
| 61,861       | 64,416 | (2,555)  | -4%       |

**Clinic Visits**



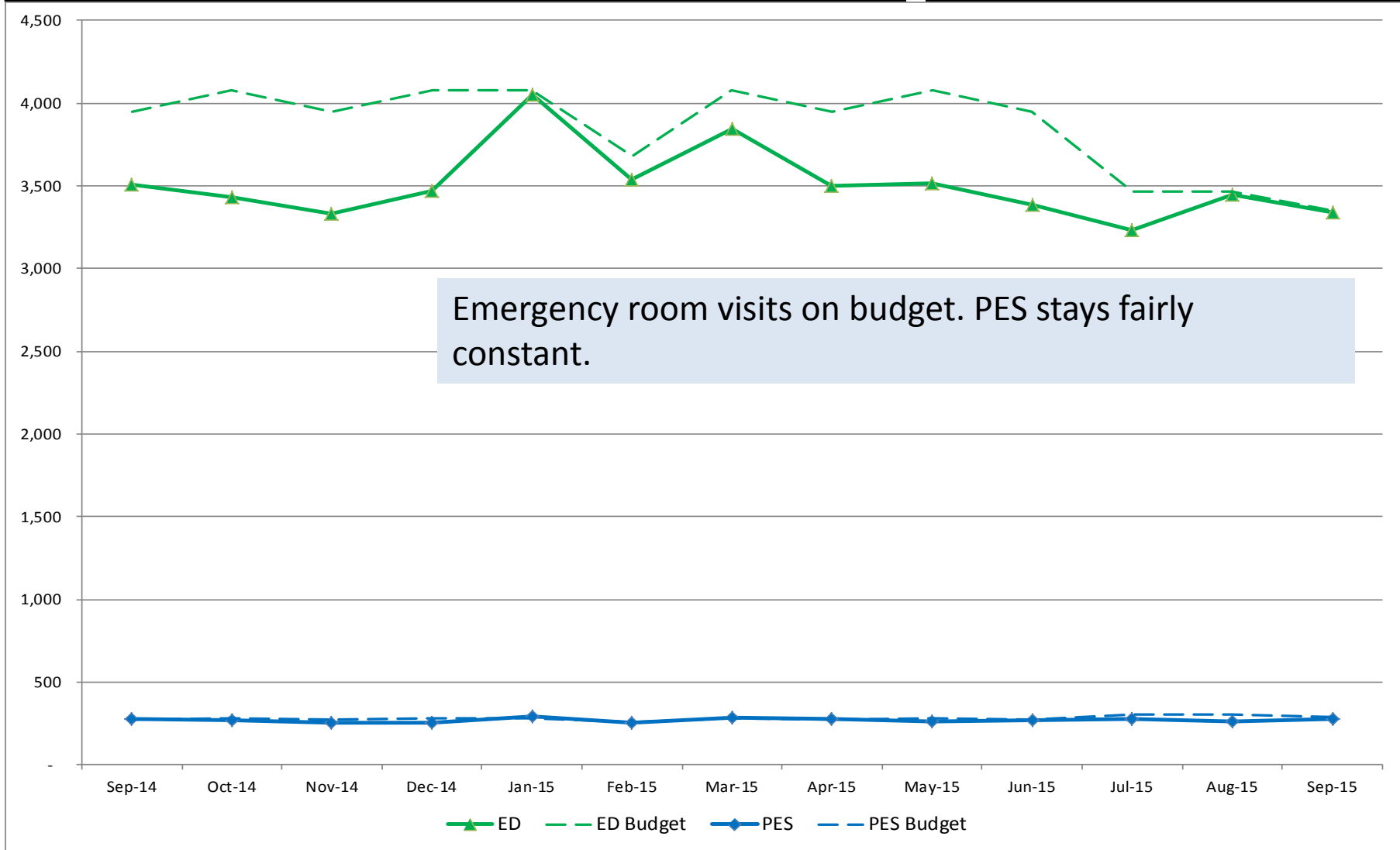


**San Mateo Medical Center  
Emergency Visits  
September 30, 2015**

| MONTH  |        |          |           |
|--------|--------|----------|-----------|
| Actual | Budget | Variance | Stoplight |
| 3,615  | 3,641  | (26)     | -1%       |

| YEAR TO DATE |        |          |           |
|--------------|--------|----------|-----------|
| Actual       | Budget | Variance | Stoplight |
| 10,834       | 11,166 | (332)    | -3%       |

**ED Visits**



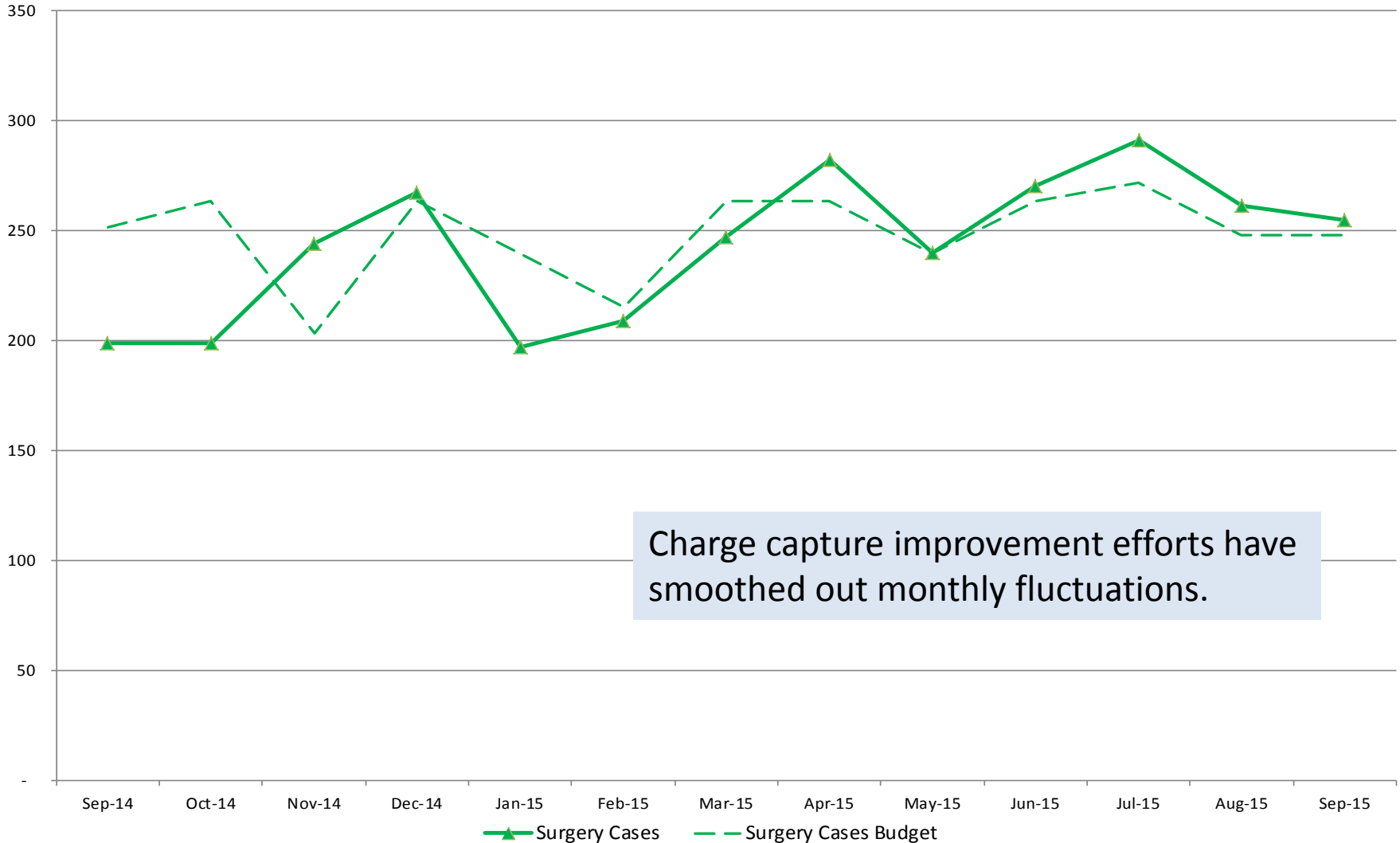
Emergency room visits on budget. PES stays fairly constant.

**San Mateo Medical Center  
Surgery Cases  
September 30, 2015**

| MONTH  |        |          |           |
|--------|--------|----------|-----------|
| Actual | Budget | Variance | Stoplight |
| 255    | 248    | 7        | 3%        |

| YEAR TO DATE |        |          |           |
|--------------|--------|----------|-----------|
| Actual       | Budget | Variance | Stoplight |
| 807          | 767    | 40       | 5%        |

**Surgery Cases**



# **APPENDIX**

San Mateo Medical Center

Payer Mix

September 30, 2015

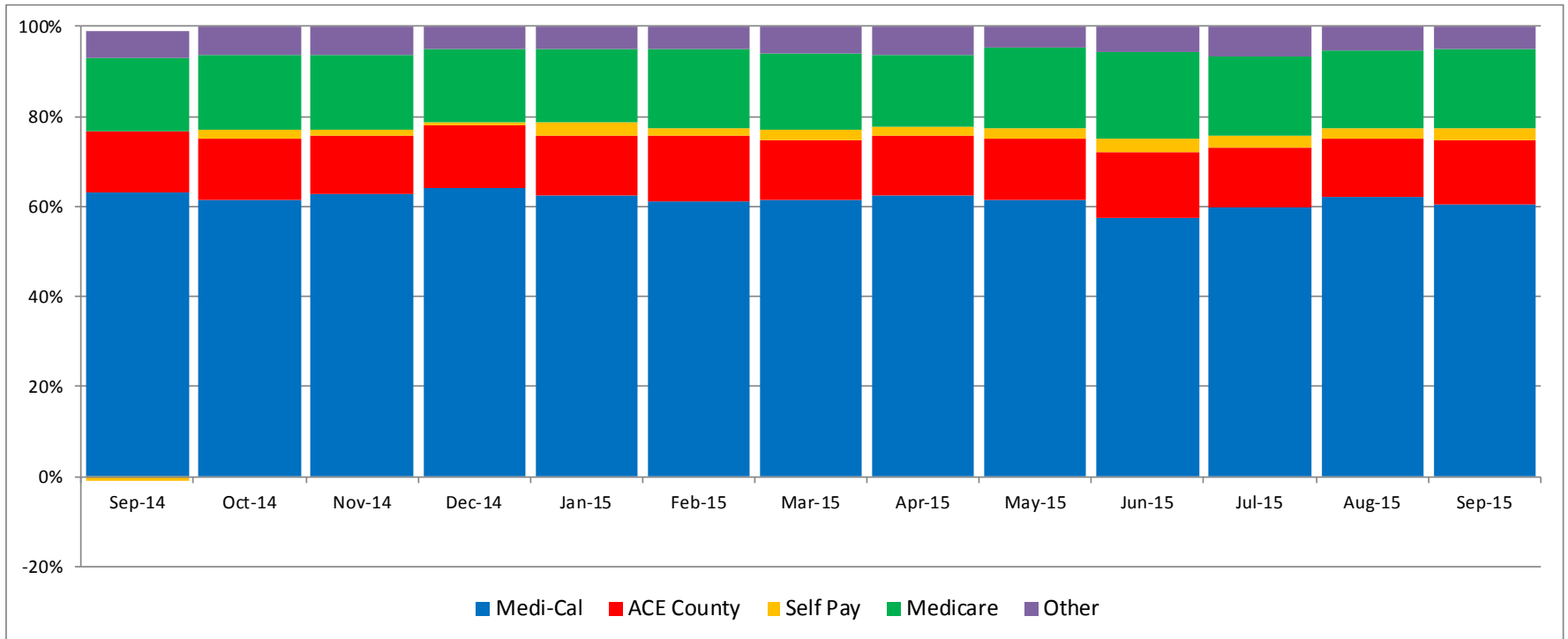
| MONTH  |        |          |           |
|--------|--------|----------|-----------|
| Actual | Budget | Variance | Stoplight |

| YEAR TO DATE |        |          |           |
|--------------|--------|----------|-----------|
| Actual       | Budget | Variance | Stoplight |

Payer Type by Gross Revenue

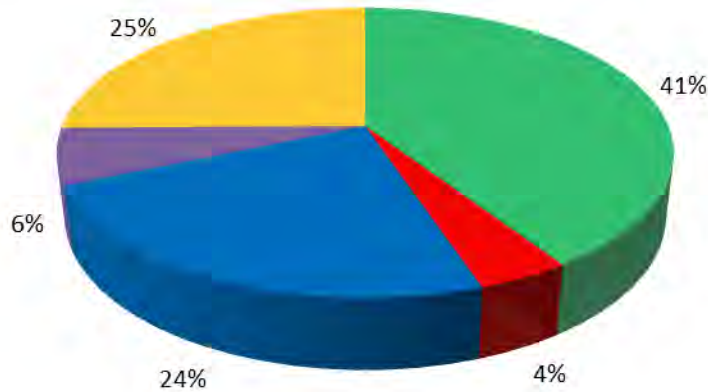
|               | A      | B      | C     | D |
|---------------|--------|--------|-------|---|
| 15 Medicare   | 17.4%  | 16.6%  | 0.9%  |   |
| 16 Medi-Cal   | 60.3%  | 59.9%  | 0.4%  |   |
| 17 Self Pay   | 2.8%   | 3.5%   | -0.6% |   |
| 18 Other      | 5.1%   | 5.9%   | -0.8% |   |
| 19 ACE County | 14.3%  | 14.1%  | 0.2%  |   |
| 20 Total      | 100.0% | 100.0% |       |   |

| E      | F      | G     | H |
|--------|--------|-------|---|
| 17.5%  | 16.6%  | 0.9%  |   |
| 60.7%  | 59.9%  | 0.8%  |   |
| 2.5%   | 3.5%   | -0.9% |   |
| 5.7%   | 5.9%   | -0.2% |   |
| 13.6%  | 14.1%  | -0.6% |   |
| 100.0% | 100.0% |       |   |

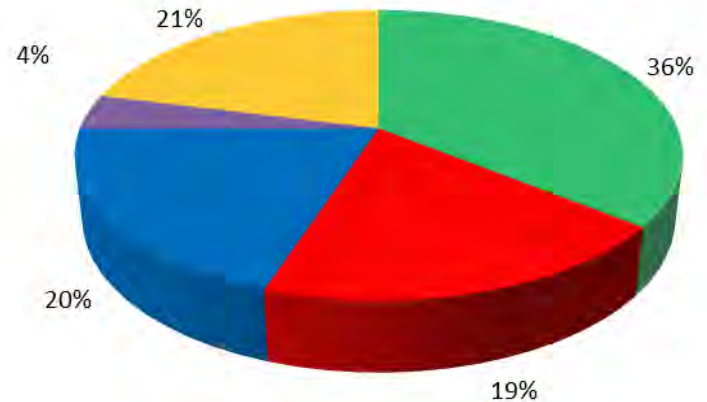


# Revenue Mix

Before Capitation (Jan 2014 - Jun 2014)



After Capitation (Jul 2015 - Sep 2015)



■ Fee for Service ■ Capitation ■ Supplemental ■ Other ■ County Contribution

■ Fee for Service ■ Capitation ■ Supplemental ■ Other ■ County Contribution

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

**San Mateo Medical Center**  
**Income Statement**  
**September 30, 2015**

|   | MONTH   |        |          |           | YEAR TO DATE |         |           |           |  |
|---|---------|--------|----------|-----------|--------------|---------|-----------|-----------|--|
|   | Actual  | Budget | Variance | Stoplight | Actual       | Budget  | Variance  | Stoplight |  |
|   | A       | B      | C        | D         | E            | F       | G         | H         |  |
| 1 <b>Income/Loss (GAAP)</b>   | 688,836 | (0)    | 688,836  |           | 1,556,406    | -1      | 1,556,407 |           |  |
| 2 <b>HPSM Medi-Cal Members Assigned to SMMC</b>   | 39,296  | 36,314 | 2,982    | 8%        | 116,818      | 108,942 | 7,876     | 7%        |  |
| 3 <b>HPSM Newly Eligible Medi-Cal Members Assigned to SMMC</b>  | 20,036  | 17,520 | 2,516    | 14%       | 59,310       | 52,560  | 6,750     | 13%       |  |
| 4 <b>Patient Days</b>   | 2,559   | 2,607  | (48)     | -2%       | 8,377        | 7,994   | 383       | 5%        |  |
| 5 <b>ED Visits</b>  | 3,615   | 3,641  | (26)     | -1%       | 10,834       | 11,166  | (332)     | -3%       |  |
| 6 <b>ED Admissions %</b>  | 6.5%    | -      | -        |           | 6.9%         | -       | -         |           |  |
| 7 <b>Surgery Cases</b>  | 255     | 248    | 7        | 3%        | 807          | 767     | 40        | 5%        |  |
| 8 <b>Clinic Visits</b>  | 20,756  | 20,811 | (55)     | 0%        | 61,861       | 64,416  | (2,555)   | -4%       |  |
| 9 <b>Ancillary Procedures</b>   | 65,060  | 60,770 | 4,290    | 7%        | 199,487      | 188,070 | 11,417    | 6%        |  |
| 10 <b>Acute Administrative Days as % of Patient Days</b>  | 4.2%    | 9.0%   | 4.8%     | 53%       | 6.7%         | 9.0%    | 2.3%      | 25%       |  |
| 11 <b>Psych Administrative Days as % of Patient Days</b><br>(Days that do not qualify for inpatient status) | 76.5%   | 58.0%  | -18.5%   | -32%      | 76.8%        | 58.0%   | -18.8%    | -32%      |  |
| <b>Pillar Goals</b>   |         |        |          |           |              |         |           |           |  |
| 12 <b>Patient &amp; Capitation Revenue PMPM</b>   | 168     | 174    | (6)      | -3%       | 171          | 174     | (3)       | -2%       |  |
| 13 <b>Operating Expenses PMPM</b>   | 325     | 342    | 17       | 5%        | 324          | 342     | 18        | 5%        |  |
| 14 <b>Full Time Equivalent (FTE)</b>  | 1,063   | 1,158  | 95       | 8%        | 1,060        | 1,158   | 98        | 8%        |  |

**San Mateo Medical Center**  
**Income Statement**  
**September 30, 2015**

|  | MONTH      |            |           |           | YEAR TO DATE |            |             |           |
|--|------------|------------|-----------|-----------|--------------|------------|-------------|-----------|
|  | Actual     | Budget     | Variance  | Stoplight | Actual       | Budget     | Variance    | Stoplight |
|  | A          | B          | C         | D         | E            | F          | G           | H         |
| 21 <b>Inpatient Gross Revenue</b>  | 7,601,802  | 7,848,949  | (247,147) | -3%       | 25,883,431   | 23,546,848 | 2,336,583   | 10%       |
| 22 <b>Outpatient Gross Revenue</b>   | 25,301,721 | 24,719,016 | 582,704   | 2%        | 75,216,847   | 74,157,049 | 1,059,797   | 1%        |
| 23 <b>Total Gross Revenue</b>  | 32,903,523 | 32,567,966 | 335,557   | 1%        | 101,100,278  | 97,703,898 | 3,396,380   | 3%        |
| 24 <b>Patient Net Revenue</b>  | 8,007,891  | 8,270,730  | (262,839) | -3%       | 24,898,849   | 24,812,190 | 86,659      | 0%        |
| 25 Net Patient Revenue as % of Gross Revenue   | 24.3%      | 25.4%      | -1.1%     | -4%       | 24.6%        | 25.4%      | -0.8%       | -3%       |
| 26 <b>Capitation Revenue</b>   | 4,559,934  | 4,439,557  | 120,378   | 3%        | 13,505,361   | 13,318,670 | 186,690     | 1%        |
| 27 <b>Supplemental Patient Program Revenue</b><br>(Additional payments for patients) | 4,994,135  | 5,264,148  | (270,014) | -5%       | 13,810,888   | 15,792,445 | (1,981,557) | -13%      |
| 28 <b>Total Patient Net and Program Revenue</b>                                      | 17,561,960 | 17,974,435 | (412,475) | -2%       | 52,215,097   | 53,923,305 | (1,708,208) | -3%       |
| 29 <b>Other Operating Revenue</b><br>(Additional payment not related to patients)    | 1,087,522  | 1,096,740  | (9,219)   | -1%       | 2,745,167    | 3,290,221  | (545,054)   | -17%      |
| 30 <b>Total Operating Revenue</b>  | 18,649,482 | 19,071,175 | (421,694) | -2%       | 54,960,264   | 57,213,526 | (2,253,262) | -4%       |

**San Mateo Medical Center**  
**Income Statement**  
**September 30, 2015**

|   | MONTH              |                    |                  |            | YEAR TO DATE        |                     |                  |            |  |
|---|--------------------|--------------------|------------------|------------|---------------------|---------------------|------------------|------------|--|
|   | Actual             | Budget             | Variance         | Stoplight  | Actual              | Budget              | Variance         | Stoplight  |  |
|   | A                  | B                  | C                | D          | E                   | F                   | G                | H          |  |
| <b>Operating Expenses</b>                       |                    |                    |                  |            |                     |                     |                  |            |  |
| 31 Salaries & Benefits                          | 13,094,184         | 14,267,825         | 1,173,642        | 8%         | 40,137,174          | 42,803,476          | 2,666,302        | 6%         |  |
| 32 Drugs  | 706,187            | 648,254            | (57,933)         | -9%        | 1,912,312           | 1,944,763           | 32,451           | 2%         |  |
| 33 Supplies                                     | 864,492            | 906,478            | 41,986           | 5%         | 2,646,334           | 2,719,435           | 73,102           | 3%         |  |
| 34 Contract Provider Services                   | 3,124,587          | 2,800,373          | (324,213)        | -12%       | 8,400,546           | 8,401,120           | 575              | 0%         |  |
| 35 Other fees and purchased services            | 3,971,782          | 4,147,418          | 175,636          | 4%         | 12,019,161          | 12,442,255          | 423,094          | 3%         |  |
| 36 Other general expenses                       | 365,747            | 455,369            | 89,622           | 20%        | 1,054,367           | 1,366,106           | 311,739          | 23%        |  |
| 37 Rental Expense                               | 173,806            | 173,805            | (1)              | 0%         | 521,415             | 521,414             | (1)              | 0%         |  |
| 38 Lease Expense                                | 817,105            | 817,105            | 0                | 0%         | 2,451,315           | 2,451,315           | 0                | 0%         |  |
| 39 Depreciation                                 | 225,658            | 241,114            | 15,455           | 6%         | 676,975             | 723,341             | 46,366           | 6%         |  |
| 40 <b>Total Operating Expenses</b>              | <b>23,343,548</b>  | <b>24,457,742</b>  | <b>1,114,194</b> | <b>5%</b>  | <b>69,819,599</b>   | <b>73,373,227</b>   | <b>3,553,628</b> | <b>5%</b>  |  |
| 41 <b>Operating Income/Loss</b>                 | <b>(4,694,066)</b> | <b>(5,386,567)</b> | <b>692,501</b>   | <b>13%</b> | <b>(14,859,335)</b> | <b>(16,159,701)</b> | <b>1,300,366</b> | <b>8%</b>  |  |
| 42 <b>Non-Operating Revenue/Expense</b>         | <b>477,229</b>     | <b>480,893</b>     | <b>(3,664)</b>   | <b>-1%</b> | <b>1,698,721</b>    | <b>1,442,680</b>    | <b>256,041</b>   | <b>18%</b> |  |
| 43 <b>Contribution from County General Fund</b> | <b>4,905,674</b>   | <b>4,905,674</b>   | <b>-</b>         | <b>0%</b>  | <b>14,717,021</b>   | <b>14,717,021</b>   | <b>-</b>         | <b>0%</b>  |  |
| 44 <b>Total Income/Loss (GAAP)</b>              | <b>688,836</b>     | <b>0</b>           | <b>688,836</b>   |            | <b>1,556,406</b>    | <b>-1</b>           | <b>1,556,407</b> |            |  |
| (Change in Net Assets)                          |                    |                    |                  |            |                     |                     |                  |            |  |





NOVEMBER 2014

## LEAP UPDATES & EXCELLENT CARE

- **Outstanding teamwork and performance demonstrated in response to Burlingame Long Term Care electrical fire and evacuation:** On the morning of Friday, October 16<sup>th</sup>, 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 immediately opened our Incident Command Center, with our Chief Nursing Officer Joan Spicer as Incident Commander, and began preparing to accept as many patients at SMMC as possible. John Thomas, our COO, established a strong presence at BLTC and worked with leadership there to stabilize operations, and worked with our Health System colleagues to ensure that all patients could be safely accepted at other facilities. 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. Staff and providers from all over SMMC came together to ensure a safe and comfortable environment for the BLTC patients from the moment they came to us in the ED until they were settle on 1B or 2A. By Sunday, October 18 at about 2pm, all patients had been returned to BLTC. It was a remarkable show of teamwork by staff and providers throughout the Health System.
- **LEAP Updates**  
**Highlighted Accomplishments from our Strategic Initiatives:**
  - **Quality Outcomes:** Our culture of safety scores are improving: on March 2015, 39% of staff disagreed with the statement "I feel my mistakes are held against me"; on September 2015 (pulse survey) 53% of staff disagreed with the statement (above our target of 50%).
  - **Financial Stewardship:** Our operating margin is currently 2.9%, above our target of 1.5%.

**Patients trained in and validating WE CARE:** As part of the Patient Experience Strategic Initiative, our Patient Improvement Partners (members of the Patient & Family Advisor Council) have been trained to validate WE CARE applications throughout areas of SMMC that have already received training.

**Care Team Transformation:** A team of providers, nurses, patient service assistants, managers, and a dedicated patient came together for a week-long “3P” workshop to design an ideal ‘future state’ for our Patient Centered Medical Homes, as well as the metrics we use to measure operational and clinical quality. The vision is for a high performing care team model that proactively meets preventive, acute and chronic care needs of our population, achieves patient and staff satisfaction, improves the clinical outcomes for patients and maintains a stable financial base for SMMC.

**LEAP Leadership System Spread:** A two-day LEAP Leadership System training included 34 patient services supervisors, nurses, providers, managers from the Emergency Department, Pediatric (39<sup>th</sup> Ave.), Innovative Care and Coastside Clinics, and ICU (night shift). The focus was on scientific problem solving and a specific tool used to sustain an area's improvement work. The training aims to support proactive planning and to develop a community of problem-solvers by applying LEAP techniques.

**Telehealth Pilot launched:** During October, both Coastside and Daly City Adult Clinics have been piloting a new process to offer both nursing and physician consultation over the phone. This exciting pilot is receiving rave reviews from staff and patients alike, allowing quality care to be offered right when patients need it, without having to take time out of their lives to travel. Between both clinics, over 50 telehealth visits were conducted in October, and we anticipate this number could nearly double by next month.

## PATIENT CENTERED CARE & STAFF ENGAGEMENT

- **Breast Cancer Awareness Month:** On Thursday, October 8th, we held our 9th Annual Breast Cancer Awareness and Health Fair in the Hospital Rotunda. Our amazing group of volunteers, led by Noris Larkin, RN, provided health education and screenings, mammography and treatment resources, merchandise and door prizes. Scores of staff, providers, volunteers and patients attended the event, and raised \$2,091 for the Julia Barron fund, which helps to support our breast cancer support group.
- **San Mateo Medical Center highlighted at the Cerner Health Conference:** Cerner, our largest electronic health record vendor, invited three SMMC leaders to present on best practices at its annual meeting, which attracts thousands of individuals from all over the world. Our CMIO Dr. Mike Aratow, along with Guarav Nagrath, our Cerner business intelligence consultant, presented “The Drive Towards Value Based Care,” and Dr. Steve Cummings, our Medical Director of Psychiatry and Julia McLaughlin, RN, our PES Manager, presented “Ensuring Patient Safety while Reducing Behavioral Risk with a Soarian Safety Plan.” Congratulations to these leaders for their innovative work!
- **Patient/family stories of gratitude:**
  - **From Fair Oaks Health Center patients:**
    - "Your service to the patients is way beyond my expectations. I always tell my friends what a great experience I always have. Everyone is so respectful and friendly something I haven't seen in other hospitals."
    - "He is not my regular doctor. He was subbing because my actual doctor had a baby. I felt very comfortable with him that I was able to explain my concerns with possible health issues. He was a very good listener that I think I took over his time because I couldn't stop talking about my concerns. Although he is not my regular doctor, I can see he is very caring, professional and with a great attitude. He seems passionate about what he does."
  - **From Innovative Care Center patients:**

- "Excellent hospital, all the receptionist & nurses are very nice, and my doctor is the best doctor I've ever had."
- "I would definitely recommend this hospital!! fast service, and excellent"
- **From Medical Specialty Clinic patients:**
  - "I have had Dr. Rockman and his staff helping me for over ten years. They are all wonderful, they're part of my family, and we've been through a lot together."
  - "Dr. Mak has been my doctor for a long time, whenever there is a concern he never stop working on it for me to get better... From testing, to follow-ups, refills and etc... Now I am better because of him... I remember even it was not his field he tried to help me and arrange some testing for that certain concern... He is a very good doctor..."
- **From 2A/B patients:**
  - "This is a great hospital, with excellent staff, great doctors & nurses - everyone is a credit to their profession. Great."
  - "The food & food service & workers were terrific. Food was excellent."
- **Blog Post:** "From Crisis to Inspiration," by Phuong Hathaway, describes Phuong's inspirational experience during the BLTC evacuation.  
<https://smmcblog.wordpress.com/2015/11/01/from-crisis-to-inspiration/>

## RIGHT CARE, TIME, PLACE

- **Sana Sana, Colita de Rana event engages our community:** On September 26<sup>th</sup>, the Latino Collaborative's third annual health forum drew over 200 people of all ages to Half Moon Bay. The event was a joint effort of many organizations, including the Health System's San Mateo Medical Center and Behavioral Health and Recovery Services. The Sheriff and many volunteers provided participants with a free barbeque of healthy foods; there was also folklorico dancing and zumba exercise, as well as talks about health and mental health topics. Many thanks to Priscilla Padilla-Romero from Fair Oaks Health Center, who was one of the co-chairs, and Dr. Hemal Mehta and Jonathan Mesinger who were involved in the planning as well. Coastside clinic had an information table staffed by Sande Perez, NP and Adrian Espinoza RN, where we provided education and blood pressure checks. The event was a great success and provided SMMC with greater visibility in the community, demonstrating the value of our collaboration with other County divisions and the community in general.

## FINANCIAL STEWARDSHIP

- **State and Federal governments agree to high level Medi-Cal waiver:** California's 2010 – 2015 "Bridge to Reform" Medi-Cal waiver expired on October 31, 2015. This waiver governs billions of Medi-Cal dollars to 21 designated public hospitals, like SMMC, throughout California. SMMC receives approximately \$40 million annually through the waiver. Through its innovative pay for performance design, the waiver has driven extensive transformations in the cost, quality and experience of care to low income individuals throughout California. On October 30<sup>th</sup>, the State

Department of Health Care Services (DHCS) agreed with the Federal Centers for Medicare and Medicaid Services (CMS) at a high level on a new waiver that will carry us through 2020, and will continue our opportunity to improve care. The waiver has three major components, all of which support SMMC's current strategic direction:

- PRIME (Public Hospital Redesign and Incentives in Medi-Cal): a 5-year performance incentive program that builds on the success of the 2010 Delivery System Reform Incentive Program (DSRIP).
- Global Payment Program Pilot: A payment reform program for the remaining uninsured that combines Safety Net Care Pool and Medicaid Disproportionate Share Hospital funding for public health care systems. This program will incentivize primary care and more innovative types of care, such as telehealth, over more costly inpatient services.
- Whole Person Care: A voluntary county-based pilot program aimed at coordinating and combining a wide range of services and supports (physical health, behavioral health, housing, food assistance, legal/justice system, etc.) to help our highest-risk patients stay out of the Emergency Department and improve their overall health.

Over the next several months, DHCS and CMS will hammer out the details that govern exactly how the waiver will be implemented.

- **Ambulatory system awarded grant to support payment reform pilot:** On September 30<sup>th</sup> the Blue Shield of California Foundation approved a \$48,500 grant to San Mateo Medical Center to support the Payment Reform Pilot Program Support for Federally Qualified Health Centers. This grant will support SMMC in implementing value-based care delivery strategies, including participation in the Payment Reform Pilot Program which was recently signed into law by Governor Brown.
- **Core network upgrade completed successfully:** Between October 3rd at 6pm and October 4th at 5am, ISD and SMMC HIT successfully completed a core network upgrade. This was a massive undertaking, taking ALL applications off-line for the 12 hour period. It required months of planning and coordination with all departments, which was led by Cecilia Diaz and our IT department in conjunction with on on-site ISD team led by Jose Mejia. The success of this once in several decades event was a testament to the amazing work our IT team did before and during the event. Liz Evans and the nursing supervisor Rachel Flinn worked with the teams throughout the medical center during the night to ensure success as well.
- **Openlink application secured by our HIT team and their partners:** In order to secure the performance of all our HIT applications here at SMMC, our HIT team planned an Open Link Optimization/Upgrade & Cerner/Siemens Maintenance between 3am and 7am on Sunday, October 18. The team pressed on with this vitally needed upgrade in spite of the BLTC incident, and was able to complete it successfully. Many thanks to Cecilia Diaz and her team for such a successful execution.
- **SMMC goes green:** San Mateo Medical Center has focused on several Green Initiatives over the last year to reduce waste, divert trash from landfills and to reduce water usage. These initiatives are to:

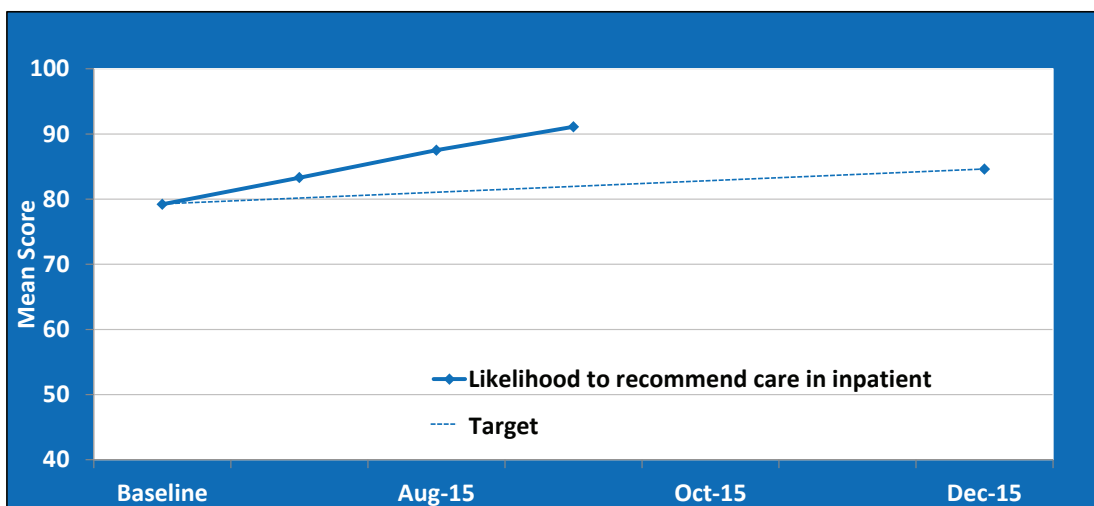
- Divert food scraps from the kitchen away from regular trash and dispose in a compost bin. SMMC now diverts approximately 100 tons annually through composting.
  - Accept only electronic submittals during the RFP process, eliminating about 15,000 pieces of paper per year.
  - Eliminate the gas sterilizer 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 and utilize drip irrigation which will decrease water usage by 50%. SMMC was granted a \$2,300 rebate by CalWater for eliminating the lawn.
- **ICD-10 Now Live:** Thursday, October 1, 2015 marked the national ICD-10 official implementation date. Physicians, hospitals and other providers across the country are transitioning from working with 13,000 medical billing codes to 68,000 codes. As a result of our extensive planning, early provider adoption of ICD-10 in our clinics, and near flawless cut-over execution, the October 1<sup>st</sup> transition went smoothly. The second phase of ICD-10 focuses on billing operations – claim submissions, payment remittances and denials management. Dave McGrew and his team will be carefully scrutinizing our financial performance and working with our provider teams in order to minimize impact.
  - **340B Program potentially undergoing big changes:** On August 27th, the federal Health Resources and Services Administration (HRSA) released long-awaited proposed guidance on the 340B Drug Pricing Program. The 340B Drug Pricing Program allows safety-net healthcare organizations such as SMMC to purchase outpatient drugs at discounted prices, thereby enabling us to reach more eligible patients and provide more comprehensive services. HRSA’s proposed guidance addresses a broad range of topics within the 340B Program. In collaboration with the California Association of Public Hospitals (CAPH), SMMC submitted comments on October 27<sup>th</sup>. SMMC commented on specific issues relating to the use of telemedicine, discharge prescriptions and referrals to specialty providers in our network.

*We focus on what matters most to our patients and their families, and partner with them to provide compassionate care in a culturally competent way.*



| Patient Centered Care Metric                          | Baseline    | Jul-15      | Aug-15      | Sep-15    | Oct-15 | Nov-15 | Dec-15 | Target Jul 2016 |
|---|-------------|-------------|-------------|-----------|--------|--------|--------|-----------------|
| <b>Likelihood to recommend care in emergency dept</b> | <b>83.8</b> | <b>80.4</b> | <b>87.8</b> | <b>88</b> |        |        |        | <b>90</b>       |
| Sample Size   |             | 51          | 43          | 54        |        |        |        |                 |

*We focus on what matters most to our patients and their families, and partner with them to provide compassionate care in a culturally competent way.*



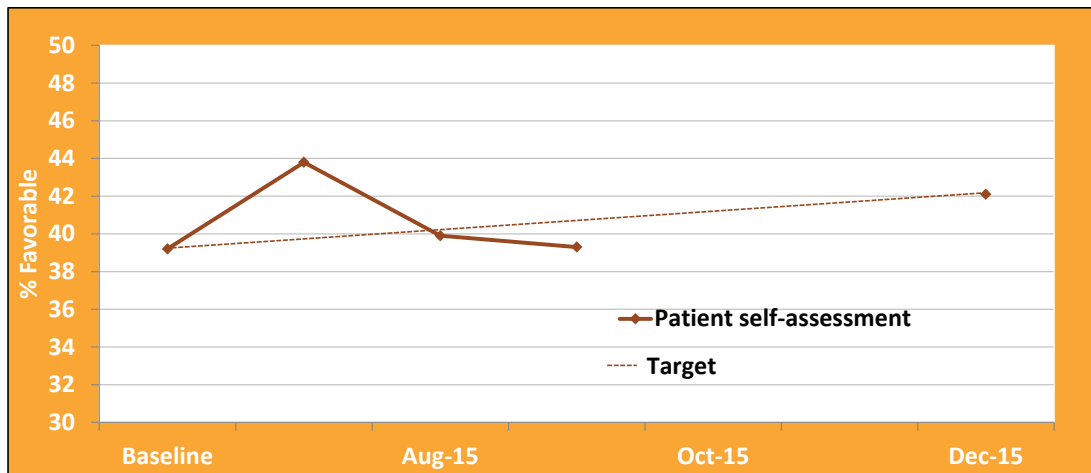
| Patient Centered Care Metric                     | Baseline    | Jul-15      | Aug-15      | Sep-15      | Oct-15 | Nov-15 | Dec-15 | Target Jul 2016 |
|--|-------------|-------------|-------------|-------------|--------|--------|--------|-----------------|
| <b>Likelihood to recommend care in inpatient</b> | <b>79.2</b> | <b>83.3</b> | <b>87.5</b> | <b>91.1</b> |        |        |        | <b>90</b>       |
| Sample Size                                      |             | 39          | 30          | 28          |        |        |        |                 |

*We focus on what matters most to our patients and their families, and partner with them to provide compassionate care in a culturally competent way.*



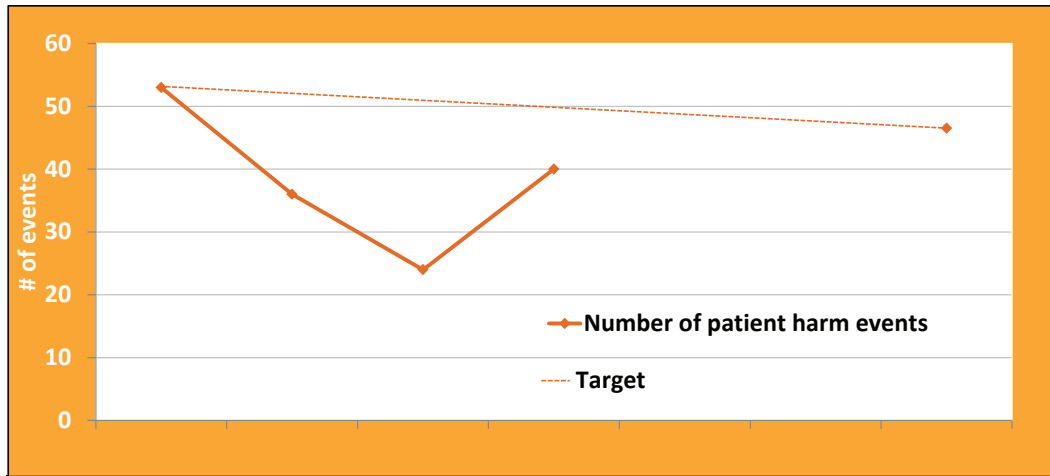
| Patient Centered Care Metric            | Baseline | Jul-15 | Aug-15 | Sep-15 | Oct-15 | Nov-15 | Dec-15 | Target Jul 2016 |
|---|----------|--------|--------|--------|--------|--------|--------|-----------------|
| Likelihood to recommend care in clinics | 85.7     | 87.0   | 88.2   | 89.4   |        |        |        | 90              |
| Sample size                             |          | 200    | 206    | 175    |        |        |        |                 |

*We partner with our patients to achieve their health goals by providing a safe environment and integrated, evidence-based care.*



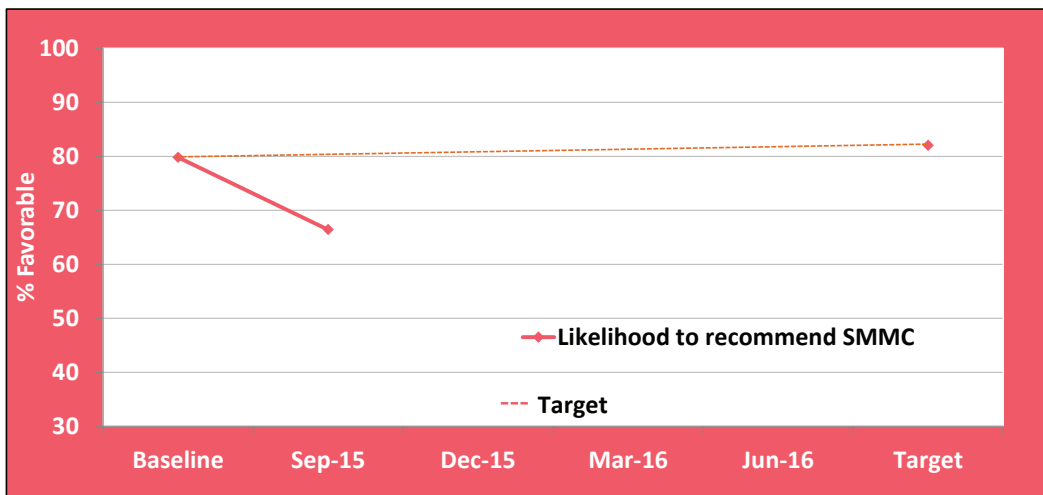
| Excellent Care Metric   | Baseline | Jul-15 | Aug-15 | Sep-15 | Oct-15 | Nov-15 | Dec-15 | Target Jul 2016 |
|-------------------------|----------|--------|--------|--------|--------|--------|--------|-----------------|
| Patient self-assessment | 39.2     | 43.8   | 39.9   | 39.3   |        |        |        | 45              |

*We partner with our patients to achieve their health goals by providing a safe environment and integrated, evidence-based care.*



| Excellent Care Metric         | Baseline | Jul-15 | Aug-15 | Sep-15 | Oct-15 | Nov-15 | Dec-15 | Target Jul 2016 |
|-------------------------------|----------|--------|--------|--------|--------|--------|--------|-----------------|
| Number of patient harm events | 53       | 36     | 24     | 40     |        |        |        | 40              |

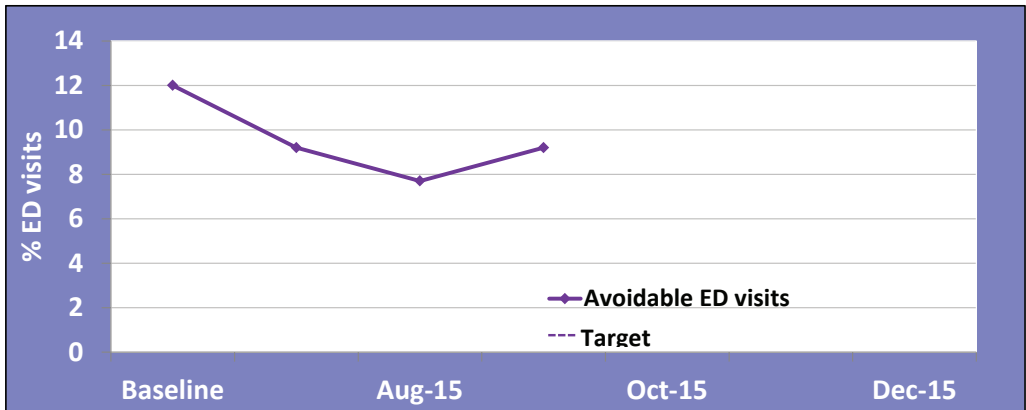
*We are a great place to work and we are passionate about serving our community.*



| Staff Engagement Metric      | Baseline | Sep-15 | Dec-15 | Mar-16 | Jun-16 | Target |
|------------------------------|----------|--------|--------|--------|--------|--------|
| Likelihood to recommend SMMC | 79.8     | 66.4   |        |        |        | 82     |

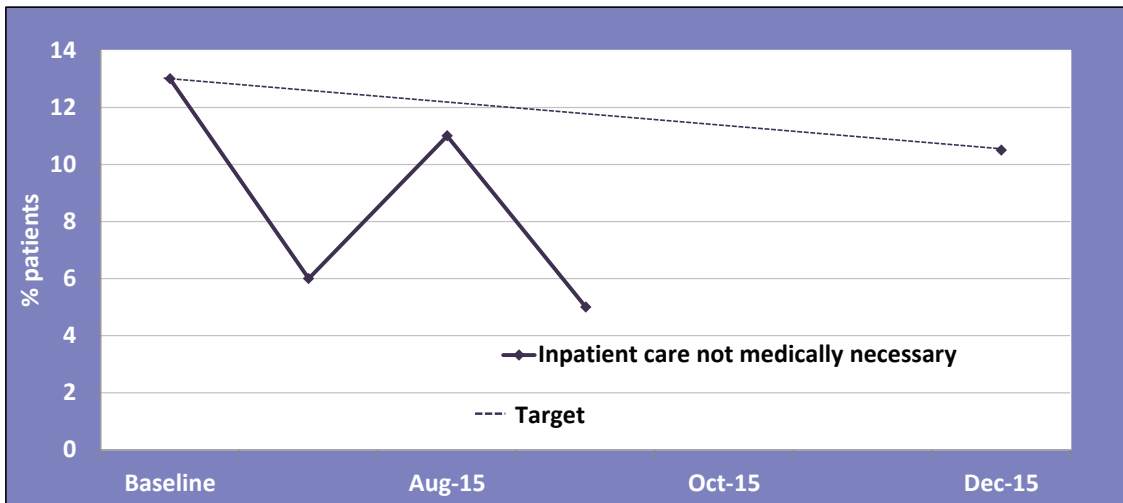


*We ensure our patients get the right care at the right time and place.*



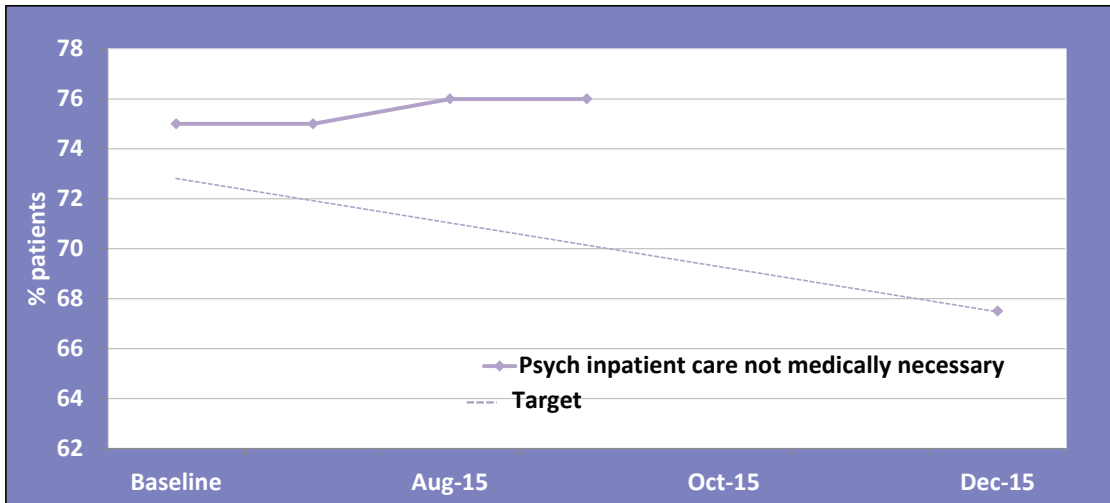
| Right Care, Time, Place Metric | Baseline | Jul-15 | Aug-15 | Sep-15 | Oct-15 | Nov-15 | Dec-15 | Target Jul 2016 |
|--------------------------------|----------|--------|--------|--------|--------|--------|--------|-----------------|
| Avoidable ED visits            | 12.0     | 9.2    | 7.7    | 9.2    |        |        |        | ?               |

*We ensure our patients get the right care at the right time and place.*



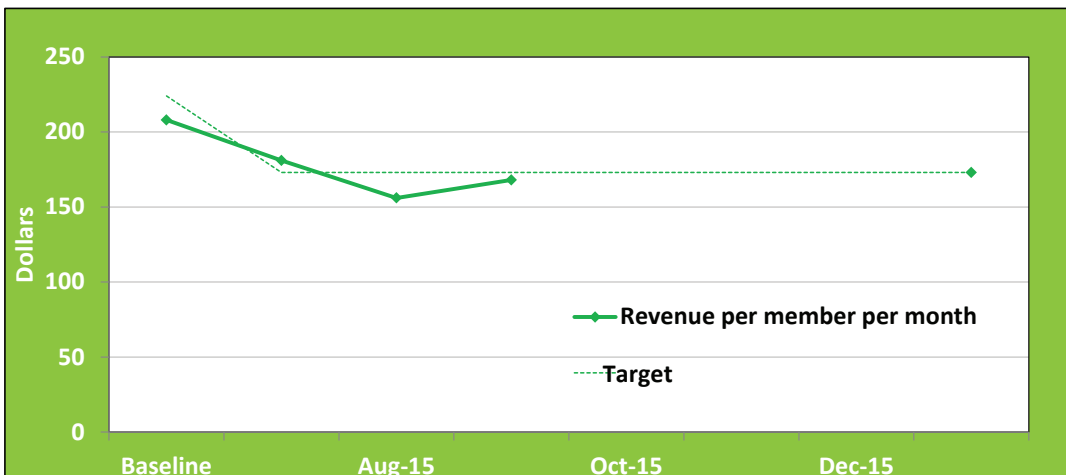
| Right Care, Time, Place Metric         | Baseline | Jul-15 | Aug-15 | Sep-15 | Oct-15 | Nov-15 | Dec-15 | Target Jul 2016 |
|--|----------|--------|--------|--------|--------|--------|--------|-----------------|
| Inpatient care not medically necessary | 13.0     | 6      | 11     | 5      |        |        |        | 8               |

*We ensure our patients get the right care at the right time and place.*



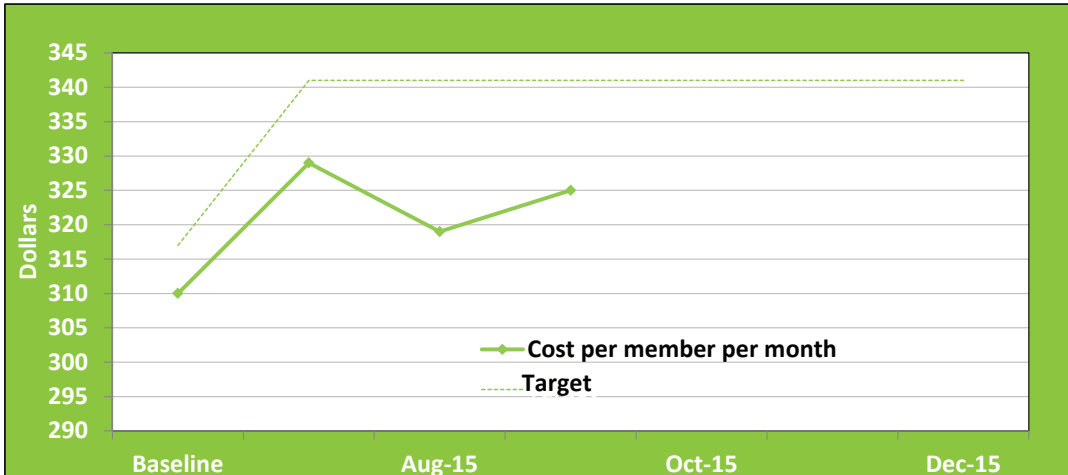
| Right Care, Time, Place Metric               | Baseline | Jul-15 | Aug-15 | Sep-15 | Oct-15 | Nov-15 | Dec-15 | Target Jul 2016 |
|--|----------|--------|--------|--------|--------|--------|--------|-----------------|
| Psych inpatient care not medically necessary | 75.0     | 75.0   | 76     | 76     |        |        |        | 60              |

*We partner with our patients to deliver high value care in a financially responsible manner.*



| Financial Stewardship Metric | Baseline | Jul-15 | Aug-15 | Sep-15 | Oct-15 | Nov-15 | Dec-15 | Target Jul 2016 |
|------------------------------|----------|--------|--------|--------|--------|--------|--------|-----------------|
| Revenue per member per month | 208      | 181    | 156    | 168    |        |        |        | 173             |
| Target                       | 224      | 173    | 173    | 173    | 173    | 173    | 173    | 173             |

***We partner with our patients to deliver high value care in a financially responsible manner.***



| Financial Stewardship Metric     | Baseline   | Jul-15     | Aug-15     | Sep-15     | Oct-15 | Nov-15 | Dec-15 | Target Jul 2016 |
|----------------------------------|------------|------------|------------|------------|--------|--------|--------|-----------------|
| <b>Cost per member per month</b> | <b>310</b> | <b>329</b> | <b>319</b> | <b>325</b> |        |        |        | <b>341</b>      |
| Target                           | 317        | 341        | 341        | 341        | 341    | 341    | 341    | 341             |



# COUNTY OF SAN MATEO HEALTH SYSTEM

To: SMMC Board Members  
 From: Louise Rogers, Chief  
 Subject: Health System Monthly Snapshot – October 2015

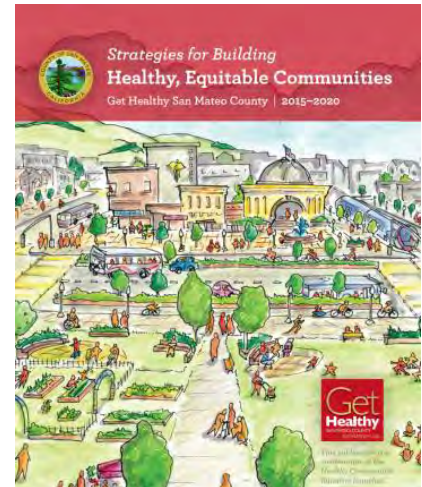
| Indicator                                     | Number                                   | Change from previous month | Change from last year |
|---|--|----------------------------|-----------------------|
| ACE Enrollees                                 | <b>18,751</b><br><i>(September 2015)</i> | 0.6%                       | -9.1%                 |
| SMMC Emergency Department Visits              | <b>3,615</b><br><i>(September 2015)</i>  | -2.5%                      | -2.8%                 |
| New Clients Awaiting Primary Care Appointment | <b>290</b><br><i>(October 2015)</i>      | 41.5%                      | -70.6%                |

## Get Healthy San Mateo County Collaborative Releases New Strategic Priorities

[The new priorities for 2015-2020](#) add to a list of efforts that have been advanced by partners since 2004:

- Stable and affordable housing protects health and creates ability to engage in healthy opportunities.
- Complete neighborhoods: make it easy for residents to be healthy in their own communities.
- High-quality education creates pathways to better health.
- A strong local economy builds household financial security and promotes health for all.

These priorities were created with the input of nearly 400 organizational and community leaders who participated in workshops, completed surveys and shared their vision for a healthy, equitable San Mateo County. The new priorities reflect the growing understanding that social, economic and environmental factors determine health outcomes; and that place, income, education, and race/ethnicity **have enormous impacts on a person's** opportunities to be healthy.



## Another ACA Enrollment Kicks Off; Will Build on Last Year's Success

The Health Coverage Unit is once again working with community partners to enroll local residents in affordable health insurance coverage under Covered California. Following on the heels of being the top enrolling county in the state for the second year in a row, we estimate that 96% of San Mateo County residents now **have health insurance. Still, we're aiming to** reach the remaining 29,000 residents without insurance this year, thanks to a Covered California grant that will help us continue our successful past strategies of night and weekend enrollment help and better signage at enrollment centers. **We'll** focus on neighborhoods where the number of uninsured remains stubbornly high—East Menlo Park, Redwood City, East Palo Alto, and North Fair Oaks.

## Health System and Community Partners Work to Protect County from Flu

The Health System and dozens of community partners are teaming up again this year to create awareness of the benefits of getting a flu shot and run more than [30 clinics where residents can get free flu shots](#)—no ID, insurance or appointment required. **This year's** outreach efforts center around social media, the **Health System's website**, local media, and more targeted outreach to uninsured adults through SamTrans bus placards, flyer distribution at libraries, adult schools, employment offices, food banks and more.



San Mateo Medical Center  
*A County System of Healthcare*

**TAB 3**

**MEDIA  
ARTICLES**

Printed from THE DAILY JOURNAL, dtd. 10/17/2015

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## **Burlingame fire and power outage displaces patients: Temporary quarters needed after incident at long-term care facility**

*October 17, 2015, 05:00 AM Staff and wire report*

A major effort took place to move patients out of a long-term care facility in Burlingame that lost power after a small fire Friday morning, according to San Mateo County Health System officials.

The power outage was triggered by an electrical fire at 9:31 a.m. at Burlingame Long-Term Care at 1100 Trousdale Drive, according to the Central County Fire Department.

Robyn Thaw, spokeswoman for the San Mateo County Health System, said the fire began in a kitchen.

The fire was extinguished and patients are safe, but restoring power took several more hours, Thaw said.

About 70 of the facilities' approximately 270 patients were transferred to the county-run San Mateo Medical Center and other skilled nursing facilities while the power was out. Power was restored by early evening and work was beginning to bring those patients back, Thaw said.

The transfer would take place over the next few days as it was getting late in the day, she added.

Marcus Weenig, CEO of the facility, said while the fire was minor and there are electrical generators sufficient for the facility on site, the uncertainty of when the power would be back on led to the decision to find care elsewhere for those patients with the most critical need for electrical equipment. He said he expected everyone to be back at the facility by Monday. He also said regular fire and emergency drills helped with this situation.

"Without knowing when we might have power, we knew we could not delay the relocation of those residents," he said.

As of 8:30 p.m. Friday, Weenig said the remaining residents were back in their rooms and that, "things have settled down tremendously."

Louise Rogers, chief of San Mateo County Health System, said it was a top priority to make sure there were facilities available to receive the residents Friday. "We are doing everything we can to ensure a safe and comfortable stay for each resident," Rogers said.

Eight SamTrans vehicles were committed to assist in the transfer, an official from the public transit agency said.

# 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.