SAN FRANCISCO HOSPITALS
CHARITY CARE REPORT
2017

SAN FRANCISCO
DEPARTMENT OF PUBLIC HEALTH

ACKNOWLEDGMENTS

Special thanks to San Francisco Charity Care Workgroup's Hospitals and representatives:

Sutter Health CPMC

Dignity Health Saint Francis Memorial Hospital

CHINESE HOSPITAL

UCSF Health

San Francisco Health Network
Zuckerberg San Francisco General Hospital

KAISER PERMANENTE®

Dignity Health St. Mary's Medical Center

CONTENTS

GLOSSARY

Affordable Care Act: health reform legislation passed by the 111th Congress and signed into law by President Barack Obama in March 2010.

Charity Care: Emergency, inpatient or outpatient medical care, including ancillary services, provided to those who cannot afford to pay and *without the hospital's expectation of reimbursement* (i.e., *free care*). It does not include bad debt, defined as the unpaid accounts of any person who has received medical care or is financially responsible for the cost of care provided to another, where such person has the ability but is unwilling to pay.

Emergency Services: services requiring evaluation and initial treatment of medical conditions caused by trauma or sudden illness.

Healthy San Francisco: a program created by local ordinance designed to make health care services available and affordable to uninsured San Francisco residents.

Inpatient Services: services provided to patients who are admitted to a hospital

Medi-Cal Shortfall: the unreimbursed cost of providing services to the hospital's Medi-Cal patients

Outpatient Services: medical services provided without a hospital admission, excluding emergency services

Safety Net Hospital: hospitals that typically provide significant level of care to low-income, uninsured, and vulnerable populations

Traditional Charity Care: care provided to under- or uninsured patients not enrolled in HSF, and may be ineligible for Medi-Cal

SECTION I: EXECUTIVE SUMMARY

San Francisco's Charity Care Ordinance was designed to promote transparency in the provision of charity care among local non-profit hospitals and highlight the community services hospitals provide in exchange for the benefits that result from their tax-exempt status. This annual report, required by this Ordinance, provides a forum to share and examine the charity care data provided by hospitals, and also explores the changes in the charity care landscape, most notably with the Affordable Care Act (ACA). With the changes to the ACA in 2017, including the repeal of the individual mandate and elimination of the cost-sharing reductions, these annual report will continue to monitor their potential impacts to the San Francisco charity care landscape.

In this 2017 report, there is a section dedicated to City-wide trends and another section that provides hospital-specific data since City-wide trends may be experienced differently across the hospitals. It captures both HSF and traditional charity care for San Francisco. The following are the main conclusions for the report:

A. As expected with continued implementation of the Affordable Care Act, Charity Care has declined in San Francisco.

The total number of charity care patients, expenditures, and services utilized across hospitals declined or remained consistent from FY 2016 to 2017. As charity care patients previously ineligible for health insurance have transitioned to Medi-Cal, total Medi-Cal Shortfall across hospitals has continued to increase. The findings are likely due to the sustained success of ACA-initiated health insurance coverage in San Francisco and successful City-wide efforts to enroll eligible individuals into health insurance.

B. Healthy San Francisco continues to be an important health care access option for uninsured San Franciscans ineligible for ACA-sponsored health coverage.

The Healthy San Francisco (HSF) program offers participants strong connections with the healthcare system, continued outreach, and an organized system of care with defined benefits and income-based cost-sharing. Furthermore, HSF identifies and supports eligible individuals in enrollment into ACA-sponsored coverage. Since 2014, it is likely that a large number of HSF charity care patients enrolled into ACA-sponsored health care coverage for this reason. From FY 2014 to FY 2016, the declines in charity care patients, expenditures, and service utilization were more notable for HSF, compared to non-HSF/traditional charity care. However, in FY 2017, for the first time in the last five reporting periods, traditional charity care experienced a more significant decline in the number of patients, while HSF remained relatively consistent. The decline in the number of traditional charity care patients suggests that uninsured individuals continue to gain coverage through Medi-Cal or Covered CA. The stabilization in the number of HSF charity care patients indicates that, despite HSF support to transition individuals to other health coverage options, there are individuals who are ineligible for ACA-sponsored coverage and continue to rely on HSF for access to health care services.

C. Traditional Charity Care will continue to be essential for the hard-to-reach population and for those who cannot access insurance.

Despite the successful implementation of the ACA, an estimated 30,000 San Franciscans remain uninsured, due to ineligibility or inaccessibility of health insurance.[1] Traditional charity care continues to cover homeless individuals, undocumented immigrants, and San Franciscans in districts with lower incomes. With the limited decline in the number of traditional/non-HSF patients and the shifts in the utilization of services towards emergency care, traditional/non-HSF charity care represents populations that will continue to rely on this form of charity care moving forward.

[1] ACS 1-year estimates for San Francisco

SECTION II: THE SAN FRANCISCO CHARITY CARE ORDINANCE

In 2001, the San Francisco Board of Supervisors passed the Charity Care Ordinance (Ordinance 163-01), amending the San Francisco Health Code by adding Sections 129-138 to authorize the San Francisco Department of Public Health (DPH) to require hospitals to report on charity care policies, quantify the amount of charity care provided, and provide patient notification of charity care policies.[2] This law was the first of its kind in the nation and has supported a spirit of public disclosure locally that has been replicated in other municipalities and by the federal government as part of health reform, as evidenced by the ACA's reporting requirements.

While it does not require hospitals to provide a specific level of free or discounted care to the community, San Francisco's Health Code does require DPH to report on the hospitals' charity care work in an annual report. To fulfill this requirement, DPH collects, analyzes, and presents these data for the San Francisco Health Commission each year. The annual charity care report allows readers to learn more about the health care provided to those who are under/uninsured and least able to pay for health care services.

San Francisco's Ordinance defines charity care as:

"emergency, inpatient, and outpatient medical care, including ancillary services, provided to those who cannot afford to pay and without expectation of reimbursement, and that qualifies for inclusion in the line item 'Charity-Other' in the reports referred to in Section 128740(a) of the California Health and Safety Code, after reduction by the Ratio of Costs- to-Charges."[3]

The annual report captures charity care data in two categories: Healthy San Francisco (HSF) charity care, which is provided by hospitals as part of their participation in local HSF program; and traditional charity care, which is defined as the care provided to under- or uninsured patients not enrolled in HSF, and may be ineligible for Medi-Cal.

To produce the annual report, DPH collaborates with eight reporting hospitals through the charity care project workgroup. According to the Charity Care Ordinance, there are five hospitals required to submit charity care data to SFDPH within 120 days after the end of their fiscal year.[4] The other three hospitals are not mandated, but report the same charity care data voluntarily to SFDPH.

Mandatory Reporting	Voluntary Reporting
Chinese Hospital Association of San Francisco (CHASF)	Kaiser Foundation Hospital, San Francisco (KFH – SF)
Dignity Health: Saint Francis Memorial Hospital (SFMH)	University of California San Francisco, Medical Center (UCSF)
Dignity Health: St. Mary's Medical Center (SMMC)	Zuckerberg San Francisco General Hospital (ZSFG)
Sutter Health: St. Luke's Hospital (STL)	
Sutter Health: California Pacific Medical Center (CPMC)	

[2] More information about the charity care ordinance and reporting hospitals is found in Appendix 2 and 3.

[3] CCSF Health Code, Article 3 (Hospitals), Section 130. Definitions.

[4] Hospitals report either on a Jan-Dec or a July-June fiscal year. See appendix 2A for details.

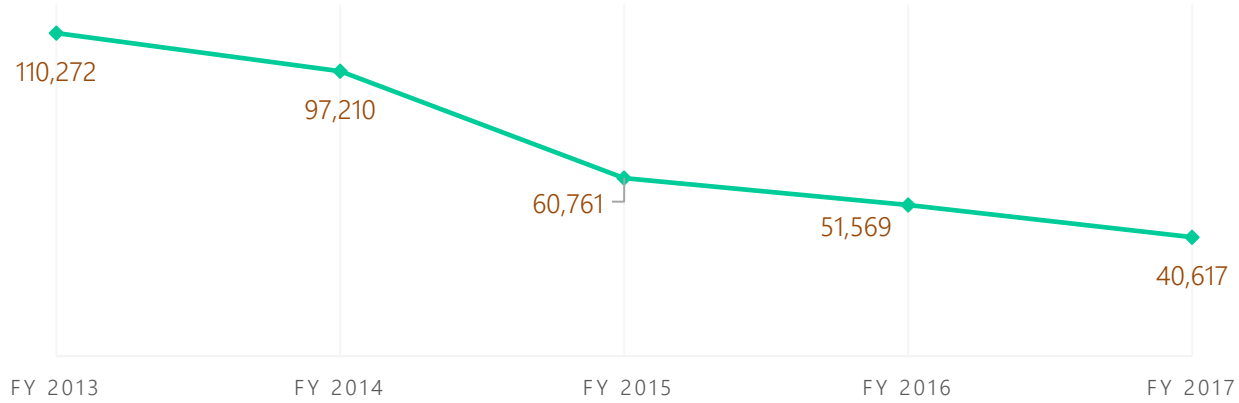
SECTION III: CITY-WIDE CHARITY CARE DATA AND CONCLUSION

A. As expected with continued implementation of the Affordable Care Act, Charity Care has declined in San Francisco.

Cumulatively, over 150,000 San Franciscans have enrolled in new health insurance options since the launch of the ACA in 2014, including more than 93,000 through the expansion of Medi-Cal and over 63,000 through Covered California.[5] As expected with this continued successful implementation of the ACA, there has been a decrease in the reliance on charity care in the City.

There continues to be a decline in the number of overall unduplicated charity care patients[6]. This reporting year saw a 21 percent decline compared to the previous year. Overall, number of patients has been declining since FY 2012, but more rapidly since the implementation of the ACA. These declines suggest that many individuals who previously were receiving charity care may have instead moved onto ACA-initiated coverage through Medi-Cal or Covered California.

Figure 1: Unduplicated Charity Care Patients



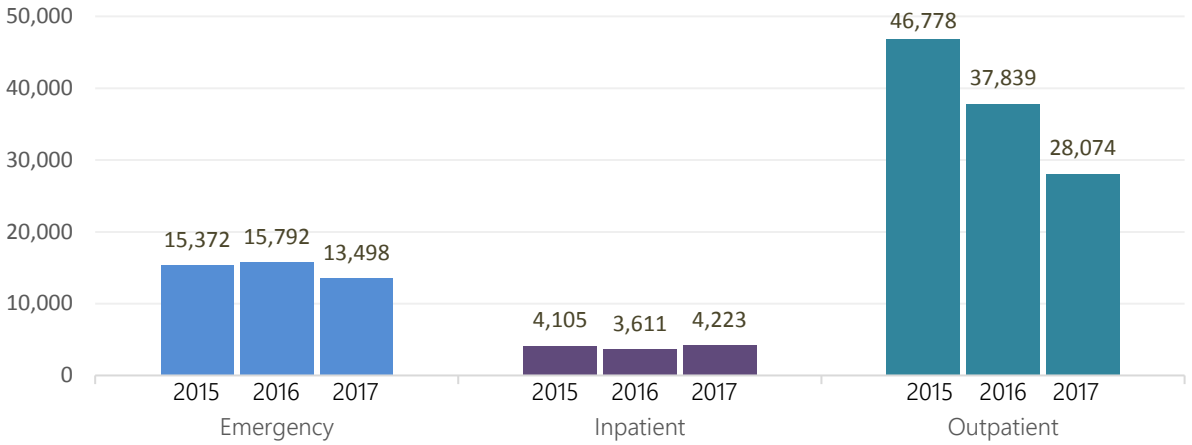
Overall, with the decline in patients, charity care services also declined with the exception of an increase in inpatient services utilization. Emergency services and outpatient services declined by 14.5 and 25.8 percent, respectively. Inpatient services increased by 16.9 percent. Outpatient services are still the majority of overall services (60.7 percent).

Despite the decline in the number of charity care patients, this data suggests the importance and continued reliance on emergency and inpatient services, especially for traditional charity care patients.

[5] Data is combined from Covered California Open Enrollment 1,2, & 3 and DHCS Medi-Cal expansion

[6] Number of patients is unduplicated for each hospital regardless of the number of services/visits. There is possible duplication across hospitals. If a patient was seen at one hospital and again at another hospital, the patient would be counted twice.

Figure 2: Charity Care Services

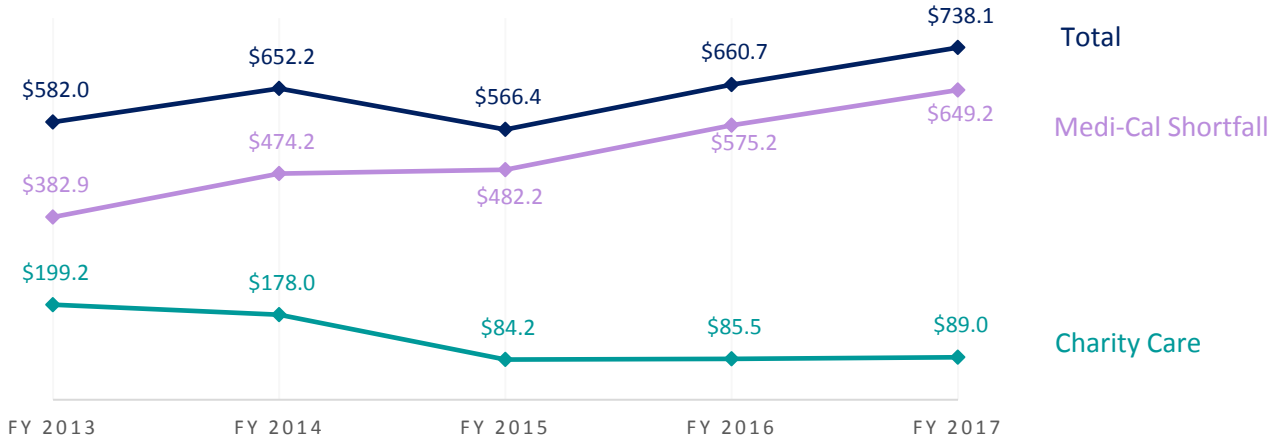


The total charity care expenditures across the eight reporting hospitals again saw a slight increase in the reporting period of this report from $85.5 million to $89.0 million. With the large decline from FY 2014 to FY 2015, the increases from FY 2015 to FY 2017 may represent a stabilization of charity care expenditures or general fluctuation in the charity care expenditures, especially with the traditional charity care figures not declining despite ACA efforts.

As charity care patients previously ineligible for health insurance may have enrolled in Medi-Cal, Medi-Cal shortfall becomes an increasingly important measure for evaluating the care provided to low-income San Franciscans. Hospitals track the amount of Medi-Cal expenditures spent in services to Medi-Cal beneficiaries as compared to hospital reimbursement from the program, and the difference between these two amounts is known as Medi-Cal Shortfall. Generally, hospitals must absorb the difference.

Across the reporting hospitals, the total Medi-Cal shortfall increased substantially by 74 million or 12.9 percent from FY 2016 to FY 2017. This significant increase in Medi-Cal shortfall continues to suggest that Medi-Cal expansion through the ACA has been successful in increasing access to health coverage.

Figure 3: Charity Care Expenditures and Medi-Cal Shortfall, in Millions



B. Healthy San Francisco continues to be an important health care access option for uninsured San Franciscans ineligible for ACA-sponsored health insurance.

HSF is a locally-created and funded program, started in 2007, that provides comprehensive, affordable health care to uninsured adults in San Francisco. HSF caters to the uninsured via a medical home-based model, pairing each member with a primary care provider and thereby improving access to preventive and coordinated care. Although not insurance, HSF provides an organized system of care with benefits beyond hospital services and a stronger connection to the healthcare system for participants.

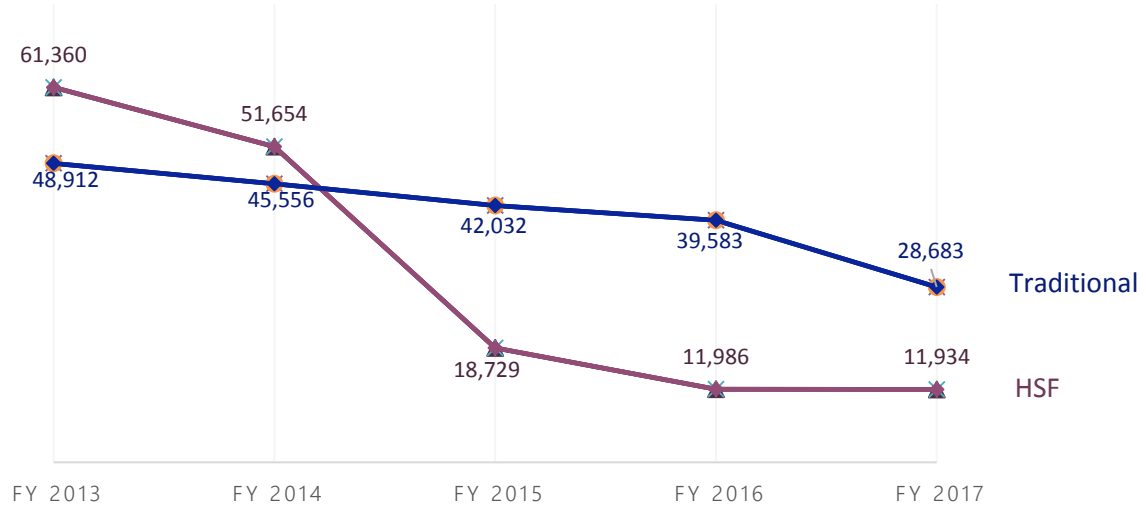
Through the program, participants are accustomed to actively participating in the healthcare system. Furthermore, HSF provides outreach and assistance to help enroll those eligible for ACA-sponsored coverage, increasing the accessibility of health insurance. For example, between July 2016 and June 2017, 731 HSF participants were dis-enrolled from HSF and enrolled in Medi-Cal.[7]

Before the ACA's insurance provisions became operational in January 2014, charity care reports noted a shift from Traditional charity care towards HSF coverage. But, with the onset of the ACA's insurance provisions and expanded access to health insurance coverage, the decline in HSF charity care patients had been much greater than the decline in traditional charity care patients until this reporting period. Prior to the ACA in 2013, HSF covered ~ 50K or 70 percent of the uninsured, but covers ~14K or 50 percent in 2017.

From FY 2015 to 2016, the decline in HSF charity care patients was 6,743, or 36.0 percent, while the drop was only 2,449 non-HSF charity care patients, or 5.8 percent. However, in FY 2017, for the first time in the last five reporting periods, traditional charity care had a more significant decline by 10,900 patients (27.5 percent), while HSF remained relatively consistent with a slight decline by only 52 patients (less than 1 percent). The decline in the number of traditional charity care patients suggests that uninsured individuals continue to gain coverage through Medi-Cal or Covered CA. The stabilization in the number of HSF charity care patients indicates that, despite HSF support to transition individuals to other health coverage options, there are individuals who are ineligible for ACA-sponsored coverage and continue to rely on HSF for access to health care services.

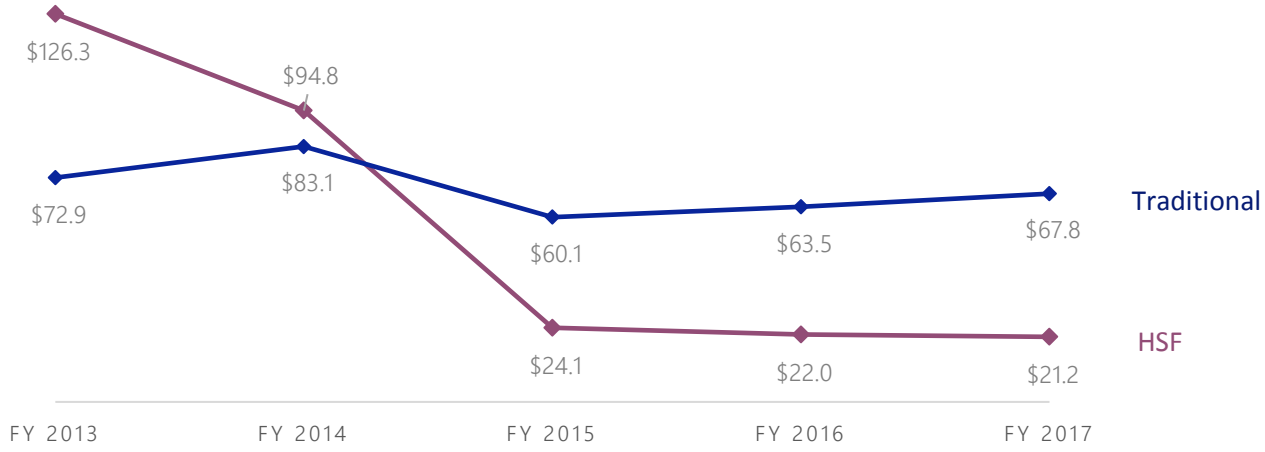
[7] HSF Data

Figure 4: HSF and Traditional Unduplicated Charity Care Patients



In FY 2014 with the beginning of ACA implementation, HSF charity care spending decreased for the first time, from $126.28 million to $94.82 million. This trend has continued for HSF into FY 2016 and FY 2017 – the overall expenditures continued to decrease by 8.7 and 3.6 percent, respectively. To compare, traditional charity care has fluctuated with slight increases and decreases since FY 2012. Despite a significant decrease in traditional charity care patients in FY 2017, there was an increase in traditional charity care expenditures (6.8 percent). Some hospitals noted that the expenditure increase may be due to medical care inflation, while other hospitals noted that it may be due to an acuity change, with sicker patients presenting to the hospitals over time and requiring more costly care.

Figure 5: HSF and Traditional Charity Care Expenditures, in Millions



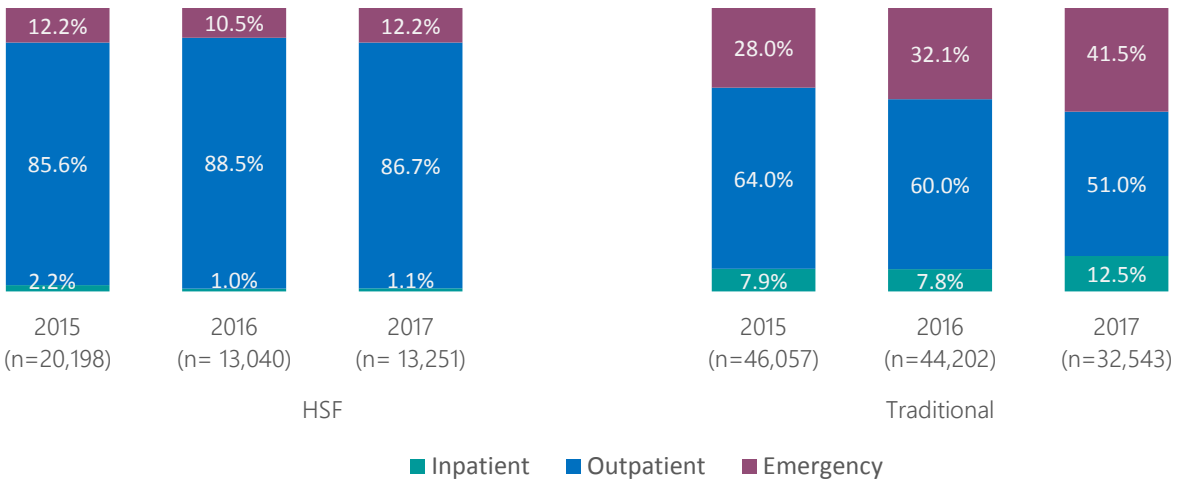
C. Traditional Charity Care will continue to be essential for the hard-to-reach population and for those who cannot access insurance.

The Congressional Budget Office estimated that 28 million (10.3 percent) of all non-elderly U.S. residents would be uninsured in 2017, despite the effects of the ACA.[8] The estimates includes undocumented immigrants and individuals eligible, but not enrolled, in Medicaid. In San Francisco, the uninsured rate has declined to 3.3 percent (~30,000) in 2017.

With more individuals gaining ACA-initiated coverage, the residually uninsured include those who are ineligible for insurance under the ACA, or who may be eligible but do not enroll for a variety of reasons. The reasons could be personal circumstances that make it difficult to maintain coverage (e.g. homelessness), lack of awareness of eligibility, immigration status, and affordability concerns despite ACA premium subsidies. Overall, there will be a number of San Franciscans that will remain uninsured despite all City-wide and national efforts. These individuals will continue to rely on traditional charity care.

Despite decreases in the number of patients and services utilized by patients, the proportion of emergency care is high for traditional charity care patients, not seen in the HSF population. While there was also an overall decrease in emergency service utilization for traditional charity care population from 14,209 in FY 2016 to 13,498 in FY 2017, the proportion of emergency services utilized compared to all services significantly increased from 32.1% in FY 2016 to 41.5% in FY 2017. With the steady dependence on emergency care, it reiterates the idea that traditional charity care represents the harder-to-reach population with lesser access to ACA-initiated coverage and primary/preventive care. These patients typically use emergency care, compared to the HSF population, who have connections to primary and specialty care through the city-run program.

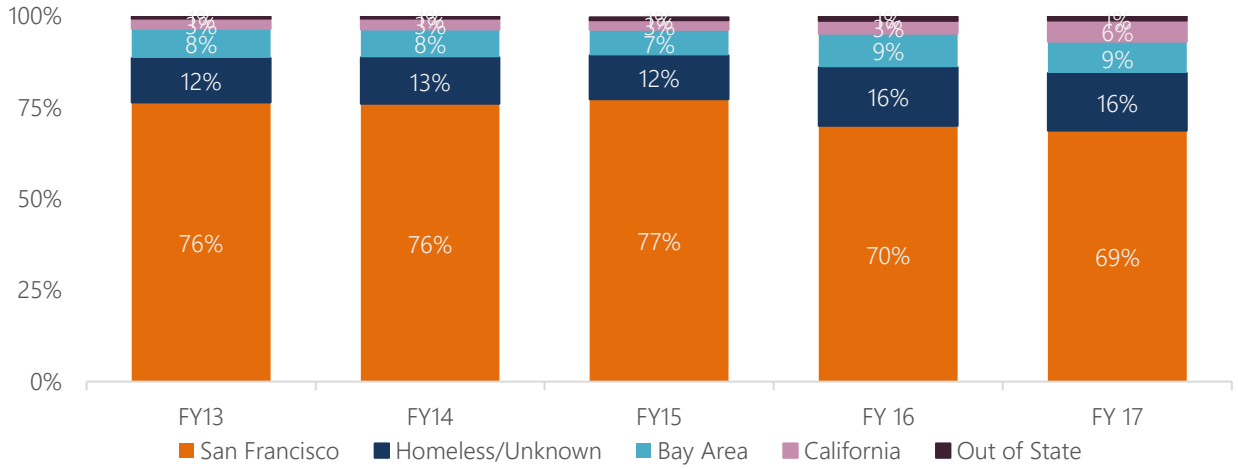
Figure 6: Proportion of all services for HSF and Traditional, FY 2015-2017



[8] CBO estimates https://www.cbo.gov/sites/default/files/recurringdata/51298-2017-09-healthinsurance.pdf

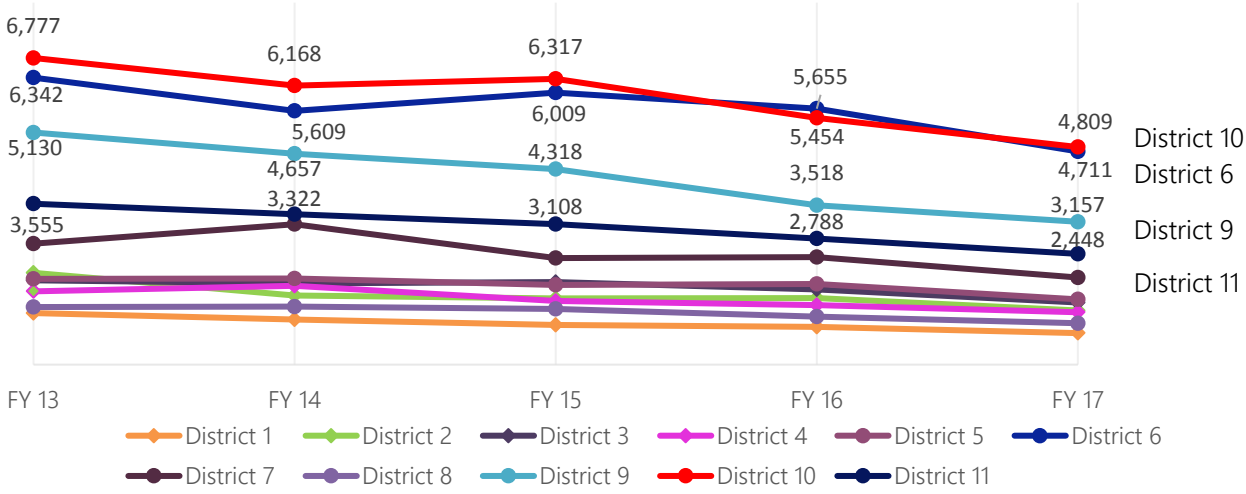
As in previous years, traditional charity care patients continue to be predominantly San Francisco residents (69 percent) and homeless individuals (16 percent)[9]. The percentages of out-of-state and Bay Area residents have remained relatively stable since FY 2013, occupying approximately 10 percent of the total traditional charity care recipients. The percentage of California (non-Bay Area) residents slightly increased in this reporting period from 3 percent in FY 2016 to 6 percent in FY 2017.

Figure 7: Traditional Charity Care Patients by Reported Residence



Districts 6 (SOMA), 9 (Mission, Bernal Heights), 10 (SE neighborhoods, including Bayview-Hunters Point), and 11 (Excelsior) still represent the largest share of traditional charity care patients in San Francisco as in the previous four years. These four districts also have some of the lowest average household incomes across San Francisco, indicating a correlation between charity care need and poverty. With the lack of significant changes in these trends and data, traditional charity care will continue to be essential to the safety net for those who cannot access health insurance or are hard to reach.

Figure 8: Traditional Charity Care Patients by Supervisorial District



[9] Homeless/Other/Unknown is a category that captures any individuals that did not provide a valid address

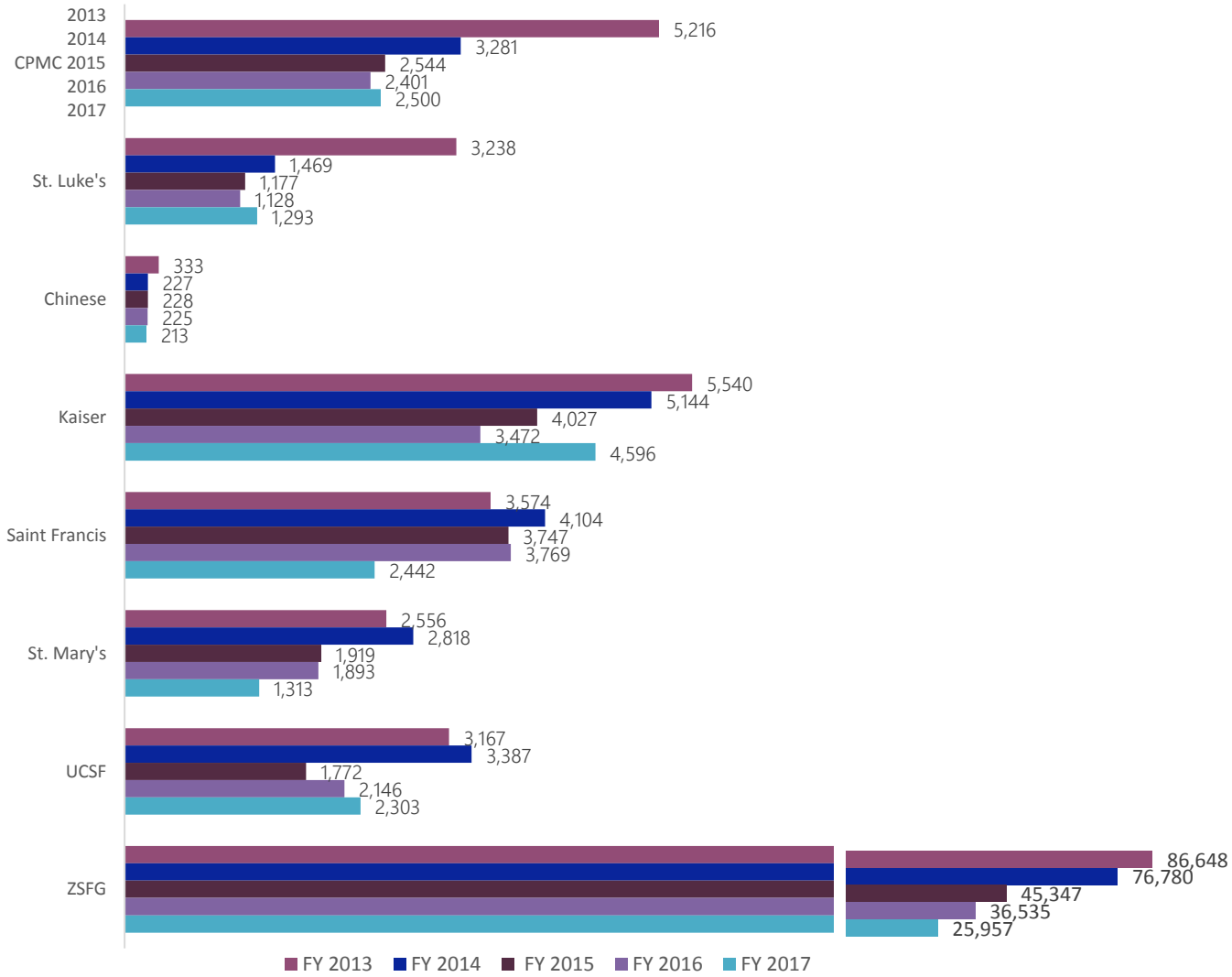
SECTION IV: HOSPITAL- SPECIFIC CHARITY CARE DATA

A number of factors may influence charity care across hospitals, including patients' personal preferences, ambulance diversion, transportation, hospitals' service delivery mix, and geographic location, among others. This section provides data to show how the city-wide trends in charity care patients, service utilization, expenditures, and Medi-Cal Shortfall varied among the reporting hospitals.

Unduplicated Patients

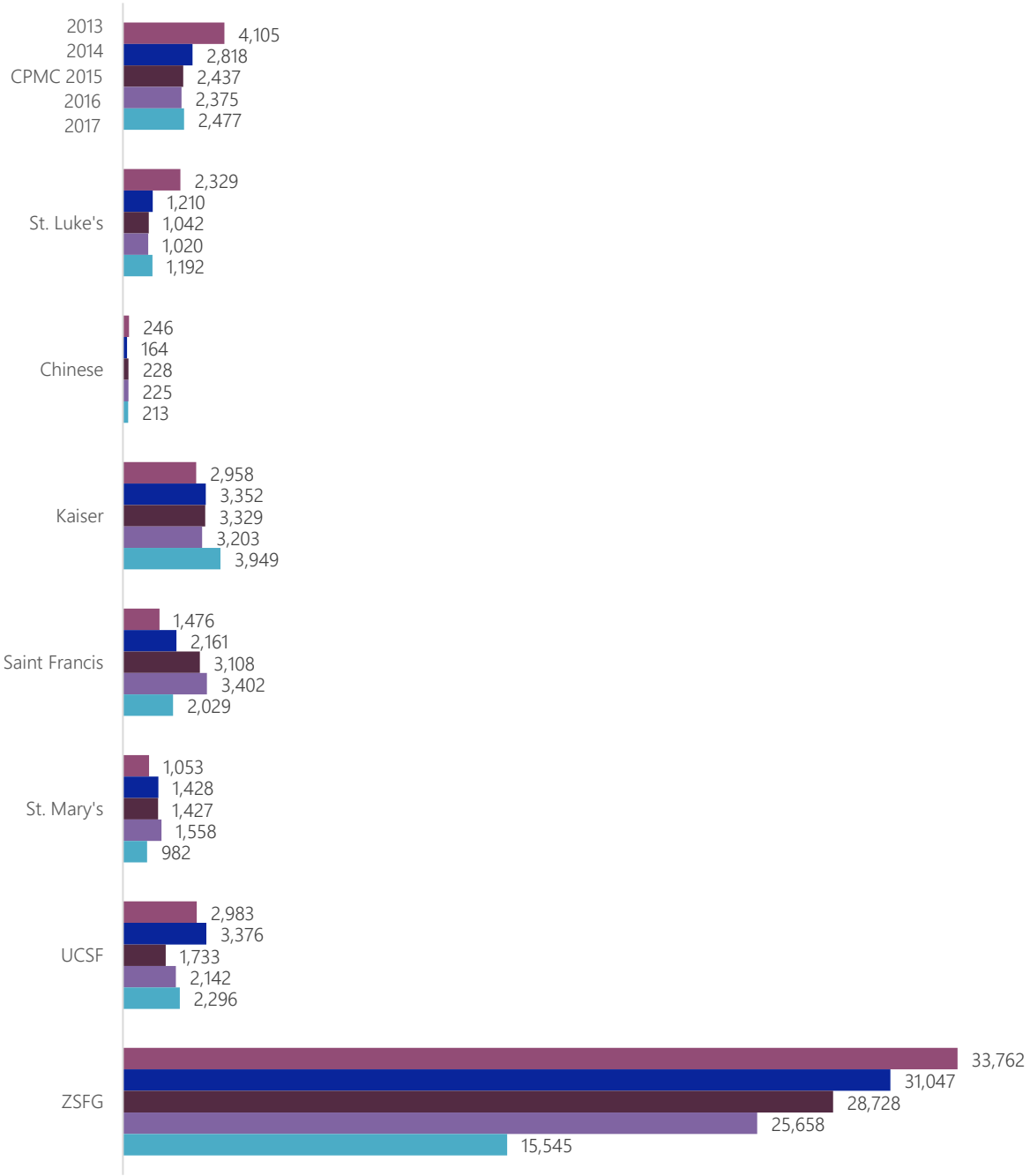
Despite an overall decrease in the number of unduplicated charity care patients in FY 2017, not all hospitals experienced this trend in the same manner. There were a few hospitals – CPMC, St. Luke's, Kaiser and UCSF – that actually experienced increases in charity care patients. These increases were outweighed by the greater declines in the remaining hospitals to produce an overall trend.

Figure 9: Charity Care Patients across San Francisco Hospitals



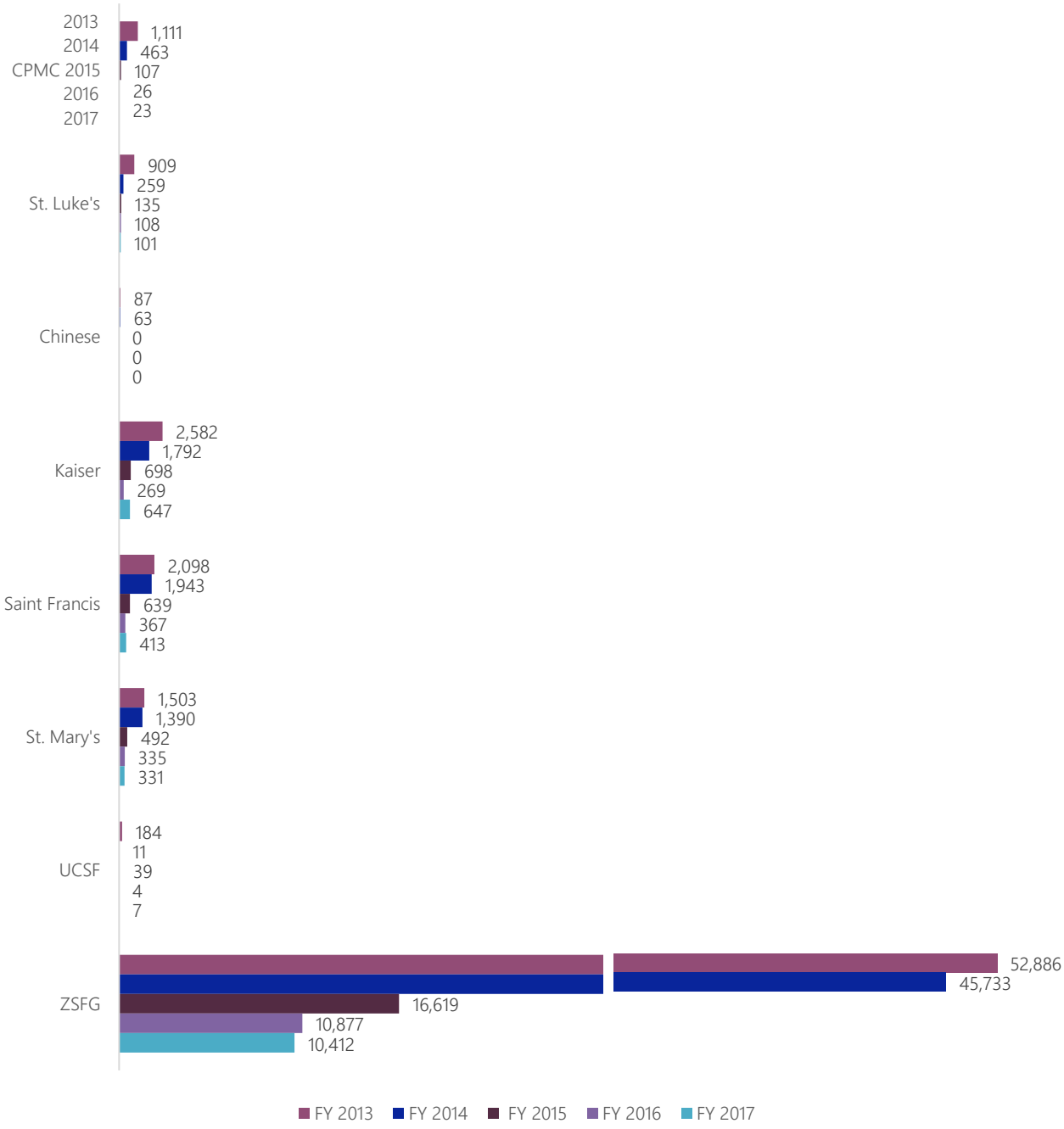
Similarly as overall patients, the trend in traditional charity care patients showed a decline across San Francisco. But, it is important to note that traditional charity care patients increased or remained stable across many reporting hospitals, indicating a continued need for this population. Hospitals that noted an increase in traditional charity care include: CPMC, St. Luke's, Kaiser, and UCSF.

Figure 10: Traditional Charity Care Patients across San Francisco Hospitals



Considering the number of HSF charity care patients, four out of eight reporting hospitals saw decreases (and Chinese Hospital has seen no HSF patients since 2015), while the remaining three reporting hospitals saw increases, following the stable numbers reported during this period. Overall, the number of HSF charity care patients have declined since ACA implementation, which bolsters the notion that the HSF population have been more successful in gaining ACA-initiated coverage, and have a decreased reliance on charity care overall. Having full-scope insurance is considered a better option than the HSF program, and is encouraged by enrollment centers throughout the City.

Figure 11: HSF Charity Care Patients, across San Francisco Hospitals



Hospital Locations and Charity Care Patient Residence

The table below shows the zip code for each of the ten hospital campuses, and the bold/highlighted cells show that greater number of patients for each hospital reside in that hospitals' zip codes. For example, most patients who reside in zip code 94109, where the Saint Francis Memorial Hospital campus is located, seek care at that hospital. And every hospital sees a large number of patients from within their corresponding zip code, indicating that these hospitals are generally serving the local communities where they are located. But it is important to note that since ZSFG is the county's safety net hospital, it serves the majority of traditional charity care patients across the represented hospital campus zip code and many charity care patients do still travel within San Francisco to their choice of hospital.

Figure 12: Traditional Charity Care Patients in Local Hospital's Zip Codes, FY 2017

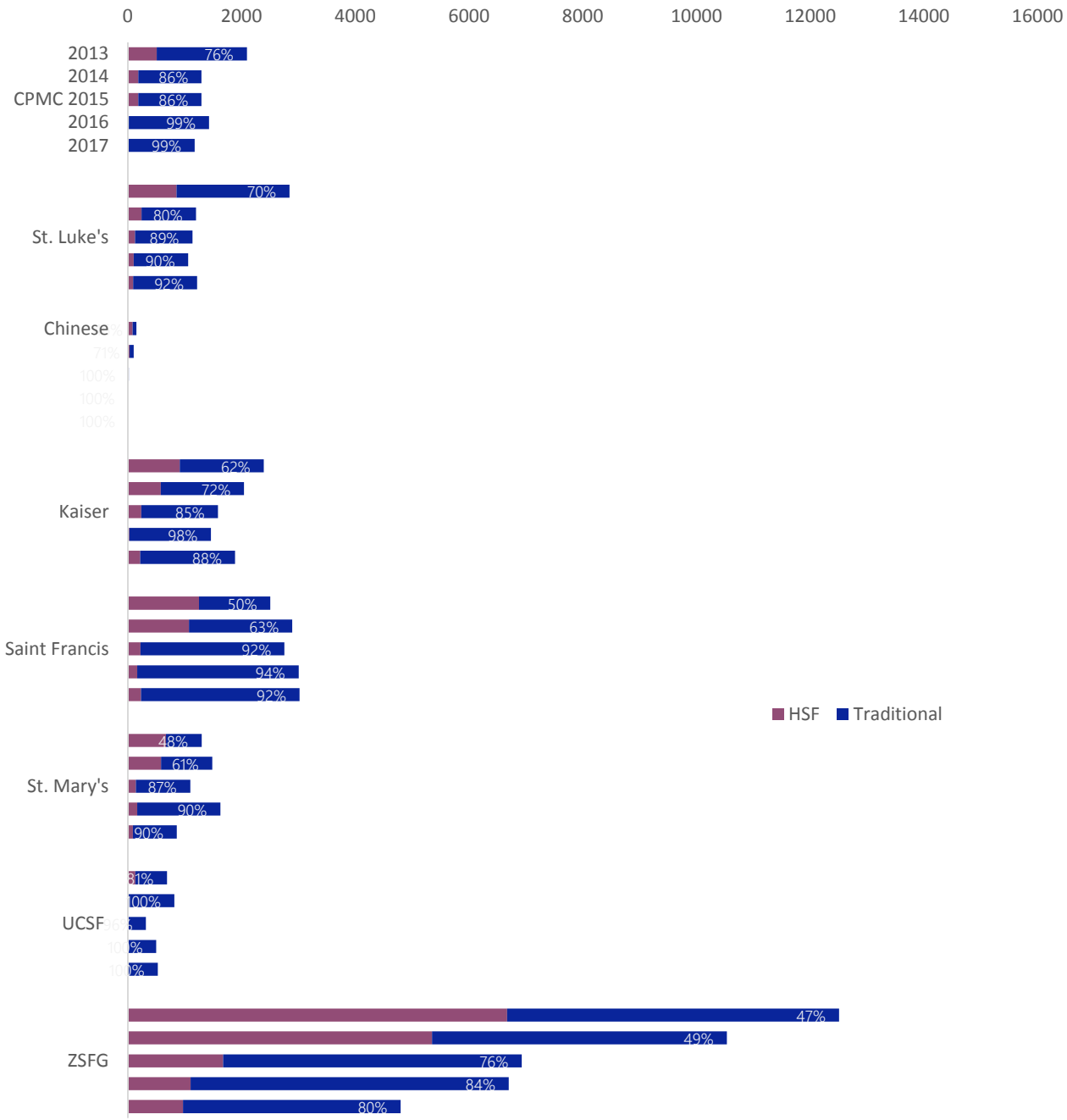
Zip Code	Hospital in Zip Code	CPMC	STL	CHI	SFMH	SMMC	ZSFG	UCSF
94109	SFMH	75	12	14	**240**	22	923	114
94110	ZSFG, STL	74	**146**	5	37	18	**2723**	107
94114	CPMC (Davies)	**78**	6	0	3	5	295	100
94115	CPMC (Pacific), UCSF (Mt. Zion)	72	9	2	26	21	524	116
94117	SMMC	42	16	3	7	**36**	440	118
94118	CPMC (California)	28	1	2	9	40	239	65
94122	UCSF (Parnassus)	32	4	7	7	33	471	**161**
94133	Chinese Hospital	18	7	**49**	48	3	303	23

Health Care Services

The figures below show the number of unduplicated patients who received emergency, inpatient, and outpatient services across all reporting hospitals. The overall trend for emergency, inpatient, and outpatient services seem to be shifting towards traditional charity care patients with smaller proportions of HSF patients. The total number of services provided continues to decline from FY 2016 to FY 2017, with most of the decline being from HSF patients and their utilization of services. This follows the trend of patients and expenditures for HSF charity care.

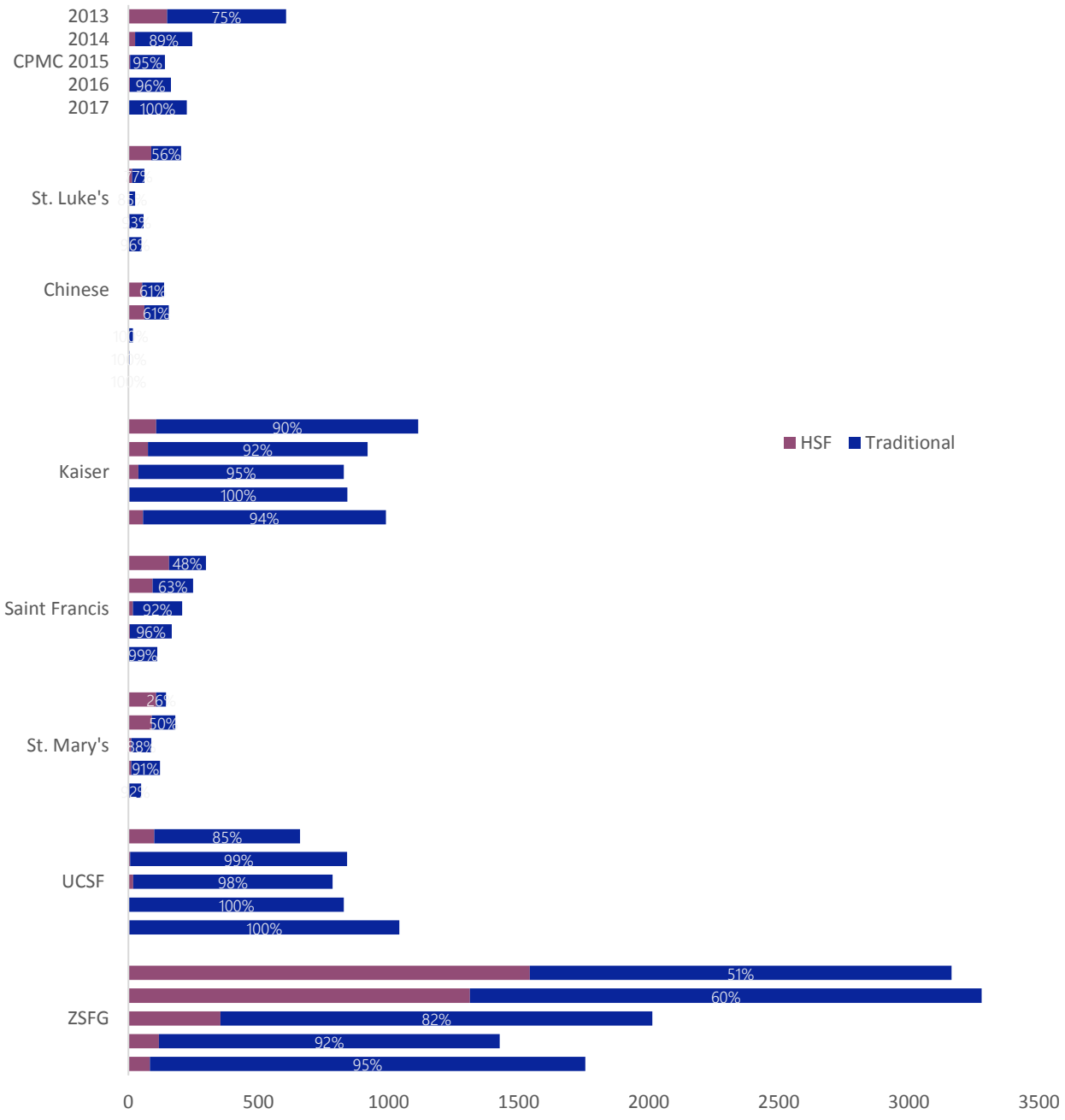
Overall, emergency services decreased (15 percent) from FY 2016 to FY 2017. A majority of San Francisco hospitals, with the exception of Kaiser and Saint Francis, have continued to experience a shift towards traditional charity care patients when considering the proportion of traditional versus HSF emergency charity care services. This overall trend suggests that HSF patients are decreasing the use of emergency services, as expected with the greater access to health insurance and continued coverage, while traditional charity care patients are continuing to rely of emergency services as a way of healthcare access.

Figure 13: Emergency Charity Care Services, by HSF and Traditional Charity Care



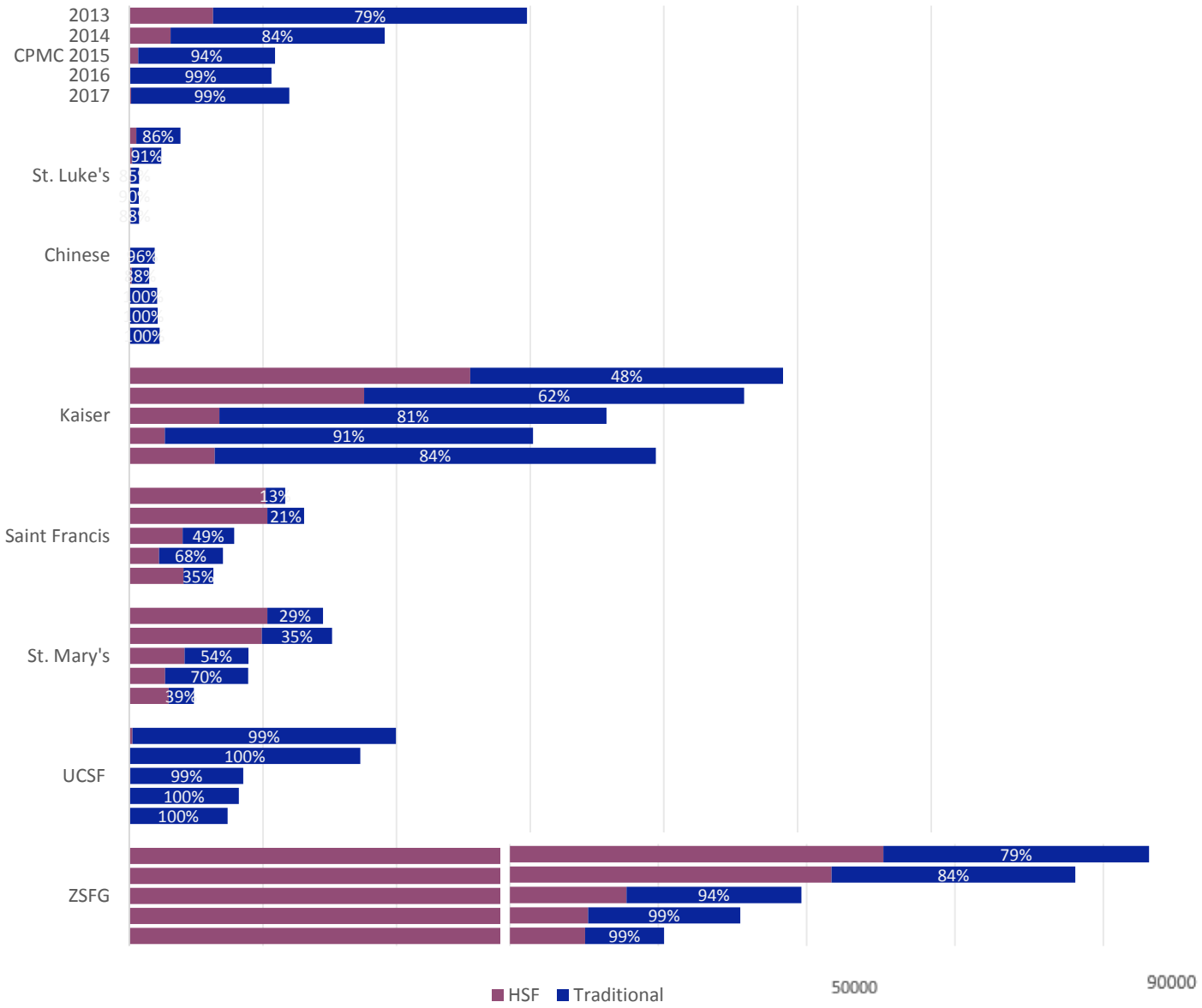
Inpatient services continue to represent the smallest proportion of all the services utilized by charity care patients. Overall, inpatient services increased by 17 percent from FY 2016 to FY 2017. Following this trend, a majority of hospitals saw slight increases in inpatient services provided, including CPMC, St. Luke's, Kaiser, St. Mary's and UCSF. Similar to emergency services, inpatient services have been shifting towards traditional charity care. HSF inpatient services have declined significantly, representing smaller and smaller proportions since the ACA. For most hospitals, HSF patients represent less than 10 percent of all inpatients.

Figure 14: Inpatient Charity Care Services, by HSF and Traditional Charity Care



Overall, outpatient services declined by 26 percent from FY 2016 to FY 2017. Different than emergency and inpatient services, almost all hospitals saw a decline or steady level of outpatient services overall. Proportionally, there is a shift towards HSF charity care patients. Outpatient services may be more utilized by HSF patients compared to inpatient and emergency services proportionately, due to their medical home model and increased access to primary and specialty care.

Figure 15: Outpatient Charity Care Services, by HSF and Traditional Charity Care[10]



[10] ZSFG figures are not to scale in attempts to fit onto the page.

Expenditures

Though the ACA has had an impact on the overall expenditures, there have been slight fluctuations with respect to reporting hospitals' share of the charity care expenditures. As previous reports have shown, each individual hospital's share of charity care expenditures may change over time, but is relatively stable in comparison to the overall San Francisco totals. Overall, ZSFG, as the county's safety net hospital, has historically and continues to provide the large majority of charity care in the City. UCSF and CPMC are the second and third largest providers, respectively, of charity care in the City.

Figure 16: Percent of total charity Care expenditure, by San Francisco Hospitals, FY 2016 & 2017

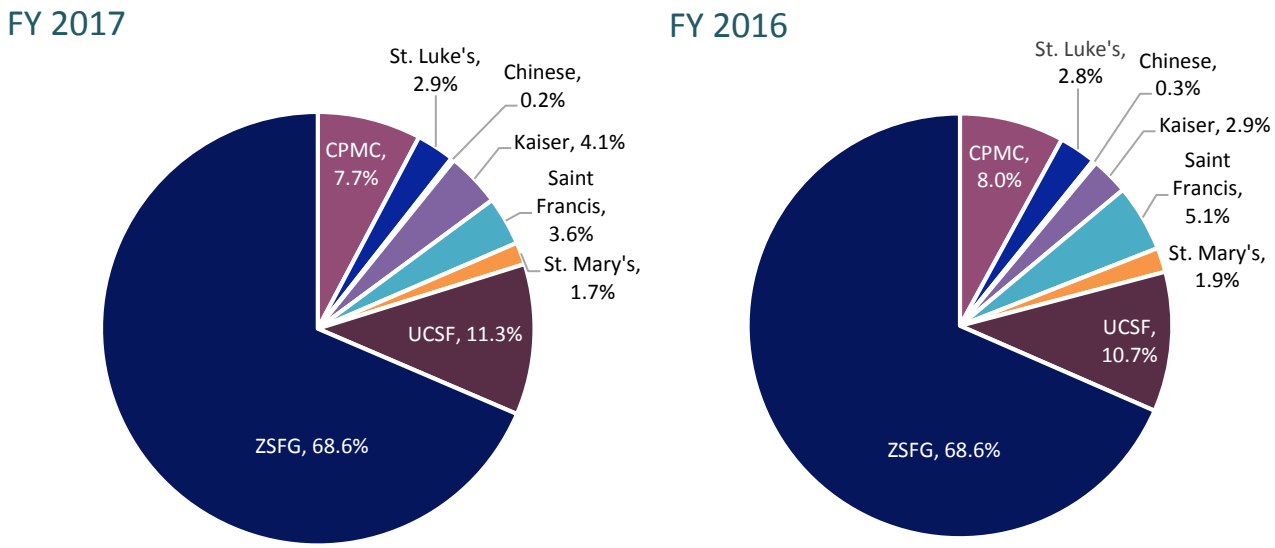
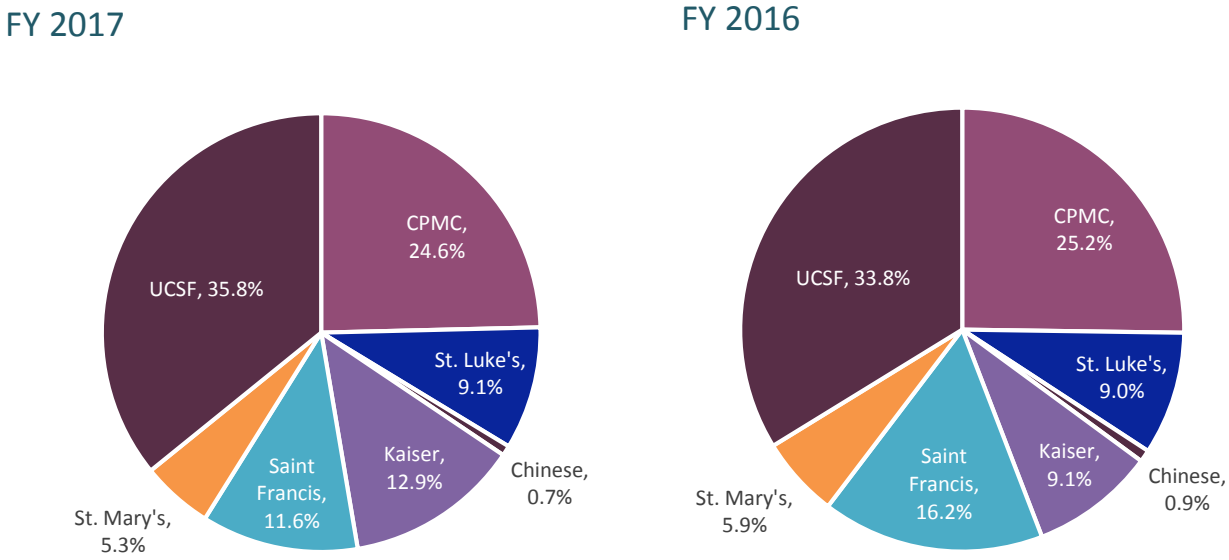
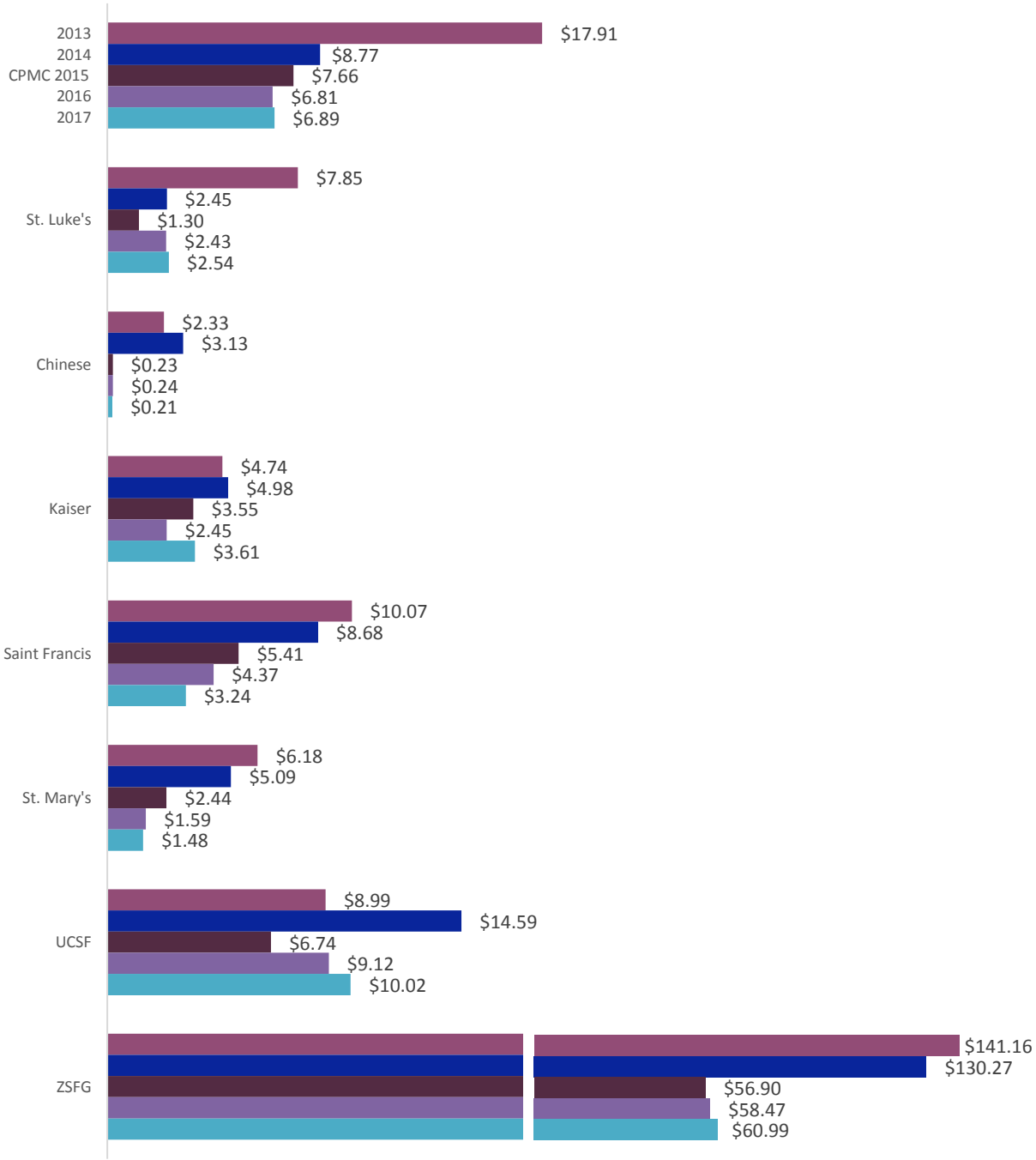


Figure 17: Percent of total charity Care expenditure, by San Francisco Hospitals (excluding ZSFG), FY 2016 & 2017



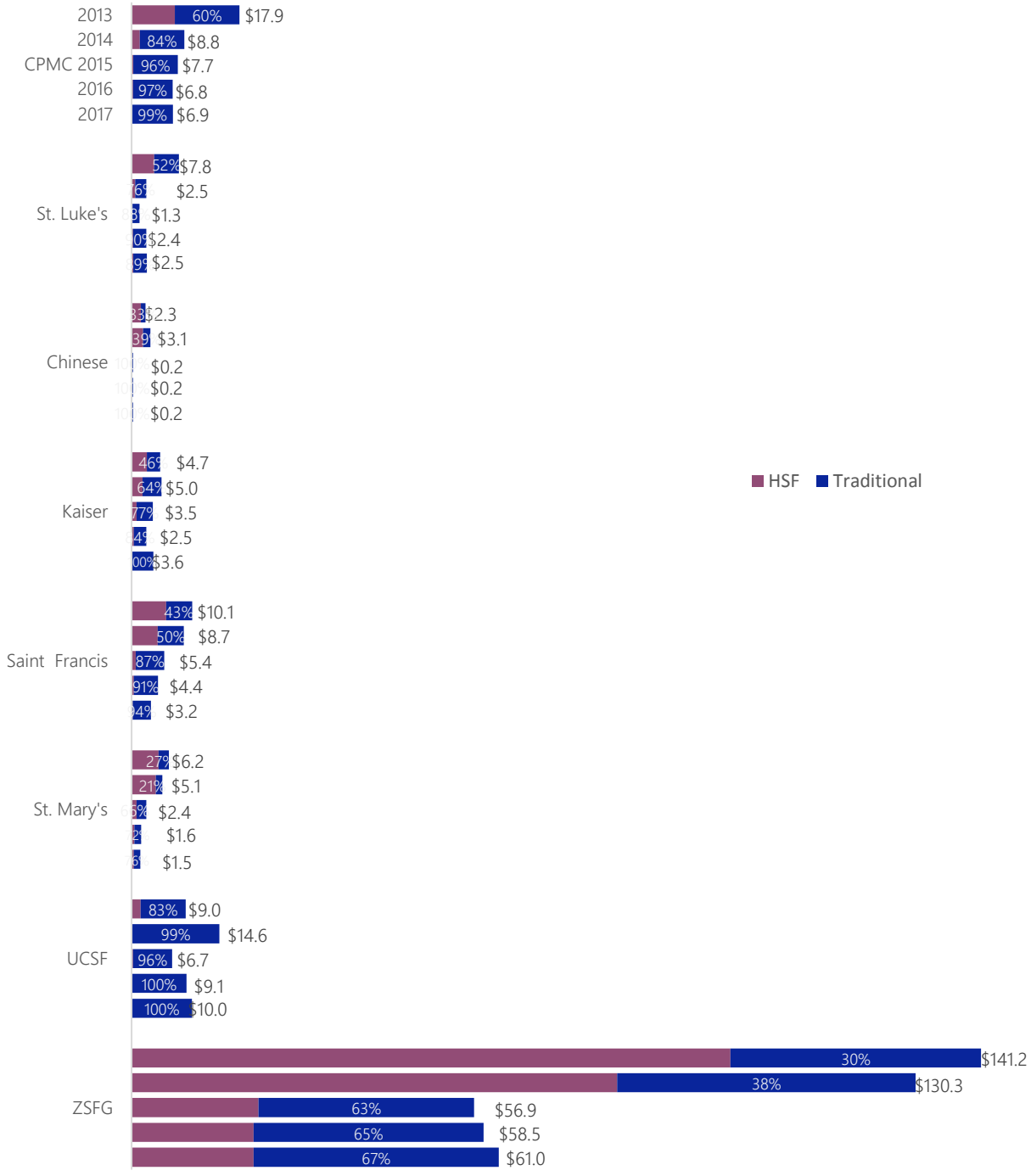
For the second straight reporting period, overall charity care expenditures increased in FY 2017. Although charity care expenditures increased, primarily due to traditional charity care, the trend varied across hospitals. Many hospitals experienced decreases in FY 2017 including Chinese, Saint Francis, and St. Mary's. Other hospitals experienced slight increases in the expenditures, with this year being the second year of increases since the ACA implementation.

Figure 18: Charity Care Expenditures across San Francisco Hospitals, in Millions



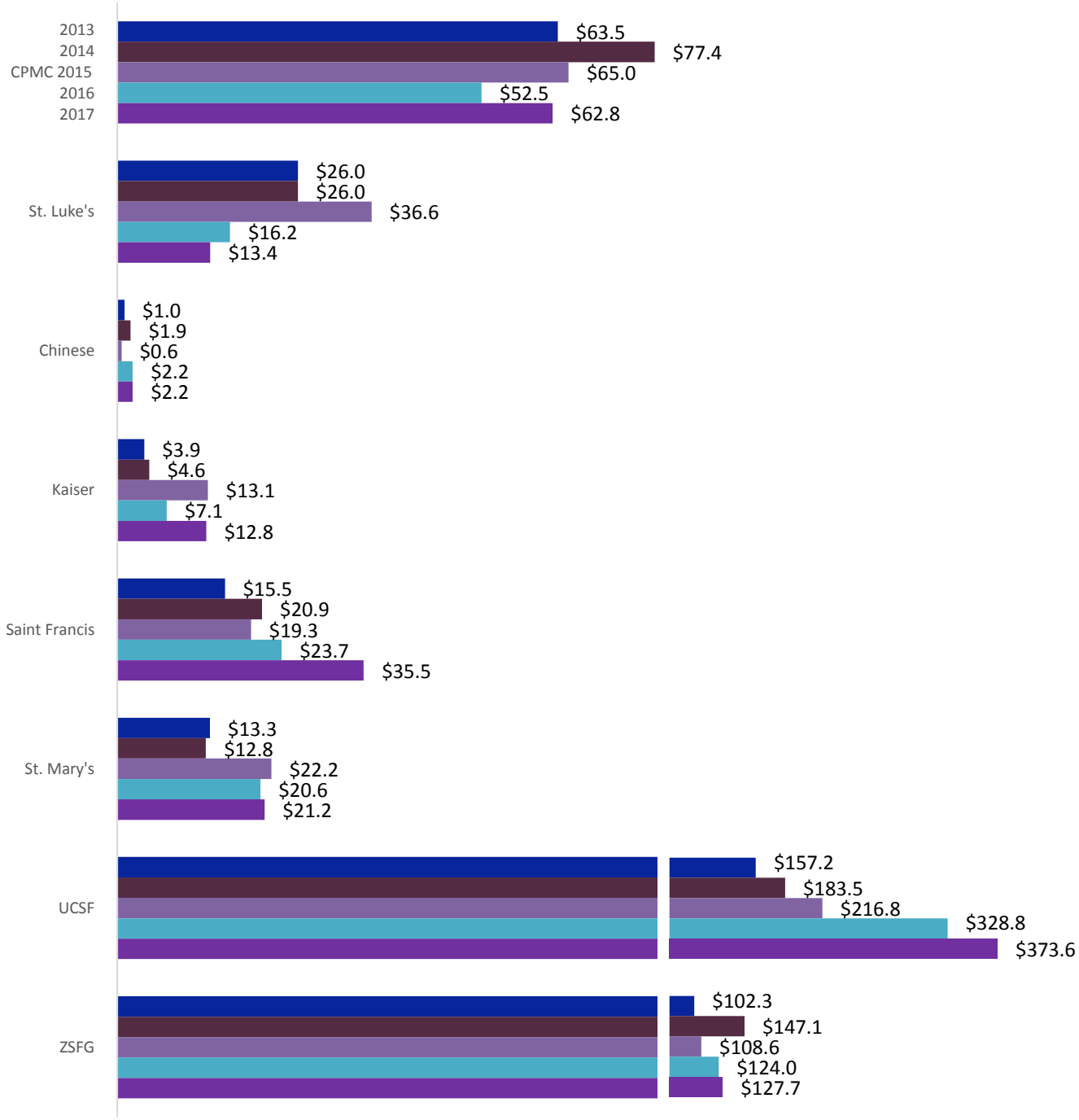
Here, again it is important to note that there are drastic differences between HSF and traditional charity care expenditures. There has been a continuing shift towards traditional charity care for all hospitals, further solidifying the notion that this population has not experienced much gains from the ACA implementation compared to the HSF population.

Figure 19: HSF and Traditional Charity Care Expenditures across San Francisco Hospitals, in Millions



Seven out of eight of the hospitals experienced increases in Medi-Cal shortfall from FY 2016, while only St. Luke's experienced a decrease, which follows the overall trend in San Francisco of increasing Medi-cal shortfall. This further support the notion that more individuals are gaining ACA-initiated coverage through the Medi-Cal expansion.

Figure 20: Medi-Cal Shortfall across San Francisco Hospitals, in Millions



Another way to compare charity care trends in San Francisco is to review each reporting hospital's ratio of charity care compared to net patient revenue, which allows for a useful comparison of each hospital's charity care contribution relative to its size. For purposes of this report, net patient revenue information is taken from the OSHPD Annual Financial Reports submitted by hospital. [11] Note that Kaiser is excluded from this portion of the report, as the hospital is not required to report this information to OSHPD.

The figure below shows each hospital's ratio of charity care expenditures (as reported to SFDPH), compared to the net patient revenue (as reported to OSHPD). In 2016, four of the seven hospitals – St. Luke's, Saint Francis, St. Mary's, and ZSFG - are at or above the state average Charity care costs to Net Patient Revenue. In 2017 the same four hospitals are above the state average. In 2013, the state average charity care expenditures to net patient revenue was 2 percent, and has since been decreasing to the current value of 0.70 percent.

Figure 21: Charity Care Costs to Net Patient Revenue, FY 2017 & 2016

FY 2016				
Hospital	Net Patient Revenue	Charity Care Costs	Ratio of CC Costs to Net Pt. Revenue	State Avg. CC Costs to Net Pt. Revenue
CPMC	$1,201,546,976	$6,814,444	0.57%	**0.71%**
St. Luke's	$132,521,225	$2,427,556	1.83%	
Chinese	$100,894,438	$236,282	0.23%	
Saint Francis	$217,861,786	$4,374,882	2.01%	
St. Mary's	$220,489,969	$1,591,673	0.72%	
UCSF	$2,940,674,860	$9,122,681	0.31%	
ZSFG	$636,966,387	$58,472,393	9.18%	

FY 2017				
Hospital	Net Patient Revenue	Charity Care Costs	Ratio of CC Costs to Net Pt. Revenue	State Avg. CC Costs to Net Pt. Revenue
CPMC	$1,212,506,418	$6,886,254	0.57%	**0.70%**
St. Luke's	$124,196,129	$2,535,994	2.04%	
Chinese	$96,339,392	$208,312	0.22%	
Saint Francis	$196,481,492	$3,235,323	1.65%	
St. Mary's	$211,158,628	$1,476,307	0.70%	
UCSF	$3,223,846,297	$10,023,623	0.31%	
ZSFG	$633,878,384	$60,994,653	9.62%	

[11] OSHPD defines net patient revenue as (gross patient revenue) + (capitation premium revenue) – (related deductions from revenue).Net patient revenue includes the payments received for inpatient and outpatient care, including emergency services. Annual Financial Reports can be found here: https://www.oshpd.ca.gov/HID/Hospital-Financial.asp#Profile

SECTION IV: CHARITY CARE MOVING FORWARD

Moving forward in San Francisco, the uncertainty in the future of the ACA and proposed federal policy changes may have a significant impact on charity care programs as a crucial part of the health care safety net. The current presidential administration has indicated and attempted multiple times to repeal and replace the ACA. Additionally, the federal administration has made changes to dismantle the ACA – eliminating cost-sharing reductions, federal tax reform repealing the individual mandate – that may impact the health insurance and charity care landscapes for the City. For example, the repeal of the individual mandate could increase the number of uninsured in the City because health insurance is no longer mandatory by law.

Furthermore, in 2018, the presidential administration proposed a rule to make changes to "public charge" policies that govern how the use of public benefits may affect individuals' ability to enter the United States or adjustment to legal permanent resident status. The proposed rule would consider Medicaid and Medicare Part D Low-Income Subsidy Program, among other government programs, in public charge determinations. If passed, the proposed rule may lead to decreases in participation in Medi-Cal and other programs, thereby increasing the number of uninsured individuals, among legal immigrants due to concerns on how public charge policies may impact their immigration status.[12]

San Francisco's charity care ordinance provides a long history of charity care data since 2001 and a strong mechanism for tracking the impacts on charity care to understand impacts of the changes to the ACA and federal policies.

SECTION VI: APPENDICIES

Appendix 1: Charity Care Background
Appendix 2: The San Francisco Charity Care Ordinance and Annual Report
Appendix 3: Reporting Hospitals
Appendix 4: Charity Care Data Tables
Appendix 5: Full Zip-Code Analysis of San Francisco Charity Care

[12] Kaiser Family Foundation. https://www.kff.org/disparities-policy/fact-sheet/proposed-changes-to-public-charge-policies-for-immigrants-implications-for-health-coverage

Appendix 1: Charity Care Background

A. History of charity care and community benefit requirements

In 1956, the Internal Revenue Service (IRS) codified the first federal tax exemption requirements for non-profit hospitals. At that time, it was determined that a hospital may qualify as a tax-exempt charitable organization if, among other things, it "*operated to the extent of its financial ability for those unable to pay for the services rendered and not exclusively for those who are able and expected to pay.*"[13] This qualification measurement is known as the "financial ability" standard. After this ruling, the IRS began to assess hospitals seeking tax-exempt status on the basis of hospitals' charity care and reduced-cost medical services provisions and is the federal agency responsible for setting and enforcing these tax exemption requirements.

With the introduction of the Medicaid and Medicare programs, it was thought that these health insurance programs would decrease the demand for charity care, thus presenting a challenge to non-profit hospitals trying to meet the financial ability standard. To meet this challenge, the IRS added "community benefit" to the list of requirements for non-profit hospitals seeking tax-exempt status in 1969, thereby expanding its requirements to include the promotion of health.[14]

At the state level, California passed SB 697 in 1994 requiring not-for-profit private hospitals to annually adopt and update a Community benefit plan and submit to the Office of Statewide Health Planning and Development (OSHPD) beginning April 1, 1996. "Community benefit" refers to a *hospital's activities that are intended to address community needs and priorities primarily through disease prevention and improvement of health status, and includes charity care*. [15]

Since then, the most recent and significant changes to these federal requirements have come through the Patient Protection and Affordable Care Act (ACA). When the ACA was passed in 2010, the legislation included a number of additional requirements for non-profit hospitals related to charity care and community benefits to be regulated and enforced by the IRS. The reporting on these requirements is done through Schedule H (Form 990), designed to supplement financial data collected from all tax-exempt organizations.

Given the considerable growth in both the number of uninsured and the costs of medical care overtime, state and local governments took a keen interest in the charitable medical services and community benefit work done by non-profit hospitals before the federal government explored these issues in relation to national health reform. This was especially true in the City and County of San Francisco (CCSF),

[13] Martha H. Somerville, Community Benefit in Context: Origins and Evolution, *The Hilltop Institute*, June 2012, p. 2. http://www.hilltopinstitute.org/publications/CommunityBenefitInContextOriginsAndEvolution-ACA9007-June2012.pdf

[14] Ibid, p. 3.

[15] Health and Safety Code Sections 127340-127365 https://oshpd.ca.gov/HID/CommunityBenefit/SB697CommBenefits.pdf

when it passed the Charity Care Ordinance in 2001. At that time, San Francisco was on the cutting edge of these efforts by creating a local mechanism for increasing hospitals' transparency and accountability with respect to the provision of charity care. More than a decade later and combined with new ACA regulations to achieve the same goals, there is increasing similarity in the community benefit and charity care requirements between the levels of government, and the following section explores these intersections at the local, state and federal levels.

B. Community benefit and charity care requirements for non-profit hospitals: local, state, federal

Key requirements at the local, state and federal levels for California hospitals can be broken down into two main groups: Community Benefit requirements and Charity Care Services requirements. The following tables outline the requirements and intersections of each.

Figure 22: Community Benefit and Charity Care Requirements for non-profit hospitals

Key Requirements for Non-Profit Hospitals	Required? *(Effective Dates)*		
1. Community Benefits	SF	CA	US
Community Benefit Reporting Requirement	No	Yes *(4/1/96)*	Yes *(3/23/12)*
Community Health Needs Assessment	No	Yes *(1/1/96)*	Yes *(3/23/12)*
Implementation Strategy (Community Benefit Plan)	No	Yes *(4/1/96)*	Yes *(3/23/12)*

2. Charity Care Services	SF	CA	US
Maintain Financial Assistance Policy (FAP) (charity care and discount payment policies)	No	Yes *(1/1/07)*	Yes *(3/23/10)*
Limitations on Charges, Billing, and Collection	No	Yes *(1/1/07)*	Yes *(3/23/10)*
Report Financial Assistance Policy (charity care and discount payment policies)	Yes *(7/20/01)*	Yes *(1/1/08)*	No
Report levels and types of charity care provided annually	Yes *(7/20/01)*	No	Yes *(12/20/07)*
Report of hospital charity care to be compiled and prepared by governing agency	Yes *(7/20/01)*	No	Yes *(3/23/10)*
Mandatory review of tax exempt status by Sec. of the Treasury at least once every 3 years	No	No	Yes *(3/23/10)*

There are several similarities between the San Francisco Charity Care Ordinance and State/Federal

requirements. At the federal level more specifically and after passage of the Affordable Care Act, there were notable adjustments to the federal charity care reporting requirements for non-profit hospitals seeking non-profit status related to the maintenance of financial assistance policies, billing, charges and patient collection limitations, etc. The main goal of the changes to non-profit reporting was to increase accountability by non-profit institutions, relieve the effects of poverty, and improve access to care for needy patients.

C. Charity care and the Affordable Care Act

1. *The impact of the ACA on the uninsured*

In California, the uninsured rate is estimated to have dropped by approximately 50 percent post-ACA implementation and in San Francisco, an estimated 140,000 San Franciscans gained ACA-initiated health insurance. However, an estimated two million uninsured individuals remain throughout the State, approximately 30,000 or more of whom reside in San Francisco. These individuals, who will likely continue to rely on charity care, remain uninsured for a variety of reasons:

- Affordability concerns, even in consideration of ACA-initiated subsidies
- Inability to engage in the health insurance marketplace
- Personal circumstances that make it difficult to maintain coverage, such as homelessness and documentation status
- Lack of awareness about eligibility for new insurance options, etc.

Another important note here is that the current presidential administration may have an effect on expenditures and the number of charity care patients. With the policy changes related to the ACA and Medicaid under the new Administration, the charity care landscape in San Francisco may look different in upcoming years, and may be seen as early as the 2018 charity care report.

2. *Charity care for the uninsured through Healthy San Francisco*

HSF is a locally-created and funded program that provides comprehensive, affordable health care to uninsured adults in San Francisco and has been included within the charity care report since 2009. HSF caters to the uninsured via a medical home-based model, pairing each member with a primary care provider at the time of enrollment and thereby improving access to preventive and coordinated care. It is an important contributor to San Francisco's hospital-based charity care landscape because, like traditional charity care, HSF is not insurance but rather offers services to uninsured individuals who have less ability to pay. But, unlike traditional hospital-based charity care, HSF also provides an organized system of care with a defined set of benefits that go beyond hospital services and, in some cases, requires insurance-like cost sharing (e.g. through sliding-scale quarterly participation and point-of-service fees).

Almost all of the hospitals included in this report provide services through HSF, with the majority of HSF enrollees receiving their medical home care at a DPH clinic (60 percent) or San Francisco

Community Clinic Consortium (33 percent) with ZSFG as the affiliated hospital. The remaining seven percent of HSF patients are connected with other medical homes. The table below notes these medical home and hospital affiliations for FY 2017. Some hospitals are directly affiliated with HSF medical homes, while others (ZSFG, Kaiser and St. Mary's) also serve as a HSF primary care site themselves. This means that HSF data for the latter hospitals would include primary care along with the other outpatient services reported, while the other hospitals' would include outpatient specialty care only. So, wherever comparisons are made between HSF and traditional charity care patient groups in this report, it is important to note the different types of service lines provided within each group and by the various hospitals.

Figure 23: Healthy San Francisco medical homes and hospitals

HSF Medical Home	Affiliated Hospital
DPH Clinics	**ZSFG**
Tenderloin Health Services	ZSFG and Saint Francis
San Francisco Community Clinic Consortium	ZSFG
Kaiser	**Kaiser Foundation Hospital, San Francisco**
Northeast Medical Services (NEMS)	ZSFG and CPMC
Sr. Mary Philippa	**St. Mary's**

*Hospitals in bold (ZSFG, Kaiser and St. Mary's) serve as primary care sites.

HSF is available to uninsured individuals who live in households with incomes up to 500 percent of the federal poverty level (FPL), irrespective of the person's employment, immigration status, or pre-existing medical condition(s). HSF began enrolling uninsured, eligible individuals in 2007. At the start of ACA open enrollment in October 2013, there were approximately 52,000 HSF enrollees, and this number had declined by approximately 74 percent to 13,619 by June 2017.[16] This decrease is due, in large part, to the transition of eligible HSF enrollees to ACA-initiated Medi-Cal expansion and Covered California health insurance coverage. Due to the inability of some to access health insurance even in the new health reform landscape, most notably the undocumented, there is a clear and continued need for the HSF program in San Francisco.

[16] SFDPH data

Appendix 2: The San Francisco Charity Care Ordinance and Annual Report

In 2001, the San Francisco Board of Supervisors passed the Charity Care Ordinance (Ordinance 163-01), authorizing the Department of Public Health (DPH) to require hospitals to report on charity care policies, the amount of charity care provided, and provide patient notification of charity care policies. The first of its kind in the Nation, the City and County of San Francisco (CCSF) took a unique approach by passing a local reporting law that would help to improve communication, cooperation, and understanding related to local hospitals' provision of free and reduced-cost care to low-income San Franciscans. The Ordinance states that:

"Charity care is vital to community health, and private hospitals, non-profits in particular, have an obligation to provide community benefits in the public interest in exchange for favorable tax treatment by the government."[17]

A. Reporting Timeframes for Hospitals

For the charity care annual report, it is important to note that some hospitals report on a fiscal year (July to June) and others use a calendar year. More specifically, CPMC, St. Luke's, Chinese Hospital and Kaiser follow a calendar year (i.e., January 1 through December 31), while the remaining hospitals use a FY starting on July 1 of each year and ending on June 30 of the next. Therefore, the analyses in this annual report will cover both, depending on the hospital– spanning July 2016 to December 2017. In response to a Health Commission request during 2014 reporting, hospitals were asked if they would be able to adjust their reporting to align to a single reporting period. However, hospitals reported that they were unable to adjust their reporting timeframes.

B. Hospital Charity Care Policy Requirements: AB 774 and SB 1276

Effective January 1, 2015, SB 1276 was enacted in response to the notion that though many individuals may become newly eligible for coverage on the State's Covered California health insurance marketplace, some of the plans offered may also introduce high out-of-pocket costs for consumers. To address this concern, SB 1276 revises AB 774 to alter the definition of an individual with "high medical costs" to include even those who do receive a discounted rate from a hospital as a result of 3rd party coverage.[18] Insured patients with high medical costs, exceeding 10 percent of the family income and under 350 percent of FPL are eligible for charity care and partial charity care. The law also further defined a negotiated payment plan as one that considers a patient's family income and essential living expenses in the payment negotiation process – payment plan must be less than 10 percent of a patient's family income (per month after deductions). Finally, the law also requires that a hospital obtain information as to whether a particular patient may be eligible for insurance on the California Health

[17] CCSF Health Code, Article 3 (Hospitals), Section 129. Charity Care Policy Reporting & Notice Requirement.

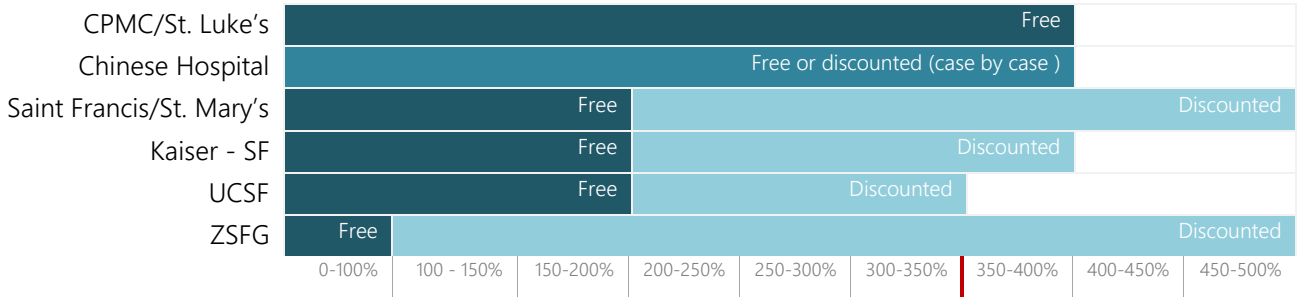
[18] Ibid.

Benefit Exchange and provide information to the patient regarding possible eligibility for the Exchange or another state or county health coverage program.

All San Francisco hospitals have revised and submitted their policies to OSHPD to incorporate SB 1276 requirements. As a result of SB 1276, it is possible that a greater number of San Franciscans may be eligible for charity care or partial charity care, since it is now available to insured individuals and families with high medical costs. But, some hospitals in San Francisco reported that they already had programs and efforts in place to help insured patients with high medical costs prior to SB 1276. Lastly, with FY 2017 capturing the impacts of health reform for the report, the impacts of SB 1276 may not be as significant as the aggregate impact of health reform. There were some increases in patients across a few hospitals, and it may have been a result of this change.

The table below illustrates San Francisco's non-profit hospitals policies related to charity care. State policy requires non-profit hospitals to provide free or discounted care to uninsured patients with family income below 350% FPL or insured patients with high medical costs & family income below 350% FPL. All non-profit San Francisco hospitals comply with California state requirements. Some hospitals provide free or discounted care above the 350% FPL threshold set by the state. For 2017, 350 percent of FPL was equal to $3,518 per month for a single person and $7,175 for a household of four.

Figure 24: Charity Care Policies across SF Hospitals



All of the hospitals report to DPH all charity care provided within the parameters shown in Table 3, whether services are discounted or free. The discounts offered through charity care are treated as "sliding scale" payments by the hospitals, as they are dependent on the patients' income and are usually only a very small fraction of the usual charges for the care provided.

All of San Francisco's reporting hospitals follow similar eligibility procedures for their charity care, or financial assistance programs. All patients must go through an application process and provide proof of income. One of the few significant differences among the hospitals' charity care policies is the life-span of an application. The following hospitals allow for one year of eligibility for a patient whose application is approved: Chinese Hospital, Dignity Hospitals (SFMH and SMMC), and Sutter Hospitals (CPMC and STL). The remaining hospitals allow for a shorter time span - UCSF (6 months), ZSFG (6 months), and Kaiser –SF (3 months). When the eligibility period expires, the patient may re-apply.

C. Charity Care Posting and Notification Requirements

Both San Francisco's Charity Care Ordinance and the ACA require that hospitals communicate clearly to patients regarding their financial assistance programs, especially with regard to free and discounted charity care. According to the Ordinance, this must be done in the following ways:

1. Verbal notification during the admissions process whenever practicable; and
2. Written notices in the prominent languages of the patient populations served by the hospital (at least English, Spanish, and Chinese). These notices must be posted in a variety of specified locations, including admissions waiting rooms, emergency department, and outpatient areas.

Every other year, DPH staff visits each hospital to conduct a review of the facilities' compliance with the above posting and notification requirements. The review of this requirement in FY 2017 confirmed that all hospitals[19] were in compliance. The next review will be in FY 2019.

[19] Site visits for CPMC's California and Pacific campuses were not conducted due to scheduling delays prior to their closure and grand opening of the Van Ness Geary Campus. CPMC's Mission Bernal hospital facility was reviewed in lieu of St. Luke's.

Appendix 3: Reporting Hospitals

Sutter Health: California Pacific Medical Center (CPMC)
& St. Luke's Campus (STL)

CPMC is an affiliate of Sutter Health, a not-for-profit health care system. CPMC was created in 1991 by the merger of Children's Hospital and Pacific Presbyterian Medical Center. In 1996, CPMC became a Sutter Health affiliate. In 1998, the Ralph K. Davies Medical Center merged with CPMC. Nine years later, in 2007, St. Luke's Hospital became the fourth campus of CPMC. CPMC consists of four acute care campuses:

- The Pacific Campus (Pacific Heights) is the center for acute care including, oncology, orthopedics, ophthalmology, cardiology, liver, kidney, and heart transplant services.
- The California Campus (Laurel Heights) is the center for prenatal, obstetrics, and pediatric services.
- The Davies Campus (Castro District) is the center for neurosciences, microsurgery, and acute rehabilitation.
- The St. Luke's Campus (Mission District) is a vital community hospital serving underinsured residents in the South-of-Market districts. St. Luke's Campus also has one of the busiest emergency departments in the City.

These four locations have a total of 1,059 licensed beds (831 at Pacific/California/Davies, 228 at St. Luke's) and 817 active beds (643 at Pacific/California/Davies, 174 at St. Luke's). In addition to the acute-care hospital, CPMC manages some primary care clinics. The St. Luke's Health Care Center (St. Luke's Campus) provides pediatric, adult, and women's services to a panel of over 12,000 patients. The Family Health Center (California Campus) provides pediatric, adult, and women's services utilizing medical preceptors and residents. CPMC also maintains partnerships with nonprofit health care providers such as Lions Eye Foundation, Operation Access, and North East Medical Services to give uninsured patients access to necessary services through charity care.

CPMC also provides access to health services for Medi-Cal recipients through its Medi-Cal Managed Care partnerships, serving as the hospital provider for Medi-Cal beneficiaries who select North East Medical Services, Hill Physicians, or Brown & Toland as their medical group through San Francisco Health Plan. Since 2014, CPMC has expanded these partnerships to accommodate patients newly insured through the Affordable Care Act, assuming responsibility for thousands of new Medi-Cal Managed Care beneficiaries. CPMC is now the in-network hospital provider for one in three San Francisco Health Plan members.

CPMC Patient Population and Services

	2015	2016	2017
Adjusted patient days	224,346	208,170	228,298
Outpatient visits	455,110	109,121	454,,156
Emergency service visits	55,968	52,843	51,323

St. Luke's Patient Population and Services

	2015	2016	2017
Adjusted patient days	49,308	52,370	45,353
Outpatient visits	54,155	32,713	42,167
Emergency service visits	26,030	25,584	23,648

CHINESE HOSPITAL Chinese Hospital Association of San Francisco (CHASF)

Located in Chinatown, Chinese Hospital was established in 1929 and primarily serves San Francisco's Chinese community. The stand-alone acute care, community-owned, non-profit small hospital opens an eight-story new tower in October 2016 (licensed beds increased from 54 to 65 beds) and offers a range of medical, surgical, and specialty programs. Additionally, Chinese Hospital operates four community clinics located in the Sunset and Excelsior neighborhoods of San Francisco and in Daly City. Chinese Hospital owns a Knox-Keene licensed, integrated, prepaid health plan, Chinese Community Health Plan (CCHP), which provides low-cost insurance products to the community. Without these low-cost insurance products, many of CCHP's members would otherwise access health care services through the charity care program.

Chinese Hospital is unique in providing bilingual healthcare services in both Chinese and English. Approximately 90 percent of patients are from San Francisco and 10 percent are from outside San Francisco. The vast majority (80%) of patients seen at Chinese Hospital are seniors covered by Medicare. Of these individuals, 80 percent also have Medi-Cal. Despite the low income of the majority of patients, Chinese Hospital only qualifies for 12 percent of federal Disproportionate Share Hospital (DSH) reimbursement because of its small size. (To qualify for DSH, hospitals must have at least 100 licensed beds.) More than ten percent of patients are covered by Medi-Cal and one percent of patients have no insurance coverage. Chinese Hospital is an active participant in a variety of public health coverage programs, including Medi-Cal, Healthy Families, and Healthy Kids. Chinese Hospital also sponsors a non-profit private agency, the Chinese Community Health Resource Center (CCHRC), which provides linguistically and culturally sensitive community education, wellness programs, and counseling services.

CHASF Patient Population & Services

	2015	2016	2017
Adjusted patient days	26,853	23,216	22,007
Outpatient visits	80,239	73,891	73,614
Emergency service visits	4,985	4,877	5,561

Saint Francis Memorial Hospital (SFMH), established in 1906, is a general adult medical/surgical hospital in downtown San Francisco with 150 staffed beds and 257 licensed beds. It is a non-profit hospital, required by City Ordinance to report Charity Care data, and an affiliate member of the Dignity Health system[20]. SFMH serves all San Franciscans primarily from the surrounding neighborhoods of Nob Hill, Polk Gulch, Tenderloin, Chinatown and North Beach. Many of San Francisco's visitors and tourists are also treated at SFMH due to the proximity to the major tourist attractions and hotels.

SFMH is home to the Bothin Burn Center, the only burn center in the San Francisco Bay Area verified by the American Burn Association and the American College of Surgeons, Trauma Division. Additionally SFMH specializes in orthopedic services through its Orthopedic Institute and provides Occupational Medicine Services at clinics on the main campus and at Oracle Park, and Sports Medicine Services at clinics in San Francisco and Walnut Creek. The hospital also serves the community through its Emergency Department, its partnership with Tenderloin Health Services at Glide and programs with other primary care clinics in the Tenderloin neighborhood. SFMH has served many Healthy San Francisco patients since the program's inception through its Emergency Department and its relationship with HealthRIGHT360's Tenderloin Health Services (formerly Glide Health Services) and remains committed to this program.

Saint Francis Memorial Hospital and the Saint Francis Foundation partner to serve the community through their work in the Tenderloin Health Improvement Partnership (TLHIP). Using a collective impact approach to addressing the social determinants of health TLHIP aims to improve health of Tenderloin residents.

SFMH Patient Population and Services

	2015	2016	2017
Adjusted patient days	51,017	51,778	49,592
Outpatient visits	116,242	123,930	118,930
Emergency service visits	33,792	36,128	32,479

[20] On November 21, 2018, the California Department of Justice approved the proposed merger between Dignity Health and Catholic Healthcare Initiatives health systems. The two health systems will join to create a new organization, CommonSpirit Health. https://commonspirit.org/commonspirit-health-launches-as-new-health-system-2/

Dignity Health: St. Mary's Medical Center (SMMC)

St. Mary's Medical Center (SMMC) has cared for the people of the San Francisco Bay Area since its founding in 1857 by the Sisters of Mercy. A member of Dignity Health[20], SMMC is a 501(c)(3) not-for-profit hospital. As such, it is mandated by San Francisco local ordinance to provide annual Charity Care data. The hospital and Sr. Mary Philippa Health Center are located in the Western Addition neighborhood. Its main site is located on the corner of Hayes and Stanyan Streets.

St. Mary's Medical Center's mission is to deliver compassionate, high-quality, affordable health services to our sisters and brothers who are poor and disenfranchised and to advocate on their behalf. SMMC is committed to partnering with others in the community to improve quality of life in San Francisco. SMMC sponsors and operates the Sr. Mary Philippa Health Center serving over 2,247 patients annually for internal medicine, specialty, and subspecialty care. SMMC began its formal affiliation with HSF in July of 2008 and began enrolling patients in September of that year and. With most of these patients becoming eligible to receive care through the Affordable Care Act, by the end of Fiscal Year 2016, SMMC serves as a medical home to 346 patients providing primary and specialty care as well as diagnostic and inpatient services.

A fully accredited teaching hospital in the heart of San Francisco, it has 403 licensed beds, 1137 employees, 471 physicians and credentialed staff, and 115 volunteers. For 159 years, St. Mary's has built a reputation for quality, personalized care, patient satisfaction, and exceptional clinical outcomes. Our Centers of Excellence include Total Joint Center, Spine Center, Oncology, Outpatient Therapies, Acute Physical Rehabilitation, and Cardiology.

We offer a full range of diagnostic services and 24 hour Emergency Department. Surgical specialties include general, orthopedic, ophthalmology, podiatric, plastic, cardiovascular, and gynecologic surgery. St. Mary's has been named a 2014 Top Performer in Key Quality Measures by The Joint Commission for excellence in patient outcomes. For three consecutive years, from 2014 to 2016, St. Mary's received the Distinguished Hospital Award for Clinical Excellence from Healthgrades and is designated a Certified Stroke Center by the Joint Commission. St. Mary's state-of-the-art Cancer Center offers the full-range of oncology, radiation, and imaging services. Offering the most comprehensive breast imaging services in San Francisco, St. Mary's has been designated as a Center of Excellence by the American College of Radiology, a recognition that represents the national gold standard. Beyond clinical care, St. Mary's is committed to furthering the healing ministry, and to providing high-quality, affordable healthcare to the community we serve. Patients in need of financial assistance are cared for in every department, and our financial counselors help direct them to appropriate assistance including charity care.

SMMC Patient Population and Services

	2015	2016	2017
Adjusted patient days	46,958	43,641	41,103
Outpatient visits	120,742	125,893	113,492
Emergency service visits	19,068	20,609	17,522

Kaiser Permanente: Kaiser Foundation Hospital, San Francisco (KFH-SF)

Kaiser Permanente is committed to helping shape the future of health care, and is recognized as one of America's leading nonprofit health care providers with hospitals, physicians, and health plan working together in one integrated health care system. Founded in 1945, Kaiser Permanente's mission is to provide high-quality, affordable health care services, and to improve the health of our members and the communities we serve. We currently serve almost 11 million members in eight states and the District of Columbia.

Care for our members is focused on their total health and guided by their personal physicians, specialists and team of caregivers. Our medical teams are empowered and supported by industry-leading technology advances and tools for health promotion, disease prevention, care delivery, and chronic disease management. Kaiser Permanente is dedicated to care innovations, clinical research, health education, and the support of community health.

In 1948, Kaiser Permanente opened a 35-bed hospital in Potrero Hill before constructing a much larger hospital six years later at 2425 Geary Blvd. In 2001, this facility became the first hospital in San Francisco to meet the state's 2030 earthquake safety standards. The hospital has 247 licensed beds and is a Joint Commission Certified Primary Stroke Center as part of our integrated health care system. Kaiser Permanente also operates medical office buildings and clinics in San Francisco at the Geary and French campuses, and opened a new state-of-the art facility in Mission Bay in 2016.

The Medical Center has over 600 physicians and more than 3,500 nurses and staff who provide culturally competent care to over 225,000 members in San Francisco. The Department of Medicine includes both Chinese and Spanish bilingual modules, and Linguistic and Cultural Services offers interpretation services in 56 languages.

As an integrated system of hospitals, physicians and health plan, Kaiser Permanente is a voluntary reporter for San Francisco's charity care ordinance, however Kaiser Foundation Hospital – San Francisco reported to the state that we provided over $33.4 million in Community Benefit support in 2017, including $19.7 million in free or subsidized medical care for vulnerable populations.

Kaiser-SF Patient Population and Services

	2015	2016	2017
Adjusted patient days	60,642	60,117	61, 741
Outpatient visits	27,526	Did not provide	Did not provide
Emergency service visits	36,318	37,725	39,805

Zuckerberg San Francisco General Hospital (ZSFG)

Zuckerberg San Francisco General Hospital (ZSFG) was founded in 1872 and is located in the Potrero Hill neighborhood of San Francisco, on the edge of the Mission District. It is a general acute care hospital with 451 budgeted beds and 645 licensed beds. ZSFG is owned by the City and County of San Francisco and is a component of the DPH. ZSFG reports charity care data on a voluntary basis for the purposes of this report.

ZSFG attracts patients from well beyond its physical location for two main reasons. First, because of its unique position as the county's public hospital, specializing in care for the uninsured and others who have difficulty accessing adequate health care services. In addition, ZSFG operates the only Level I Trauma Center for San Francisco and northern San Mateo County. Individuals who are seriously injured in San Francisco and in parts of San Mateo County are brought to ZSFG's emergency room for care.

ZSFG has maintained a teaching and research partnership with the UCSF Medical School for more than 130 years, and provides inpatient, outpatient, emergency, skilled nursing, diagnostic, mental health, and rehabilitation services for adults and children. It is the largest acute inpatient and rehabilitation hospital for psychiatric patients in the city, and the only acute hospital in San Francisco that provides 24-hour psychiatric emergency services.

San Francisco Health Network operates five primary care clinic centers on the ZSFG campus: the Adult Medical Center (which includes the Positive Health Center and General Medicine Clinic), Women's Health Center, Children's Health Center, Family Health Center, and Urgent Care Center. In addition, there is a network of affiliated community clinics spread throughout San Francisco, in neighborhoods with the greatest need for access. ZSFG has been a key provider for HSF since enrollment began in July 2007, providing specialty care, emergency care, pharmacy, diagnostic, and inpatient services for HSF members. ZSFG is recognized as a DSH by the California state and a federal government, meaning that it provides care to a disproportionate share of Medi-Cal and the uninsured.

ZSFG Patient Population and Services

	2015	2016	2017
Adjusted patient days	167,308	177,022	169,158
Outpatient visits	606,467	664,073	666,246
Emergency room visits	73,305	76,076	68,621

University of California, San Francisco Medical Center (UCSF)

The University of California, San Francisco (UCSF) was founded in 1864 as Toland Medical College in San Francisco and became affiliated with the University of California system in 1873. UCSF Medical Center, including UCSF Benioff Children's Hospital, is part of UCSF and is a non-profit hospital affiliated with the UC system. Consequently, it is not subject to San Francisco's Charity Care Ordinance, but reports voluntarily. UCSF Medical Center is a Disproportionate Share Hospital. UCSF Medical Center operates as a tertiary care referral center with three major sites (Parnassus Heights, Mount Zion and Mission Bay). UCSF Medical Center at Parnassus is a 600 bed hospital and is home to UCSF's health sciences schools. UCSF Medical Center at Mount Zion is a hub of specialized clinics and surgery services. On February 1, 2015, UCSF opened the UCSF Medical Center at Mission Bay, which houses three state-of-the-art hospitals. UCSF Benioff Children's Hospital San Francisco has 183-beds and serves all pediatric specialties. UCSF Bakar Cancer Hospital has 70 adult beds and serves patients with orthopedic urologic, gynecologic, head and neck and gastrointestinal and colorectal cancers. The UCSF Betty Irene Moore Women's Hospital, which serves women of reproductive age to menopause and beyond features a 36-bed birth center.

UCSF Medical Center and UCSF Benioff Children's Hospital are world leaders in health care, with the Medical Center consistently ranking among the nation's best by US News & World Report. UCSF's expertise covers all major specialties, including cancer, heart disease, neurological disorders, and organ transplantation, as well as special services for women and children. UCSF has the only nationally designated Comprehensive Cancer Center in Northern California. As a regional academic medical center, UCSF attracts patients from throughout California, Nevada, and the Pacific Northwest, as well as from all San Francisco neighborhoods and abroad. In addition to its Affiliation Agreement with the City and County of San Francisco to provide physicians at ZSFG, in order to meet the needs of the City's most vulnerable populations, UCSF has established clinics around San Francisco and provides staff for other existing clinics, including:

-St. Anthony Free Medical Center: The UCSF School of Pharmacy partners with the St. Anthony Foundation to provide needed pharmaceutical care to patients with no health insurance and limited access to health care, with approximately 90 percent of patients at this clinic having incomes below the Federal Poverty Level.

-UCSF School of Dentistry Buchanan Dental Center: The Dental School clinic on Buchanan Street provides comprehensive services to low-income adults and children. The clinic sees approximately 2,700 patients each year, with 10,000 total patient visits per year. UCSF Medical Center has provided emergency care and radiological services for HSF enrollees since the program began enrolling members in summer 2007.

UCSF Patient Population and Services

	2015	2016	2017
Adjusted patient days	310,566	352,440	367,675
Outpatient visits	1,016,35	1,711,463	1,306,442
Emergency service visits	49,114	53,835	43,978

Appendix 4: Charity Care Hospital Data, FY 2017

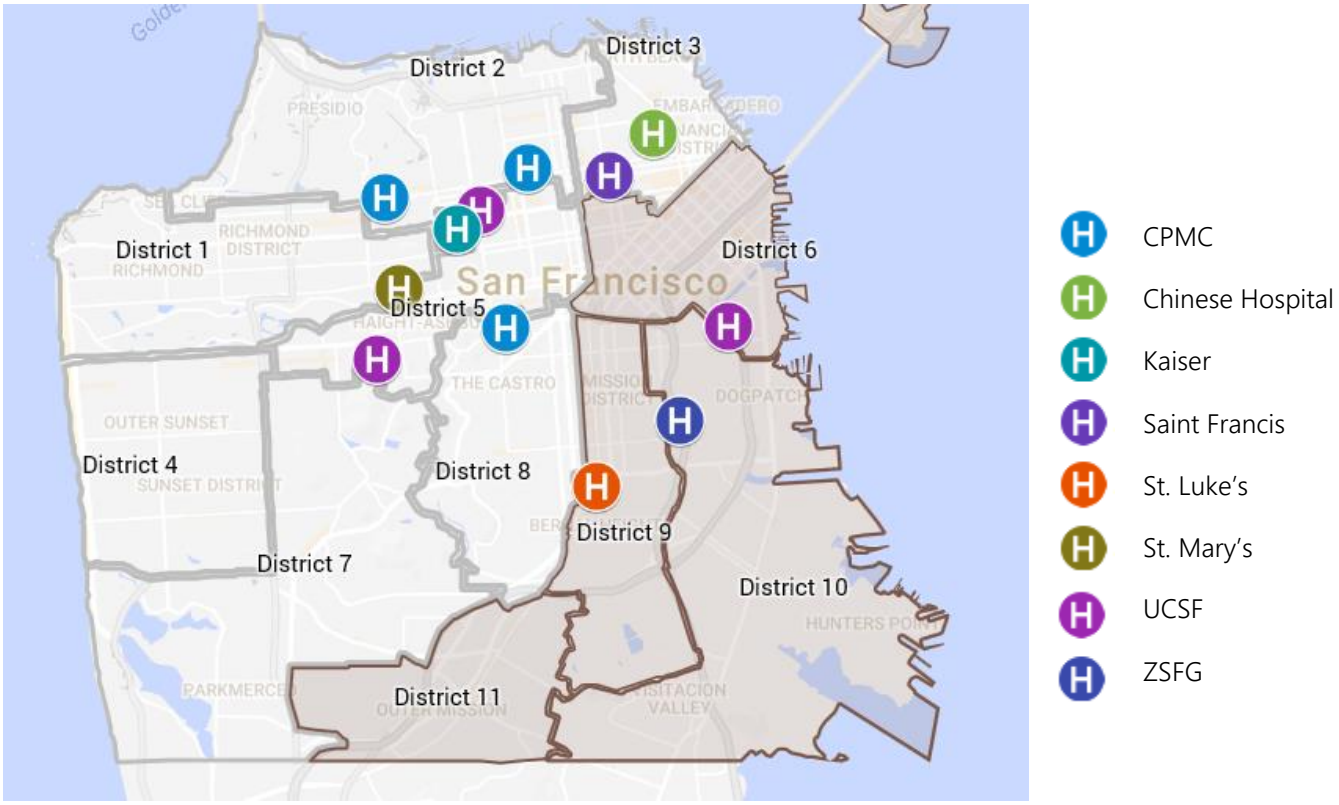
Data Categories	CPMC 2017	St. Luke's 2017	Chinese 2017	Saint Francis 2016-2017	St. Mary's 2016-2017	KFH-SF 2017	ZSFG 2016-2017	UCSF 2016-2017
Cost of Charity Care Provided								
Non-HSF Charity Care Costs	$6,851,770	$2,264,706	$208,312	$3,055,806	$1,116,404	$3,610,773	$40,711,121	$9,980,582
HSF Charity Care Costs	$34,484	$271,288	$0	$179,517	$359,903	$0	$20,283,532	$ 43,041
Total	$6,886,254	$2,535,994	$208,312	$3,235,323	$1,476,307	$3,610,773	$60,994,653	$10,023,623
Applications for Charity Care								
Total # of Apps Accepted	2,477	1,190	239	157	199	3,332	19,374	460
Total # of Applications Denied	202	113	0	96	59	1,076	4,485	40
Total	2,679	1,303	239	253	258	4,408	23,859	500
Unduplicated/Individual CC Recipients								
Total Unduplicated CC Patients (HSF)	23	101	0	413	331	647	10,412	7
Total Unduplicated Patients (Non-HSF)	2,477	1,192	213	2,029	982	3,949	15,545	2,296
Total	2,500	1,293	213	2,442	1,313	4,596	25,957	2,303
Services Provided for CC patients								
Emergency (HSF)	10	93	0	229	87	218	971	2
Emergency (Non-HSF)	1,164	1,126	10	2,791	775	1,669	3,828	525
Inpatient (HSF)	1	2	0	1	4	56	82	4
Inpatient (Non-HSF)	223	48	2	110	45	934	1,674	1037
Outpatient (HSF)	13	9	0	406	294	639	10,129	1
Outpatient (Non-HSF)	1,185	65	227	223	190	3,300	10,659	734
Costs & Charges								
Gross Patient Revenue	$3,419,129,607	$492,317,310	$187,663,541	$ 906,999,821	$ 908,353,653		$ 3,102,945,728	$12,508,816,628
Total Other Operating Revenue	$ 78,781,974	$ 4,019,425	$ 24,644,270	$ 2,783,612	$ 4,560,975		$71,989,377	$ 38,342,380
Total Operating Expenses	$ 1,153,689,807	$ 177,575,768	$ 123,434,908	$ 243,853,545	$ 247,726,306		$ 920,148,567	$ 3,405,150,278
Cost-to-Charge Ratio	31.44%	35.25%	52.64%	26.58%	26.77%		27.33%	26.92%
Medi-Cal Shortfall	$62,752,573	$13,395,233	$ 2,226,376	$35,511,226	$ 21,219,550	$ 12,816,118	$ 127,694,718	$373,559,633

Appendix 5: Full Zip-Code Analysis of San Francisco Charity Care

San Francisco's Charity Care Ordinance requires that hospitals provide the zip codes of their charity care recipients, and this report presents an analysis of this data. All of the hospitals except Kaiser San Francisco are able to provide the zip codes of each charity care patient who has received services at the hospital. Since zip code data for HSF patients is not required as part of charity care reporting, this section focuses on traditional charity care patients only. Given that this report has also found that these patients do not appear to have the same access to health reform insurance options as HSF patients, this section provides particular insight into the residential trends of San Francisco's remaining uninsured.

This section presents the data by supervisorial district, along with an expanded view of out-of-county charity care patients, since traditional charity care programs are not limited to CCSF residents.

Figure 25: Map of San Francisco Showing Supervisorial Districts and Hospital Locations



*Districts highlighted represent those with the highest proportions of traditional charity care patients.

Charity Care by Supervisorial District

Figure 26: Traditional Charity Care Patient by Districts for FY 2017

	Recipients	Percent of total SF recipients[21]
District 1	697	2.9%
District 2	1,197	5.0%
District 3	1,373	5.8%
District 4	1,157	4.9%
District 5	1,443	6.1%
District 6	4,711	19.8%
District 7	1,925	8.1%
District 8	915	3.8%
District 9	3,157	13.2%
District 10	4,809	20.2%
District 11	2,448	10.3%

The above tables show the distribution of all reporting hospitals' traditional charity care recipients by Supervisorial district. As is evident and has repeatedly been the case over the past five years, the majority of the charity care patients in San Francisco reside in Districts 6 (SOMA), 9 (Mission, Bernal Heights), 10 (SE neighborhoods, including Bayview –Hunters Point), and District 11 (Excelsior). District 1 (Northwest/Richmond) continues to represent the smallest share—about two to three percent across the years. District profiles reveal that Districts 6, 9, 10 and 11 also have some of the lowest average household income levels in San Francisco[22], which presumably contributes to the concentration of charity care patients in those areas. From FY 2013 through FY 2017, there was very little change in the charity care landscape by district, suggesting that though the number of traditional charity care patients may have decreased slightly over that time, the residential locations that contribute the most in San Francisco remain consistent.

[21] SF charity care recipients are unduplicated patients that provided one of San Francisco's residential zip codes corresponding to the 11 districts.

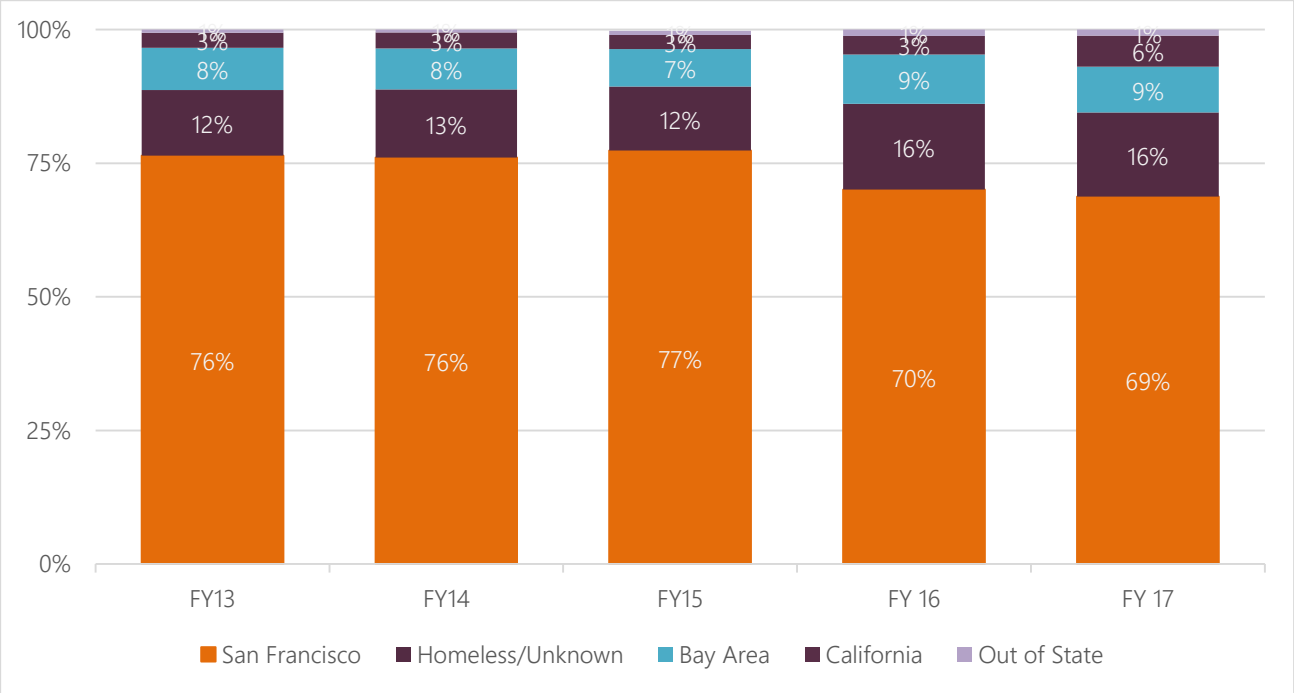
[22] SFDPH Supervisorial District Health Profiles

Residence of Charity Care Patients

As mentioned earlier, traditional charity care programs do not limit eligibility to San Francisco residents, and the zip code information provided therefore allows for an analysis of the geographic locations that hospitals serve outside of San Francisco. Out-of-county patients may access charity care in San Francisco hospitals for many reasons, from the uninsured patient who has an automobile accident on the freeway and is taken to ZSFG's Emergency Department, to the patient with a serious illness who seeks medical care at one of San Francisco's renowned medical institutions. This proportion of out-of-county traditional charity care patients (i.e. Bay Area + California residents) has increased over time, from about 11 percent in FY 2013 to 15 percent in FY 2017.

Homeless/Other patients have remained consistent from FY 2016 to FY 2017 at 16 percent. The "Other" and "Unknown" category consists of patients who did not have a valid address in the hospital's financial system, which would include homeless individuals, those with errors in their record, and some who provided inaccurate information. Unfortunately, the data for charity care utilization among the homeless more specifically cannot be captured accurately in this report because some hospitals do not identify patients using a standard homeless code in their registration systems. Finally, only a very small proportion of charity care patients resided outside of California (one percent) in FY 2017 and this has been the case throughout the history of this report.

Figure 27: Charity Care Reported Residence, FY 2013 to FY 2017

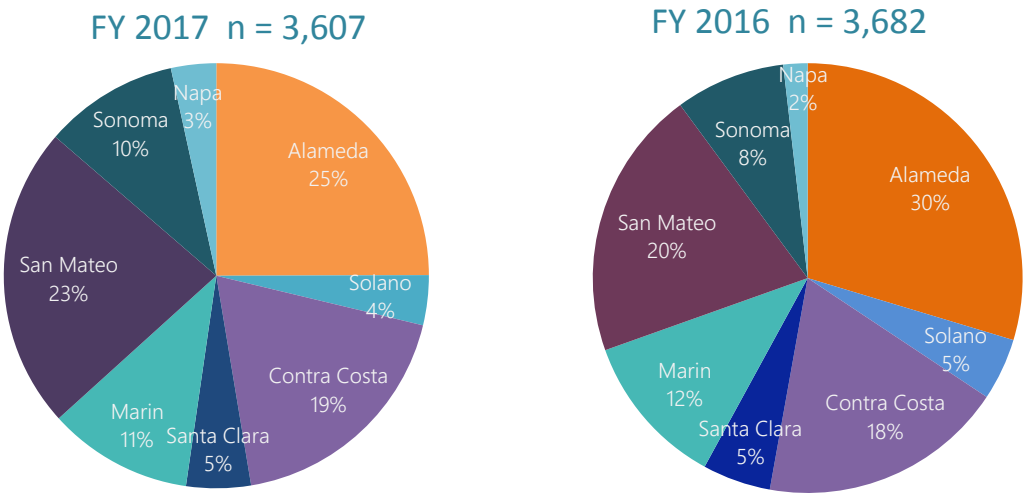


So, taken together, this data indicates although the total number of traditional charity care patients has declined over time, probably due to enrollment in the HSF program and ACA-initiated insurance coverage both in San Francisco and in surrounding counties, San Francisco's collective pool of traditional charity care patients in the era of health reform may consist of:

- The largest proportion of San Franciscans,
- A significant proportion of homeless – largest after San Franciscans
- A consistently small portion out-of-state residents.

The figure below shows the percentage of traditional charity care patients with residential addresses in the seven greater Bay Area counties in FY 2016 and FY 2017. Alameda County consistently represents the greatest proportion of charity care patients in San Francisco hospitals. In FY 2017, Alameda, San Mateo, and Contra Costa counties represented the greatest proportion of charity care patients in San Francisco hospitals, with 67 percent of the total patients. There was also a slight increase in the proportion of patients from Sonoma (2 percent) and Napa (1 percent) counties, which may be due to San Francisco hospitals receiving patients from wildfire-impacted counties. In terms of absolute numbers, between FY 2016 and FY 2017, the number of Alameda county residents decreased from 1082 to 900 individuals, San Mateo county residents increased from 749 to 831 individuals, and Contra Costa county residents decreased from 681 to 672 individuals.

Figure 28: Greater Bay Area Place of Residence for Charity Care Patients, FY 2016 & 2017



Similar to previous years, the analysis of FY 2017 data shows that residents in the seven greater Bay Area counties received charity care, by and large, from ZSFG, UCSF, and CPMC. In FY 2017, of the 3,607 charity care patients reporting zip codes in the seven greater Bay Area counties, 1,462 (40.5 percent) received care at UCSF, 852 (23.6 percent) received care at ZSFG, and 802 (22.2 percent) at

CPMC. UCSF surpassed ZSFG in caring for the largest proportion of out-of-county Bay Area charity care patients in FY 2014, and has continued that trend in FY 2016 and 2017.

The figure below highlights the number of charity care patients in the four Bay Area counties closest to San Francisco. Unsurprisingly, it is from these four neighboring counties that San Francisco hospitals report seeing patients more frequently than any other non-San Francisco county. The trend in the number of such residents seeking traditional charity care services in San Francisco has fluctuated between FY 2015 and 2017. These changes may be due to adjustments in charity care policies at hospitals located within the other counties or individuals who re-locate out of San Francisco and seek services at hospitals within their county of residence.

Figure 29: Bay Area Residents from neighboring counties receiving charity care, FY 2015-2017