

**HEALTH COMMISSION
CITY AND COUNTY OF SAN FRANCISCO
Resolution No. 24-05**

HEALTH COMMISSION FINDINGS THAT THE UCSF HEALTH (UCSFH) ACQUISITION OF THE ASSETS AND OPERATIONS OF DIGNITY HEALTH ST. MARY’S MEDICAL CENTER, SAINT FRANCIS MEMORIAL HOSPITAL, AND THEIR ASSOCIATED OUTPATIENT CLINICS WILL/WILL NOT HAVE A DETRIMENTAL IMPACT ON HEALTH CARE SERVICES IN THE COMMUNITY.

WHEREAS, In the City and County of San Francisco, Dignity Health operates two hospitals, St. Mary’s Medical Center and Saint Francis Memorial Hospital, a medical group, hospital associated outpatient clinics, and urgent care clinics operated through a joint venture between Dignity Health and Go Health; and

WHEREAS, St. Mary’s Medical Center is located across the street from Golden Gate Park, and is home to one of three emergency departments serving the west side of San Francisco; and

WHEREAS, Saint Francis Memorial Hospital is the closest hospital to downtown San Francisco and is a critical resource to the surrounding communities including the Tenderloin, Nob Hill, Civic Center, and Russian Hill; and

WHEREAS, Both Saint Francis and St. Mary’s hospitals provide important services for residents of San Francisco and the greater Bay Area, including:

- Adolescent inpatient psychiatric services at the McAuley Institute located at St. Mary’s
- The McAuley Counseling Enriched Education Program, an intensive educational and therapeutic program run in conjunction with San Francisco Unified School District and the Department of Public Health Behavioral Health Services
- The Sister Mary Philippa Health Center, which provides adult primary care, social services, and HIV care
- The Women’s Health Center at St. Mary’s Medical Center
- The Bothin Burn Center at Saint Francis, the only burn center in San Francisco
- An inpatient psychiatric unit at Saint Francis
- The Gender Institute at Saint Francis
- The Saint Francis Orthopedic and Sports Medicine Institute
- The Center for Pain Management at Saint Francis
- Emergency Departments at both St. Mary’s and Saint Francis hospitals; and

WHEREAS, Dignity Health has been a partner of the Department in providing services to the healthcare safety net population; and

WHEREAS, There are also critical services co-located on St. Mary’s hospital campus, including: a 54-bed Mental Health Rehabilitation Center, San Francisco Healing Center, operated by Crestwood Behavioral Health; and Kentfield Hospital San Francisco, which is a 60-bed critical care hospital that addresses the extended hospitalization needs of patients with complex medical issues; and

WHEREAS, St. Mary’s and Saint Francis serve distinct populations at their hospitals; and

WHEREAS, Greater than 75% of inpatient discharges and greater than 70% of emergency encounters for both St. Mary's and Saint Francis in 2023 were patients with public insurance (Medi-Cal or Medicare), with coverage under Healthy SF, or who are uninsured; and

WHEREAS, From 2019 through 2023, St. Mary's has seen a 24% decrease in inpatient discharges, and Saint Francis has seen a 22% decrease in inpatient discharges; and

WHEREAS, in 2022, St. Mary's and Saint Francis' general acute care bed occupancy rates were 26.8% and 22%, respectively, while the average occupancy rate across all San Francisco hospitals was 60.4%; and

WHEREAS, UCSF Health (UCSFH) is a part of the University of California, San Francisco, and operates three hospitals in San Francisco, the UCSF Helen Diller Medical Center at Parnassus Heights, UCSF Medical Center at Mount Zion, and UCSF Medical Center at Mission Bay; and

WHEREAS, UCSFH facilities in San Francisco also include UCSF Benioff Children's Hospital and Clinics, Langley Porter Psychiatric Hospital and Clinics at Mount Zion, UCSF Benioff Children's Physicians, and the UCSF Faculty Practice; and

WHEREAS, On November 28, 2023, in compliance with the Community Health Care Planning Ordinance (Proposition Q), Dignity Health notified the Health Commission that that UCSFH (or an affiliated entity) will acquire the assets and operations of St. Mary's, Saint Francis, and their associated outpatient clinics; and

WHEREAS, UCSFH intends that St. Mary's and Saint Francis will continue to operate as full-service community hospitals, preserving access to the critical programs each hospital provides; and

WHEREAS, UCSFH has stated that bringing St. Mary's, Saint Francis, and their associated outpatient clinics into UCSFH expands its ability to provide care for the San Francisco community, and that many of the services provided at these hospitals are complementary to, and different from, those provided at UCSF academic medical centers; and

WHEREAS, UCSFH has made the following statements regarding its plans to mitigate patient and staff impacts as a result of the acquisition:

- UCSFH has committed to maintaining both Saint Francis and St. Mary's hospitals as full-service community hospitals and has committed to maintaining the services that both hospitals provide to the San Francisco community;
- UCSFH has committed to maintaining the capacity and services provided at each hospital's associated outpatient clinics;
- UCSFH has committed to retaining the employees of both Saint Francis and St. Mary's, it does not anticipate any staffing reductions, and the organization plans to evaluate staffing and any potential increases in staffing as necessary in the future alongside integration efforts;
- UCSFH has committed to maintaining essential behavioral health and emergency services for San Francisco, including inpatient adolescent mental health services at McAuley, the McAuley Counseling Enriched Education Program, inpatient adult mental health services at Saint Francis, and the emergency departments at both Saint Francis and St. Mary's;

- UCSFH has stated that it will continue to honor all insurance arrangements that are presently available at Saint Francis and St. Mary's and that patients will continue to have access to all services and providers they have today;
- UCSFH has stated it will continue to honor the shared commitment to improving the health of vulnerable populations, regardless of their ability to pay; and

WHEREAS, Once the transaction is complete, UCSFH has stated that it will embark on a multi-year integration process, prioritizing patients and their care experience, as well as the team members who deliver care and keep the facilities running; and

WHEREAS, Evidence shows that healthcare acquisitions and hospital consolidation impact healthcare costs, quality and access; and

WHEREAS, The impact of the UCSFH acquisition of Dignity Health hospitals and associated clinics in San Francisco on healthcare costs, quality, and access is unknown at this time; and

WHEREAS, UCSFH has stated its short-term plans to improve both Saint Francis and St. Mary's emergency departments, as well as increase staffing and resources to the hospitals so that they may see more patients in their neighborhoods; and

WHEREAS, In accordance with Proposition Q, the San Francisco Health Commission held public hearings on February 20, 2024 and March 5, 2024, regarding the proposed acquisitions listed above; and

NOW, THEREFORE, BE IT RESOLVED, that St. Mary's Medical Center, Saint Francis Memorial Hospital, and their associated outpatient clinics provide critical health care services in San Francisco; and

FURTHER RESOLVED, that UCSFH has stated that current services provided at St. Mary's, Saint Francis, and the associated outpatient clinics are expected to continue as a part of the acquisition; and

FURTHER RESOLVED, that the Health Commission encourages UCSFH to maintain each hospitals' programs and services, and to continue its partnership between DPH and UCSFH; and

FURTHER RESOLVED, the UCSFH acquisition of the assets and operations of Dignity Health St. Mary's Medical Center, Saint Francis Memorial Hospital, their associated outpatient clinics will not have a detrimental impact on the health care services in the community, contingent upon UCSFH:

- Maintaining agreements with all existing payors and organizations covering services at St. Mary's and Saint Francis hospitals and clinics;
- Maintaining or expanding the critical services provided at each of the hospitals and clinics; and
- Maintaining or increasing staffing to support operations of the hospitals and clinics; and be it,

FURTHER RESOLVED, that the Health Commission strongly encourages UCSFH to follow through with its commitments to maintain services and staff, and provide the Health Commission with periodic updates at Health Commission meetings regarding the acquisition and hospital integration process.

I hereby certify that the San Francisco Health Commission at its meeting of March 5, 2024, adopted the foregoing resolution.

Mark Morewitz
Executive Secretary to the Health Commission