



SAN MATEO COUNTY HEALTH

**SAN MATEO  
MEDICAL CENTER**

# **BOARD OF DIRECTORS MEETING**

Monday, February 3, 2020

8:00 AM – 10:00 AM

**SAN MATEO MEDICAL CENTER**

**EXECUTIVE BOARD ROOM**

*Second Floor, Administration Wing*



SAN MATEO COUNTY HEALTH  
**SAN MATEO  
MEDICAL CENTER**

## BOARD OF DIRECTORS MEETING

February 3, 2020 8:00 – 10:00 AM

Executive Board Room – Second Floor, Administration Wing

### AGENDA

**A. CALL TO ORDER**

**B. CLOSED SESSION**

*Items Requiring Action*

1. Medical Staff Credentialing Report
2. Quality Report

*Dr. Julie Hersk  
Dr. Frank Trinh*

*Informational Items*

3. Medical Executive Committee

*Dr. Julie Hersk*

**C. REPORT OUT OF CLOSED SESSION**

**D. PUBLIC COMMENT**

Persons wishing to address items not on the agenda

**E. FOUNDATION REPORT**

*Paul Rogerville*

**F. CONSENT AGENDA**

*Approval of:*

1. January 6, 2020 Minutes

**TAB 1**

**G. MEDICAL STAFF REPORT**

Chief of Staff Update

*Dr. Julie Hersk*

**H. ADMINISTRATION REPORTS**

- 1. Anchoring Health: Leveraging Resources
- 2. Financial Report
- 3. Board Survey Results
- 4. CEO Report

*Louise Rogers. .... VERBAL*  
*David McGrew. .... TAB 2*  
*Dr. CJ Kunnappilly. .... VERBAL*  
*Dr. CJ Kunnappilly. .... TAB 2*

**I. COUNTY HEALTH CHIEF REPORT**

County Health Snapshot

*Louise Rogers. .... TAB 2*

**J. COUNTY MANAGER’S REPORT**

*Mike Callagy*

**K. BOARD OF SUPERVISOR’S REPORT**

*Supervisor Carole Groom*

**L. ADJOURNMENT**

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

**TAB 1**

**CONSENT  
AGENDA**

HOSPITAL BOARD OF DIRECTORS  
MEETING MINUTES  
Monday, January 6, 2020  
Executive Board Room

**Board Members Present**

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

**Staff Present**

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

**Members of the Public**

Neighbor

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

<p>Patient Experience Dianaliza Lamsen</p>	<p>Patient Experience is: Patient feedback, Volunteer Services, and Spiritual Care. The department has a team of 5.</p> <p>Patient Feedback</p> <ul style="list-style-type: none"> <li>• NRC Health – Survey Administrator</li> <li>• CGCAHPS/HCAHPS Survey</li> <li>• Real-Time Survey</li> <li>• Response Rate</li> <li>• Likelihood to Recommend</li> </ul> <p>Complaints and Grievances</p> <ul style="list-style-type: none"> <li>• Goal is to have 90% of all grievances reviewed and resolved within 7 calendar days</li> <li>• 388 Grievances filed in 2019</li> </ul> <p>Volunteer Program and Services</p> <ul style="list-style-type: none"> <li>• 75 Active Volunteers across the hospital and clinics</li> <li>• Patient and Family Advisory Council</li> <li>• Community Partners</li> <li>• Welcome Desks (Main Lobby, 2<sup>nd</sup> Floor, West Entrance)</li> <li>• Patient Outreach Events</li> <li>• Gift Shop</li> </ul>	<p>FYI</p>
<p>Health Budget Planning Update FY 20-21 Louise Rogers</p>	<p>Structural challenge of costs increasing faster than revenues in the healthcare delivery arena is unchanged. The proposals we are bringing forward rely heavily on strategies to increase revenues that require us to experiment with different ways of working. An example of that is the work related to our outpatient clinics reported at the last SMMC Board mtg. Unfortunately, we must also propose reductions.</p> <p>Principles and criteria for recommendations</p> <ul style="list-style-type: none"> <li>• Anchored in our mission of <i>longer and better lives for everyone in San Mateo County</i> and key principles</li> <li>• Within SMMC, recognize our long-term strength is as an integrated delivery system</li> <li>• Within BHRS, recognize our accountabilities as a health plan and delivery system</li> <li>• Across areas, strived to minimize direct service impacts to the populations that need us most and to retain our stellar workforce and network of partners</li> </ul> <p>Summary of FY 20-21 impacts</p> <ul style="list-style-type: none"> <li>• Ongoing solutions \$ 49 M</li> <li>• One-time SMMC reserves \$8 M; plan further cost-cutting or revenue generation initiatives for FY 21-22</li> <li>• Elimination of 37 permanent positions (23 filled)</li> <li>• Elimination of 93 extra help/limited term (60 filled)</li> <li>• Impact 5 community partners</li> </ul> <p>Next Steps, Jan-June 2020  JAN: BOS Study Session  FEB: Beilenson hearing  Engage with EMS, EH stakeholders affected by fee proposals</p>	<p>FYI</p>

	<p>Finalize FY 20-21 by JUNE budget hearing</p> <p>Next Steps, July 2020-June 2021 Implement proposals necessary to achieve fiscal balance Fall 2020 through JAN 2021: Phase 3 plan to close remainder of gap by JUNE budget hearing</p> <p>Next Steps, July 2021-June 2023 Implement proposals necessary to achieve fiscal balance</p>	
Financial Report David McGrew, CFO	The January FY19/20 financial report was included in the Board packet and David McGrew answered questions from the Board.	FYI
CEO Report Dr. CJ Kunnappilly	Dr. Kunnappilly presented the CEO report which was included in the Board packet and answered questions from the Board.	FYI
County Health Chief Report Louise Rogers	To address the lack of safe disposal options, Environmental Health Services' Household Hazardous Waste Program hosted marine flare collection events in November at Oyster Point Marina in South San Francisco and Pillar Point Harbor in Half Moon Bay. A total of 34 boaters attended and 1,088 marine flare were collected and safely transported to a facility in Louisiana by a license contractor.	FYI
County Manager Mike Callagy	The Homelessness sub-committee, led by Peggy Jensen, is addressing the growing issue in the County and will explore best practices for effectively handling it. In the coming year, the CMO office will be promoting positive work/life balance which will include mental health, environmental health, and physical health.	FYI
Board of Supervisors Supervisor Groom	The President of the Board of Supervisors will be Warren Slocum and the Vice President will be David Canepa.  Supervisor Canepa is monitoring recent events related to the Seton Medical Center's future. The court deadline for its sale has passed and there is a possibility that the delayed sale could lead to plans for commercial development of the site. The medical center needs to remain a hospital.	FYI

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

Minutes recorded by:



Michelle Lee, Executive Secretary

Minutes approved by:



Dr. Chester Kunnappilly, Chief Executive Officer

**TAB 2**

**ADMINISTRATION  
REPORTS**



# BOARD OF DIRECTORS SAN MATEO MEDICAL CENTER

**Financial Report: December FY19-20**

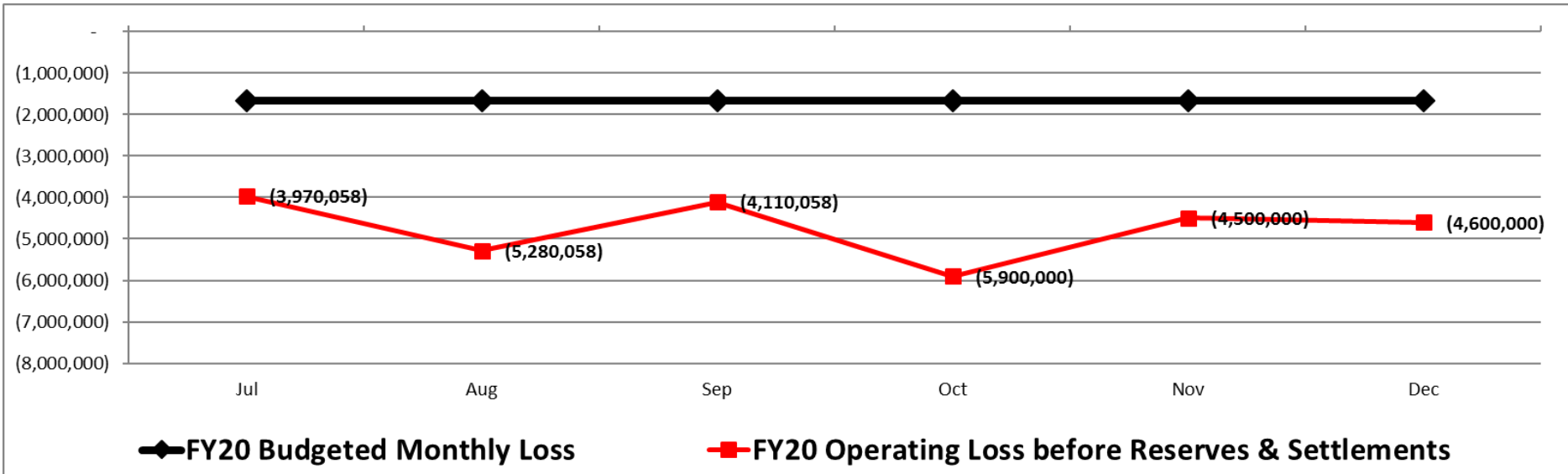
February 3, 2020

**Presenter: David McGrew, CFO**



SAN MATEO COUNTY HEALTH  
**SAN MATEO  
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# Financial Highlights



## December Operating Loss of \$4.6M:

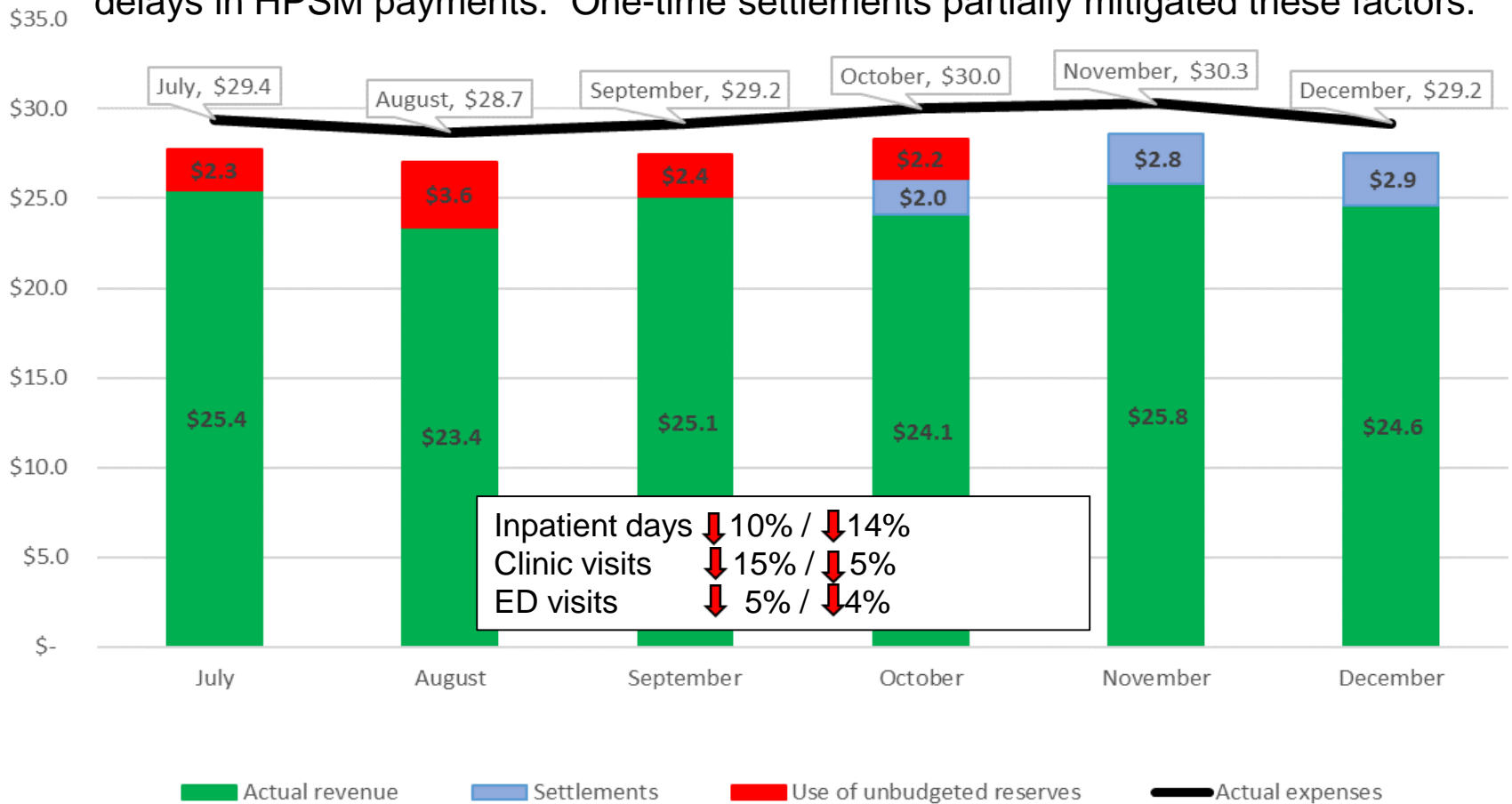
- FTEs below budget
- FY2018 AB85 Realignment
- ACE outside medical costs

- Membership decline
- FY2020 Enhanced Payment Program (EPP) pending approval
- Patient Service Revenue
  - Decline in patient volume

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

# FY 19-20 Structural Deficit

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

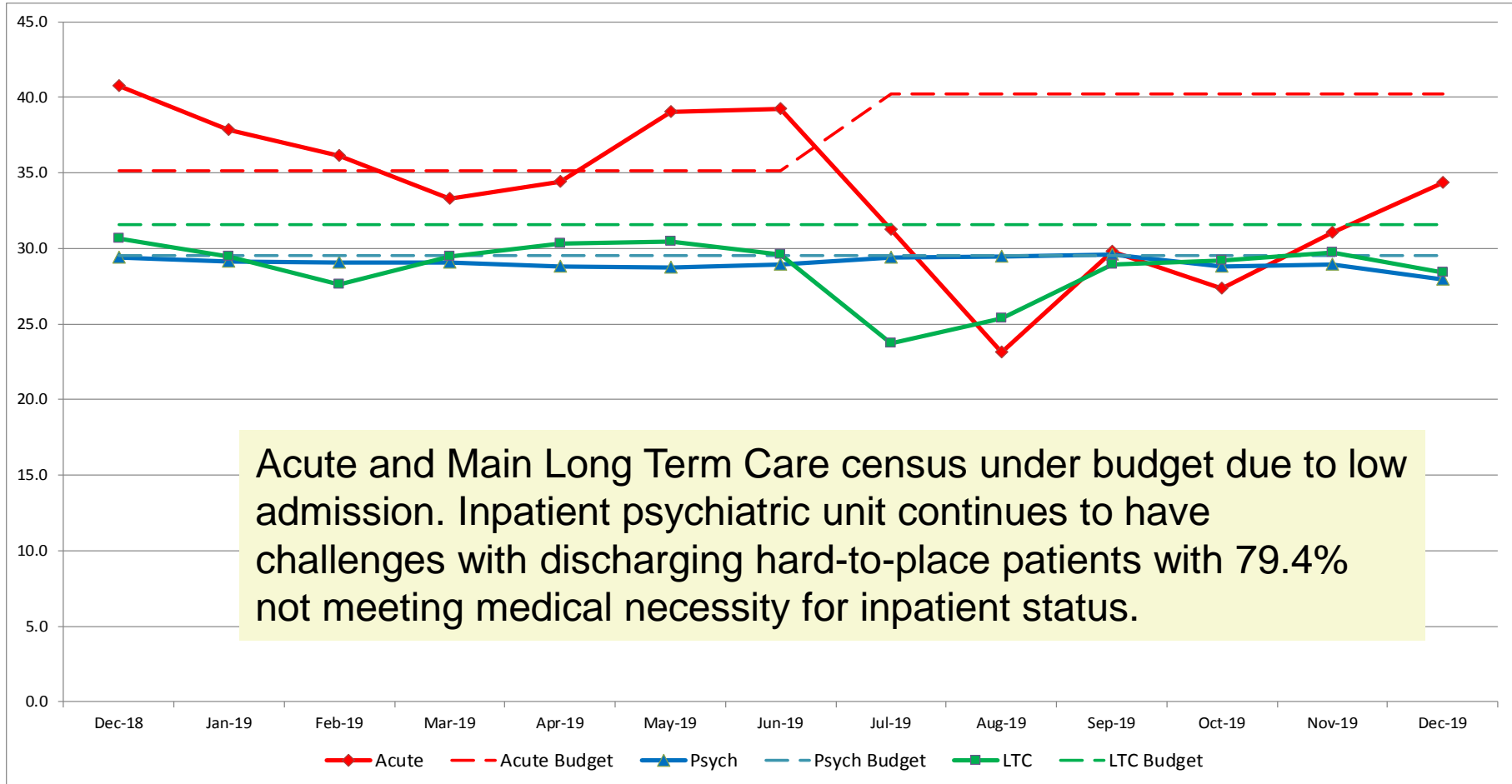


Note: Volume %s are Current Month/YTD

San Mateo Medical Center  
Patient Days  
December 31, 2019

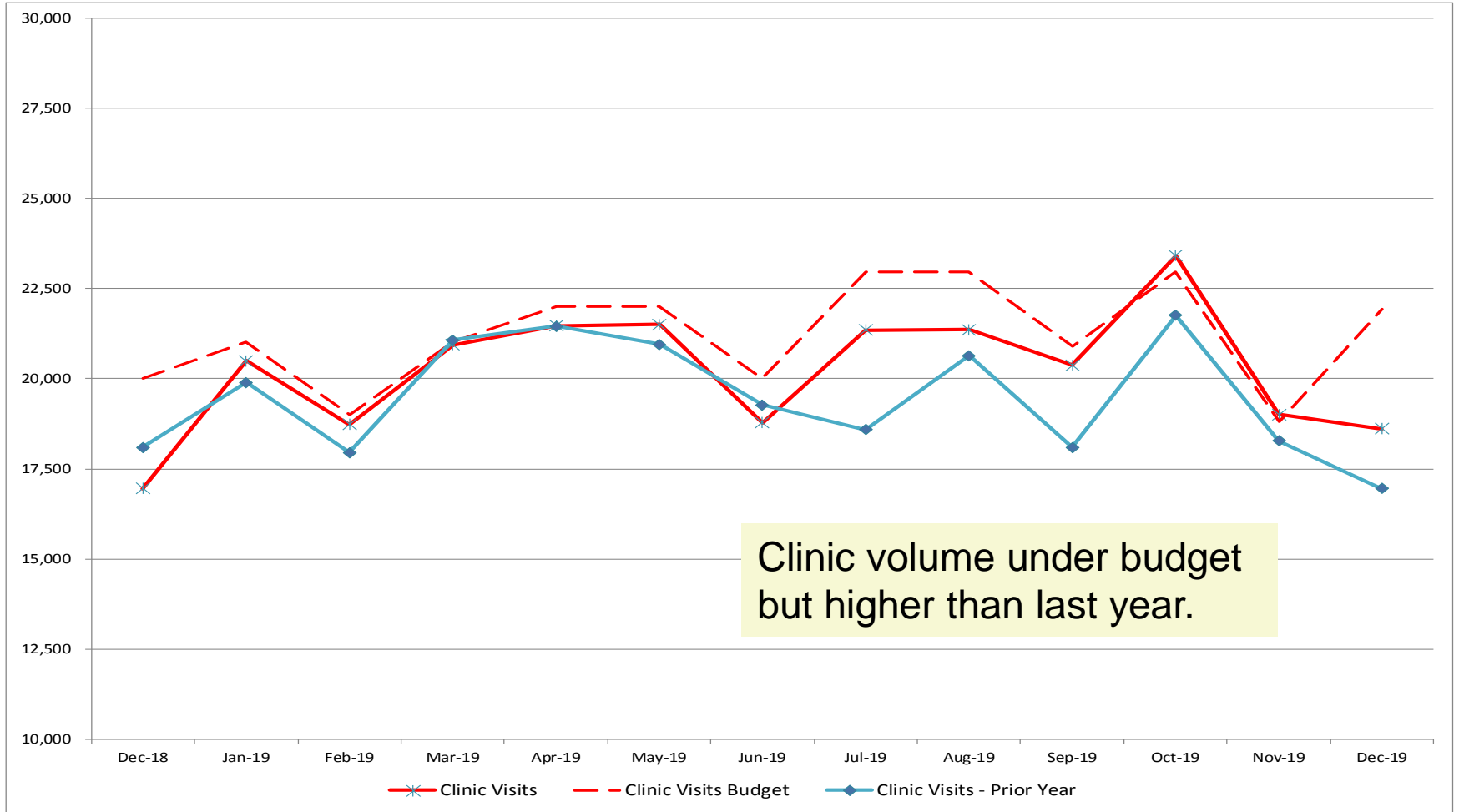
	MONTH			
	Actual	Budget	Variance	Stoplight
Patient Days	2,811	3,108	(297)	-10%

	YEAR TO DATE			
	Actual	Budget	Variance	Stoplight
Patient Days	15,833	18,447	(2,614)	-14%



**San Mateo Medical Center  
Clinic Visits  
December 31, 2019**

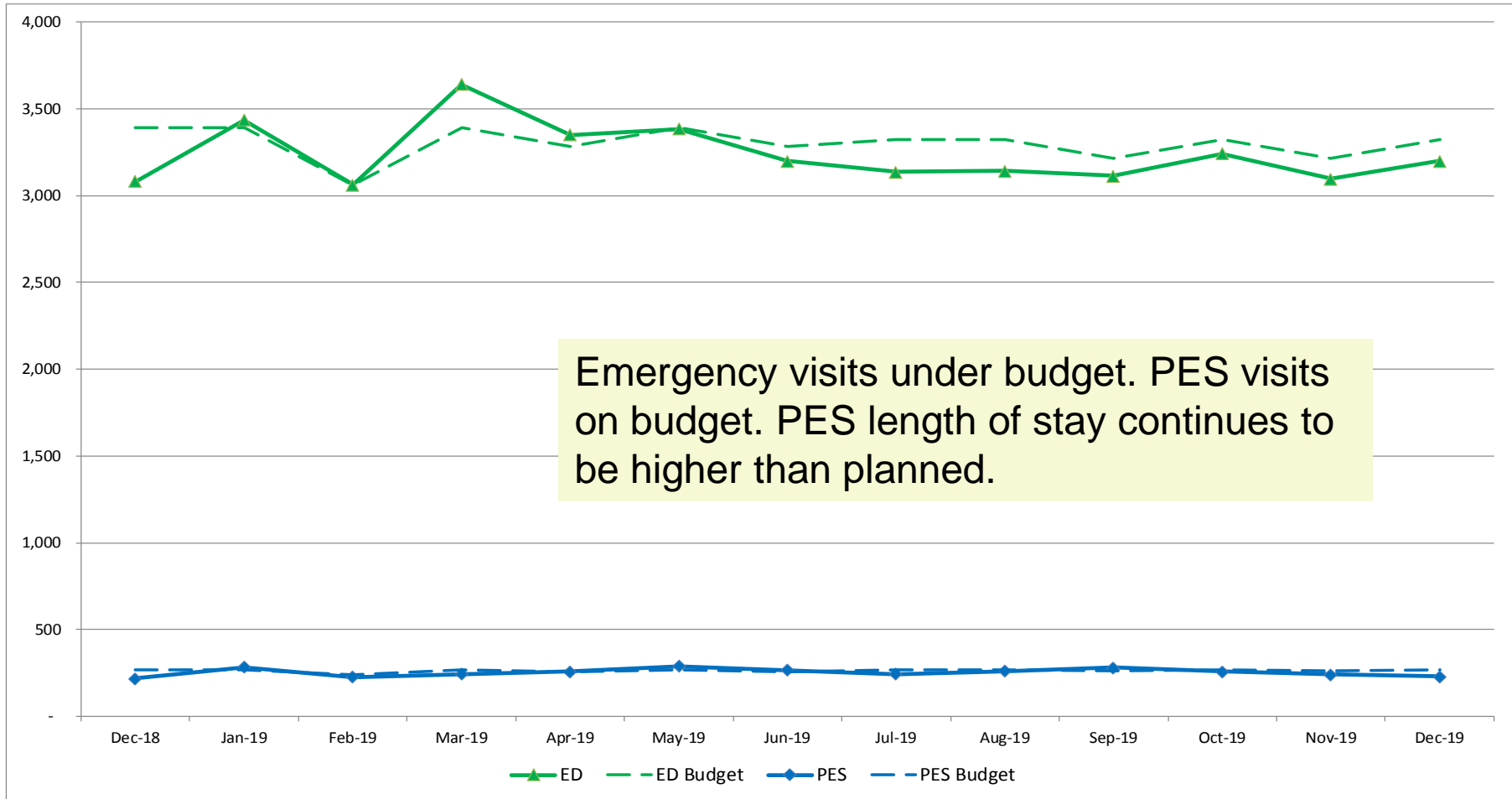
	MONTH				YEAR TO DATE			
	Actual	Budget	Variance	Stoplight	Actual	Budget	Variance	Stoplight
<b>Clinic Visits</b>	18,607	21,931	(3,324)	-15%	124,114	130,543	(6,429)	-5%



San Mateo Medical Center  
Emergency Visits  
December 31, 2019

	MONTH			
	Actual	Budget	Variance	Stoplight
ED Visits	3,429	3,594	(165)	-5%

	YEAR TO DATE			
	Actual	Budget	Variance	Stoplight
ED Visits	20,452	21,332	(880)	-4%



# Revenue Improvement Plan

## Executive Summary

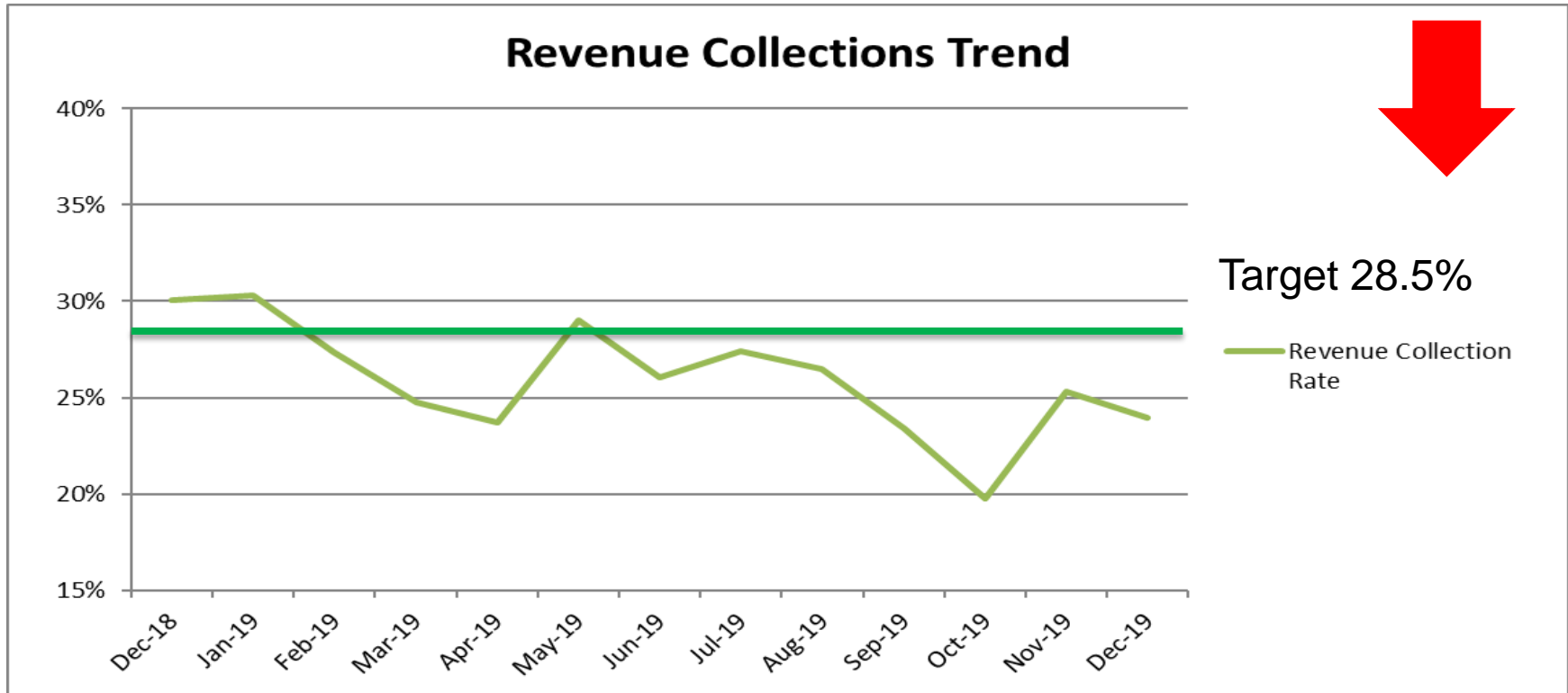
### Initiative

### Status

<p><i>Registration Accuracy</i></p>	<ul style="list-style-type: none"> <li>• Implemented eCareNEXT - registration quality software             <ul style="list-style-type: none"> <li>✓ All areas live</li> <li>✓ Performance reporting rolled out to Clinics November 11<sup>th</sup>. <b>Incorporated in Monthly Operating Reviews</b></li> <li>❑ Optimization period &amp; post-live support underway</li> </ul> </li> </ul>
<p><i>Clinical Documentation Improvement (CDI)</i></p>	<ul style="list-style-type: none"> <li>✓ Chartwise software live</li> <li>✓ Reviewing Medicare and Medi-Cal IP charts</li> <li>✓ CDI Steering Committee launched</li> <li>✓ CDS staff started July 1st</li> <li>❑ Roll-out Outpatient CDI</li> </ul>
<p><i>Accounts Receivable Follow-Up and Denials Management</i></p>	<ul style="list-style-type: none"> <li>• Implemented Colburn Hill automated patient account follow-up software             <ul style="list-style-type: none"> <li>✓ Priority, Hints and Robots are live</li> <li>❑ Optimization period &amp; post-live support underway</li> </ul> </li> <li>• <b>Implementing new centralized treatment authorization process – SSU, Infusion, Rehab Therapy</b></li> </ul>
<p><i>Self-Pay Collections</i></p>	<ul style="list-style-type: none"> <li>✓ RFP issued and vendors selected</li> <li>❑ Implementation in progress. <b>Go live on February 4<sup>th</sup></b></li> </ul>

# Key Performance Indicators

## FFS Revenue Collection Trend

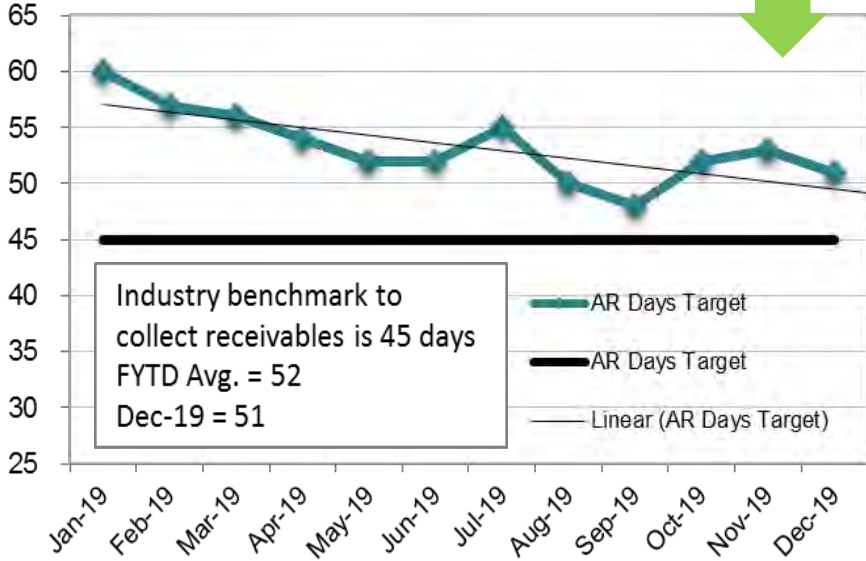


The collection rate dipped below 30% since February due to higher claim denials resulting from increased catch-up efforts on older accounts. Further drop since August was due to increase in charge rates in inpatient and outpatient services and low cash collection due to delays in HPSM and Medicare SNF payments.

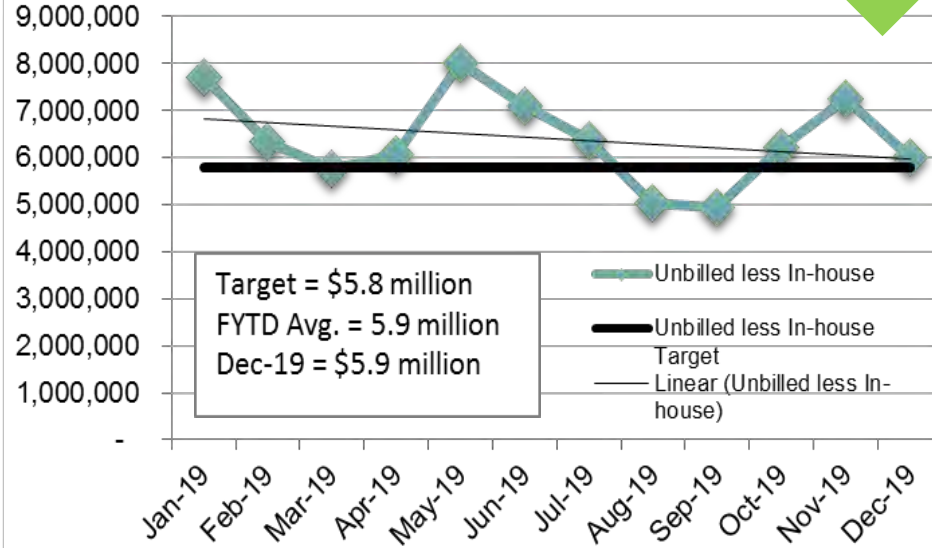


# Key Performance Indicators

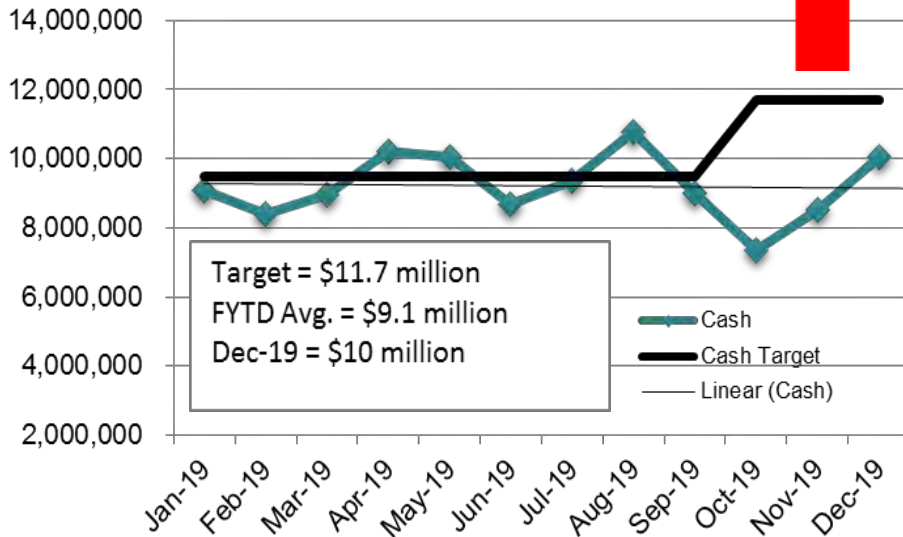
### A/R Days - Rolling 12 Months



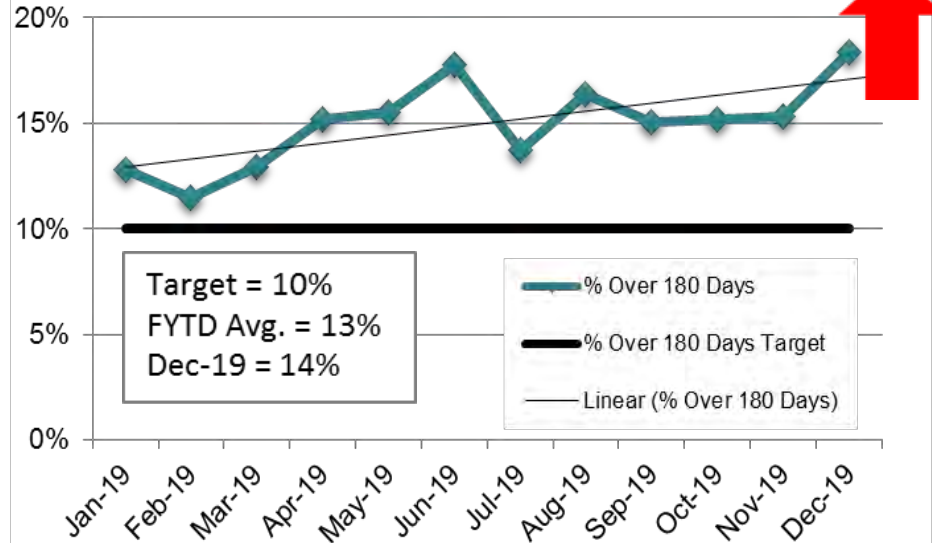
### A/R Unbilled - Rolling 12 Months



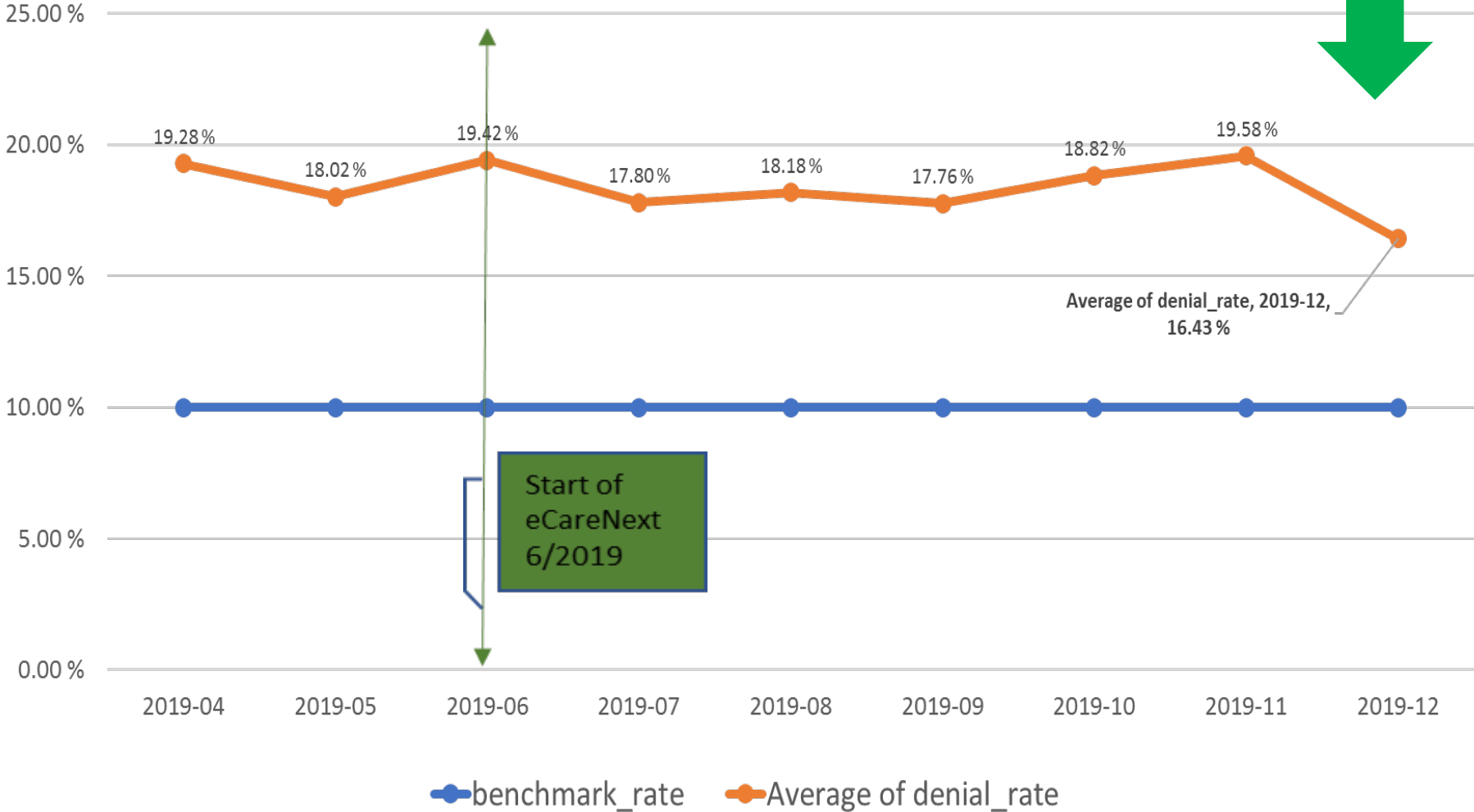
### Cash - Rolling 12 Months



### % of A/R Over 180 Days - Rolling 12 Months



# Denial Rate by Month





SAN MATEO COUNTY HEALTH

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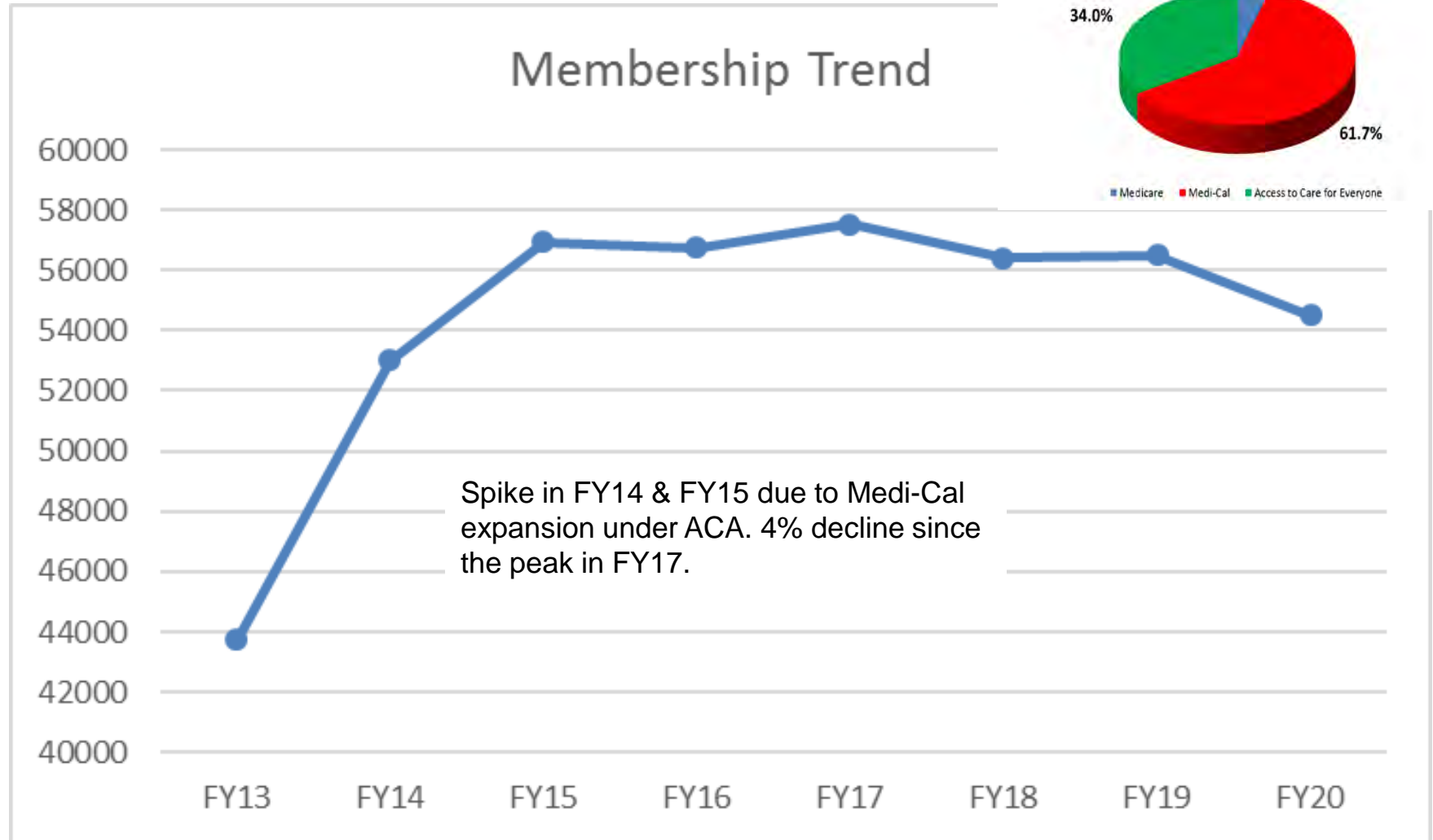
QUESTIONS?

# APPENDIX



SAN MATEO COUNTY HEALTH  
**SAN MATEO  
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# Managed Care Membership Trend



**San Mateo Medical Center  
Payer Mix  
December 31, 2019**

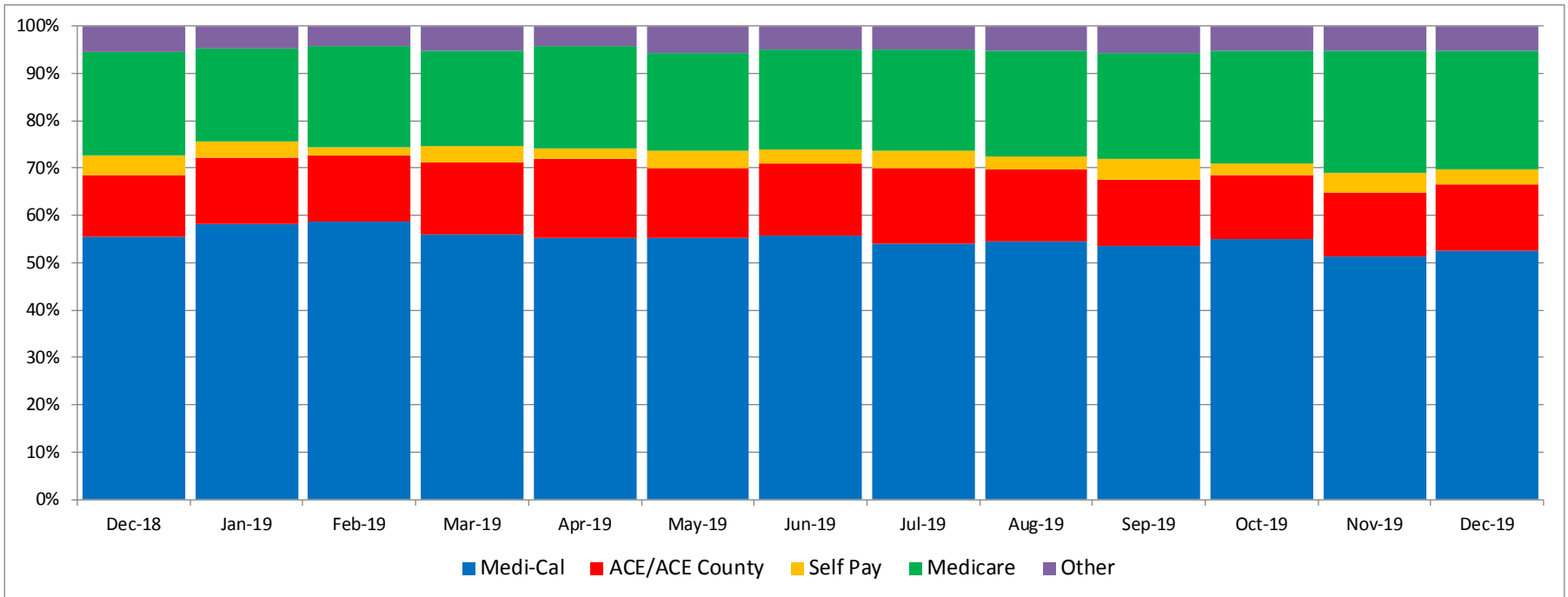
MONTH			
Actual	Budget	Variance	Stoplight
A	B	C	D

YEAR TO DATE			
Actual	Budget	Variance	Stoplight
E	F	G	H

**Payer Type by Gross Revenue**

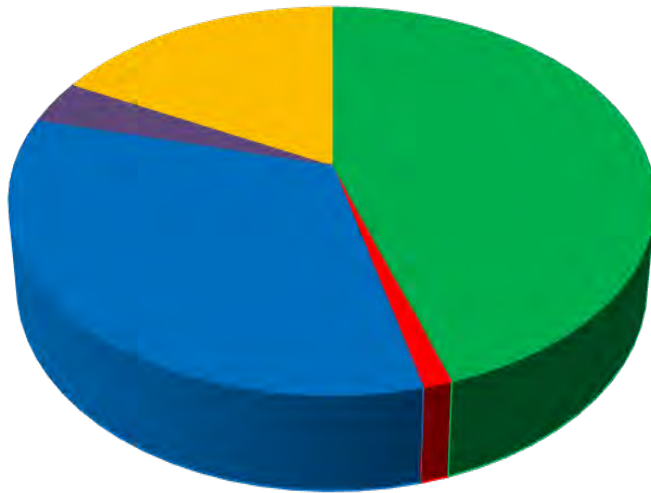
Medicare	25.1%	21.0%	4.1%	
Medi-Cal	52.6%	58.0%	-5.4%	
Self Pay	3.3%	2.0%	1.3%	
Other	5.3%	5.0%	0.3%	
ACE/ACE County	13.8%	14.0%	-0.2%	
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>		

23.4%	21.0%	2.4%	
53.5%	58.0%	-4.5%	
3.5%	2.0%	1.5%	
5.3%	5.0%	0.3%	
14.3%	14.0%	0.3%	
100.0%	100.0%		

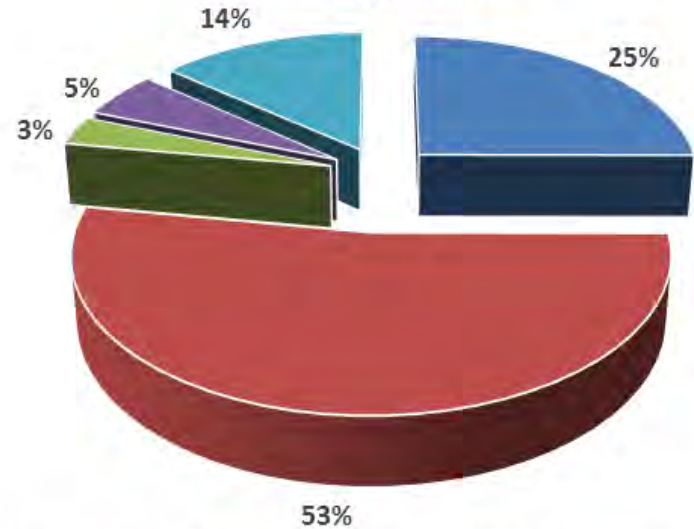


# Revenue Mix

## Sources of Revenue



## Payor Mix



■ Fee For Service  
 ■ Capitation  
 ■ Supplemental  
 ■ Other  
 ■ County Contribution  
 ■ Medicare  
 ■ Medi-Cal  
 ■ Self Pay  
 ■ Other  
 ■ ACE

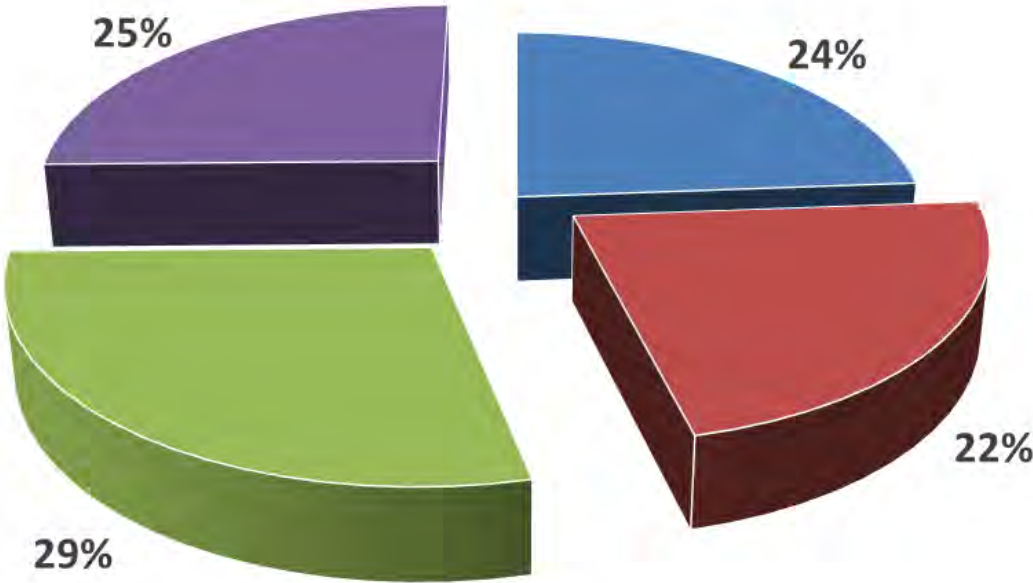
**Health Plan of San Mateo (HPSM)** represents 52% of our Operating Revenue

- Medi-Cal Managed Care and Medicare Managed Care FFS
- Medi-Cal PCP Capitation

**Capitation** is a pre-payment reimbursement model that pays providers a set amount for each enrolled person assigned to them, per period of time, whether or not that person seeks care.

NO commercial contracts

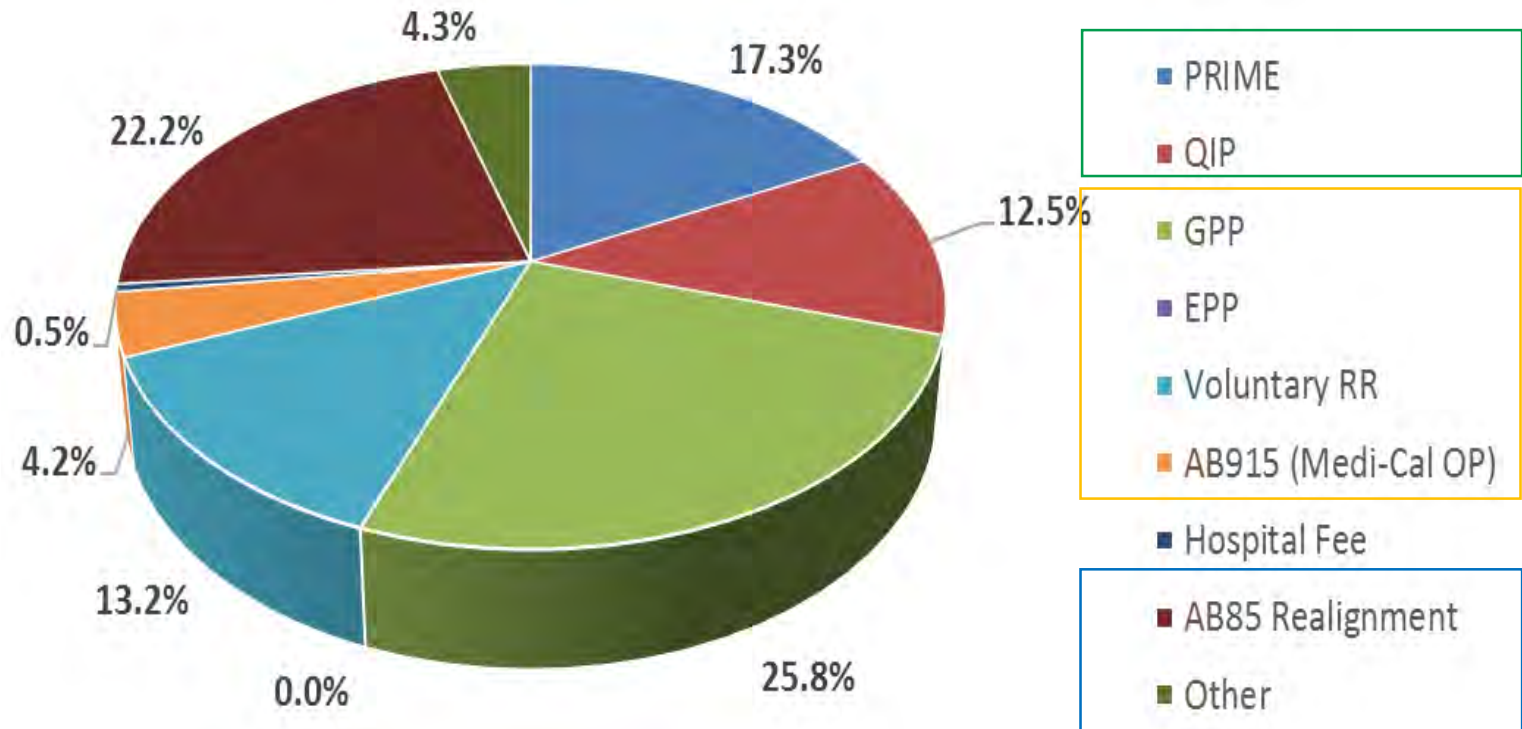
# Revenue Mix by Service Line



■ Inpatient   ■ Hospital ED & Outpatient   ■ Ambulatory Clinics   ■ Ancillary Services



# Supplemental Revenue Mix

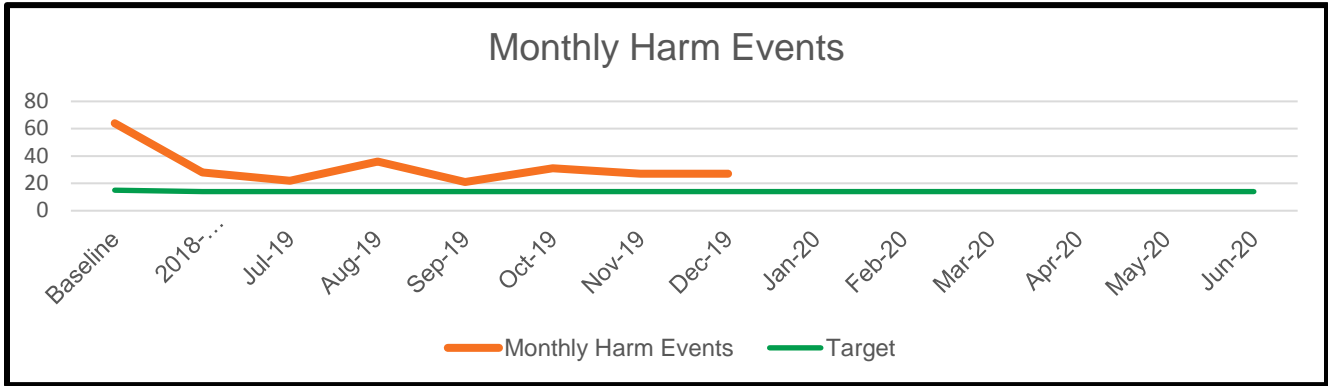


- **Value-Based** programs represent 29.8% of our Supplemental Revenue
- **Volume-Based** programs represent 70.2% of our Supplemental Revenue

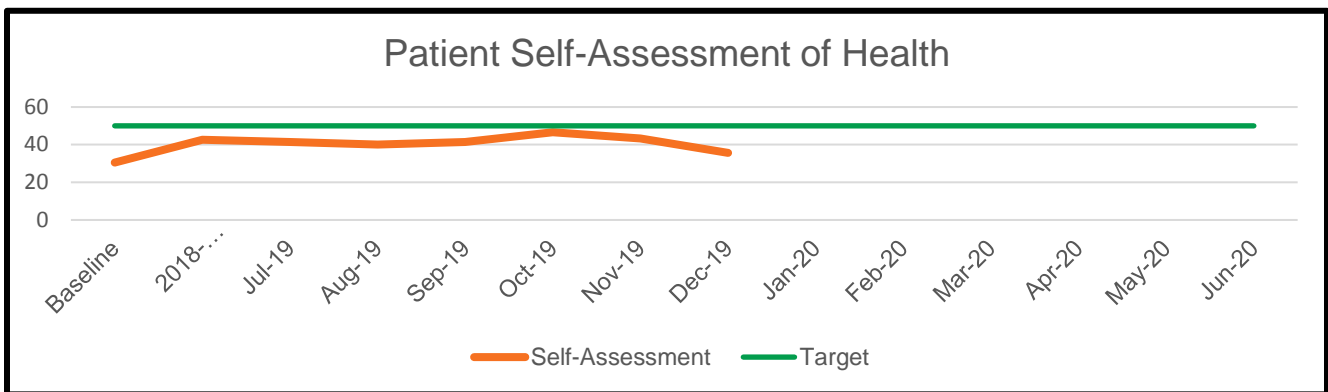
# CEO REPORT

February 2020

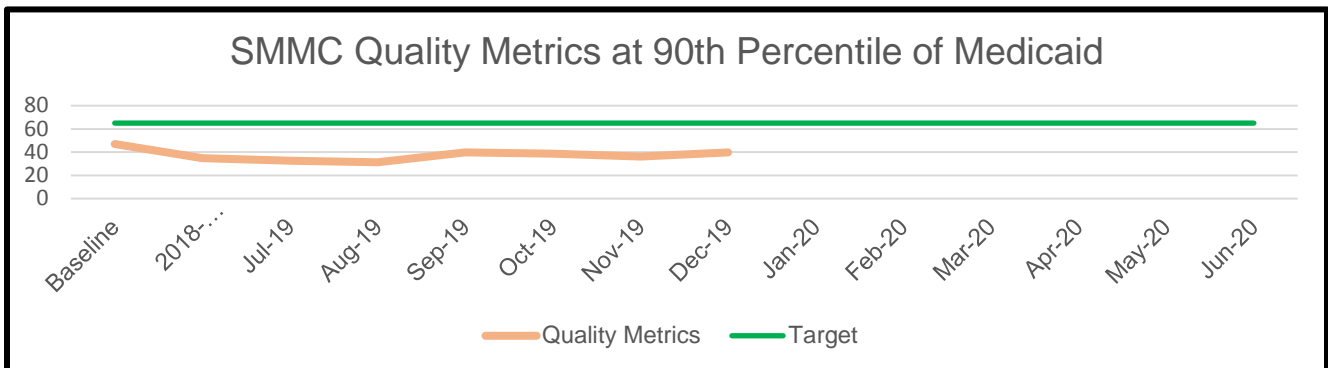
## EXCELLENT CARE METRICS



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



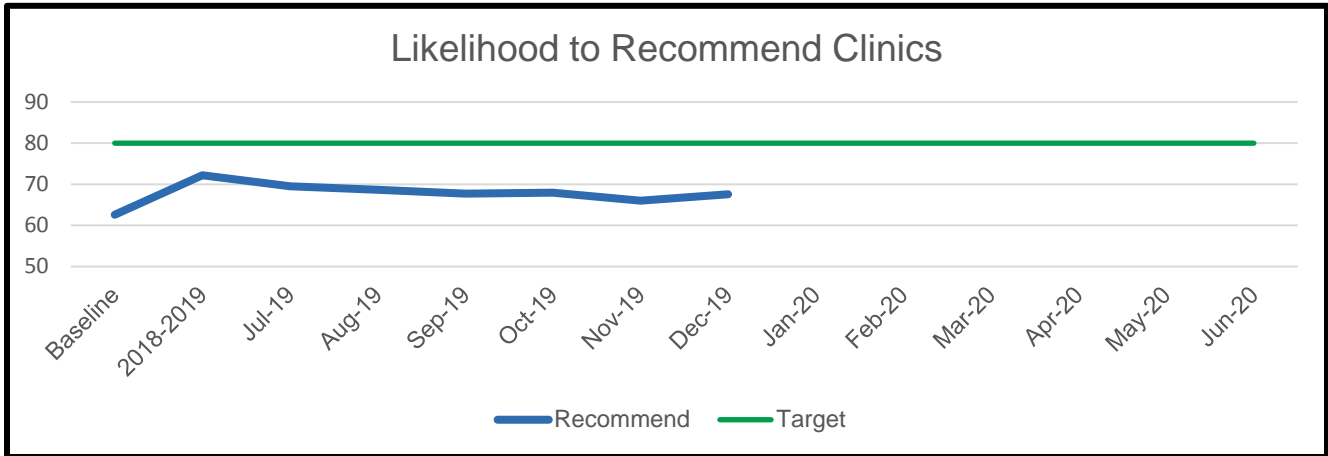
**Patient Self-Assessment of Health:** All Primary Care patients receive an experience survey. One question asks them to rate their health from poor to excellent. This is the percentage that rate their health as very good or excellent. **Higher is better.**



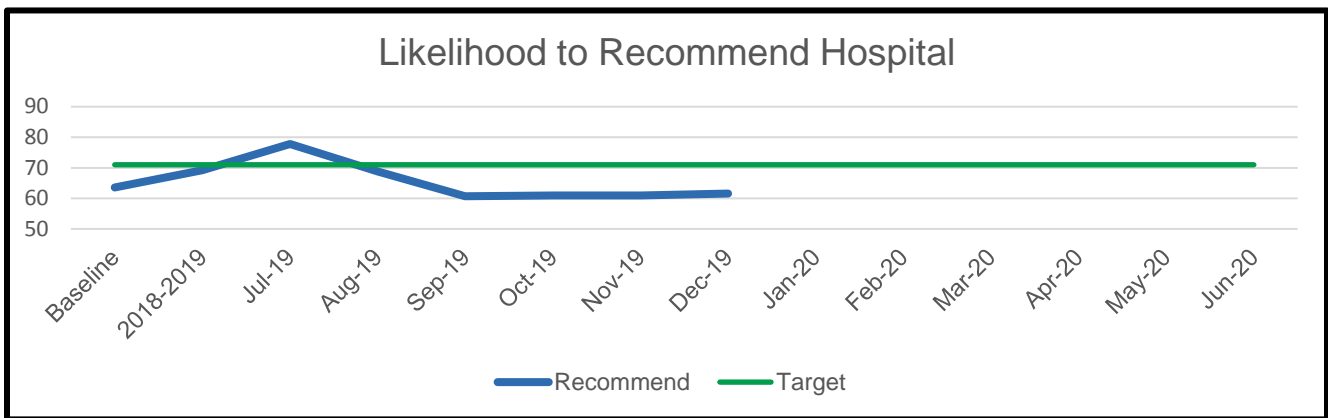
**Quality Metrics at 90<sup>th</sup> Percentile:** SMMC seeks excellence in all that it does. The organization currently participates in a number of pay for performance programs including PRIME, QIP and the Health Plan of San Mateo Pay for Performance Program. This metric measures the percentage of quality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



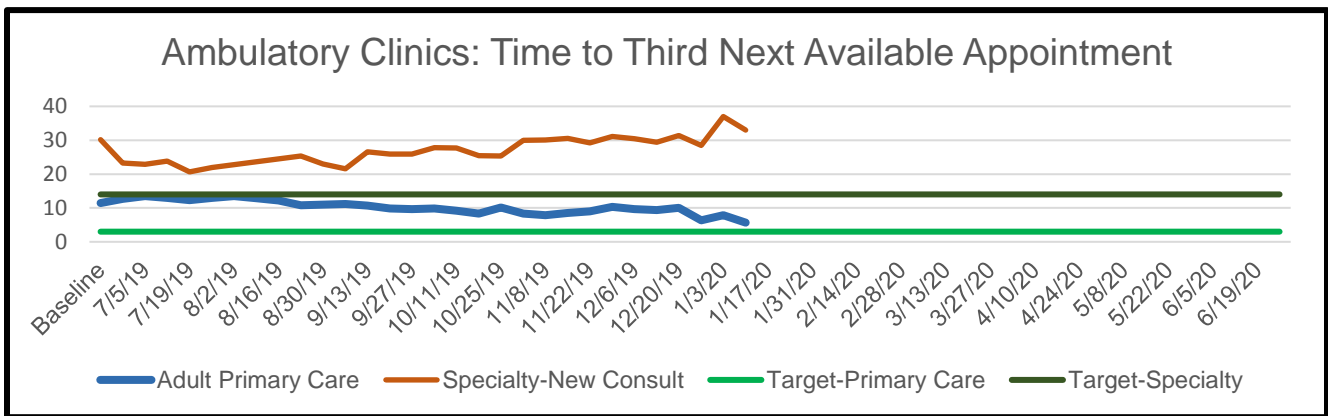
## PATIENT CENTERED CARE METRICS



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



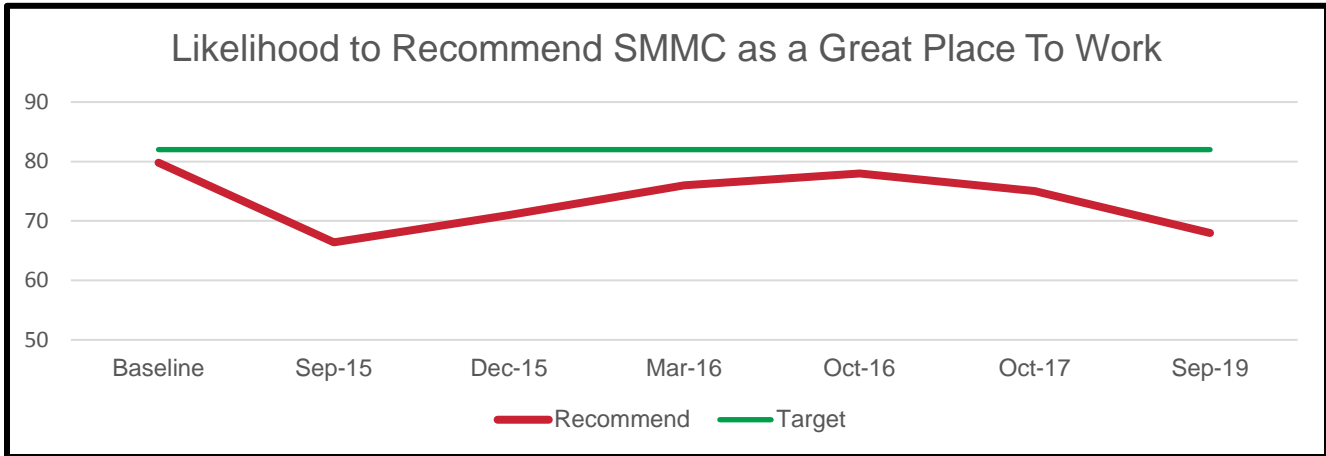
**Likelihood to Recommend Hospital:** Percentage of patients who gave SMMC the highest score (9 or 10) on the patient experience survey question, “How likely are you to recommend this hospital to friends and family?” **Higher is better.**



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

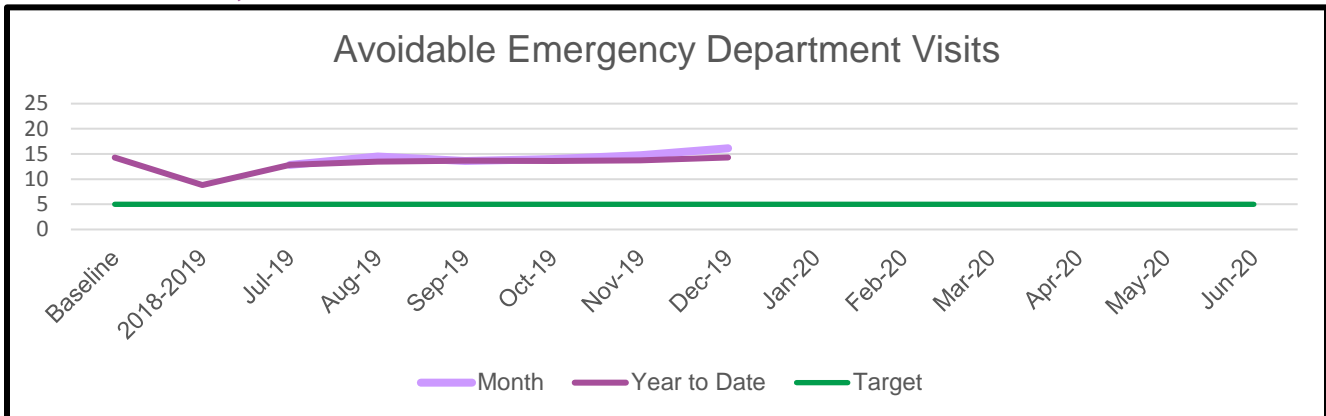


## STAFF ENGAGEMENT METRICS



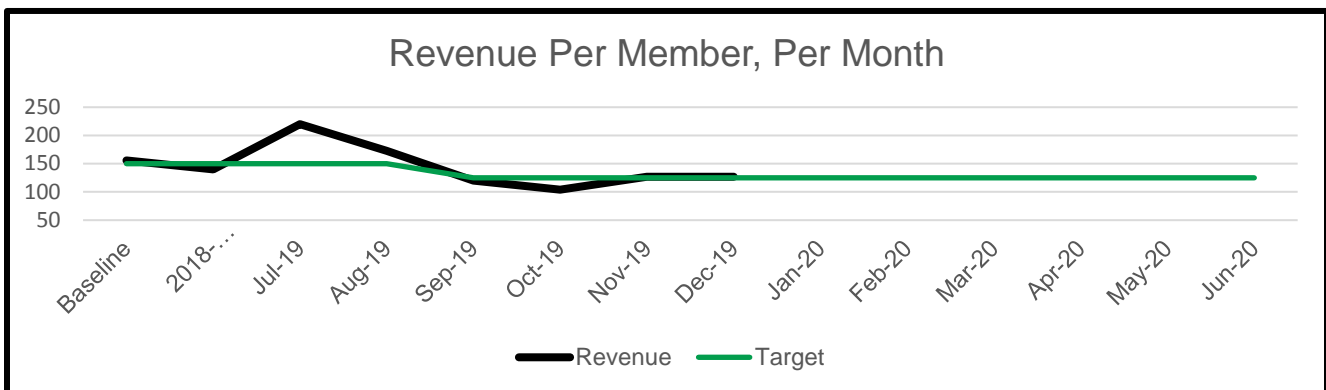
**Likelihood to Recommend SMMC:** Percentage of staff who agree or strongly agree that they would recommend SMMC as a great place to work. Measured using the annual Blessing White staff engagement survey. **Higher is better.**

## RIGHT CARE, TIME AND PLACE METRICS

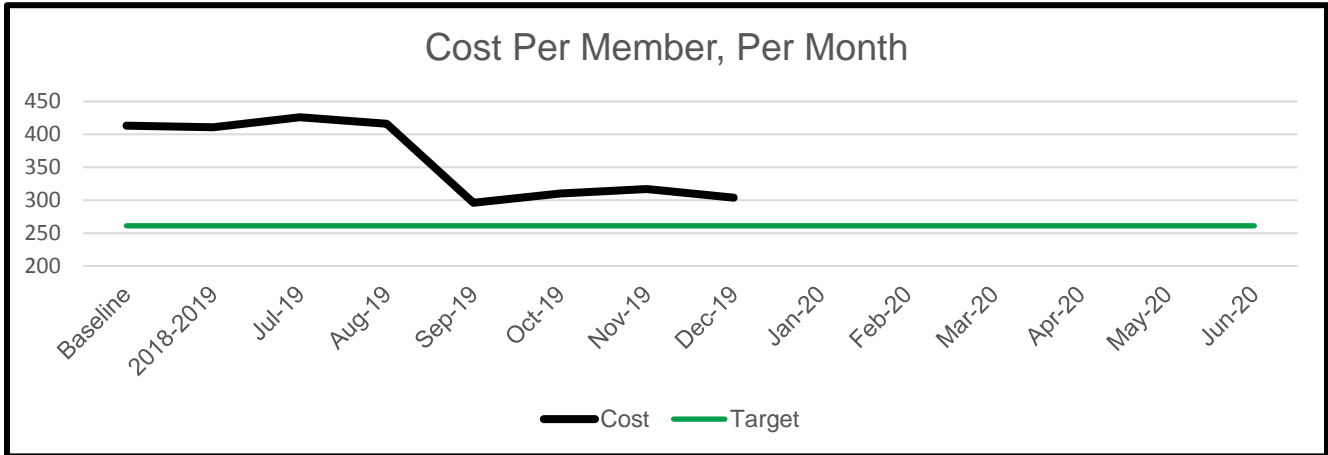


**Potentially Avoidable ED Visits:** Percentage of emergency department visits by established SMMC primary care patients where the discharge diagnosis is one that traditionally could have been treated in an outpatient setting rather than the emergency department. **Lower is better.**

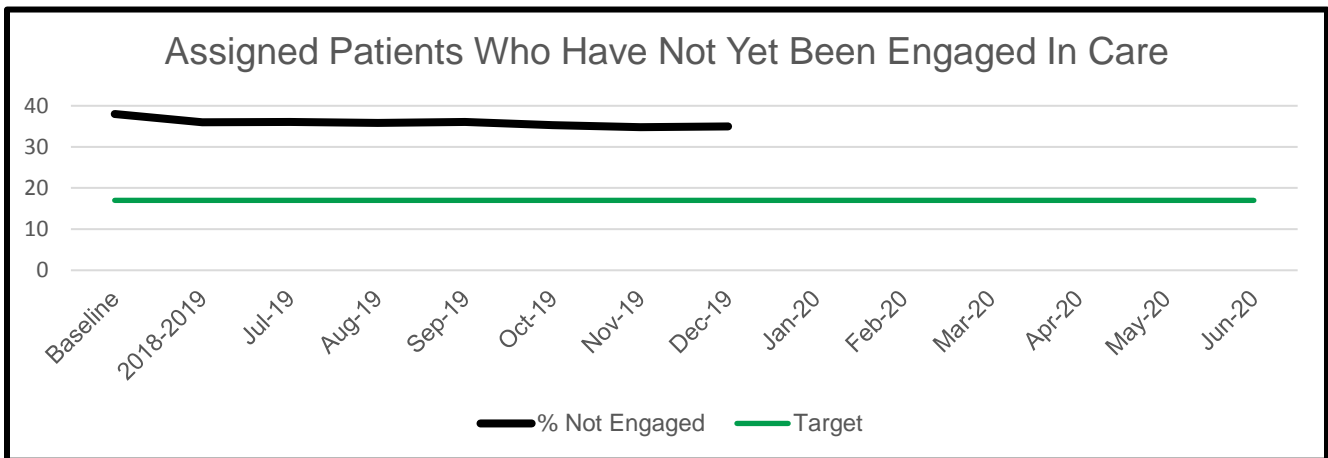
## FINANCIAL STEWARDSHIP METRICS



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



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



**Assigned But Not Engaged:** SMMC has approximately 52,000 patients assigned to it through the Health Plan of San Mateo. This metric measures the percentage of those assigned patients who have not yet engaged in care. **Lower is better.**

## STRATEGIC UPDATES, RECOGNITIONS & AWARDS



**SMMC Celebrates Excellence Awards Winners**– Every year, staff and providers nominate their peers for the SMMC Excellence Awards which recognize those who exemplify excellence in their profession. It was again a tough year for the selection committee as there were a large number of outstanding nominees. I would like to congratulate the following 2019 recipients who were celebrated at an Excellence Awards event on January 16, 2020 (*Pictured above L to R: CJ Kunnappilly-CEO, Patrick Grisham, Demetra Stamm, Janette Blancaluz-Hansen, Suja Georgie, Julian Kent, Adelaida Ruiz, Robert Blake-COO, Nicky Reynicke, Ron Keating*):

***Change Champion:*** Julian Kent and Christopher Rangel, Patient Access

***Leader Excellence:*** Adelaida Ruiz, Daly City Clinic

***Leader Excellence:*** Ron Keating, Material Management

***Nursing Excellence:*** Nicky Reynicke, Innovative Care Clinic

***Patient-Centered Excellence:*** Janette Blancaluz-Hansen, Resource Management

***Provider Excellence:*** Dr. Suja Georgie, 2AB provider

***Provider Excellence:*** Dr. Demetra Stamm, Integrated Behavioral Health

***Service Excellence:*** Marga Dolorfino, Integrated Behavioral Health

***Team Player:*** Patrick Grisham- Ron Robinson and Innovative Care Clinic

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

# SNAPSHOT: San Mateo County Health

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

INDICATOR	NUMBER	CHANGE FROM PREVIOUS MONTH	CHANGE FROM PREVIOUS YEAR
ACE Enrollees	22,562	6.5%	3.9%
SMMC Emergency Department Visits	3,429	2.6%	-5.0%
New Clients Awaiting Primary Care Appt.	67	6.4%	-37.9%

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

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

## Recuperative Care Home will provide care for discharged homeless patients

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

## Communicable disease investigators assist with coronavirus screenings at SFO

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

