

BOARD OF DIRECTORS MEETING

Thursday, March 2, 2017 8:00 AM – 10:00 AM

SAN MATEO MEDICAL CENTER

EXECUTIVE BOARD ROOM
Second Floor, Administration Wing



BOARD OF DIRECTORS MEETING

March 2, 2017 8:00 – 10:00 AM

Executive Board Room – Second Floor, Administration Wing

AGENDA

| Α. | CAL | L TO | ว ด | RD |)ER |
|----------|-------------|------|-----|----|-----|
| <i>,</i> | U/\L | 、 | , | | |

B. CLOSED SESSION

Items Requiring Action

1. Medical Staff Credentialing Report

2. Quality Report

Informational Items

3. Medical Executive Committee

Dr. Janet Chaikind

Dr. Julie Hersk

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, Leslie Williams-Hurt

F. CONSENT AGENDA TAB 1

Approval of:

1. February 2, 2017 Meeting Minutes

| | CAL STAFF REPORT of Staff Update | Dr. Janet Chaikind |
|--------------------------------------------------|---------------------------------------------------------------------|---------------------------------------------------------------------------------------|
| Psy Co Fin | ychiatry Department ordilleras Redesign Update nancial Report | Dr. Susan FernyakVerbal Louise RogersVerbal David McGrewTAB 2 Dr. CJ KunnappillyTAB 2 |
| | TH SYSTEM CHIEF REPORT System Snapshot | Louise RogersTAB 2 |
| J. COUN | ITY MANAGER'S REPORT | John Maltbie |
| K. BOAR | D OF SUPERVISOR'S REPORT | Supervisor Carole Groom |
| L. ADJO | URNMENT | |

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, February 2, 2017 Executive Board Room

Members of the Public

Supervisor Carole Groom Supervisor David Canepa John Maltbie

John Maltbie
Louise Rogers
Dr. CJ Kunnappilly
Dr. Janet Chaikind
Dr. David Lin

Board Members Present

Dr. Julie Hersk Deborah Torres Staff Present
David McGrew

Joan Spicer Dr. Susan Fernyak Michelle Lee Priscilla Romero Leslie Williams-Hurt

Arlene Cahill Tosan Boyo
Glenn Levy Dr. Sylvia Espinoza
Dr. Alpa Sanghavi Dr. Jeanette Aviles

Peggy Jensen Steve Kaplan John Thomas Karen Pugh

| 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 8:20 AM to Open Session. A quorum was present (see above). | |
| Report out of Closed | Medical Staff Credentialing Report for February 2, 2017 | Glenn Levy reported |
| Session | Medical Executive Committee Minutes from January 10, 2017 | that the Board unanimously approved the Credentialing Report and the QIC Minutes and accepted the MEC Minutes. |
| Public Comment | None. | |
| Foundation Report | Leslie Williams-Hurt gave a current status report on grants. The 14 th Annual Golf Tournament will be on August 28 at Sharon Heights Golf and Country Club. Tournament proceeds will support the Dental Clinics. A newsletter focusing on programs the Foundation supports will be mailed on March 1. | FYI |
| Consent Agenda | Approval of: 1. Hospital Board Meeting Minutes from January 5, 2017. | It was MOVED, SECONDED and CARRIED unanimously to approve all items on the Consent Agenda. |

| Medical Staff Report Dr. Janet Chaikind | The San Mateo Augmented Referral Triage and Tracking (SMARTT) kick-off happened on January 24. The purpose of the SMARTT project is to improve access to specialty care expertise through more efficient and effective use of specialty care resources using the AristaMD platform. SMARTT will implement an automated (no human gatekeeper) referral rules mechanism for specialty referrals and provide a platform for consultations between primary care providers and specialists. The system will interface with Soarian, eCW (eClinicalWorks), and PulseCheck. We are targeting rolling out SMARTT to two pilot locations (Innovative Care Clinic and Daly City Health Center) | FYI |
|------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----|
| | and two specialties (Rheumatology and MSK) in July of 2017 and to the rest of the SMMC in a phased approach through December of 2017. | |
| Hospital Board Self- Evaluation results Dr. CJ Kunnappilly | Three areas of opportunity were identified through the Board self-evaluation and will be included in future meetings. They are: • Additional board education on physician relations, community needs, employees' quality of work life • Expanded focus on long term strategies • Inclusion of the patient voice | FYI |
| Primary Care Medical Home (PCMH) Tosan Boyo | We are implementing the patient centered medical home to improve access and quality for all our patients, and staff satisfaction. We will structure ambulatory care using the eight Primary Care Medical Home building blocks: 1. Engaged Leadership 2. Care Team Transformation 3. Enhanced Access 4. Organized, Evidenced-based Care 5. Patient Centered-Interactions 6. Care Coordination 7. Improvement Strategy 8. Empanelment Patient Benefits • Care they need at the right time and place • Health promotion and disease prevention • Coordinated care across settings (SMMC, Community, Outside providers) | FYI |
| | Patient's own perception of their health improves Staff Benefits Each member of the care team knows who they are and what they do | |

| | Support from care team, managers, and leadership Manageable, attainable expectations Training so staff feels prepared to do the job they are asked to do Strengthened relationships with colleagues Joy in work | |
|--------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----|
| Primary Care Dr. Sylvia Espinoza | Primary Care is medical care from infancy through adulthood. Successes: New Patient Connection Center; Establishing well-defined roles for the care team Challenges: Health Information Technology; Balancing work among team There are ten Primary Care Clinics throughout the County, 60% adults and 40% children and teens. | FYI |
| Serenity House Update Stephen Kaplan | Work on the building will begin in February and completion is targeted for mid-June. Serenity House will have 13 beds and the average projected length of stay is ten days. It is an Adult Crisis Residential Program and will help to deescalate psychiatric related crises. One of the goals is to assist in a successful return to the community by the client. Client occupancy is scheduled for July 1, 2017. | FYI |
| Financial Report David McGrew, CFO | The December FY16/17 financial report was included in the Board packet and David McGrew answered questions from the Board. | FYI |
| CEO Report Dr. CJ Kunnappilly, CEO | Dr. Kunnappilly presented the CEO report which is included in the Board packet and answered questions from the Board. | FYI |
| Health System Snapshot Louise Rogers | San Mateo County Correctional Health Services and the Sheriff's Office have opened mental health wellness pods for women and men that – for the first time – will allow inmates with serious mental illness to be housed in settings that are tailored to promoting their health and wellness. Directly serving up to 10 women and 24 men, these wellness pods have the potential to improve the lives of hundreds of inmates each year who must wait for trial in the jail or serve their time locally. Already, eight women have joined the wellness pod at the new Maple Street Correctional Center and six men have been moved out administrative segregation into the new pod at McGuire. | FYI |
| | The landmark new San Mateo County LGBTQQ center (official name still in development) finally has a home in downtown San Mateo! The new center is sponsored by Behavioral Health and Recovery Services, funded by the Mental Health Services Act, operated by StarVista, and advocated for by the PRIDE initiative, the LGBTQQ Commission and many partners. We are thrilled that the full program will be operational in the next few months and look forward to sharing more then. | |

| County Manager John Maltbie | At the February 14 Board of Supervisors meeting, there will be discussions about the mid-year budget report. FY 17-19 will include some capital improvement for the Health System. | FYI |
|----------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----|
| Board of Supervisors Supervisor Carole Groom | No report. | FYI |

Supervisor Groom adjourned the meeting at 9:25 AM. The next Board meeting will be held on March 2, 2017.

Minutes recorded by:

Michelle Lee, Executive Secretary

Minutes approved by:

Dr. Chester Kunnappilly, Chief Executive Officer



TAB 2

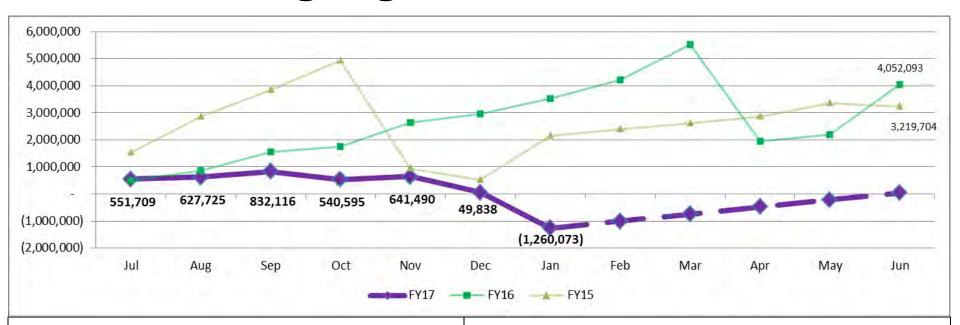
ADMINISTRATION REPORTS



January FY 2016-17 Financial Report

Board Meeting March 2, 2017

Financial Highlights - Net Income Trend

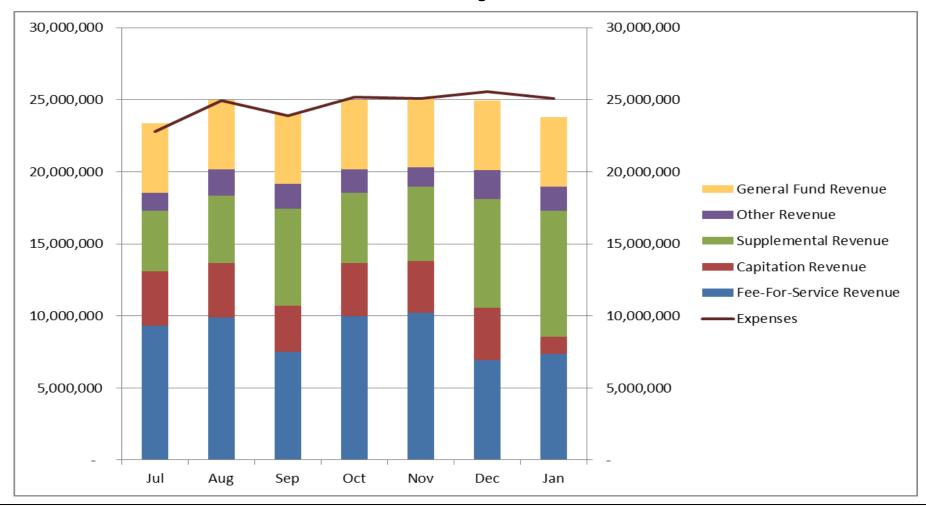


Financial Drivers:

- PRIME and GPP revenue
- Realignment & Audit Reserve
- No MCE Capitation
- Medi-Cal Acute & SNF rates
- High Census: Labor & Drugs

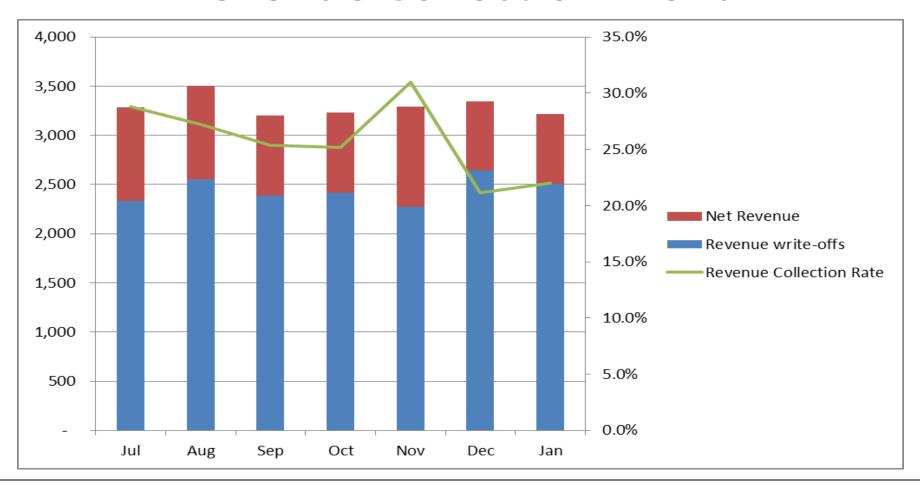
Full Year Forecast: Continued declines in Medi-Cal reimbursement, combined with high unreimbursable inpatient administrative days, require tapping into the financial reserves previously established for such risks. We anticipate the use of these reserves, combined with mitigation plans, will result in a break-even bottom line at year-end.

Revenue & Expense Trend



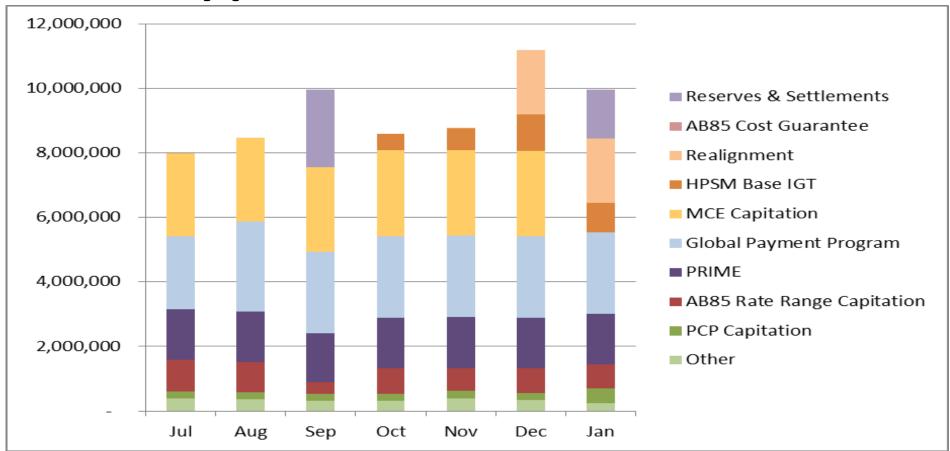
Financial performance is beginning to deteriorate due to decreasing fee-for service revenue combined with increasing labor and medical costs. High census and high administrative days are the primary factor.

Revenue Collection Trend



Although gross revenue is up because of higher patient volume, the revenue collection rate has declined steadily due to high administrative days and lower Medi-Cal rates for acute medical-surgical patients and skilled nursing facility patients at SMMC and BLTC. November spiked up due to a cost report adjustment.

Supplemental Revenue Trend



The loss of MCE Capitation is being offset by projected increases in Realignment and HPSM Base IGT payments, which are designed to kick-in to partially cover uncompensated costs. The Cost Guarantee is pending State approval and is not yet included.

Financial Mitigation Plan

Immediate

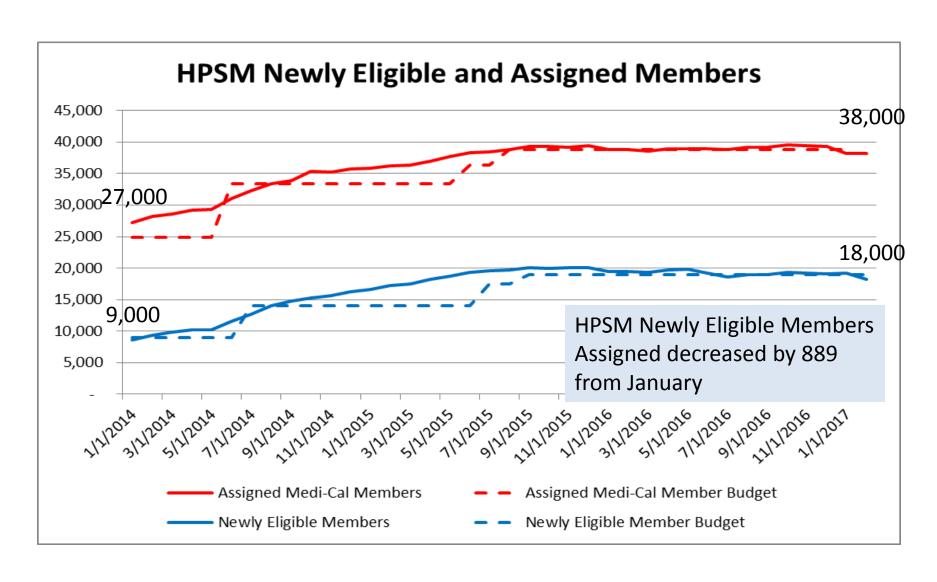
- Position control
- CareAdvantage RUGS rates
- Concurrent medical necessity review
- Treatment authorizations
- Insurance plan accuracy
- Contract reviews
- Provider enrollment denials
- Clinical denials
- Psych services billing project
- Medi-Cal SNF rates

Mid-term

Long-term

- Clinical Documentation Improvement
- Invision system replacement

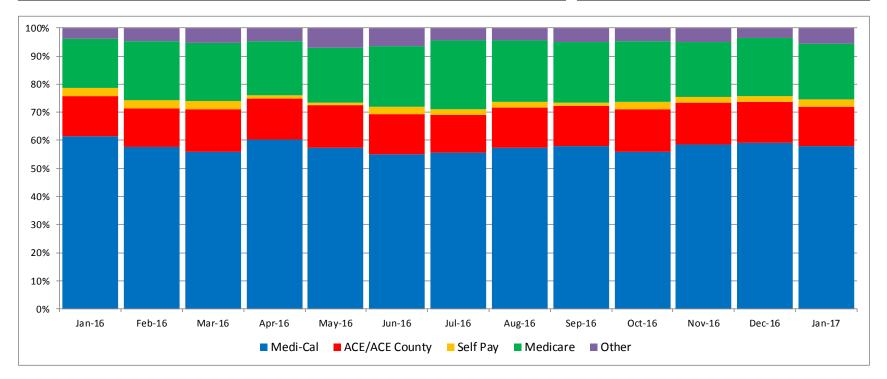
SMMC Medi-Cal Members



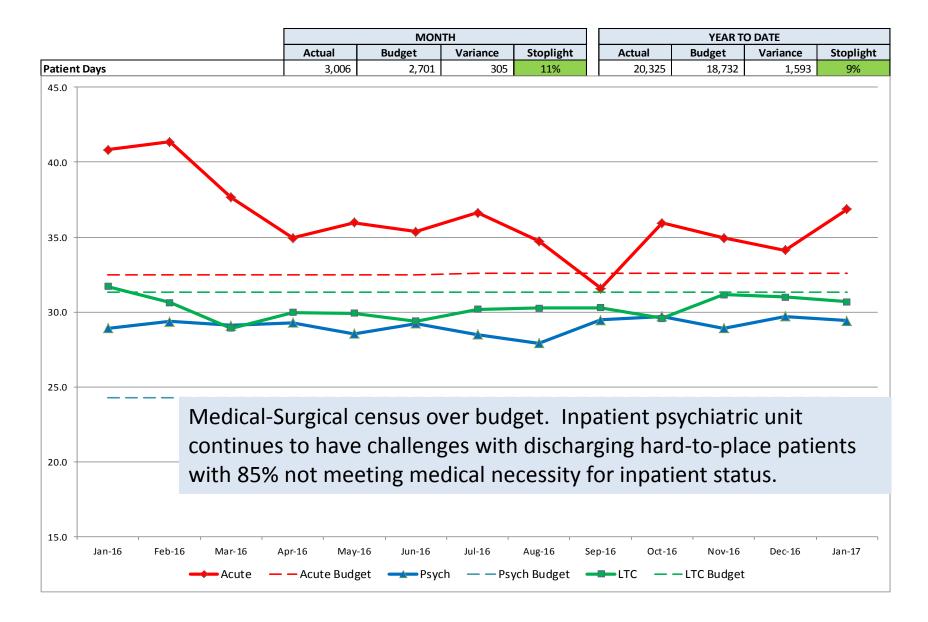
San Mateo Medical Center Payer Mix January 31, 2017

| | | MONTH | | | | | | |
|----|-----------------------------|--------|--------|----------|-----------|--|--|--|
| | | Actual | Budget | Variance | Stoplight | | | |
| | Payer Type by Gross Revenue | Α | В | С | D | | | |
| 15 | Medicare | 20.1% | 16.6% | 3.5% | | | | |
| 16 | Medi-Cal | 58.1% | 59.9% | -1.8% | | | | |
| 17 | Self Pay | 2.5% | 3.5% | -1.0% | | | | |
| 18 | Other | 5.5% | 5.9% | -0.5% | | | | |
| 19 | ACE/ACE County | 13.9% | 14.1% | -0.2% | | | | |
| 20 | Total | 100.0% | 100.0% | | | | | |

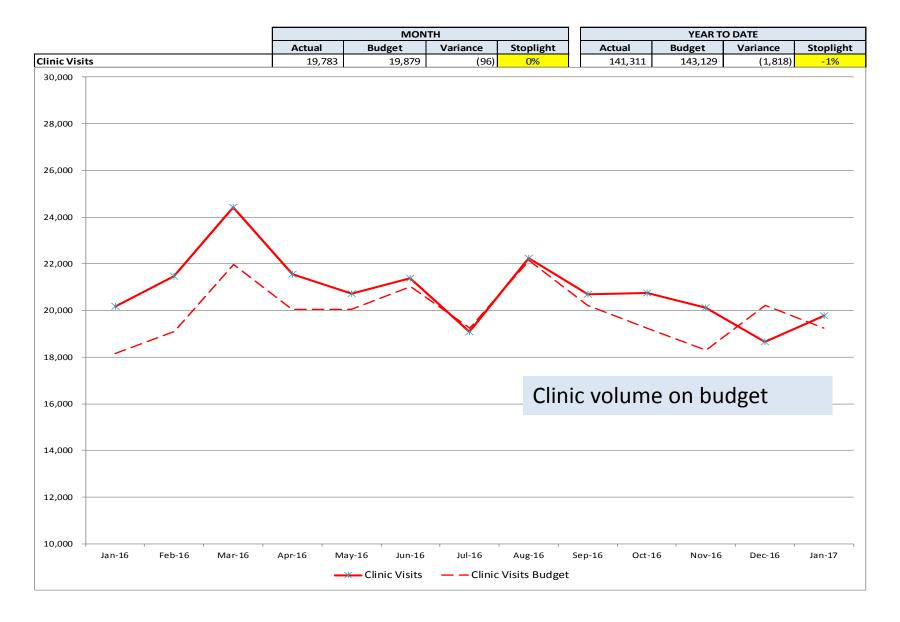
| YEAR TO DATE | | | | | | | | |
|--------------|--------|----------|-----------|--|--|--|--|--|
| Actual | Budget | Variance | Stoplight | | | | | |
| E | F | G | Н | | | | | |
| 21.4% | 16.6% | 4.8% | | | | | | |
| 57.5% | 59.9% | -2.4% | | | | | | |
| 2.1% | 3.5% | -1.4% | | | | | | |
| 4.7% | 5.9% | -1.3% | | | | | | |
| 14.4% | 14.1% | 0.3% | | | | | | |
| 100.0% | 100.0% | | | | | | | |



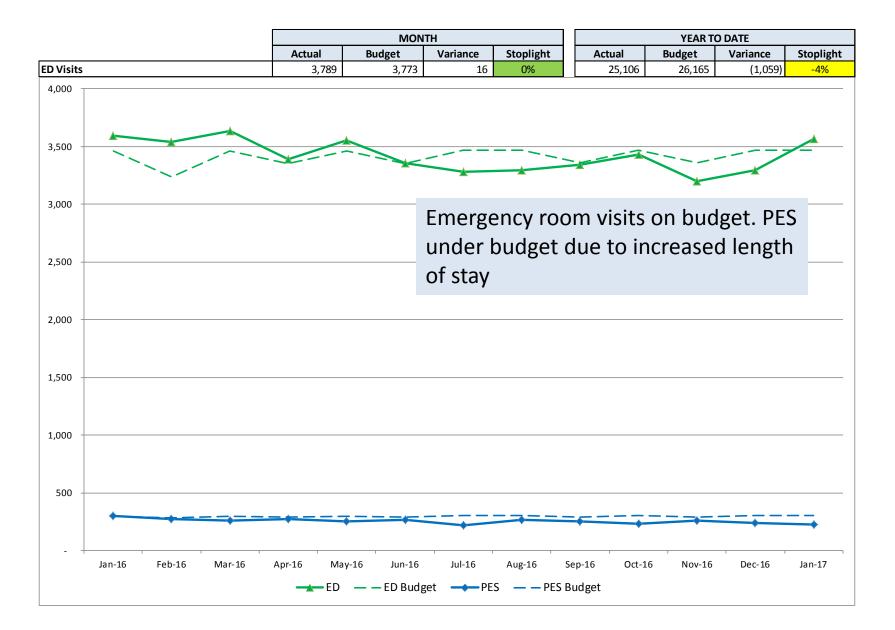
San Mateo Medical Center Inpatient Census January 31, 2017



San Mateo Medical Center Clinic Visits January 31, 2017

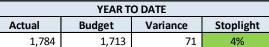


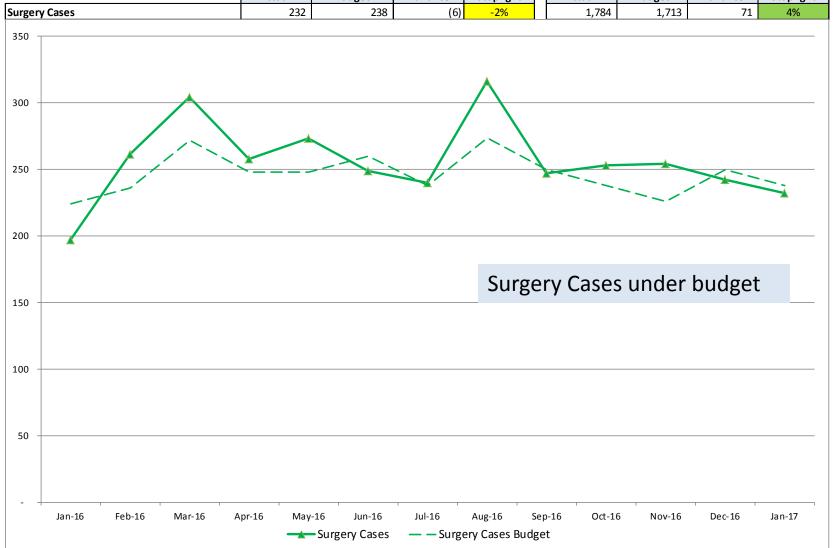
San Mateo Medical Center Emergency Visits January 31, 2017



San Mateo Medical Center Surgery Cases January 31, 2017

| | MONTH | | | | | | |
|-----|--------|--------|----------|-----------|--|--|--|
| | Actual | Budget | Variance | Stoplight | | | |
| ses | 232 | 238 | (6) | -2% | | | |

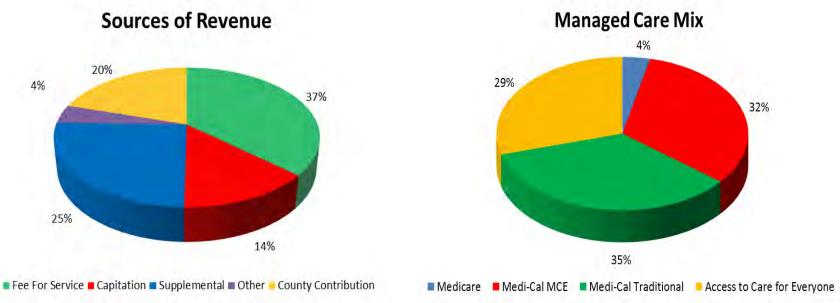




APPENDIX

Revenue Mix





- Managed Care programs represent 43% 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 January 31, 2017

| | | MON | ГН | | YEAR TO DATE | | | | |
|---------------------------------------------------------------|-------------|---------|-------------|-----------|--------------|---------|-------------|-----------|--|
| | Actual | Budget | Variance | Stoplight | Actual | Budget | Variance | Stoplight | |
| | Α | В | С | D | E | F | G | Н | |
| 1 Income/Loss (GAAP) | (1,309,911) | (5,417) | (1,304,494) | | (1,260,073) | -37917 | (1,222,156) | | |
| 2 HPSM Medi-Cal Members Assigned to SMMC | 38,205 | 38,773 | (568) | -1% | 273,508 | 271,411 | 2,097 | 1% | |
| 3 HPSM Newly Eligible Medi-Cal Members Assigned to SMMC | 18,266 | 19,018 | (752) | -4% | 132,696 | 133,126 | (430) | 0% | |
| 4 Patient Days | 3,006 | 2,701 | 305 | 11% | 20,325 | 18,732 | 1,593 | 9% | |
| 5 ED Visits | 3,789 | 3,773 | 16 | 0% | 25,106 | 26,165 | (1,059) | -4% | |
| 7 Surgery Cases | 232 | 238 | (6) | -2% | 1,784 | 1,713 | 71 | 4% | |
| 8 Clinic Visits | 19,783 | 19,879 | (96) | 0% | 141,311 | 143,129 | (1,818) | -1% | |
| 9 Ancillary Procedures | 67,670 | 58,529 | 9,141 | 16% | 470,632 | 421,152 | 49,480 | 12% | |
| 10 Acute Administrative Days as % of Patient Days | 0.0% | 9.0% | 9.0% | 100% | 7.8% | 9.0% | 1.2% | 13% | |
| 11 Psych Administrative Days as % of Patient Days | 84.6% | 58.0% | -26.6% | -46% | 80.9% | 58.0% | -22.9% | -39% | |
| (Days that do not qualify for inpatient status) Pillar Goals | | | | | | | | | |
| 12 Patient & Capitation Revenue PMPM | 125 | 195 | (70) | -36% | 175 | 195 | (20) | -10% | |
| 13 Operating Expenses PMPM | 354 | 350 | (4) | -1% | 348 | 350 | 2 | 1% | |
| 14 Full Time Equivalents (FTE) including Registry | 1,189 | 1,206 | 17 | 1% | 1,181 | 1,206 | 25 | 2% | |

San Mateo Medical Center Income Statement January 31, 2017

| MONTH | | | | YEAR TO DATE | | | | |
|------------|----------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|
| Actual | Budget | Variance | Stoplight | Actual | Budget | Variance | Stoplight | |
| А | В | С | D | E | F | G | Н | |
| 9,667,228 | 7,933,661 | 1,733,567 | 22% | 66,996,024 | 55,535,626 | 11,460,398 | 21% | |
| 23,725,402 | 24,786,360 | (1,060,958) | -4% | 169,719,768 | 173,504,521 | (3,784,753) | -2% | |
| 33,392,631 | 32,720,021 | 672,609 | 2% | 236,715,792 | 229,040,148 | 7,675,645 | 3% | |
| | • | | | | | | | |
| 7,343,470 | 8,292,539 | (949,069) | -11% | 61,133,009 | 58,047,776 | 3,085,233 | 5% | |
| 22.0% | 25.3% | -3.4% | -13% | 25.8% | 25.3% | 0.5% | 2% | |
| | | | | | | | | |
| 1,219,822 | 5,985,516 | (4,765,694) | -80% | 22,880,848 | 41,898,614 | (19,017,766) | -45% | |
| | | | | | | | | |
| | | | | | | | | |
| 8,728,191 | 4,577,434 | 4,150,757 | 91% | 42,027,806 | 32,042,038 | 9,985,768 | 31% | |
| | | | | | | | | |
| | | | | | | | | |
| | | | | | | | | |
| 17,291,483 | 18,855,490 | (1,564,007) | -8% | 126,041,663 | 131,988,428 | (5,946,764) | -5% | |
| | | | | | | | | |
| 893,409 | 1,093,999 | (200,590) | -18% | 7,211,804 | 7,657,992 | (446,188) | -6% | |
| | | | | | | | , | |
| | | | | | | | | |
| 18,184,892 | 19,949,489 | (1,764,597) | -9% | 133,253,467 | 139,646,420 | (6,392,953) | -5% | |
| | A 9,667,228 23,725,402 33,392,631 7,343,470 22.0% 1,219,822 8,728,191 17,291,483 893,409 | Actual Budget A B 9,667,228 7,933,661 23,725,402 24,786,360 33,392,631 32,720,021 7,343,470 8,292,539 22.0% 25.3% 1,219,822 5,985,516 8,728,191 4,577,434 17,291,483 18,855,490 893,409 1,093,999 | Actual Budget Variance A B C 9,667,228 7,933,661 1,733,567 23,725,402 24,786,360 (1,060,958) 33,392,631 32,720,021 672,609 7,343,470 8,292,539 (949,069) 22.0% 25.3% -3.4% 1,219,822 5,985,516 (4,765,694) 8,728,191 4,577,434 4,150,757 17,291,483 18,855,490 (1,564,007) 893,409 1,093,999 (200,590) | Actual Budget Variance Stoplight A B C D 9,667,228 7,933,661 1,733,567 22% 23,725,402 24,786,360 (1,060,958) -4% 33,392,631 32,720,021 672,609 2% 7,343,470 8,292,539 (949,069) -11% 22.0% 25.3% -3.4% -13% 1,219,822 5,985,516 (4,765,694) -80% 8,728,191 4,577,434 4,150,757 91% 17,291,483 18,855,490 (1,564,007) -8% 893,409 1,093,999 (200,590) -18% | Actual Budget Variance Stoplight Actual A B C D E 9,667,228 7,933,661 1,733,567 22% 66,996,024 23,725,402 24,786,360 (1,060,958) -4% 169,719,768 33,392,631 32,720,021 672,609 2% 236,715,792 7,343,470 8,292,539 (949,069) -11% 61,133,009 22.0% 25.3% -3.4% -13% 25.8% 1,219,822 5,985,516 (4,765,694) -80% 22,880,848 8,728,191 4,577,434 4,150,757 91% 42,027,806 17,291,483 18,855,490 (1,564,007) -8% 126,041,663 893,409 1,093,999 (200,590) -18% 7,211,804 | Actual Budget Variance Stoplight Actual Budget A B C D E F 9,667,228 7,933,661 1,733,567 22% 66,996,024 55,535,626 23,725,402 24,786,360 (1,060,958) -4% 169,719,768 173,504,521 33,392,631 32,720,021 672,609 2% 236,715,792 229,040,148 7,343,470 8,292,539 (949,069) -11% 61,133,009 58,047,776 22.0% 25.3% -3.4% -13% 25.8% 25.3% 1,219,822 5,985,516 (4,765,694) -80% 22,880,848 41,898,614 8,728,191 4,577,434 4,150,757 91% 42,027,806 32,042,038 17,291,483 18,855,490 (1,564,007) -8% 126,041,663 131,988,428 893,409 1,093,999 (200,590) -18% 7,211,804 7,657,992 | Actual Budget Variance Stoplight A B C D E F G 9,667,228 7,933,661 1,733,567 22% 66,996,024 55,535,626 11,460,398 23,725,402 24,786,360 (1,060,958) -4% 169,719,768 173,504,521 (3,784,753) 33,392,631 32,720,021 672,609 2% 61,133,009 58,047,776 3,085,233 22.0% 25.3% -3.4% -13% 25.8% 25.3% 0.5% 1,219,822 5,985,516 (4,765,694) -80% 22,880,848 41,898,614 (19,017,766) 8,728,191 4,577,434 4,150,757 91% 42,027,806 32,042,038 9,985,768 17,291,483 18,855,490 (1,564,007) -8% 126,041,663 131,988,428 (5,946,764) 893,409 1,093,999 (200,590) -18% 7,211,804 7,657,992 (446,188) | |

San Mateo Medical Center Income Statement January 31, 2017

| | | MONTH | | | | YEAR TO DATE | | | | |
|------------------------------------------|-------------|-------------|-------------|-----------|----------|--------------|-------------|-------------|-----------|--|
| | Actual | Budget | Variance | Stoplight | Actua | | Budget | Variance | Stoplight | |
| | Α | В | С | D | E | | F | G | Н | |
| Operating Expenses | | | | | | | | | | |
| 31 Salaries & Benefits | 15,757,923 | 14,766,141 | (991,782) | -7% | 102,689 | 736 1 | 03,362,990 | 673,254 | 1% | |
| 32 Drugs | 676,751 | 648,254 | (28,497) | -4% | 5,262, | 961 | 4,537,781 | (725,179) | -16% | |
| 33 Supplies | 798,802 | 908,129 | 109,327 | 12% | 6,077 | 350 | 6,356,906 | 279,556 | 4% | |
| 34 Contract Provider Services | 2,680,118 | 2,800,374 | 120,255 | 4% | 20,855, | 504 | 19,602,615 | (1,252,889) | -6% | |
| 35 Other fees and purchased services | 3,587,894 | 4,204,404 | 616,511 | 15% | 25,872 | 254 | 29,430,830 | 3,558,576 | 12% | |
| 36 Other general expenses | 376,010 | 487,116 | 111,106 | 23% | 3,292, | 516 | 3,409,811 | 117,295 | 3% | |
| 37 Rental Expense | 233,221 | 206,306 | (26,915) | -13% | 1,533, | 189 | 1,444,143 | (89,046) | -6% | |
| 38 Lease Expense | 745,153 | 745,153 | - | 0% | 5,216 | 069 | 5,216,069 | - | 0% | |
| 39 Depreciation | 244,664 | 241,114 | (3,551) | -1% | 1,731 | 768 | 1,687,797 | (43,971) | -3% | |
| 40 Total Operating Expenses | 25,100,536 | 25,006,992 | (93,545) | 0% | 172,531, | 346 1 | 75,048,942 | 2,517,597 | 1% | |
| | | | | | | | | | | |
| 41 Operating Income/Loss | (6,915,645) | (5,057,503) | (1,858,142) | -37% | (39,277, | 878) (| 35,402,522) | (3,875,356) | -11% | |
| 42 Non-Operating Revenue/Expense | 762,265 | 208,618 | 553,647 | 265% | 4,113, | 526 | 1,460,327 | 2,653,199 | 182% | |
| 43 Contribution from County General Fund | 4,843,468 | 4,843,468 | 0 | 0% | 33,904 | 280 | 33,904,279 | 1 | 0% | |
| 44 Total Income/Loss (GAAP) | (1,309,911) | -5417 | (1,304,494) | | (1,260, | 073) | -37917 | (1,222,156) | | |

(Change in Net Assets)

San Mateo Medical Center CEO REPORT





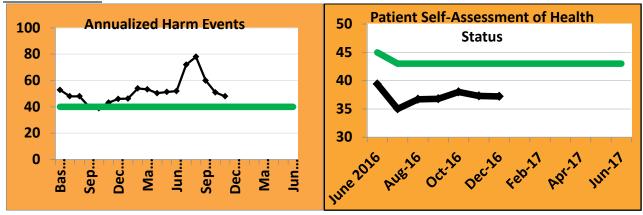




March, 2017

EXCELLENT CARE

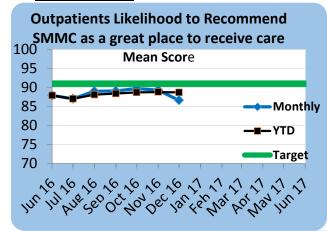
PILLAR METRICS

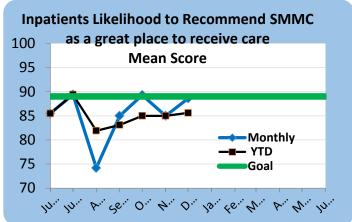


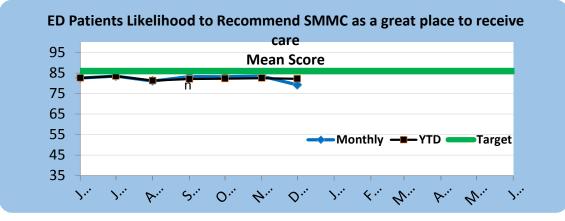
- <u>SMMC Fall Prevention Program Recognized Again</u>- The Stumble Stoppers, an interdisciplinary committee, whose members have sustained for 3 years the focus on evidence based practices to reduce patient falls have been invited to share their work at the Northern California Medical-Surgical Nursing Conference in April. Over the past 3 years the Stumble Stoppers have received recognition at the state and national level for their ongoing innovative work at SMMC.
- <u>SMMC Featured in Article on ACA Achievements: SMMC was recently featured in an article by</u> Kaiser Health News. The article was published in both the San Francisco Chronicle and California Healthline and looked at the health system's successes under the Affordable Care Act (ACA) and the risks to our patients if it were to be repealed. Several staff members and patients were quoted. A link to the article is below: http://californiahealthline.org/news/a-safety-net-medical-center-wrestles-with-what-repeal-might-mean.

PATIENT CENTERED CARE

PILLAR METRICS







Selected patient/family stories of gratitude:

- From the Emergency Department:
 - I am VERY grateful to the staff who admitted me so quickly, as I was in a great deal of pain!
 - I felt well attended and the dr. was very nice and gave me confidence listened to my problem.
 - Excellent service. Much better and much faster service than I received from other hospitals before.

From 2A/B:

- Thank you very much to all the personnel, thanks to everyone and your fast answer in my treatment, today I am very good and again at home with my family.
- Well my experience was very good they attended me the best I felt super well with the personnel including the nurses very nice. Super good.
- Everything is 10 from my heart you are nice professional I bless you all.

From 1A/Long Term Care:

- I would like to recognize Mariana and Michelle
- They were on the ball. They helped him out a whole bunch
- I appreciated that they gave my mom very good care.

From Daly City Clinic:

I have nothing but great comments for all the staff i'm blessed by having such great and professional people thank you

I appreciate that clerks and Advice Nurse (as well as GP nurse) know my name, and greet me with friendly demeanor.

From Fair Oaks Health Center:

- All nurses are very professional and kind
- Excellent experience from arriving to leaving

From South San Francisco Clinic:

• Thank you very much, for helping me in my health. God bless you

From the Innovative Care Center:

- My doctors and nurses and staff are awesome They always have my mental and physical feelings to heart. I'm always in good hands at SMGH.
- My nurses and assistance always are very caring and courteous. Always professional!

From Ron Robinson Senior Care Center:

- All very good and thanks for all the attention that you provide.
- RRSCC really is slick they do their best to stay on schedule, always let you know if there is a delay and are a GREAT team!!

From the Surgical Specialty Clinic:

I feel very satisfied, with the operation of my eye, & their manner of treatment to one

From the Medical Specialty Clinic:

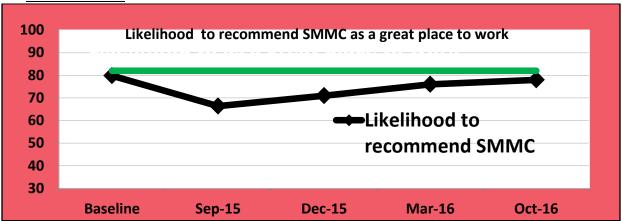
- Because of heavy traffic I was late but still they accommodated me and explained well that I will wait for a while - thank you so much.
- I always have good attention with the personnel & the doctor. Thanks!

From OB/GYN:

• Was happy because this professional is a professional and because he also speaks my language excellent

STAFF ENGAGEMENT

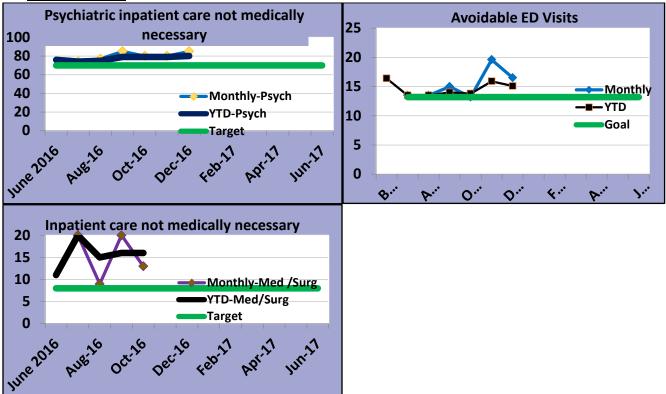
PILLAR METRICS



- SMMC Identifies Engagement Champions- Ava Carter, Karen Pugh, Conrad Fernandes, and Paul Carlisle have all become certified champions to support SMMC managers and supervisors in conducting engagement meetings with their staff. The meetings are designed to generate improvement ideas that will impact staff satisfaction and contribution.
- Staff Engagement Advisory Council Established- SMMC has launched a new Staff Engagement Advisory Council chaired by Karen Pugh. The purpose of the council is to provide leadership with a line-staff perspective on staff engagement needs, activities and results. Council members include Alisa Ferreira, Charlote Palu, Diana Oakes, Gina Ravella, Javier Andrade, Jennifer Valencia, Kate Johnson, Sara Ou and Tracy Donis.
- Noris Larkin Selected to Participate in Nursing Conference- Noris Larkin, PCMH Manager, has been selected to participate in the 2017 American Academy of Ambulatory Care Nursing Conference. She will be participating and collaborating in several sessions including: "Partnering with State Board of Registered Nursing and Redesigning Roles for Nurses in the Ambulatory Care Clinics" and "Joining the Forces to Standardize Education and Training Processes by Integration of Ambulatory Nursing Curriculum into BSN Programs. Congratulations to Noris for this recognition and selection.

RIGHT CARE, TIME AND PLACE

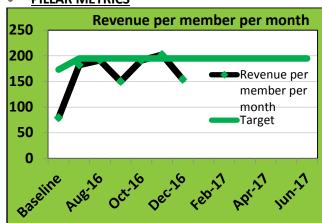
PILLAR METRICS

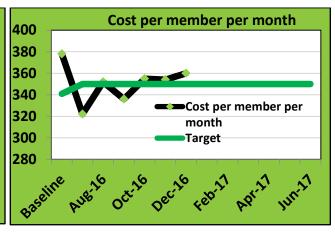


Recognizing Social Workers- March is National Professional Social Work Month. SMMC would like to take this opportunity to recognize all of our social workers and their tireless efforts to meet the needs of our patients and ensure they are receiving the right care in the right time at the right place

FINANCIAL STEWARDSHIP

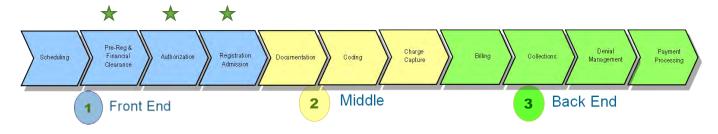
PILLAR METRICS





• Revenue Cycle Transformation

Our FY16-17 Financial Stewardship strategic initiative is focused on the front-end of the revenue cycle, with an initial emphasis on insurance coverage accuracy and inpatient authorization approvals. Through interdisciplinary workgroups led by Portia Dixon, Manager of Patient Financial Services, and Geri Lara, Manager of Patient Access, we are tackling the following: 1) workflow redesign; 2) decreasing defects through standard work; 3) software as an enabler to workflow efficiencies; and 4) performance reporting. This work is being refined as the Revenue Cycle Transformation workgroups are planning the specific tasks, milestones and deliverables for these priorities. An important new planning consideration in designing our improvement work is to address patient experience and staff satisfaction.



In February we launched 2 "experiments" as a way to test new workflow concepts. These experiments are being run by front-line staff so we can learn from their insight into daily operations. The first experiment was to test the accuracy of our insurance verification system, HDX, in several patient registration areas-Emergency Department, Ron Robinson Senior Care Clinic and Coastside Clinic. The results of the experiment provided valuable data which will allow us to improve our system and embed HDX into standard work. The second experiment was to test the concept of daily interdisciplinary inpatient admission huddles. Huddles have created the opportunity for real-time problem solving of complex admission issues that has led to improved timeliness of inpatient treatment authorizations. In the first month we saw a 38% reduction in the value of accounts pending an authorization, which will ultimately lead to improved cash flow. We will continue running these types of experiments on different elements of registration and authorization tasks so that our design of standard work will have a greater chance at a successful roll-out. Additionally, we are developing a comprehensive change management and communication plan to help our teams to prepare for future changes in the way they do their work.

Healthcare Finance Landscape

With the new administration now in office, we will hopefully begin to get some clarity on future changes to the Affordable Care Act and how those changes might impact us. Immediately after his inauguration,

President Trump signed an executive order related to the ACA. Although not much can happen until his federal department heads are in place, there are two significant parts of this executive order that could impact us: 1) the effective elimination of the individual mandate could increase the ranks of the uninsured; and 2) it appears that the Medicaid waivers (in California it's called Medi-Cal Waiver 2020) would be unaffected, which would preserve over \$150 million of revenue for SMMC over the next 5 years. SMMC is shifting to a system built to create healthier communities for our most vulnerable patient populations, so regardless of what happens in the federal landscape, our priorities remain the same – transforming health care, ensuring access to care, enhancing the quality of care and patient safety, and making health care more affordable.

To: SMMC Board Members From: Louise Rogers, Chief



Subject: Health System Monthly Snapshot – February 2017

| Indicator | Number | Change from previous month | Change from last year |
|--------------------------------------------------|---------------------------------|----------------------------|--------------------------|
| ACE Enrollees | 21,389 (January 2017) | 0.6% | 11.6% |
| SMMC Emergency Department Visits | 3,789 (January 2017) | 7.3% | -2.5% |
| New Clients Awaiting Primary Care Appointment | 699 (February 2017) | 26.6% | 88% |

Getting SMC Rx Opioid Safe

This month, the Health System issued a Health Alert to all physicians in San Mateo County (SMC) regarding opioid dependence and deaths in SMC. The Health Alert included background data, specific information on SMC, and the CDC guideline for prescribing prescription pain medication (opioids) for chronic pain as the best way to combat the epidemic. While opioid use in the county is currently not as big a problem as that of many other communities, it's important that everyone understand the risks and benefits related to opioids. The Health System is raising awareness through an online public campaign, and performing county-wide drug surveillance reporting for opioids, marijuana, and illicit drugs. The reporting includes tracking narcan alerts from the Emergency Medical Services, reviewing drug death reports from SMC Coroner's Office, tracking poison control calls, tracking emergency department drug overdose visits, reviewing death certificates, and systematic communication with the Narcotics Task Force. Learn more about the Health System's efforts here: www.smchealth.org/opioid-safe.

New Safe Medicine Disposal Kiosks Installed Throughout the County

Over a decade after former San Mateo County Supervisor Adrienne Tissier **initiated the County's** take back program for unused and unwanted medicines at law enforcement agencies, our Environmental Health Services division is expanding the safe medicine disposal kiosk network. In the second week of February, 20 new collection bins were installed in both public and private facilities throughout the county. **And we aren't stopping there: E**nvironmental Health plans to have at least a total of 38 medicine disposal bins installed throughout the county by the end of this year.



Photo Credit: San Mateo County Health System, Preston Merchant,

Hosting Immigration Health Forums

Last month, the Health System and the Legal Aid Society of San Mateo County sponsored an immigration health forum in Daly City for the community. Presentations in English and Spanish gave residents information about how to qualify for health insurance and access other health services. Staff from Behavioral Health and Recovery Services joined elected leaders and volunteers to organize the event. *Pictured: Daly City Mayor Glenn Sylvester, Daly City Vice Mayor Juslyn Manalo, Stefan Luesse (BHRS), Sara Arancibia (BHRS), 5th District Supervisor David Canepa, Steve Arancibia*



Health System Staff Join in the Homeless Count

Staff from our Street and Field Medicine program and volunteers from across our divisions participated in the County's Human Services Agency annual One-Day Homeless Count last month. Staff were proud to help survey people who are homeless, families and encampments to provide a point-in-time snapshot of our sheltered and unsheltered homeless population.



Photo Credit: San Mateo County Health System, Preston Merchant, 2017