

FILE NO. 172-94-3

ORDINANCE NO. 210-94

(Affiliation Agreement)

1 AUTHORIZING THE DIRECTOR OF PUBLIC HEALTH AND THE PURCHASER TO
2 EXECUTE AN AFFILIATION AGREEMENT BETWEEN THE CITY AND COUNTY OF
3 SAN FRANCISCO AND THE REGENTS OF THE UNIVERSITY OF CALIFORNIA FOR
4 THE PROVISION OF PATIENT CARE SERVICES AT SAN FRANCISCO GENERAL
5 HOSPITAL.

6 Be it ordained by the People of the City and County of San
7 Francisco:

8 SECTION 1. The Board of Supervisors hereby finds as
9 follows:

10 a. The affiliation between the City and County of San
11 Francisco and the University of California is over 100 years old;

12 b. The purchase of services by the City and County of San
13 Francisco from the University of California has become an
14 essential component of the public health and the public health
15 system for the residents of San Francisco;

16 c. The missions of the Department of Public Health and the
17 University of California are complementary and it is within their
18 best interest to fulfill their respective mission through an
19 affiliation;

20 d. The San Francisco Department of Public Health and the
21 University of California desire to continue to develop this
22 partnership in a way that is mutually beneficial to both parties,
23 that is focused on efficient management and the provision of a
24 level and quality of care that would not otherwise be possible,
25 that maximizes third party reimbursement, and that holds the
parties accountable to one another and to the public at large

1 SECTION 2. The Board of Supervisors hereby authorizes the Director of
2 Public Health and the Purchaser, on behalf of the City and County of San
3 Francisco, to execute an Affiliation Agreement with the University of California,
4 San Francisco, contained in Board of Supervisors File No. 172-94-3.

5 SECTION 3. Chapter 12D of the San Francisco Administrative Code, and
6 Chapter 12B of the San Francisco Administrative Code insofar as the provisions of
7 Chapter 12B gives the Human Rights Commission jurisdiction over the University
8 of California, shall not apply to the Affiliation Agreement or to the procedures
9 governing its approval.
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22 APPROVED AS TO FORM:
23 LOUISE H. RENNE
City Attorney

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25 By: Theodore R. Lakey
Deputy City Attorney

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Items 4 and 5 - Files 172-94-3 and 97-94-4

Note: These items were continued at the April 5, 1994 Government Efficiency and Labor Committee meeting.

Department: Department of Public Health, San Francisco General Hospital (SFGH)

Items: File 172-94-3 - Ordinance authorizing the Director of Public Health to execute an affiliation agreement between the City and County of San Francisco and the Regents of the University of California for the provision of patient care services at San Francisco General Hospital.

File 97-94-4 - Ordinance amending Administrative Code by repealing Section 19.A.11, which authorizes the Health Commission and the Purchaser to enter into an agreement with the University of California for the provision of medical and laboratory services at San Francisco General Hospital for the period beginning July 1, 1959 and renewable on an annual basis thereafter. Again, this section of the Administrative Code will no longer be necessary should the proposed Affiliation Agreement be approved.

Overview: 1. The only written Affiliation Agreement between the City and County and the University of California was approved in 1959. A proposed Affiliation Agreement was submitted to the Board of Supervisors in 1987. The 1987 proposed agreement stipulated that Interns and Residents would be transferred from employment by the City and County of San Francisco to the employment by UC. The San Francisco Interns and Residents Association opposed the proposed Affiliation Agreement because of the employment transfer provision. The Board of Supervisors did not approve that proposed agreement.

2. The Affiliation Agreement should be distinguished from the *UC Contract*. The purpose of the Affiliation Agreement is to establish the agreements and understandings of the parties in terms of their relationship, respective responsibilities, rights, obligations and expectations. The UC Contract is an annual budget document which is re-negotiated each year as part of the budget process. The annual UC Contract establishes the amount that the City will reimburse the University for purchased services.

3. Despite that fact that this proposed Affiliation Agreement is not a budgetary document, it does set forth policies and define methodologies for future budgetary development and payment procedures.

4. Other key features of the proposed Affiliation Agreement involve the transfer of all San Francisco General Hospital Physician Specialists to the employment of the University of California. Currently, these Physician Specialists are all co-employed by the City and County of San Francisco and the University of California. This transfer of employment will affect approximately 182 individuals, who staff 66.5 full time equivalent Physician Specialist positions. These individuals would become employees solely of the University of California beginning October 1, 1994.

5. Although the proposed Affiliation Agreement is not a budgetary document or contract for purchased services, the Budget Analyst has included budgetary data and service descriptions as summarized in this report and detailed in Attachment 1 to this report.

Description: The following subsections of this report describe certain substantive issues addressed in the proposed Affiliation Agreement.

1. *Covered Services* to be provided under the proposed Affiliation Agreement which are defined in the agreement as services for which the City and County makes payment including (a) patient care services rendered to unsponsored patients treated at SFGH, (b) management services, (c) supervision of Housestaff (interns and residents employed at SFGH, and (d) other services agreed upon by University and SFGH. Covered services include not only those services for which the City and County makes payment, but also those services for which the University may render professional bills, irrespective of collection. Nothing in this Agreement requires that the City and County shall pay for the same service that is paid for by another payer.

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The table below provides a summary budget by hospital department for the 1993-94 UC Contract for services provided to SFGH.

SUMMARY 1993-94 BUDGET FOR UC CONTRACT

<u>Department</u>	<u>Total Full Time Equivalent Positions</u>	<u>Total 1993-94 Budget</u>
<u>Medicine</u>		
Administration- Medical Staff Office	6.00	\$ 364,004
AIDS Clinic	36.78	2,623,574
AIDS Evening Clinic	4.10	244,643
Anesthesia	19.60	2,449,400
Biomedical Engineering	12.35	799,212
Cardiology	14.30	1,347,613
Clinical Labs	164.08	12,011,522
Emergency Services	15.76	2,497,672
Pediatric Emergency	2.00	279,437
Family Community Medicine	2.83	296,366
Gastro-intestinal AIDS	6.66	484,847
Housestaff Benefits		1,030,320
Intensive Care Unit Stat Laboratory	6.10	468,114
Medical HIV Testing	4.00	236,522
Nuclear Medicine	16.05	1,998,934
Obstetrics/Gynecology	2.00	166,823
Pathology	16.50	1,151,098
Pharmacy	3.00	249,974
Pulmonary AIDS	2.50	189,864
Radiology	1.20	218,623
Rehabilitation Medicine	0.50	65,253
Respiratory Therapy	<u>31.65</u>	<u>2,041,005</u>
Total- Medicine	367.96	\$31,214,820
<u>Psychiatry</u>		
Psychiatric	36.70	\$3,395,658
Psych Infant Parent	<u>2.80</u>	<u>198,670</u>
Total-Psychiatry	39.50	\$3,594,328
<u>Other Expenditures</u>		
Physician Services to Medically Indigent		\$2,300,000
Renal Dialysis		406,000
MIA Obstetrics/Gynecology		<u>50,000</u>
Total Other Expenditures		<u>\$2,756,000</u>
Grand Total	407.46	\$37,565,148

The SFGH is currently addressing a projected 1993-94 revenue shortfall through a variety of expenditure reductions, revenue

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enhancements and one-time revenue from retroactive SB855 Disproportionate Share Payments. As part of this effort, the 1993-94 UC Contract is scheduled to reduce actual expenditures by approximately \$800,000 to \$1.0 million. This reduction is not expected to result in reduced UC Contract services as savings have been realized in actual expenditures.

Attachment 1 to this report provides a detailed breakdown of each UC budget unit, including expenditures by object, position detail and descriptions of services provided. As shown in the table on the previous page, the total 1993-94 UC contract budget is \$37,565,148.

2. Responsibilities of University

Under the proposed Affiliation Agreement, the University shall be responsible for: (a) provision of Covered Services; (b) supervision of Housestaff and University Personnel; (c) compliance with the terms of this Agreement; and (d) personnel responsibilities.

In general, the University shall provide a sufficient number of University Personnel and Housestaff (University interns and residents serving at San Francisco General) in order to render patient care which meets the clinical services negotiated and approved in the Contract Budget for any given fiscal year.

Housestaff and Medical Students

The University shall be solely responsible for selecting, supervising, and training of Housestaff (interns and residents), medical students, and any other University trainees rotating through the SFGH. The City and County shall pay the salaries and reimburse the University for the cost of fringe benefits of Housestaff for the portion of their residency when they are assigned to the SFGH. The number of Housestaff for which the City and County shall pay shall be negotiated annually and shall be determined no later than July 1 for the Contract Year which begins the following July 1.

3. Responsibilities Of City and County

The City and County, through the Director of Public Health, is responsible for the governance, administration, and operation of SFGH. This responsibility shall be exercised through the SFGH Executive Administrator as delegated by the Director; the Administrator may delegate to the University responsibility for aspects of SFGH operations, but he/she retains full authority for SFGH administration.

SFGH Budget The City and County shall develop, approve, and implement an annual budget for the SFGH, which shall include negotiation and approval of the annual Final UC Contract Budget.

4. **Joint Responsibilities - UC and City and County Responsibilities**

Revenue Maximization - The Parties (defined in the agreement as the City and County of San Francisco and the University) shall jointly be responsible for maximizing Third Party Reimbursement to the extent it is within each Party's control; each Party shall require personnel under its supervision to act cooperatively to enable the other to recover all available Third Party Reimbursement.

Property Leases - The proposed Affiliation Agreement submitted to the Board of Supervisors originally proposed that, within one year of the execution of this Agreement, it was to be the intent of the parties that all SFGH Campus space currently occupied by the University for research purposes would be consolidated into a single master lease agreement at no additional cost to either party. Presently, there are 14 Lease Agreements between the City and County and University covering 85,198 square feet of space on the SFGH Campus for research purposes. In addition, the University occupies or intends to occupy, 81,285 square feet of space on the SFGH Campus, for which it is not charged by the City and County and which is not currently subject to a lease between the City and County and University.

In response to the recommendation of the Budget Analyst in our report to the Government Efficiency and Labor Committee of March 16, 1994 that the proposed agreement be amended to clearly require that the lease negotiations be based on fair market rental values for that portion of space now leased by the University, the SFGH and UC have removed the provision of the proposed agreement that would require such negotiations for a master lease at no additional cost to either party.

Under the existing 14 lease agreements between UC and SFGH, current annual revenue of approximately \$231,000 is being paid by UC for the 85,198 square feet of space; a rental rate of approximately \$.226 per month per square foot (\$2.71 annually). Each of these leases have different expiration and rental adjustment dates. If the proposed 81,285 in research space is consolidated with the leased space at no additional rent to UC, the University would occupy a total of 166,483 square feet for the \$231,000 annual total rent payments, or approximately \$.116 per square foot per month (\$1.39 annually).

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The Department of Real Estate advises that the current fair market value of SFGH leased and UC research space is, on average, \$.55 per square foot per month (\$6.60 annually). Therefore, the total fair market value for the 166,483 square feet leased and or occupied by UC for research purposes is \$1,098,787 annually.

According to SFGH under the proposed Affiliation Agreement (and in actual practice now) the City and County will receive reimbursement for the fair market rental value of this occupied space through both cash and in-kind services. For the space leased under the 14 lease agreements, the City and County will receive cash in the amount of \$231,000 per year. In addition, the City and County will receive in-kind services in terms of malpractice coverage for University Physicians providing care to indigents and University administrative costs incurred on behalf of SFGH. The value of these in-kind services, or offsets to cash rental payments, is estimated by the parties to equal at least \$1.1 million annually (\$450,000 for malpractice coverage for indigent services and \$650,000 for University administrative services which would otherwise be incurred by the SFGH.

The table below compares the current fair market value of the UC-leased space and research space provided to UC at no charge, with the current rent payments and value of "offsets" described above.

	Fair Market Value (@\$.55 per sq.ft. per month) of Space Leased by UC and Space Provided at No Charge for <u>Research Purposes</u>	Current Revenue Received and Estimated Value of <u>"Offsets" Provided in Proposed Agreement</u>
14 Existing Leases for 85,198 Sq. ft.	\$562,307	\$231,000 Annual Rent Paid by UC for Leased Space
Research Space - 81,285 Sq. ft. provided at no charge to UC	<u>536,481</u>	450,000 Estimated Value of Malpractice Coverage 650,000 Estimated Value of UC Administrative Costs
Totals	\$1,098,788	\$1,331,000

Utilities The City and County agrees that the utility rates for the fourteen (14) leases shall be reduced from \$0.62 per square foot per month to \$0.4513 per square foot effective July 1, 1994 and each of said fourteen leases is amended to set forth the new rate for the base year July 1, 1994 through June 30, 1995. This reduced utility charge, based upon a reduction of pro rated charges for SFGH

power plant operations, will result in the approximate loss of \$175,000 annually in utility payments to SFGH.

Chief of Staff and Medical Staff Office.

Effective July 1, 1994, the University and the City and County of San Francisco shall provide half of the financial support for the Medical Staff Office. Each year during annual budget negotiations, the University and the City and County shall develop a mutually acceptable budget for the Medical Staff Office. This condition of the agreement was actually put into effect, for the first time, in the current 1993-94 Fiscal Year budget. The cost of this condition is currently \$364,004 annually. However, the inclusion of this budget item was negotiated and not mandated by the Affiliation Agreement.

5. Covered Services

Patient Care Services. - The University shall, subject to the Final Contract Budget, provide the quantity and types of medical services required to meet the medical needs of all SFGH patients, including those who may experience limited access to other providers due to financial, social, cultural, geographic, or medical reasons, or who have other special needs. The University shall provide the same quality of care to all patients, regardless of financial sponsorship or ability to pay.

Off-site Services - If the patient's attending physician determines that diagnostic and/or therapeutic services necessary for the delivery of appropriate medical care are not available at SFGH, the attending physician shall arrange for the necessary services to be delivered elsewhere to the extent possible. This condition does not obligate the City and County, the University, or a physician to obtain services not covered or provided under the tertiary care contract or by the patient's third-party payor. (The tertiary care contract is a separate agreement for provision of critical care services not available.)

Management Services - The University shall provide administration and management of all clinical departments through Chiefs of Service. The Chiefs of Service shall be responsible for managing their respective Departments in compliance with all relevant professional standards, Joint Commission on Accreditation of Healthcare Organizations (JCAHO) standards, and this Agreement.

6. Payment For Covered Services

University Services Budget - Beginning in 1994, the University shall prepare and submit each year a University Services Budget three weeks before the SFGH budget is due to the Health Commission. The University Services Budget shall include the anticipated cost of providing all Covered Services for the following Contract Year and the anticipated cost of providing any supplemental services requested by City and County.

Final Contract Budget - The Final Contract Budget for Covered Services shall be approved annually, based on the University Services Budget. The approval process will involve consideration of the UC Contract Budget as part of the SFGH budget request which must be approved by the Health Commission, the Mayor and the Board of Supervisors.

Nothing in this Agreement shall specify the level of the Final Contract Budget for any Contract Year; such level is to be determined through the annual budget negotiation process, and subject to the final approval of the budget by the City and County. If the Final Contract Budget is different from the University Services Budget, the Parties (City and County and the University) will negotiate in good faith to determine the nature, level, and scope of services that will be provided within the Final Contract Budget.

Departmental Reviews. During the first two years of this Agreement, the SFGH Departments shall be reviewed by the University and the SFGH for the purpose of determining the nature, scope, and level of services provided to patients served in those Departments. In addition, the University and the SFGH shall determine the appropriate level of payment and the payment methodology for such services. Once the University and the City and County determine the appropriate level of payment and payment methodology for all Departments, the University shall prepare the University Services Budget in accordance with that payment method.

The Departmental reviews are to permit review and analysis of payment methodologies in order to adapt the provision of University and SFGH services to health care reform and new methods of health care financing. In the future, the payments to UC may be based on actual units of service provided, rather than reimbursement of actual UC costs or, alternatively, based on capitated rates for defined patient populations. Either alternatives would be more consistent with the State of California's strategic plan for implementation of a system of managed care or expected Federal health care reform initiatives.

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The proposed agreement stipulates that the changes in payment methodology will be enacted without further amendment to the Affiliation Agreement, but instead will be decided and implemented by the "President of the University or his/her designee and the Director of (Public) Health or his/her designee."

In response to the recommendation of the Budget Analyst in our report to the Government Efficiency and Labor Committee of March 16, 1994, the SFGH has agreed to submit the revised billing methods for approval by the Health Commission, the Mayor and the Board of Supervisors during the annual budget process.

The proposed agreement also provides that SFGH can put any of the services provided by UC out to bid as a means of seeking a lower cost provider or of substantiating the competitiveness of the University's costs. In such an event, SFGH must give UC a "right of first refusal", or an opportunity to match the lowest bidder.

Interim Payments. Until a Department is reviewed and the payment methodology agreed to by both Parties, payment shall be made in accordance with existing practices which reimburses UC for salaries and benefits of University employees, reimbursement for fringe benefits of Housestaff (interns and residents) and budgeted expenditures for materials and supplies and equipment.

Changes During a Budget Year - Subject to the budget and fiscal provisions of the City and County's Charter, the parties may agree at any time during a budget year that additional services may be necessary in order that SFGH may continue to provide adequate patient services hereunder. In addition, the parties agree that during the budget year, the scope of certain services historically provided may be reduced so that SFGH may continue to provide a range of services adequate to meet patient care needs. Should such a determination be made, City and County shall negotiate with the University in good faith for provision of such services in accordance with other provisions within this Agreement.

Budget Reductions - In the event of a reduction in the SFGH budget below the level of funding necessary to continue the services at the same scope, nature, and level as the 1993-94 budget year during any fiscal year thereafter, the Administrator shall determine which services shall be reduced, in consultation with the Director of Health, the Associate Dean, and the medical staff, so long as this determination is consistent with the Final Contract Budget. Budget reductions will be made in either the SFGH or University budget depending upon who provides those particular services. Such reductions will be subject to the approval of the Health Commission, the Mayor and the Board of Supervisors through the annual budget process.

Use of University Research Funds and Professional Fee Revenues -

Under the proposed Affiliation Agreement, as is the case now, UC physicians charge professional fees for inpatient physician services, separate from the SFGH billings for patient services. Current estimated professional fees received by UC amount to approximately \$12 million annually including payments, in 1993-94, of up to \$2.3 million annually by the City and County for professional services provided to medically indigent patients.

The proposed Affiliation Agreement provides that there shall be no restrictions on the University's use of professional fee revenues and research funds, *except that* all such revenues must be allocated in support of activities provided on the SFGH Campus or in support of the Schools of Medicine and Dentistry.

This condition provides assurance that UC professional fee revenues and research funds will benefit activities at SFGH. The SFGH states that audits will be conducted in order to monitor the use of such funds to assure compliance with this provision of the proposed agreement. According to the Associate Dean of the University of California, this practice has been in place since professional fees were first collected by UC for physician services. Such items as medical and office equipment, licensing and continuing education costs, support staff and non-physician health care providers have been paid for by UC over and above contract related expenditures. However, approximately \$1.0 million of the professional fees are used to supplement salaries of non-contract physician specialists in order that their salaries will conform to the University's physician salary scale.

7. Revenue and Billing

Inpatient - The City and County shall interview and screen every patient for financial responsibility. SFGH eligibility staff shall pursue payment sources both at the point of admission/registration and after discharge. The City and County shall bill and collect facilities charges in compliance with hospital eligibility guidelines.

Outpatient - The City and County shall bill and collect joint professional/facility fee charges for care rendered in the outpatient clinics, unless the Administrator and Associate Dean mutually agree that the University shall bill the professional component for particular outpatient services. This condition is intended to insure that the SFGH will experience no revenue loss as a result of the transfer of City and County employed Physician Specialists to the sole employment of the University of California.

8. Physician Transfer

As previously noted, the proposed Affiliation Agreement would require the transfer of all San Francisco General Hospital Physician Specialists to the employment of the University of California. Currently, these Physician Specialists are all co-employed by the City and County of San Francisco and the University of California. This transfer of employment will affect approximately 182 individuals, who staff 66.5 full time equivalent Physician Specialist positions. These individuals would become employees solely of the University of California beginning October 1, 1994.

Under the proposed terms of the transfer, the SFGH would reimburse the University for the cost of the salaries and fringe benefits of the 66.5 full time equivalent Physician Specialists, an amount of approximately \$7.3 million in the current 1993-94 SFGH budget.

The advantage of the proposed Physician transfer, according to SFGH, is that all Physicians working at SFGH will be employed under the UC contract instead of the current condition of many such Physicians being co-employed by UC and SFGH. This will result in administrative efficiencies since a dual personnel system for Physicians will not have to be operated for Physician Specialists. The Budget Analyst concurs with the potential administrative efficiencies, and will review the SFGH 1994-95 budget for operational savings if the Affiliation Agreement and Physician Transfer are approved.

9. Termination

Under the proposed Affiliation Agreement, termination by either party without cause requires notification and will be effective 24 months after June 30 of the then-current Contract Year.

For termination for cause, the Party which did not cause that event may terminate this Agreement by giving written notice stating the intention of the Party to terminate, said termination to be effective 12 months after June 30 of the then current Contract Year.

Termination for Non-Appropriation This Agreement is subject to the budget and fiscal provisions of the City and County's Charter which provides that an agreement can be terminated for non-appropriation of funds.

In the language of the proposed Affiliation Agreement, it is the University's opinion that the City and County is mandated by State law to provide or to contract for the provision of health care services for its indigent poor and that the State-imposed obligation overrides

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any limitations contained in the fiscal provisions of the Charter. The University's opinion is that the laws of the State of California, do not limit the capacity of the City and County to contract as set forth in this Agreement. The City and County's opinion is that provisions of the California Constitution, and of the Charter subject this Agreement to annual appropriations which prevent the City and County from making financial commitments for a term longer than one year except to the extent that funds are appropriated for the purpose, thereby calling into doubt the ability of the City to make any payments for services for which monies have not yet been appropriated.

The proposed agreement further states that:

The Parties agree that charges will accrue under this Agreement only after prior written authorization certified by the Controller of the City and County and that amounts of obligations of the City and County hereunder shall not at any time exceed the amounts certified for the purpose of this Agreement and for the term stated in this Agreement. To the extent permitted by law, the obligations of the Controller hereunder shall be deemed ministerial and compellable by mandate.

The proposed agreement provides that the SFGH must give UC one year's notice for reductions to the number of Housestaff and certain faculty. The University must make educational and faculty commitments to such individuals. This in effect commits the City and County to expenditures of approximately \$9.0 million annually at present staffing levels, prior to appropriation of funds.

The SFGH has submitted the following rebuttal to the comments and recommendations of the Budget Analyst (see below) on the matter of termination for non-appropriation of funds.

"The annual appropriation provision was the last item agreed upon and is a deal breaker for the University. SFGH is convinced that the University will not enter into an affiliation agreement with the City without memorializing their argument as to why this provision of the Charter does not apply to this agreement.

This matter is critical to the University due to their investment at SFGH, their employment commitments to University faculty and other health care professionals employed at SFGH, and their concern for the disruption that a dis-affiliation would cause mid-way through the physicians' internships and residency programs.

The City Attorney's Office was deeply involved in these negotiations and is willing to sign off on this language. The City Attorney's Office has indicated that it does not believe that the University would prevail on this argument should the City ever fail to appropriate funds and this matter was litigated."

The City Attorney has provided a confidential written opinion to the Board of Supervisors on this matter. The City Attorney has advised that the City's right to terminate for non-appropriation of funds is assured by the Charter and the California Constitution. However, the City Attorney has also advised that the failure to include the City's standard non-appropriation clause could result in litigation with the University in the event the City fails to appropriate funds in an amount that the University believes is required under the agreement.

Comments:

1. As previously noted, reductions to the utility charges for University leased space would result in reduced SFGH revenue of approximately \$175,000 annually. Also, proposed requirements for the City and County to pay 50% of UC's medical staff office costs would mandate expenditures of \$364,000 when such expenditures formerly were negotiated during the budget process.

2. Provisions of the proposed Affiliation Agreement that seemingly would limit the City and County's ability to terminate the UC contract for non-appropriation of funds are, in the opinion of the Budget Analyst, contrary to the Charter and would make the UC contract unique among all contracts and leases in the City budget. The Budget Analyst questions whether the proposed Affiliation Agreement should be approved without the standard clause to permit termination for non-appropriation of funds. As previously noted, the potential cost of this commitment is a minimum of \$9.0 million for Housestaff salaries and some UC faculty. However, the financial risk would be greater because the employment of Housestaff would require supervision by UC faculty. According to the proposed agreement, the City and County must provide UC with a minimum of 12 months (one full fiscal year) notice before reducing or eliminating such services. The current 1993-94 UC contract budget is approximately \$37.6 million.

3. As previously noted, in response to the recommendation of the Budget Analyst in our report to the Government Efficiency and Labor Committee of March 16, 1994 that the proposed agreement be amended to clearly require that the lease negotiations be based on fair market rental values for that portion of space now leased by the University, the SFGH and UC have removed the provision of the proposed agreement that would require such negotiations for a master lease at no additional cost to either party.

3. Also as previously noted, the Budget Analyst's report on this item, dated March 16, 1994, had recommended that the proposed agreement not be approved unless future changes in contract payment methodologies are made subject to the approval of the Health Commission, the Mayor and the Board of Supervisors. This recommendation was made because such changes in payment methods could affect either service delivery policies and practices or have an impact on City finances.

In response to the recommendation previously made by the Budget Analyst, SFGH has since agreed to submit its proposed changes in payment methods to the Health Commission, the Mayor and the Board of Supervisors during the annual budget process for approval.

4. The Government Efficiency and Labor Committee has questioned whether the City and County should benefit from any medical patents received by UC due to research conducted at SFGH. In response to this question, SFGH has the following statement:

" It has long been held that the mission of SFGH pertains only to patient care and does not include research. Whereas SFGH has been willing to foster a research environment for the University to the extent that it compliments patient care activities, it has only been willing to do this at no cost to the City. In fact, one of the basic tenants of the Affiliation Agreement is that the City will not incur costs on behalf of research.

For the research laboratories operated at SFGH, the City is merely a landlord. We provide the premises and collect rental payments. We do not get involved with or fund the research, nor has there been any interest or available funds for these activities. Accordingly, SFGH has no grounds on which to negotiate a right to potential University profits collected from patents."

5. With regard to the transfer of Physician Specialist employment from SFGH to UC, the Government Efficiency and Labor Committee questioned, at the April 5, 1994 meeting, what impact the transfer will have on future Physician salaries and the UC contract costs to the City.

According to the proposed agreement, the 1994-95 contract budget for Physician Specialist services will be based on the 1993-94 cost of Physician Specialists under City employment. However, in future years, the budget will be adjusted to reflect "Salary and wage

increases for merits, cost of living adjustments, consistent with University-wide standards and practices.”

Therefore, the City could incur increased costs if future UC salaries grow at a rate greater than City salaries. Alternatively, if City salaries increase more than UC salaries, the City could realize a savings. This potential cost or savings, if any, cannot be estimated at this time. Also, the SFGH intends to negotiate new payment methods to replace the current cost-reimbursement method for UC services. Such new payment methods may therefore mitigate any potential cost of Physician salaries under UC employment instead of City employment.

Recommendation: 1. In accordance with Comment Number 2 above, and Point 9 (Termination) under Description, the Budget Analyst recommends that the proposed agreement not be approved unless the agreement is amended to unequivocally permit termination for non-appropriation of funds pursuant to the City Charter.

As noted, provisions of the proposed Affiliation Agreement, and language concerning the legal position of UC, limit the City and County’s ability to terminate the UC contract for non-appropriation of funds are contrary to the City’s Charter and would make the UC contract unique among all contracts and leases in the City’s budget. The Budget Analyst questions whether the proposed Affiliation Agreement should be approved without the standard clause to permit termination for non-appropriation of funds. As previously noted, the potential cost of this commitment is a minimum of \$9.0 million for Housestaff salaries and some UC faculty. However, the financial risk would be greater because the employment of Housestaff would require supervision by UC faculty. According to the proposed agreement, the City and County must provide UC with a minimum of 12 months (one full fiscal year) notice before reducing or eliminating such services. The current 1993-94 UC contract budget is approximately \$37.6 million.

2. Approval of certain fiscal impact provisions of the proposed Affiliation Agreement (a \$175,000 annual reduction in utility charges for leased space and a mandated sharing of UC medical staff office costs amounting to \$368,000 annually in the current UC contract budget) are policy matters for the Board of Supervisors.

Department: Administration Office - Medical Staff Office

<u>No. FTE:</u>	Academic	0.50	
	Non-Academic	<u>5.50</u>	
			6.00

<u>Expenditures:</u>	Academic Salaries	\$43,749	
	Non-Academic Salaries	184,444	
	Fringe Benefits	49,849	
	Supplies	33,462	
	Other	<u>52,500</u>	
	Total		\$364,004

UC administration and Chief of Medical Services; support staff. Performs mandated regulatory and accreditation functions for the medical staff of the Hospital.

<u>Positions:</u>	0.50 Physician
	1.00 Medical Staff Director
	0.50 Secretary III
	2.00 Credential's Assistants
	<u>2.00</u> Patient Analysis
	6.00 Total

AIDS Clinic

<u>No. FTE:</u>	Academic	8.78	
	Non-Academic	<u>28.00</u>	
			36.78

<u>Expenditures:</u>	Academic Salaries	\$808,443	
	Non-Academic Salaries	1,312,302	
	Fringe Benefits	389,996	
	Supplies	<u>112,833</u>	
	Total		\$2,623,574

Ward 86 primary medical care to approximately 3,000 patients with HIV. Serves approximately 30% of the HIV population in SF; specialty care for patients with AIDS.

<u>Positions:</u>	8.78 Physicians	2.10 Nurse Practitioner
	5.13 Administrative Assistants	0.40 Pharmacist
	0.35 Adm. Analyst	0.65 Pharmacist Assistant
	2.75 Hospital Assistant	0.77 Physician Assistant
	2.00 Hospital Technican	5.00 Principal Clerk
	<u>0.75</u> Management Service Officer	1.50 Secretary II
	5.70 Nurse	<u>0.90</u> Social Worker
		36.78

AIDS Evening Clinic

<u>No. FTE:</u>	Academic	0.60	
	Non-Academic	<u>3.50</u>	
			4.10

<u>Expenditures:</u>	Academic Salaries	\$41,013	
	Non-Academic Salaries	145,480	
	Fringe Benefits	34,478	
	Supplies	<u>23,672</u>	
	Total		\$244,643

Primary care for HIV and AIDS infected individuals who are still able to work.
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<u>Positions:</u>	0.60 Physician
	1.10 Hospital Assist.
	0.65 Nurse - Clinical
	0.65 Nurse Practitioner
	0.40 Physician As needed
	<u>0.70</u> Social Worker
	4.10

Department Anesthesia

<u>No. FTE:</u>	Academic	12.40	
	Non-Academic	<u>7.20</u>	
			19.60

<u>Expenditures:</u>	Academic Salaries	\$1,856,987	
	Non-Academic Salaries	282,167	
	Fringe Benefits	274,865	
	Supplies	<u>35,381</u>	
	Total		\$2,449,400

Around the clock coverage for Trauma and Obstetrics as well as for scheduled surgery. Anesthesia performs 3,000 cases annually on both in and out patients.

<u>Positions:</u>	12.40 Physician
	1.00 Adm. Assistant
	1.00 Management Service Officer
	<u>5.20</u> Hospital Technicians
	19.60

Biomedical Engineering

<u>No. FTE:</u>	Academic	0	
	Non-Academic	<u>12.35</u>	
			12.35

<u>Expenditures:</u>	Academic Salaries		
	Non-Academic Salaries	\$628,859	
	Fringe Benefits	128,122	
	Supplies	<u>42,231</u>	
	Total		\$799,212

Provides technical support to the SFGH and clinics; Laguna Honda Hospital and other DPH entities. Services include equipment repair, routine maintenance, equipment inspection and calibration, and inservice training for medical and nursing staff.

<u>Positions:</u>	1.00 Adm. Assistant
	0.35 Adm. Analyst
	9.00 Elect. Techn.
	<u>2.00</u> Sr. Elec. Techns.
	12.35

Cardiology

<u>No. FTE:</u>	Academic	2.55	
	Non-Academic	<u>11.75</u>	
			14.30

<u>Expenditures:</u>	Academic Salaries	\$381,549	
	Non-Academic Salaries	496,259	
	Fringe Benefits	163,884	
	Supplies	<u>305,921</u>	
	Total		\$1,347,613

Invasive and non-invasive evaluation of the cardiovascular system; including echocardiography, holter monitoring, EDGs stress testing, CPKs, cardiac catheterization, pacemaker insertion, blood gases, electro physiology studies, attending coverage for the cardiac care unit and outpatient clinics.

<u>Positions:</u>	2.55 Physician
	1.00 Adm. Analyst-Business Manager
	2.75 Adm. Assistant
	6.00 Hospital Techs.
	1.00 Secretary II
	<u>1.00</u> Specialist-Cardiology
	14.30

Department Clinical Labs

No. FTE: Academic 4.76
Non-Academic 159.32

164.08

Expenditures: Academic Salaries \$868,499
Non-Academic Salaries 7,213,985
Fringe Benefits 1,271,532
Supplies 2,657,506
Total \$12,011,522

Diagnostic testing and blood transfusion services; provided to ICUs and Trauma services on a 24 hour basis. Provides services to Laguna Honda Hospital, district health centers, satellite clinics and City Laile

Positions: 4.76 Physician
0.50 Adm. Analyst
7.00 Adm. Assistant
2.00 Storekeeper
3.00 Program Analyst
1.00 Management Service Officer
90.09 Clin Lab Techs
55.73 Hosp. Asst.
164.08

Emergency Services

No. FTE: Academic 12.76
Non-Academic 3.00

15.76

Expenditures: Academic Salaries \$2,082,725
Non-Academic Salaries 75,127
Fringe Benefits 275,164
Supplies 54,656
Other 10,000
Total \$2,497,672

Some physician coverage in the Emergency Department and base hospital services; manager of ????

Positions: 12.76 Physician
0.75 Sr. Clerk
1.50 Adm. Assistant
0.75 Management Service Office
15.76

Pediatric Emergency

No. FTE: Academic 2.00
Non-Academic

Expenditures: Academic Salaries \$248,352
Fringe Benefits 31,085
Total \$279,437

Acute and emergency care for children in the Emergency Department and in the Children's Health Center.

Positions: 2.00 Physicians

Family Community Medicine

No. FTE: Academic 2.83
Non-Academic

2.83

Expenditures: Academic Salaries \$254,897
Fringe Benefits 41,469
Total \$296,366

Part of the attending physician coverage for outpatient services provided in the Family Health Center and Refugee Medical Clinic.

Positions: 2.83 Physicians

Department Gastro-intestinal AIDS

<u>No. FTE:</u>	Academic	0.68	
	Non-Academic	<u>5.98</u>	
			6.66

<u>Expenditures:</u>	Academic Salaries	\$86,556	
	Non-Academic Salaries	173,250	
	Fringe Benefits	62,255	
	Equipment	<u>162,786</u>	
	Total		\$484,847

Gastroenterology care for patients with AIDS.

Positions:

0.68 Physician
1.00 Dietitian
2.00 Nurse-Clinical
1.00 Hospital-Tech
1.00 Licensed Vocational Nurse
0.50 Medical Assistant
0.38 Adm. Assistant
<u>0.10</u> Management Service Office
6.66

Housestaff Benefits

<u>No. FTE:</u>			
	Fringe Benefits	<u>\$1,030,320</u>	
	Total		\$1,030,320

Expenditures:

City's reimbursement to the University for Housestaff (Interns and Residents) while they are at SFGH.

ICU Stat

<u>No. FTE:</u>	Academic	0.10	
	Non-Academic	<u>6.00</u>	
			6.10

<u>Expenditures:</u>	Academic Salaries	\$25,703	
	Non-Academic Salaries	378,130	
	Fringe Benefits	59,660	
	Supplies	<u>4,621</u>	
	Total		\$468,114

Positions:

0.10 Physician
<u>6.00</u> Clin. Lab Tech.
6.10

Medical HIV Testing

<u>No. FTE:</u>	Academic		
	Non-Academic	4.00	

<u>Expenditures:</u>	Academic Salaries		
	Non-Academic Salaries	\$175,596	
	Fringe Benefits	41,239	
	Supplies	<u>19,687</u>	
	Total		\$236,522

HIV testing and infection control services (surveillance, utilization review, quality assurance, prevention and training for HIV and other infectious diseases. HIV prevention education and training.

Positions:

1.00 Programmer/Analyst
1.00 Nurse, Clinical
1.00 Nurse Practitioner
<u>1.00</u> Hosp. Assistant
4.00

1993-94 UC Contract Budget

Attachment 1
page 5 of 8

Department	Nuclear Medicine	
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<u>No. FTE:</u>	Academic	2.60	
	Non-Academic	<u>13.45</u>	
			16.05

<u>Expenditures:</u>	Academic Salaries	\$512,816	
	Non-Academic Salaries	685,977	
	Fringe Benefits	197,931	
	Supplies	<u>602,210</u>	
	Total		\$1,998,934

Provides diagnostic and therapeutic services which analyze patient samples for minute amounts of hormones, drugs and vitamins. Includes bone scans, thyroid images, renal function, lung perfusion and heart procedures.

Positions:

2.60 Physician
1.00 Adm. Assist.
2.00 Clin Lab Tech
2.45 Hospital Assistant
7.00 Nuclear Med Tech
<u>1.00 Staff Tech.</u>
16.05

Obstetrics/Gynecology	
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<u>No. FTE:</u>	Academic		
	Non-Academic	<u>2.00</u>	
			2.00

<u>Expenditures:</u>	Non-Academic Salaries	\$141,386	
	Fringe Benefits	15,137	
	Other	<u>10,300</u>	
	Total		\$166,823

Provides services including family planning and is the referral site for all high risk pregnancies for the district health centers, jail and community based clinics. Contract provides midwife services.

Positions:

2.00 Nurse Midwife

Pathology	
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<u>No. FTE:</u>	Academic	2.50	
	Non-Academic	<u>14.00</u>	
			16.50

<u>Expenditures:</u>	Academic Salaries	\$318,615	
	Non-Academic Salaries	595,393	
	Fringe Benefits	164,927	
	Supplies	<u>72,163</u>	
	Total		\$1,151,098

Surgical pathology, autopsies, electron microscopy, immunohistochemistry and cytopathology.

Positions:

2.50 Physician
1.00 Prin. Clerk
3.00 Medical Transcribers
1.00 MSO
2.00 Cytotechnologist
5.00 Hosp. Lab. Tech.
<u>2.00 Hosp. Assist.</u>
16.50

Department	Pharmacy		
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<u>No. FTE:</u>	Academic			UC provides some of the staff for administration of the Pharmacy, including associate directors. UC physicians and housestaff also assist in the Pharmacy and Poison Control Center.
	Non-Academic	<u>3.00</u>		
			3.00	
<u>Expenditures:</u>	Academic Salaries			
	Non-Academic Salaries	\$200,825		
	Fringe Benefits	46,673		
	Supplies	<u>2,476</u>		
	Total		\$249,974	

Positions: 2.00 Assoc. Chief, Pharm.
 1.00 Adm. Assistant
 3.00

	Pulmonary AIDS		
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<u>No. FTE:</u>	Academic			Specialty pulmonary services (pertaining to lung diseases) for patients with AIDS.
	Non-Academic	<u>1.75</u>		
			2.50	
<u>Expenditures:</u>	Academic Salaries	\$88,011		
	Non-Academic Salaries	84,611		
	Fringe Benefits	<u>17,242</u>		
	Total		\$189,864	

Positions: 0.75 Physician
 0.20 Adm. Analyst
 1.55 Hosp. Tech.
 2.50

	Radiology		
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<u>No. FTE:</u>	Academic			Services include fluoroscopy, CT Scans, MRI, ultrasound and routine diagnostic coverage. The contract presently provides a small amount of current services which total approximately 150,000 tests per year.
	Non-Academic	<u>1.20</u>		
			1.20	
<u>Expenditures:</u>	Academic Salaries	\$198,310		
	Fringe Benefits	<u>20,313</u>		
	Total		\$218,623	

Positions: 1.20 Physician

	Rehab Medicine		
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<u>No. FTE:</u>	Academic			The contract provides funding for the 0.5 FTE physician director for rehab services such as physical and occupational therapy.
	Non-Academic	<u>0.50</u>		
			0.50	
<u>Expenditures:</u>	Academic Salaries	\$57,305		
	Non-Academic Salaries			
	Fringe Benefits	<u>7,948</u>		
	Total		\$65,253	

Positions: 0.50 Physician

Department: Respiratory Therapy

<u>No. FTE:</u>	Academic	0.15	
	Non-Academic	<u>31.50</u>	
			31.65
<u>Expenditures:</u>	Academic Salaries	\$32,798	
	Non-Academic Salaries	1,677,294	
	Fringe Benefits	328,105	
	Supplies	<u>2,808</u>	
	Total		\$2,041,005

Disagnostic and therapeutic services to acutely ill patients, many of whom are on ventilators, primarily to critical care patients.

Positions:

0.15 Physician
1.00 Respiratory Therapy Director
28.50 Registered Respiratory Therapists
<u>2.00 Respiratory Asst. Tech.</u>
31.65

Total - All Medical Units

<u>No. FTE:</u>	Academic	55.66	
	Non-Academic	<u>312.30</u>	
			367.96
<u>Expenditures:</u>	Academic Salaries	\$7,906,328	
	Non-Academic Salaries	14,451,085	
	Fringe Benefits	4,652,194	
	Supplies	3,969,627	
	Equipment	162,786	
	Other	<u>72,800</u>	
	Total		\$31,214,820

Psychiatry

<u>No. FTE:</u>	Academic	16.00	
	Non-Academic	<u>23.50</u>	
			39.50
<u>Expenditures:</u>	Academic Salaries	\$1,386,177	
	Non-Academic Salaries	1,104,430	
	Fringe Benefits	493,050	
	Supplies	103,334	
	Equipment		
	Other	<u>507,337</u>	
	Total		\$3,594,328

Psychiatry: Part of the Department of Psychiatry is contracted to the University. These personnel work in conjunction with Physician Specialists and other City-funded to deliver a variety of inpatient and specialized outpatient service. Services include five inpatient units for specific target populations, the Psychiatric Emergency Service (PES) which is a 24-hour crisis intervention and evaluation service, consultation to all medical services at SFGH, the infant-parent program for infants at risk for serious emotional disorders and their families, a depression clinic funded by grants, the Citywide case management team, AIDS Health Project, and the Substance Abuse Service for methadone maintenance and detoxification.

Positions:

Psychiatry	13.00 Physician/Psychologist	Psychiatry	1.00 Physician
	2.00 Physicians-As needed	Infant Parent	<u>1.80</u> Staff Tech.
	0.75 Director		2.80
	5.60 Adm. Asst.		
	1.00 Secretary II	#REF!	Total Positions
	1.00 Adm. Analyst		
	0.50 Programmer Analyst		
	1.00 Public Adm. Analyst		
	1.00 Nurse Adm.		
	1.00 Nurse Pract.		
	<u>9.85</u> Social Workers		

**Board of Supervisors
Budget Analyst**

Other Purchased Services

MIA Professional Fee	\$2,300,000	Pays for UC Physician services to medically indigent adults. Paid on a fee-for-service basis.
Renal Dialysis	406,000	Acute inpatient kidney dialysis services performed by UCSF staff at SFGH
Obstetrics/Gynecology	50,000	Pays for professional fees for a package of OB/Gyn services for women that don't qualify for Medi-Cal but can't afford to pay for full costs. The package is billed out on a sliding fee scale. Patients pay SFGH directly. UC receives 15% of net collection to cover physician component

RECAP

Medical Units

Academic FTE	55.66	
Non-Academic FTE	<u>312.3</u>	
Total FTE	367.96	
Total Expenditures		\$31,214,820

Psychiatry

Academic FTE	16.00
Non-Academic FTE	<u>23.50</u>
Total FTE	39.50

Total Expenditures 3,594,328

Other Services

MIA Professional Fee	2,300,000
Renal Dialysis	406,000
Obstetrics/Gynecology	<u>50,000</u>

Total - 1993-94 UC Contract \$37,565,148

Academic FTE	71.66
Non-Academic FTE	<u>335.80</u>
Total FTE	407.46

AFFILIATION AGREEMENT

Between

The Regents of the University of California

and

The City and County of San Francisco

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EXHIBITS:

- A: Hospital Campus
- B: Department of Public Health Mission Statement
- C: San Francisco Administrative Code, Chapter 12B
- D: Insurance Requirements
- E: Faculty Research Space
- F: Physician Transfer

**AFFILIATION AGREEMENT
BETWEEN
THE REGENTS OF THE UNIVERSITY OF CALIFORNIA
AND
THE CITY AND COUNTY OF SAN FRANCISCO**

RECITALS

The Parties

This Agreement is made and entered into this ____ day of _____, 1994, by and between the City/County of San Francisco, a municipal corporation ("City/County") and The Regents of the University of California, a constitutional corporation under Article IX, Section 9, of the California Constitution, on behalf of the University of California, San Francisco ("University").

Mission of the Department of Public Health of the City/County of San Francisco and the San Francisco General Hospital

WHEREAS: The mission of the Department of Public Health of the City/County is to assess health needs, set health policy, and, to the extent possible, provide access to quality, cost-effective health services to the San Francisco community, particularly for those who may experience limited access to other providers due to financial, social, cultural, geographic, or medical reasons, or who have other special needs; and

WHEREAS: It is the strong commitment of the City/County to provide quality health care through a comprehensive and integrated system of services and San Francisco General Hospital (the "Hospital") is an essential component of that system; and, to that end, San Francisco General Hospital will pursue the mission of the Department of Public Health as set forth in Exhibit B; and

WHEREAS: The services of San Francisco General Hospital should, to the extent possible, be made accessible to all San Francisco residents, be provided in the most effective and efficient manner possible in cooperation with other health care providers, and seek the most appropriate use of overall health care resources in the City/County; and

Mission of the University of California, San Francisco

WHEREAS: The mission of the University, through its Schools of Medicine, Dentistry, Nursing, and Pharmacy, and its Medical Center, is to provide quality professional graduate and post-graduate education, to conduct innovative medical research, to transmit medical knowledge, and to provide education, public service, and quality health care to the San Francisco community and throughout the state of California; and

Mission of Affiliation

WHEREAS: The City/County and the University believe that their missions are complementary and agree that it is in their best interests to continue to fulfill their respective missions through an affiliation; and

WHEREAS: This relationship has existed for over one hundred years as an informal relationship and, since 1959, pursuant to a written agreement;

THEREFORE: The parties agree to provide hospital and other patient care services pursuant to the terms of this Agreement. The parties also agree that these services are enhanced in a teaching and research setting. Within this setting, it is the goal of this Agreement to provide efficient and cost-effective patient services and to maximize third party revenues.

I. DEFINITIONS

A. General Contract Terms

- 1. Agreement:** This Affiliation Agreement made between the City/County of San Francisco and The Regents of the University of California on behalf of the University of California, San Francisco, as may be amended from time to time.
- 2. Bylaws:** The Bylaws and Rules and Regulations of the Medical Staff of San Francisco General Hospital, as may be amended from time to time.
- 3. Contract Year:** July 1 through June 30 of any year for which this Agreement is in effect.
- 4. Exhibits:**
 - Exhibit A: Hospital Campus
 - Exhibit B: Department of Public Health Mission Statement
 - Exhibit C: San Francisco Administrative Code, Chapter 12B
 - Exhibit D: Insurance Requirements
 - Exhibit E: Faculty Research Space
 - Exhibit F: Physician Transfer
- 5. Consumer Price Index (CPI):** The United State's Department of Labor's Bureau of Labor Statistics Consumer Price Index for all Urban Consumers San Francisco-Oakland, California or the health care component of the CPI as specified. If the index is discontinued or revised during the term of this Agreement, such other governmental index or computation with which it is replaced shall be used in order to obtain substantially the same result as would have been obtained if the index had not been discontinued or revised.
- 6. Joint Commission on Accreditation of Healthcare Organizations (JCAHO):** The accrediting body for hospitals. Should the JCAHO be discontinued or reorganized during the term of this Agreement, such other accrediting body with which it is replaced shall be used in order to obtain substantially the same results and standards as would have been obtained if the JCAHO had not been discontinued or reorganized.

B. Parties

- 1. Administrator:** The Executive Director of San Francisco General Hospital, or his/her designee.
- 2. Associate Dean:** The Associate Dean, San Francisco General Hospital, of the School of Medicine of the University of California, San Francisco, or his/her designee.
- 3. Chancellor:** The Chancellor of the San Francisco campus of the University, or his/her designee.

4. **City/County:** The City and County of San Francisco.
5. **Dean:** The Dean of the School of Medicine of the University of California, San Francisco.
6. **Department:** Clinical Departments at San Francisco General Hospital.
7. **Director:** The Director of the San Francisco Department of Public Health, or his/her designee.
8. **Governing Body:** The Health Commission of the City/County.
9. **Hospital:** San Francisco General Hospital, a division of the Department of Public Health of the City/County, including its inpatient departments, outpatient clinics, emergency department, and psychiatric department.
10. **Hospital Campus:** The real property illustrated in Exhibit A, exempting leased space, as may be amended from time to time per the mutual written agreement made by the Associate Dean and Administrator.
10. **Party or Parties:** The City/County and/or the University.
11. **Regents:** The Board of Regents of the University of California.
12. **Supervisors:** The Board of Supervisors of the City/County.
13. **University:** The University of California, San Francisco.
14. **University Property:** Personal property of the University which is located on the Hospital Campus.

C. Personnel Terms

1. **Chief of Service:** The chiefs of clinical departments, who are University academic employees and are appointed pursuant to the Bylaws, including any designated acting Chief of Service.
2. **Chief of Staff:** The Chief of the Medical Staff of the Hospital elected pursuant to the Bylaws, or his/her designee.
3. **City/County Personnel:** Employees of the City/County and any other persons working on the Hospital Campus under the ultimate control or supervision of the City/County, excluding Housestaff.
4. **Housestaff:** Interns and residents enrolled in University medical residency training programs.
5. **Medical Staff:** The Medical Staff of the Hospital as defined in the Bylaws.
6. **University Personnel:** Employees of the University (including but not limited to faculty

physicians, medical students, fellows) and any other persons working on the Hospital Campus under the ultimate control or supervision of the University, excluding Housestaff.

7. **Fringe Benefits:** Those benefits included in University employee and Housestaff plans, including vacation accrual, which may be changed from time to time. For purposes of this Agreement, fringe benefits shall not include liability and workers' compensation insurance or self-insurance.

D. Budget Terms

1. **Final Contract Budget:** The budget for Purchased Services which is approved by City/County and which is subject to Section VI.A.2. herein, based on the Hospital and affiliation funding levels which have been approved by the Governing Body as part of the Health Department's budget for each Contract Year as may be adjusted pursuant to Section VI.B.3. and 4. herein.
2. **Covered Services:** Covered services for which City/County makes payment are patient care services rendered to unsponsored patients treated at Hospital, management services, supervision of Housestaff, and other services agreed upon by University and Hospital. Covered services include not only those services for which the City/County makes payment, but also those services for which the University may render professional bills, irrespective of collection. Nothing in this Agreement requires that City/County shall pay for the same service that is paid for by another payer.
3. **Recharge:** The assessment and collection by one department or activity of a charge for goods or services furnished to another department or activity. A recharge transaction is appropriate when the furnishing department or activity has incurred an expense in making available a product or service to another department or activity.
4. **Third Party Reimbursement:** Payment to City/County or University for patient care from any source other than City/County.
5. **University Services Budget:** The budget proposed annually by the University for Covered Services, as may be amended or negotiated through the budget process, and any supplemental services requested by the City/County as described in Section VI.A.1.

II. RESPONSIBILITIES OF UNIVERSITY

A. General

1. **Affiliation Responsibilities.** Subject to the Administrator's ultimate responsibility for Hospital operations, the University, through the Associate Dean, Chiefs of Services, Chief of Staff, and University Personnel (as described below), shall be responsible for:
 - a. provision of Covered Services;
 - b. supervision of Housestaff and University Personnel; and

- c. compliance with the terms of this Agreement.
- 2. **Comprehensive Agreement.** All University activities on the Hospital Campus shall be subject to the terms of this Agreement except for activities subject to the fourteen (14) existing lease agreements as amended by Section IV.E.3. herein.
- 3. **Compliance with Laws and Accreditation Standards.** The University shall maintain any legal, licensing, and accreditation standards within its control, cooperate with the City/County to maintain legal, licensing, and accreditation standards within joint Hospital-University control, and notify the City/County when the University has knowledge of matters which may compromise legal, licensing, or accreditation compliance.

B. Administration of University Presence on Hospital Campus

- 1. **Associate Dean.** The University shall appoint an Associate Dean for administration of the University's activities on the Hospital Campus.
 - a. **Selection.** In the event of a vacancy in the position of Associate Dean, the University shall consult with the Director and the Administrator; however, the University shall retain sole authority for appointing and terminating the Associate Dean.
 - b. **Duties**
 - i) **Contract Officer.** The Associate Dean shall serve as the University's contract officer for this Agreement and shall be responsible for University compliance with the terms of this Agreement, including the performance by the Chiefs of Services of the duties assigned to them under this Agreement.
 - ii) **Preparation of Budgets.** The Associate Dean shall compile the University Services Budget.
 - iii) **Final Contract Budget Administration.** The Associate Dean shall administer the Final Contract Budget in accordance with the terms of this Agreement. Authority for managing Department budgets may be delegated to the Chiefs of Services, with the Associate Dean retaining overall management responsibility.
 - iv) **Medical Education.** The Associate Dean shall administer the University's medical education and training activities conducted on the Hospital Campus in accordance with the terms of this Agreement.
 - v) **Research.** The Associate Dean shall administer the research conducted on the Hospital Campus by the University, in accordance with the terms of this Agreement, except as otherwise provided in agreements between City/County, University, and, if applicable, other third parties.
- 2. **Chiefs of Service.** The University shall provide a Chief of Service for each Department which is also a Clinical Service as defined in the Bylaws.

- a. **Selection and Removal.** Chiefs of Service shall be selected and removed in accordance with the University's academic personnel policies and applicable provisions of the Bylaws.
- b. **Duties**
 - i) **Professional Direction.** Except as otherwise provided, the professional direction and supervision of medical management of all physician services rendered on the Hospital Campus shall be provided by the Chiefs of Service.
 - ii) **Department Management.** Subject to the authority of the Administrator, the Chiefs of Service shall be responsible for administration and management of their respective Departments, including the responsibilities described in Section V.B.
- c. **Performance Evaluation.** At least every two years the Associate Dean, in consultation with the Administrator, shall evaluate the management performance of Chiefs of Service in light of the obligations and responsibilities of the University under this Agreement. Such reviews may be conducted at the same time as academic personnel reviews. The report of each such performance evaluation shall be reviewed by the Associate Dean, Administrator, and Chief of Staff.

C. Compliance with Hospital Policies

- 1. **Knowledge and Compliance Generally.** University Personnel shall be subject to applicable Hospital policies to the same extent as City Personnel. University Personnel shall comply with such policies and the University shall cooperate with Hospital training programs regarding such policies.
- 2. **Patient Complaints.** The University shall make a good faith effort to address patient complaints, to bring those matters outside its control to the attention of Hospital Administration, and to cooperate with the City/County to resolve any such complaints.
- 3. **Medical Records.**
 - a. **Retention.** If the University requests that the Hospital retain medical records for any period of time beyond the requirements of applicable law and regulation, as may be desirable for research or teaching purposes, and the City/County no longer intends to retain the records, the City/County shall transfer custody of the records to the University. The City/County shall bear no cost associated with retention of the records unless the Administrator agrees otherwise in writing.
 - b. **Timely Completion of Charts.** Chiefs of Service shall be responsible for assuring that personnel under their supervision complete those portions of the medical record required of care providers in a timely manner.
- 4. **Transfer To Other Facility.** University Personnel and Housestaff shall not transfer any patient to any other health care facility or provider unless (1) the patient's attending physician determines that the services necessary for the patient's care are unavailable at the Hospital,

or (2) the patient's health insurance coverage requires use of specified facilities or providers, or (3) the patient requests transfer. Any patient transfer shall be made consistent with Hospital policies and applicable law.

5. **Quality Improvement.** University shall participate in quality improvement and utilization review activities as specified in the Bylaws and as required to meet all legal, accreditation, and certification standards and conditions and the terms of this Agreement.

D. Personnel Responsibilities

1. General

- a. **Staffing levels.** The University shall provide University Personnel and Housestaff sufficient to render patient care which meets the clinical services negotiated and approved in the Final Contract Budget, subject to such adjustments as provided in Section VI.B.3. and 4.
- b. **Discipline of University Employees and University Personnel.** The University shall be responsible for the discipline of University employees and Housestaff and shall investigate any City/County complaints regarding University Personnel and Housestaff to determine the necessity for appropriate action. Where the nature of the complaint provides reasonable grounds to believe that the safety of any person or property on the Hospital Campus may be at risk, the University shall make reasonable efforts, consistent with established University personnel procedures, to temporarily reassign such employees, Personnel, or Housestaff and/or exclude such employees, Personnel, or Housestaff from the Hospital Campus, pending resolution of the complaint.

2. Housestaff and Medical Students

- a. **General responsibilities.** The University shall be solely responsible for selecting, supervising, and training Housestaff, medical students, and any other University trainees rotating through the Hospital.
- b. **Salaries and benefits.** City/County shall pay the salaries and reimburse the University for the cost of fringe benefits of Housestaff for the portion of their residency when they are assigned to the Hospital. The number of Housestaff for which the City/County shall pay shall be negotiated annually and shall be determined no later than July 1 for the Contract Year which begins the following July 1.
- c. **Supervision.** Within the limits of the Final Contract Budget, the University shall schedule adequate attending physicians for proper supervision of all Housestaff and students in University programs at the Hospital and for other University health professionals.
- d. **Memorandum of Understanding.** University acknowledges the Memorandum of Understanding and stipulated court order between the City/County and the San Francisco Interns and Residents Association (SFIRA) and the employment terms and status contained therein.

E. University Property

- 1. Compliance with Applicable Standards.** The University may bring its own personal property onto the Hospital Campus so long as such property does not violate applicable facilities standards and codes and hospital policy. If such a violation is found, the University shall promptly comply with any reasonable request by City/County to remove any item or category of University property from the Hospital Campus and/or to refrain from bringing any such item or category of personal property onto the Hospital Campus in the future. Unless the Administrator otherwise agrees in writing, the University shall bear all costs directly and indirectly involved with bringing its own personal property onto the Hospital Campus.
- 2. Ownership.** The University shall retain full ownership of all University property, except that any fixtures shall become the property of the City/County upon installation in any building on the Hospital Campus, except as may be otherwise agreed in writing. During the term of this Agreement, City/County shall be permitted to use certain personal property of the University, when authorized by the Associate Dean, in fulfilling its obligations hereunder. Title to such property shall at all times remain in University and shall under no circumstances pass to City/County by virtue of such authorization. University shall maintain, replace, and repair such property during the term of this Agreement as necessary for the performance of this Agreement.

F. Teaching and Training

- 1. Accreditation of Teaching Programs.** The University shall maintain accreditation of medical education and training programs implemented, in whole or in part, at the Hospital.
- 2. Operation of Training Programs.** Training of Housestaff and medical students at the Hospital will be accomplished in accordance with University procedures under the general direction of the Associate Dean and specific direction of University's appropriate program director. University physicians may also teach other health professional students of the University and medical, dental, psychology, and allied health students and trainees from other institutions rotating through the Hospital, in accordance with this Agreement and in conformity with all applicable provisions of law.

G. Insurance Coverage. The University shall be responsible for providing adequate liability and workers' compensation coverage, either through self-insurance or the purchase of insurance policies, for all University employees and Housestaff, in compliance with the terms contained in Exhibit D. With respect to workers' compensation for Housestaff, the allocation of fault and share of any claims, settlements, judgments, and other payments as between University and City/County shall be made on a case by case basis.

H. Medical Library. The University shall manage and operate the medical library to meet the needs of the Hospital Campus.

III. RESPONSIBILITIES OF CITY/COUNTY

A. Hospital Administration and Governance

1. **General.** The City/County, through the Director and Governing Body, is responsible for the governance, administration, and operation of the Hospital. This responsibility shall be exercised through the Administrator as delegated by the Director; the Administrator may delegate to the University responsibility for aspects of Hospital operations, but he/she retains full authority for Hospital administration.
2. **Hospital Budget.** The City/County shall develop, approve, and implement an annual budget for the Hospital, which shall include negotiation and approval of the annual Final Contract Budget.
3. **Administrator.** The Director shall appoint an Administrator for the Hospital. The Administrator shall be responsible for the administration and operation of Hospital, shall be authorized to act on behalf of the Governing Body in all matters relating to the administration and performance of this Agreement, and shall be responsible for Hospital compliance with the terms of this Agreement.
 - a. **Selection.** In the event of a vacancy in the position of the Administrator, the City/County shall consult with the Dean and Associate Dean in the process of selecting a new Administrator; however, the City/County shall retain sole authority for appointing and terminating the Administrator.
 - b. **Nonvacancy Requirement.** When the Administrator is absent from the Hospital Campus and not readily available within a reasonable period of time, the Administrator shall designate an individual to assume the duties and responsibilities of the Administrator and shall notify the Associate Dean of the planned absence and the identity of the designee.
4. **Compliance with Laws and Accreditation Standards.** The City/County shall maintain legal, licensing, and accreditation standards within its control, cooperate with the University to maintain legal, licensing, and accreditation standards within joint University-Hospital control, and notify the University when the City/County has knowledge of matters which may compromise legal, licensing, or accreditation compliance.

B. Hospital Operations

1. **General.** The City/County shall maintain Hospital operations sufficient to meet its obligations under this Agreement.
2. **Admissions.** The City/County shall develop and implement patient admitting policies, in consultation with the University; however, the City/County shall retain sole authority for patient admitting policies.
3. **Medical Records.** The City/County shall maintain a medical records department, sufficient to meet the requirements of applicable law and regulation, and shall retain medical records for the duration required by such law. The City/County shall use good faith efforts to maintain complete charts, which are in order and contain all relevant data pertaining to the care of patients, and to make charts available to University Personnel in a timely manner for

scheduled clinic visits, Hospital admissions, mortality and morbidity reviews, and preparations of responses to citations, reimbursement appeals, and billing.

4. **Knowledge of and Compliance with Hospital Policies.** The City/County shall include University Personnel or Housestaff, as may be applicable, in training programs regarding Hospital policies and shall cooperate with the University in instructing University Personnel and Housestaff regarding Hospital policies.
5. **Patient Complaints.** The City/County shall make a good faith effort to address patient complaints, to bring those matters relating to University Personnel or Housestaff to the attention of the University, and to cooperate with the University in addressing any such complaints.
6. **Quality Improvement.** The City/County shall participate in quality improvement and utilization review activities as specified in the Bylaws and as required to meet all legal, accreditation, and certification standards and conditions and the terms of this Agreement.
7. **Medical Library.** The City/County shall provide no less than the amount of space provided for the medical library on the effective date of this Agreement, and if the library is moved, the City/County shall provide space of comparable size and quality. The City/County shall fund one Librarian full-time equivalent (FTE) throughout the term of this Agreement. The City/County shall continue to fund books and journals at the same amount as budgeted in its 1993-94 budget, as adjusted by the Consumer Price Index (CPI) each year, throughout the term of this Agreement, unless the Administrator and Associate Dean mutually agree to a lesser amount.

C. **Personnel Responsibilities**

1. **General.** The City/County, through the Administrator, shall be responsible for hiring, scheduling, promoting, compensating, disciplining, and terminating all City/County employees at the Hospital.
2. **Personnel Level.** The City/County shall provide and schedule personnel at a level sufficient to provide the clinical services negotiated and approved in the Final Contract Budget.
3. **Discipline of City/County Employees and City/County Personnel.** The City/County shall be responsible for the discipline of City/County employees and shall investigate any University complaints regarding City/County Personnel to determine the necessity for appropriate action. Where the nature of the complaint provides reasonable grounds to believe that the safety of any person or property on the Hospital Campus may be at risk, the City/County shall make reasonable efforts, consistent with the established City/County procedures, to temporarily reassign such employees or Personnel and/or exclude such employees or Personnel from the Hospital Campus, pending resolution of the complaint.
4. **Hospital Volunteers.** City/County shall be responsible for overseeing the operation of the Volunteer Auxiliary to San Francisco General Hospital, for investigating any complaints regarding volunteer operations, and for taking appropriate action to prevent interference by volunteer operations with patient care, Hospital operations, or University activities.

5. **Memorandum of Understanding.** City/County acknowledges the Memorandum of Understanding and stipulated court order between the City/County and the San Francisco Interns and Residents Association (SFIRA) and the employment terms and status contained therein.
- D. **Ownership and Maintenance of Real and Personal Property.** The City/County shall hold fee title to all real property on the Hospital Campus and, unless provided otherwise by separate written agreement, is responsible for repair and maintenance of all such real property and improvements thereto to the extent necessary to enable the Parties to meet their obligations under this Agreement. When authorized by the Administrator, the University shall be permitted to use certain personal property of City/County in fulfilling its obligations hereunder. Title to such property shall at all times remain in City/County and shall under no circumstances pass to the University by virtue of such authorization. The City/County shall maintain, replace, and repair such personal property as necessary for the performance of this Agreement.
- E. **Payment for Covered Services.** The City/County shall make payment for Covered Services according to the schedule set forth in Section VI.B.
- F. **Right of First Refusal.** The City/County shall not hire an outside entity to provide clinically-related or clinical services on the Hospital Campus without first offering the University the opportunity to provide such services on the same terms offered by the outside entity. The University shall be given thirty (30) days to decide if it can provide the service at such terms. This right of first refusal does not apply to support services including, but not limited to, materials management functions, security, dietary, housekeeping, and laundry.
- G. **Accreditation of Training and Education Programs.** The City/County shall maintain, to the extent possible, any real or personal property related to medical teaching or education accreditation standards within its control, cooperate with the University to maintain medical teaching or education accreditation standards within joint City/County - University control, and notify the University when the City/County has knowledge of matters which may compromise medical teaching or education accreditation.
- H. **Non-Leased Space and Facilities.** The Administrator shall have the discretion to determine what clinical and administrative space is made available to the University and to designate whether the University shall have sole use of such property or shall use it jointly with City/County. The Administrator shall also have the discretion to make any change in the allocation or designation of such space that, in his or her determination, is appropriate for the efficient operation of the Hospital. In making these determinations, the Administrator shall take into consideration the University's ability to perform its obligations under this Agreement and to operate its teaching program.
1. **Access.** The City/County shall provide to University Personnel and Housestaff access to and use of Hospital facilities and related services, as reasonably necessary for the performance by the University of services under this Agreement.
 2. **Facilities Support.** The City/County, at its expense, shall provide adequate facilities support services (including but not limited to housekeeping, security, maintenance, and utilities) for all non-leased clinical and administrative space on the Hospital Campus sufficient for the University to meet its responsibilities under this Agreement and to provide the annually negotiated clinical services.

- I. **Insurance Coverage.** The City/County shall be responsible for providing adequate liability and worker's compensation coverage, either through self-insurance or the purchase of insurance policies, for all City/County employees, in compliance with the terms contained in Exhibit D. With respect to workers' compensation for Housestaff, the allocation of fault and share of any claims, settlements, judgments, and other payments as between University and City/County shall be made on a case by case basis.

IV. JOINT RESPONSIBILITIES

- A. **Compliance and Cooperation.** The Parties shall work cooperatively to accomplish the mission of this Agreement. Each Party shall make a good faith effort to cooperate with the other Party in all City/County, University, and affiliation operations; the Associate Dean, Administrator, and Chief of Staff shall meet regularly to review affiliation operations.
- B. **Revenue Maximization.** The Parties shall jointly be responsible for maximizing Third Party Reimbursement to the extent it is within each Party's control; each Party shall require personnel under its supervision to act cooperatively to enable the other to recover all available Third Party Reimbursement.
- C. **Reimbursement Review Advisory Committee.** The Parties shall jointly participate in a Reimbursement Review Advisory Committee.
1. **Purpose.** This Committee is intended to be a forum to share information regarding Third Party Reimbursement generated by the Hospital and the University on the Hospital Campus as required for maximization of affiliation revenues and to address specific reimbursement-related issues upon which the Administrator and Associate Dean may request information or advice.
 2. **Appointment.** The members shall be appointed by the Administrator and the Associate Dean, with each appointing an equal number of persons (unless otherwise mutually agreed by the Administrator and Associate Dean); the Administrator and Associate Dean shall appoint a Committee chair, by mutual agreement.
 3. **Advisory Role.** This Committee shall be advisory; the Associate Dean and Administrator shall not be obligated to act upon its recommendations.
- D. **Confidentiality of Patient Records.** The Parties shall maintain the confidentiality of all patient records and shall comply with all applicable federal, state, and local laws and regulations, as well as hospital policy and Medical Staff Rules and Regulations, regarding the confidentiality of medical records.
- E. **Leased Space.**
1. **Property Leases.** Presently, there are 14 Lease Agreements between the City/County and University covering 85,198 square feet of space on the Hospital Campus for research purposes. In addition, the University occupies approximately 85,000 square feet of space on the Hospital Campus, as listed in Exhibit E as "Faculty Research Space", for which it is not charged by the City/County and which is not currently subject to a lease between the

City/County and University. It is the intent of the Parties to consolidate this space under a single Lease Agreement.

2. **Offsets.** Nothing contained in this Agreement shall prevent the City/County and University from offsetting administrative costs incurred in the Office of the Associate Dean at the Hospital and costs of medical malpractice insurance associated with the provision of care by University faculty and by house officers hereunder for unsponsored patients against the value to City/County for rent, utilities, and other operating costs incurred by City/County for research space as provided in Section IV.E.1. If the Parties agree to offsets hereunder, there shall be no increase in costs to either Party which do not either offset or result in no net additional payment to the other.
3. **Utilities and Additional Space.** City/County agrees that the utility rates for the fourteen (14) leases shall be reduced to \$0.4513 per square foot effective July 1, 1994 and each of said fourteen leases is amended to set forth the new rate for the base year July 1, 1994 through June 30, 1995. Said rate shall then be adjusted as provided in each of the fourteen (14) leases. City/County further agrees that additional space consisting of 5,600 square feet of laboratory space on the fifth floor of Building 30, known as Ward 35, will be provided as Faculty Research Space to the University rent and utility free. In addition, 1,550 square feet of space contiguous to the Lung Biology Center on the first floor level in the courtyard of Building 1 shall also be provided as Faculty Research Space to the University rent free, but with utilities charges.

F. Chief of Staff and Medical Staff Office.

1. **Medical Staff Office.** Effective July 1, 1994, each Party shall provide half of the financial support for the Medical Staff Office. Each year during annual budget negotiations, the University and the City/County shall develop a mutually acceptable budget for the Medical Staff Office. If the Parties are unable to reach agreement for any fiscal year, the budget for the previous year shall apply, except that the budget amount shall be adjusted so that (1) the portion used to pay personnel shall be increased by the amount necessary to cover salary and fringe benefit increases provided by the University to Medical Staff Office personnel, if any, and (2) the portion used for non-personnel expenses shall be changed to reflect a cost of living adjustment based upon the medical care component of the CPI.
2. **Chief of Staff Salary.** Effective July 1, 1994, each Party shall provide half of the University base salary and fringe benefits of the Chief of Staff.
3. **Oversight.** The Associate Dean and Administrator shall jointly be responsible for oversight of the Chief of Staff's performance.

G. Nonphysician Providers

1. **Qualifications.** Where required by law, each Party shall provide that all non-physician providers under its employ or supervision who provide services under this Agreement are currently licensed or certified in the State of California to practice in their respective disciplines (and/or meet any other applicable professional standards), and are appointed and credentialed as provided in the Bylaws.

2. **Supervision.** Each Party shall provide adequate supervision of all such non-physician providers in its employ or supervision.
- H. Risk Management and Quality Improvement.** The parties shall cooperate in a risk management program aimed at reducing risks and expenditures. In addition, the Parties shall exchange information for risk management purposes, including incident reports, necessary to the defense of actions brought against the City/County and Regents. As necessary in exchanging information, the parties shall provide for protection of privileged information through joint confidentiality agreement for defense. In addition, the parties shall carry out California regulations and JCAHO requirements with regard to the quality of medical care and risk management by providing for appropriate medical staff committee consideration of clinical aspects of patient care and risk management issues, including identifying opportunities for the improvement of quality of care and resolution of clinical issues related to quality assessment and improvement and risk management.
- I. Joint Ownership Not Prohibited.** Nothing in this Agreement shall be construed to prevent the Parties from entering into written agreements for joint ownership of real or personal property, including sharing of Third Party Reimbursement generated from the use of such property, consistent with the City/County Charter and the Bylaws of the Regents of the University of California.

V. COVERED SERVICES

A. Patient Care Services.

1. **Care To All Patients.** The University shall, subject to the Final Contract Budget, provide the quantity and types of medical services required to meet the medical needs of all Hospital patients, including those who may experience limited access to other providers due to financial, social, cultural, geographic, or medical reasons, or who have other special needs. The University shall provide the same quality of care to all patients, regardless of financial sponsorship or ability to pay.
2. **Off-site Services.** If the patient's attending physician determines that diagnostic and/or therapeutic services necessary for the delivery of appropriate medical care are not available at the Hospital, the attending physician shall arrange for the necessary services to be delivered elsewhere to the extent possible, in accordance with Hospital and City/County policy, in accordance with Section II.C.4. of this Agreement, and subject to the terms of the tertiary care contract between City/County and University, as may be amended from time to time, or the requirements of the patient's third party payor. In no way does this paragraph obligate City/County, University, or a physician to obtain services not covered or provided under the tertiary care contract or by the patient's third-party payor.

B. Management Services. The University shall provide administration and management of all clinical departments through Chiefs of Service. The Chiefs of Service shall be responsible for managing their respective Departments in compliance with all relevant professional standards, JCAHO standards, and this Agreement.

1. **Delivery of Covered Services.** Each Chief of Service shall supervise and direct the delivery of Covered Services by University Personnel and Housestaff in his/her Department and shall be responsible to the Associate Dean for all activities relating to the delivery of Covered

Services.

2. **Budget Matters.** Each Chief of Service shall be responsible for development and preparation of the University Services Budget for his/her Department and for managing revenues and expenditures in accordance with the Final Contract Budget (in consultation with the appropriate Assistant Director of Nursing and/or Hospital Administrator). This responsibility shall include managing all Contract Payments in accordance with their intended uses under the Final Contract Budget and under this Agreement, and for advising the Associate Dean on the annual University Services Budget. Each Chief of Service shall cooperate with the Associate Dean in all matters relating to Department budgeting. Each Chief of Service shall be responsible for maximizing Third Party Reimbursement in his/her Department to the extent it is within each Chief's control. Each Chief of Service shall cooperate with the relevant outpatient billing personnel to maximize Third Party Reimbursement.
3. **Compliance with Agreement and Hospital Policies.** Each Chief of Service shall use his/her best efforts to assure that University Personnel and Housestaff in his/her Department conduct themselves in accordance with applicable Bylaws, Hospital policies, rules, regulations, and this Agreement. This responsibility shall include providing appropriate orientation and training regarding Hospital policies and procedures (or providing for participation in Hospital-initiated orientation or training as may be required for Hospital Personnel with similar responsibilities).
4. **Scheduling.** Each Chief of Service shall schedule University Personnel in his/her Department to meet the obligations of University under this Agreement, subject to the ultimate authority of the Administrator, to ensure that the services rendered meet legal, licensing, and accreditation standards, shall develop these schedules in cooperation with Hospital administration, and shall be accountable for the compliance of such personnel with those schedules.
5. **Quality Improvement.** Each Chief of Service shall be responsible for the development of an appropriate quality improvement plan for his/her Department, in consultation with the appropriate Assistant Director of Nursing and Hospital Administrator, and shall be responsible for implementing the quality improvement plan. Each Chief of Service shall work in coordination with the Medical Staff Quality Improvement Committee and Hospital Quality Improvement Office in developing and implementing the Department's quality improvement plan.
6. **Medical Records.** Each Chief of Service shall inform all University Personnel in his/her Department of their responsibilities for timely completion of those portions of the medical record required of care providers and shall be responsible for the compliance of such personnel.
7. **Hospital Operations.** Each Chief of Service shall represent his/her service in a medical advisory capacity to the Administrator, as reasonably requested. Each Chief of Service shall cooperate with the Chief of Staff, the Administrator, and the Associate Dean as reasonably requested to promote efficient Hospital and University operations.
8. **Nonvacancy Requirement.** When a Chief of Service or Acting Chief of Service is absent from the Hospital Campus and not readily available within a reasonable period of time, the

Chief or Acting Chief shall designate an individual to assume the duties and responsibilities of the Chief and notify the Associate Dean, Administrator, and Chief of Staff of the planned absence and the identity of the designee.

9. **University Matters.** Each Chief of Service shall represent the Department in matters involving the corresponding University School of Medicine Department, including demonstrating the need for appropriate faculty attending physicians, Housestaff, and other resources commensurate with the level of Department activities.
10. **Research.** Each Chief of Service shall inform the Associate Dean and the Administrator of all research conducted in his/her Department prior to the initiation of such research and shall assist the Associate Dean in complying with Section XI.

VI. PAYMENT FOR COVERED SERVICES

A. General.

1. **University Services Budget.** Beginning in 1994, the University shall prepare and submit each year a University Services Budget three weeks before the San Francisco General Hospital budget is due to the Health Commission. The University Services Budget shall include the anticipated cost of providing all Covered Services for the following Contract Year and the anticipated cost of providing any supplemental services requested by City/County.
2. **Final Contract Budget.** The Final Contract Budget for Covered Services shall be approved annually, based on the University Services Budget. Nothing in this Agreement shall specify the level of the Final Contract Budget for any Contract Year; such level is to be determined through the annual budget negotiation process, in accordance with the methodologies set forth in this Section, and subject to the final approval of the budget by the City/County. If the Final Contract Budget is different from the University Services Budget, the Parties will negotiate in good faith to determine the nature, level, and scope of services that will be provided within the Final Contract Budget.

B. Payment Methodology.

1. **Departmental Reviews.** City/County shall pay the University for the services provided under this Agreement as set forth in this section. During the first two years of this Agreement, the Hospital Departments shall be reviewed by the University and the Hospital for the purpose of determining the nature, scope, and level of services provided to patients served in those Departments. In addition, the University and the Hospital shall determine the appropriate level of payment and the payment methodology for such services. Once University and City\County determine the appropriate level of payment and payment methodology for all Departments, University shall prepare the University Services Budget in accordance with that payment method.
2. **Interim Payments.** Until a Department is reviewed and the payment methodology agreed to by both Parties, payment shall be made, subject to Section VI.A.2., in accordance with the following:

Reimbursement for the fringe benefits of Hospital budgeted Housestaff during that portion of their residency for which they are assigned to the Hospital;

Reimbursement for salaries and fringe benefits of University employees, including faculty and staff assigned to the Hospital for purposes of providing contracted services hereunder;

Reimbursement for salaries and fringe benefits of contracted management services and administrative costs incurred in providing support to faculty, Housestaff, and other University personnel at the Hospital;

Reimbursement for contracted supplies and equipment provided to the Hospital; and

Reimbursement for any agreed upon supplemental services provided hereunder.

a. The base fiscal year shall be 1993-94. The Parties agree that the City/County final 1993-94 budget for the University was as follows:

1.	University contract	\$ 31,214,820
2.	Psychiatry contract	\$ 3,594,328
3.	MIA professional fee reimbursement	\$ 2,300,000
4.	Term purchase agreements, work orders	\$ 638,025
5.	Physician Specialists	\$ 7,543,691

b. Beginning with the 1994-95 budget and each year thereafter, the University Services Budget shall include the amounts set forth in the base fiscal year and shall be amended to reflect the following University cost adjustments:

- (i). Salary and wage increases for merits, cost of living adjustments, promotions, market rate salary adjustments, and salary range adjustments, consistent with University-wide standards and practices;
- (ii). Cost of living adjustments for supplies and related expenses based upon the medical care component of the CPI;
- (iii). Any agreed upon changes in staffing levels at the actual salary and benefit rate of the University for such personnel for the ensuing year.

The University shall calculate the adjustments on the foregoing cost elements and submit the same to the Administrator in the University Services Budget. If the Final Contract Budget is different from the University Services Budget, the parties will negotiate in good faith to determine the nature, level, and scope of services that will be provided within the Final Contract Budget. City/County shall reimburse University pursuant to the Final Contract Budget. In no event shall there be a reduction of financial support for University employees occupying positions for which University personnel policies require notice of non-renewal of appointment for a period equivalent to the notice period the University is required to give to the employees. City/County responsibilities for such appointments shall not exceed one

year.

3. **Changes During a Budget Year.** Subject to the budget and fiscal provisions of the City/County's Charter, the parties may agree at any time during a budget year that additional services may be necessary in order that the Hospital may continue to provide adequate patient services hereunder. In addition, the parties agree that during the budget year, the scope of certain services historically provided may be reduced so that the Hospital may continue to provide a range of services adequate to meet patient care needs. Should such a determination be made, City/County shall negotiate with the University in good faith for provision of such services in accordance with other provisions within this Agreement.
4. **Reductions.** In the event of a reduction in the Hospital budget below the level of funding necessary to continue the services at the same scope, nature, and level as the 1993-94 budget year during any fiscal year thereafter, the Administrator shall determine which services shall be reduced, in consultation with the Director of Health, the Associate Dean, and the medical staff, so long as this determination is consistent with the Final Contract Budget. Budget reductions will be made in either the Hospital or University budget depending upon who provides those particular services. The Hospital and University budgets shall be adjusted in a manner that is negotiated, based on good faith, and reductions shall be shared equitably based upon the nature of the services that are being reduced, the educational programs provided by the University at the Hospital, and in accordance with University policies and obligations. Changes that affect the educational programs shall be made in accordance with Section II.D.2.b. of this Agreement.
5. **Interpretations and Amendments.** The President of the University or his/her designee and the Director of Health or his/her designee are hereby authorized to jointly agree to binding interpretations of and amendments to this payment methodology as the need arises due to changing circumstances so long as any such interpretations and amendments to the payment methodology do not contravene the basic structure of this Agreement and so long as the payment methodology is consistent with customary, regulatory, and statutory reimbursement methods to providers.

C. Payment and Reconciliation.

1. **Monthly Payment.** On or before the first day of each month, the University shall provide to the City/County an invoice for 1/12 of the amount approved as the Final Contract Budget. On or before the fifteenth day of each month, the City/County shall pay to the University 1/12 of the amount approved as the Final Contract Budget. The City/County may withhold all or any portion of a monthly payment or payments to cover the City/County's cost of paying City employees or third parties for providing services that the University is required to perform under this Agreement but has failed to perform. The City/County shall not withhold any payment until it has first notified University in writing of its intent to obtain services outside the contract and provided University a reasonable time in which to perform.
2. **Special Account.** The University shall deposit the monthly Contract Payment into a restricted University account separate from other accounts of the University; this account shall be used by the University exclusively for the payment of obligations properly incurred pursuant to this Agreement. The funds in this account shall not be commingled with any funds other than Contract Payments. The City/County shall have the right to audit this

account at its own expense.

3. **Annual Budget Variance Report.** No later than ten working days after City/County approves the Department of Health budget for each Contract Year, the City/County shall provide to the University written notice of the Final Contract Budget for that Contract Year.
 4. **Interim Reconciliation.** The Associate Dean will meet with the Executive Administrator quarterly to review the Final Contract Budget for the current year for anticipated variances from budgeted amounts to actual expenditures.
- D. Use of Funds.** All revenues collected by University for services provided under this Agreement shall be the property of the University; there shall be no restrictions on University's use of professional fee revenues and research funds, except that all such revenues must be allocated in support of activities provided on the Hospital Campus or in support of the Schools of Medicine and Dentistry. In addition, revenues collected by University for services provided under this Agreement may be reallocated by the Associate Dean, after consultation with the Administrator, if services hereunder are impacted or if required (1) due to unexpected withdrawal or unavailability of other sources of patient care funding (including, but not limited to, unexpected withdrawal or unavailability of research or Third Party Reimbursement which has previously supported the provision of patient care); or (2) due to unanticipated increases or decreases during the year and the volume or acuity of unsponsored patients in one or more clinical departments.

VII. MEDICAL STAFF

A. Organization and Bylaws

1. **Organization.** The University, through the Chief of Staff, shall organize the Medical Staff, in accordance with JCAHO and State medical staff standards, as required to fulfill the University's responsibilities under this Agreement.
2. **Bylaws.** The University, through the Medical Staff, shall draft written Bylaws and Rules and Regulations governing the operation of medical and affiliated professional staff. These Bylaws shall be updated by the Medical Staff at least annually and submitted to the Governing Body for timely approval and adoption.
3. **Compliance.** The University, through the Chiefs of Service, shall be responsible for Medical Staff compliance with the Bylaws.

B. Chief of Staff.

1. **Selection.** The Chief of Staff shall be elected and removed as described in the Bylaws.
2. **Duties.**
 - a. **Patient Care Policies.** The Chief of Staff shall assist in informing University Personnel of applicable Hospital patient care policies, shall assist the Administrator in developing such policies, and shall initiate appropriate action to correct noncompliance.

- b. **Quality Improvement.** The Chief of Staff shall be responsible for operation of quality improvement activities as set forth in the Bylaws. The Chief of Staff shall supervise the activities of the Quality Improvement Committee and shall be responsible to the Administrator for medical staff quality improvement activities.
 - c. **Bylaws.** The Chief of Staff shall be responsible for maintaining the Bylaws in conformity with current professional standards and for physician compliance with such Bylaws.
 - d. **JCAHO accreditation.** The Chief of Staff shall be responsible to the Administrator for physician compliance with JCAHO standards.
- C. **Recruitment and Retention.** The University shall be responsible for the recruitment and retention of faculty in conformity with Bylaws, Hospital policies, and University academic personnel policies.

VIII. REVENUE AND BILLING

A. **Billing and Collection of Charges.**

1. **City/County.**

- a. **Inpatient.** The City/County shall interview and screen every patient for financial responsibility when they present to the Hospital for care. Hospital eligibility staff shall pursue payment sources both at the point of admission/registration and after discharge. The City/County shall bill and collect facilities charges in compliance with hospital eligibility guidelines.
- b. **Outpatient.** The City/County shall bill and collect joint professional/facility fee charges for care rendered in the outpatient clinics, unless the Administrator and Associate Dean mutually agree that the University shall bill the professional component for particular outpatient services.

2. **University.**

- a. **Inpatient.** The University shall bill and collect professional fee charges for care, including deductibles, co-payments, shares of cost (other than sliding scale) and payment for services not covered by the patient's third party payer, unless the Associate Dean and Administrator otherwise agree in writing; such billing and collection shall be in compliance with Hospital policies. The University shall submit claims to appropriate payers for services rendered only by physicians or allied health providers who, by government regulation, may collect fees for their services.
- b. **Outpatient.** The University shall bill and collect professional fee charges for outpatient procedures for which the Hospital does not bill the professional fee component.

3. **Interpretations and Amendments.** The President of the University or his/her designee and

the Director of Health or his/her designee are hereby authorized to jointly agree to binding interpretations of and amendments to these billing and collection practices as the need arises due to changing circumstances so long as any such practices do not contravene the basic structure of the Agreement and so long as the billing and collection practices are consistent with customary, regulatory, and statutory requirements for billing and collection practices.

4. **Costs.** Each Party shall bear its own costs of billing and collecting; nothing in this Agreement shall prohibit the Parties from combining billing or collection activities where mutually agreed.

5. **Information Regarding Billing and Collections.**

a. **City/County.** The City/County shall, on a timely basis, provide to the University information as reasonably requested to allow the University completely and accurately to bill professional fees. For those Departments for which the Hospital is responsible for billing professional fee charges, or joint professional fee/facility charges, the Hospital shall provide to the Associate Dean reports showing all patient charges entered by payor source.

b. **University.** The University shall provide to the City/County information as reasonably requested to allow the Hospital completely and accurately to bill facilities charges. For those Departments for which attending physicians are responsible for billing professional fee charges, the University shall provide to the Administrator reports showing the total professional fee charges for the Department by payor source.

B. **Patient Charges.** Each Party shall endeavor within available resources to create and enter charges for its services to every patient, regardless of sponsorship. Where mutually agreed by the Administrator and Associate Dean, professional fee and facilities charges may be entered jointly.

C. **Information for Cost Reporting.** Each Party shall provide to the other Party information reasonably requested to enable the other Party to meet all cost reporting requirements.

D. **Information and Accounting Systems.** The Parties shall use generally accepted accounting principles (GAAP) and practices and shall use computerized systems to maintain budget and revenue information in standardized formats.

IX. REPORTING AND ACCOUNTABILITY

A. **General Operations.** Each Party shall collect and maintain accurate information on the nature and scope of its operations on the Hospital Campus and shall provide such information as reasonably requested by the other Party. The Hospital shall designate one person in the office of the Administrator, and the University shall designate one person in the office of the Associate Dean, to be responsible for providing this information.

1. **Time Surveys.** The University shall provide to the Administrator the semi-annual two week time surveys currently undertaken for Medicare reporting purposes, provided that the Parties shall jointly review the existing survey form to determine whether appropriate information

relevant to the provision of Covered Services is adequately solicited and, where additional information is reasonably required to reflect the delivery of Covered Services, items soliciting that information will be added to the Survey. The Parties agree that such items cannot be added to the Survey less than three months prior to the beginning of any such survey period.

2. **Staffing and Scheduling.** For each Department, time sheets for University non-physician personnel shall be retained for a period of two years. Call schedules for physician and Housestaff shall also be retained for a period of two years. The University shall notify the City/County of changes to established schedules which impact the volume or quality of patient care.
- B. Teaching and Training.** The University shall maintain a list of all medical and dental students and Housestaff rotating through the Hospital which shall be available to the Administrator upon request. The University shall notify the City/County of all changes in its medical teaching or training programs which affect the Hospital, including changes in the number of Housestaff assigned to or rotating through the Hospital and changes in the scope, organization, or length of such education or training programs.
- C. Notice of Certain Events.**
1. **Legal or Administrative Actions.** Each Party shall notify an appropriate official of the other Party of medical staff corrective action, claims, or lawsuits relating to Hospital and professional liability and any other claims or lawsuits that may affect the other Party. The Parties shall determine whether to conduct a joint investigation and coordinate any remedial action or defense.
 2. **Accreditation, Licensure, and Site Visits.** Each Party shall promptly notify the other of any planned site visit by any entity charged with reviewing and/or certifying health care delivery, facilities, or educational programs on the Hospital Campus. Each Party shall make available to the other Party the report from such site visits, including any letters citing deficiencies or suggesting corrective action. Each Party shall promptly notify the other of any actual or threatened sanction by any licensing or accrediting entity, peer review organization, or any entity charged with reviewing and/or certifying health care delivery, facilities, or educational operations on the Hospital Campus.
 3. **Matters Affecting Patient Care and/or Affiliation Operations.**
 - a. **City/County.** The City/County shall provide an opportunity to the University to participate in the decision making process regarding matters relating to the Hospital diversion policy, City/County destination policy, the closure of Hospital units or clinics, or changes in the scope of Hospital inpatient or outpatient services that are to be brought before the Governing Body or the Supervisors. If the Department of Public Health staff consider making any of the changes described herein and no Governing Body or Supervisors action is to be taken, the City/County shall notify the University before deciding to make such changes, giving as much advance notice as possible. The City/County shall notify the University of such action as soon as possible. However, the City/County retains sole authority to make these decisions.
 - b. **University.** The University shall provide an opportunity to the City/County to

participate in the decision making process regarding matters relating to the scope of its participation in Hospital inpatient or outpatient services, significant changes to the scope of its participation in services offered in any Department or clinic on the Hospital Campus, or significant changes in the scope and size of education programs or rotation patterns of Housestaff through the Hospital. The University shall notify the City/County of such action as soon as possible. However, the University retains sole authority to make decisions regarding its participation in services offered on the Hospital Campus. Nothing in this Section IX.C.3.b. shall modify the obligation of the University to render Covered Services as negotiated for any Contract Year.

4. **Structural Improvements.** Each Party shall promptly notify the other of any structural improvements or other capital projects planned for the Hospital Campus for which it is seeking funding approval.
5. **Affiliation Budget Matters.** The Parties recognize the importance of meeting regularly to discuss budget-related matters. In order to facilitate regular meetings, the Administrator and the Associate Dean shall each appoint one person who is primarily responsible for promptly notifying the other Party regarding City/County and University budget instructions and other plans that may affect the Final Contract Budget. The City/County shall promptly notify the Associate Dean of the City/County budget calendar and amendments thereto and shall provide prior notice of any budget presentation to the Governing Body or the Supervisors.
6. **Records Requests.** Each Party shall promptly notify the other of the nature and scope of any request by any governmental agency or its designee to disclose this Agreement or any books, documents, or records pertaining to the affiliation or to the operation of either Party on the Hospital Campus.

D. Planning

1. **Joint Planning.** The City/County and University shall establish a joint planning committee which meets at least once a year. Each Party shall present any proposals and plans which may be implemented in the following year and which may have a direct impact or effect on the programs, services, or activities on the Hospital Campus.
2. **Long Range Planning.**
 - a. **City/County.** The City/County shall consult with the University on City/County planning that may effect the Hospital Campus. University participation will be of an advisory nature.
 - b. **University.** The University shall consult with the City/County on University, School of Medicine planning that may affect the Hospital Campus. City/County participation will be of an advisory nature.
3. **Capital Planning.** The University shall be invited to participate in planning for facilities on the Hospital Campus. Nothing in this Agreement shall be construed to prohibit joint acquisition of equipment or joint facilities construction consistent with the City/County Charter and State Constitution.

X. PHYSICIAN TRANSFER

- A. Employment of Physician Specialists.** Prior to October 1, 1994, all physician specialists employed by the City/County at San Francisco General Hospital who also may hold either part-time paid appointments or academic unpaid appointments with the University of California (hereinafter "physician specialists") shall remain under the direction and control of the City/County with respect to those terms and conditions of their employment over which the City/County currently has control. Prior to October 1, 1994, the City/County shall continue to have sole responsibility for the conduct of all labor relations including collective bargaining regarding the physician specialists.
- B. Lay Off Notices.** Pursuant to the applicable civil service rules, the City/County shall issue lay-off notices to all physician specialists except those on approved leaves of absence effective midnight, September 30, 1994. Physician specialists on approved leaves of absence on the effective date of this Agreement shall be laid off by the City/County effective with the end date of their leaves.
- C. Employment Obligations.** The City/County and University recognize that each may have obligations with respect to the employment of physician specialists at Hospital. Nothing in this Agreement shall alter the Parties' existing legal obligations with respect to the physician specialists prior to October 1, 1994; each Party agrees to comply fully with such obligations. The City/County agrees that it may have certain obligations under federal, state, and local laws which arise out of the termination of the employment of the physician specialists by the City/County. These obligations include complying with the Consolidated Omnibus Budget Reconciliation Act (COBRA), payment of vacation and other wages in compliance with state, federal, and local laws, and compliance with all relevant civil service rules. The University agrees that it may have certain obligations under federal and state laws regarding the hiring of physician specialists working at Hospital. Both Parties agree that they shall satisfy any obligations each respectively may have arising out of the termination and/or hiring of the physician specialists.
- D. Bargaining.** The City/County agrees that it shall fulfill any collective bargaining obligation it may have, including any applicable notice obligations, that arise out of the termination of employment of the physician specialists. In fulfilling these obligations and in any other dealings with the employee organization representing the physician specialists, the City/County understands and agrees that it has no right or authority to negotiate on behalf of or to bind the University. The City/County agrees that any salary or range increase applicable to the physician specialists will be made pursuant to the Memorandum of Understanding in effect covering the physician specialists and that it will not negotiate to increase the salary range or individual salaries of the physician specialists for the purpose of raising the physician specialists entitlement as University employees.
- E. Offers of Employment.** Except as provided in Section X.F., no less than ten (10) days before October 1, 1994, the University shall offer employment to all full or part-time physician specialists who on that date are active City/County employees and who may be lawfully employed by the University and who are working at Hospital in budgeted staff positions. The University will not offer employment to those persons who have a date of separation from City/County employment which is prior to September 30, 1994. The offer of employment shall be extended to those physician specialists on approved leave from the City/County and shall be for employment beginning at the end of the stated leave.
- F. Funding.** The University's agreement to make offers of employment to all physician specialists is contingent upon receipt of adequate funding from the City/County to continue physician services at

the same level as in fiscal year 1993-94. The funding level for physician services for fiscal year 1994-95 shall be determined by the City/County and the University through the annual budget negotiation process described in Section VI. If funding levels for physician services are reduced for fiscal year 1994-95, the Parties acknowledge that the University has sole discretion to select those physician specialists whom it will hire to provide the services required by the City/County under this Agreement.

- G. Liability.** The City/County agrees that it shall remain liable for, and shall defend against any employment-related claims made by a physician specialist based upon its conduct/responsibilities/obligations which arose prior to October 1, 1994, whether or not the action is pending on October 1, 1994. The University agrees that it shall remain liable for, and shall defend against any employment-related claims made by a physician specialist based on its conduct/responsibilities/obligations which rose prior to October 1, 1994, whether or not the action is pending on October 1, 1994. The parties acknowledge that on or after October 1, 1994, the University will become the employer of all the physician specialists who accept employment with the University and will be responsible for employment-related obligations for those physician specialists who become University employees with respect to events or actions which occur on or after October 1, 1994.
- H. No Creation of Rights.** The provisions contained in this Agreement with respect to physician specialists' employment are for the purpose of setting forth the respective rights and obligations of the City/County and the University and are not intended and shall not create any rights on the part of present City/County physician specialists, or those who may elect the University's employment, as third party beneficiaries.
- I. Terms of University's Offer of Employment.** The general terms of the University's offer of employment, including conditions of employment to be offered, are set forth in the letter from the University to the City/County attached as Exhibit F.

XI. RESEARCH

- A. Conduct of Research.** All health sciences research conducted on the Hospital Campus shall be consistent with the patient care mission of the affiliation. Hospital patients, personnel, and facilities may participate in clinical research, subject to the terms of this Agreement. Research laboratories on the Hospital Campus shall be assigned only to faculty whose primary clinical responsibilities take place on the Hospital Campus, unless otherwise approved by the Administrator.
- B. No Cost to City/County.** The City/County shall bear no costs related to University research conducted on the Hospital Campus unless specifically agreed to by the Hospital Administrator. The University shall follow the procedures described in Section XI.E. for identifying Hospital expenses and providing payment for those expenses. Procedures for identifying expenses related to research and for obtaining payment for those expenses shall not be unduly burdensome or time-consuming.
- C. Clinical Research.** All clinical research conducted by University Personnel on the Hospital Campus shall be conducted only after review and approval by the University of California, San Francisco Institutional Review Board ("IRB"). The Administrator shall be provided the opportunity to participate as a member of the IRB. Clinical research conducted by City/County Personnel on Hospital patients or medical records shall be conducted only after review and approval by a competent

and appropriate Institutional Review Board (which may or may not be University's School of Medicine's IRB). Nothing in this Section XI.C. shall be construed to preclude appropriate quality improvement and utilization review activities which may involve medical records review or other review activities.

D. Other Research. The Associate Dean and the Administrator shall appoint a committee to develop criteria reflecting the City/County's interest in being informed of research, other than clinical research, and to implement a mutually acceptable process for reviewing such other research pursuant to such criteria. The Associate Dean and the Administrator shall develop guidelines to govern any research not related to the health sciences conducted on the Hospital Campus.

E. Expense Review Procedure

1. Expense Review and Pricing. Patient care expenses for all University research proposals involving Hospital patients or City/County resources shall be submitted for review to the Associate Dean and the Administrator no less than seven (7) working days prior to submission to the granting agency or, where no granting agency is involved, no less than seven (7) working days prior to commencement of the research.

a. Upon submission of such expenses to the Administrator for review, the Administrator shall identify the City/County resources which would be called upon in the course of the research and all potential direct and indirect costs to the City/County and, within five (5) working days of the expense submission, shall develop an appropriate price structure for the services to be provided by the City/County. If the Administrator does not respond to the Associate Dean or relevant principal investigator within five (5) working days of the expense submission, such failure to respond shall constitute acceptance of the expense submission. The City/County shall bear all costs of such expense review.

b. The City/County shall negotiate in good faith a reasonable payment schedule appropriate to each research project; in no event shall the payments exceed the Hospital's average charges for similar services. The City/County shall take into account such factors as market rates, actual Third Party Reimbursement rates, economies of scale, and the extent to which the research may provide financial support for patient care which would otherwise be the responsibility of the City/County, and may discount or waive the University's obligations if appropriate.

c. The University shall negotiate in good faith a payment schedule appropriate to each research project; in no event shall the payments be less than the Hospital's actual direct and indirect costs unless the Hospital specifically agrees to discount or waive the University's obligation to cover all research costs.

d. Any research expenses not covered by a grant or Third Party Reimbursement shall be the responsibility of the University and shall not result in a cost to the City/County unless the City/County has specifically agreed to bear that cost.

2. Special Accounts. The City/County shall establish a special account procedure through which research funds shall pay the Hospital for services according to the negotiated payment schedule. The University shall implement the special account procedure established by the

City/County.

- F. **University Recharges.** The Associate Dean shall work with the Administrator toward the goal of reimbursing all reasonable costs for clinical services provided to research investigators. Recharge revenues shall be included in the patient care component of the University Services Budget of the Department and all expenditures shall be made in furtherance of the mission of the Hospital. University shall make records of the recharges and expenditures available to the Administrator upon request.
- G. **Notice of Noncompliance.** If any research proposal is inconsistent with the requirements of this Agreement, the Administrator shall so notify the Associate Dean within seven (7) days after its submission to the Administrator pursuant to Section XI.E. and the proposed research shall not be conducted on the Hospital Campus until it is brought into compliance with this Agreement.

XII. AUDITS AND RECORD KEEPING

A. Books and Records

- 1. **University.** The University shall maintain separate and accurate books and fiscal records relating to its activities funded under this Agreement, in accordance with generally accepted accounting principles and practices, which properly reflect all expenditures of Contract Payments. The University shall make these records available to City/County during normal business hours and shall retain these records for seven (7) years after the close of the applicable fiscal year.
- 2. **City/County.** The City/County shall maintain accurate books and fiscal records relating to its activities under this Agreement, in accordance with generally accepted accounting principles and practices; the City/County shall make these records available to the University during normal business hours and shall retain these records for seven (7) years after the close of the applicable fiscal year.

B. Related Parties and Subcontractor Requirements

- 1. **University Records.** For a period of four (4) years following the furnishing of services under this Agreement, the University shall maintain and make available, upon request, to the Secretary of Health and Human Services and the Comptroller General of the United States, or their authorized representatives ("Secretary and Comptroller General"), this Agreement and its books, documents, and records necessary to verify the nature and extent of costs hereunder, to the extent required by Section 1861(v)(1)(I) of the Social Security Act; the University shall notify the City/County immediately of any such request and shall provide the City/County with copies of the request and all materials described in such request within ten (10) days of its receipt of the request.
- 2. **Subcontractor Records.** If services under this Agreement are to be provided by the University through a subcontractor related to the University within the meaning of Section 1861(v)(1)(I) of the Social Security Act, and if such subcontract has a value or cost of at least \$10,000 over a twelve (12) month period, the University shall obtain the written agreement of the subcontractor that (i) for a period of four (4) years following the furnishing of services

under this Agreement it shall maintain and make available, upon request, to the Secretary and Comptroller General, the subcontract and its books, documents, and records necessary to verify the nature and extent of costs thereunder, to the extent required by Section 1861(v)(1)(I) of the Social Security Act, and (ii) it shall notify the University and the City/County immediately of any such request and provide the University and City/County with copies of the request and all materials described in such request within ten (10) days of its receipt of the request.

- C. **Investigations.** Each Party shall cooperate regarding outside investigations of the other Party as reasonably requested by the other Party. If any government agency undertakes an investigation of a Party, the other Party shall comply with that Party's reasonable request to make available information and records in connection with the investigation.

XIII. TERM AND TERMINATION

- A. **Effective Date.** The effective date of this Agreement shall be the first day of the month after this Agreement receives final approval from City/County and University.
- B. **Term.** This Agreement shall remain in full force and effect until terminated as provided herein.
- C. **Termination.** Either Party may terminate this Agreement under any of the following circumstances and conditions:
1. **Termination Absent Cause.** Either Party may terminate this Agreement for any reason or no reason by giving at least 24 months written notice stating the intention of the Party to terminate, said termination to be effective 24 months after September 30 of the then-current Contract Year.
 2. **Termination for Cause.** Where an Event of Termination occurs, the Party which did not cause that event may terminate this Agreement by giving written notice stating the intention of the Party to terminate, said termination to be effective 12 months after September 30 of the then current Contract Year.
 3. **Events of Termination for Cause.** Provided the Parties have completed the dispute resolution process described in Section XV.B., irrespective of the outcome, the following shall constitute Events of Termination for Cause under this Agreement:
 - a. **Material Changes in Scope of Agreement.** A unilateral decrease in the type, level, or scope of services offered by the Hospital or by the University on the Hospital Campus (from any cause, including without limitation, substantial reduction in funding, termination or withdrawal of programs, and loss of accreditation) which seriously endangers the ability of either Party to deliver patient care services of appropriate quality, which interferes with the size or scope of the University's teaching program on the Hospital Campus, or which leaves insufficient professional services for the Hospital to fulfill its patient care mission.
 - b. **Pattern of Failure to Pay.** A continued pattern of City/County's failure to pay for Covered Services rendered at negotiated levels shall become an Event of Termination

upon receipt of a written notice of such pattern.

- c. **Pattern of Failure to Deliver Services.** A continued pattern of University's failure to render Covered Services at negotiated levels shall become an Event of Termination upon receipt of a written notice of such pattern.
 - d. **Failure to Take Action Within Authority.** If it is within the authority of the Associate Dean or the Administrator to implement any recommendations of the Dispute Resolution Panel described in Section XV.B. and the Associate Dean or the Administrator fails to do so, this failure shall become an Event of Termination.
4. **Termination for Non-Appropriation.** This Agreement is subject to the budget and fiscal provisions of the City and County's Charter ("the Charter"). It is the University's opinion that the City and County is mandated by state law to provide or to contract for the provision of health care services for its indigent poor and that the state imposed obligation overrides any limitations contained in fiscal provisions of the Charter (including without limitation, Section 6.302 thereof) or Article XVI, Section 18 of the California Constitution. Further, the University's opinion is that the laws of the State of California, including case law interpreting Article XVI, Section 18, do not limit the capacity of the City and County to contract as set forth in this Agreement. The City and County's opinion is that provisions of the California Constitution, Article XVI, Section 18, and of the Charter subject this Agreement to annual appropriations which prevent the City and County from making financial commitments for a term longer than one year except to the extent that funds are appropriated for the purpose, thereby calling into doubt the ability of the City to make any payments for services for which monies have not yet been appropriated.

Given the views of the City and County and of the University, the Parties agree that charges will accrue under this Agreement only after prior written authorization certified by the Controller of the City and County and that amounts of obligations of the City and County hereunder shall not at any time exceed amounts certified for the purpose of this Agreement and for the term stated in this Agreement. To the extent permitted by law, the obligations of the Controller hereunder shall be deemed ministerial and compellable by mandate.

- D. **Destruction of Premises.** If, during the term of this Agreement, any of the buildings on the Hospital Campus are wholly or partially destroyed by fire, explosion, earthquake, lightning, tornado, hurricane, windstorm, rain, flood, the elements, or other casualty, and it is mutually determined by the Parties that restoration will not render the Hospital Campus suitable for the provision of patient care services and that the building(s) should thereby not be restored, or if City/County will not obligate itself to restore the basic structure of such building(s), then, except as otherwise provided in Section XIII.E. and Section XIV, this Agreement will terminate in its entirety by a written notice from either Party to the other Party.
- E. **Effects of Termination, Continuing Responsibilities of the Parties.** University shall receive Contract payments for services rendered up to the effective date of any termination, subject to the terms of the Agreement. Upon termination, the Parties shall have no further obligations under this Agreement except as follows:
 - 1. **Cooperation.** In the event either Party terminates this Agreement, whether or not for cause, the Parties shall jointly develop and implement a plan for disaffiliation which provides that

quality patient care continues to be rendered and recognizes the limits of available resources.

2. **Records.** As soon as possible after the effective date of termination of this Agreement, the University shall turn over to the City/County all patient hospital records in its possession or under its control as of the date of termination, and copies of all books and records which the University is required to maintain pursuant to this Agreement, as may be requested by the Administrator. University shall continue to have reasonable access to any books and records required to be maintained under this Agreement or in connection with services provided by the University under this Agreement, which are in the possession of the City/County.
3. **Patient Care Responsibilities.** In the event of termination of this Agreement, the University shall cooperate fully with the City/County to transfer patient care to such service replacement as City/County elects to utilize. In no event shall the University abandon any patient in need of continued care who was under its care as of the termination and for whom replacement medical services are unavailable upon the termination.
4. **Personal Property.** As soon after the effective date of termination of this Agreement as possible, the University shall account for and turn over to the City/County all equipment, appurtenances, and property owned by the City/County and in the possession or control of the University, and shall remove all University Property, including furniture and equipment. Failure to remove University Property shall, after forty-five (45) days, be construed as an abandonment of such property and title shall pass at such time by operation of law to City/County. As soon as possible, the City/County shall account for and turn over to the University all equipment, appurtenances, and property owned by the University and in the possession or control of the City/County.
5. **Indemnifications.** The provisions of this Agreement regarding indemnification, as specified in Section XIV, shall continue to exist so long as there is any outstanding claim for liability as a result of the activities performed by either Party pursuant to this Agreement.
6. **Other.** Termination of this Agreement shall have no effect on the fourteen Lease Agreements currently existing between the University and the City/County for property on the Hospital Campus unless such Lease Agreements are terminated pursuant to a master lease agreement as described in Section IV.E.1.
7. **Access to Books and Records.** For a period of seven (7) years following termination of this Agreement, each Party shall (i) retain all books and records required under this Agreement, and (ii) make such records available to the other Party upon request during that period. However, this requirement shall not apply to any books or records which have been provided to the other Party either prior or subsequent to the termination.

XIV. INDEMNIFICATIONS

- A. **By University.** University shall defend, indemnify, and hold City/County harmless from and against any and all liability, loss, expense, or claims, excluding attorneys' fees, for injury or damages arising out of the performance of this Agreement, but only in proportion to and to the extent such liability, loss, expense, or claims for injury or damages are caused by or result from the negligent or

intentional acts of University, its officers, agents, or employees.

- B. By City/County.** City/County shall defend, indemnify, and hold University harmless from and against any and all liability, loss, expense, or claims, excluding attorneys' fees, for injury or damages arising out of the performance of this Agreement, but only in proportion to and to the extent such liability, loss, expense, or claims for injury or damages are caused by or result from the negligent or intentional acts of City/County, its officers, agents, or employees.
- C. Breach of Contract.** The provisions of this Article XIV do not permit either party to sue the other Party for damages for breach of contract or for failure to comply with the terms and conditions of this Agreement except as permitted in Article XV.C.

XV. DISPUTE RESOLUTION

- A. Informal Resolution.** The Parties shall resolve their disputes informally to the maximum extent possible. The Parties shall negotiate all matters of joint concern in good faith, with the intention of resolving issues between them in a mutually satisfactory manner. Only disputes within the scope of this Agreement are subject to this Section XV; disputes internal to one Party are not subject to these procedures.
- B. Formal Resolution.** A fact finding and dispute resolution panel shall be convened if either the Associate Dean, with the concurrence of the Dean; or the Administrator, with the concurrence of the Director, notifies the other Party in writing of the request for dispute resolution. The Associate Dean and Administrator shall name their respective appointees to the panel within ten (10) working days of such written notice.
 - 1. The Dispute Resolution Panel.** The Dispute Resolution Panel shall consist of either three or five persons, as agreed by the Associate Dean and the Administrator. The Panel shall be convened ad hoc; there shall be no standing or ex officio members. If the Panel is to number five, the Associate Dean and the Administrator shall each appoint two persons; their four appointees shall jointly choose a fifth. If the Panel is to number three, the Associate Dean and the Administrator shall each appoint one person; their two appointees shall jointly choose a third. The appointees shall choose the final member of the Panel within ten (10) working days from the date on which they are appointed.
 - 2. Fact Finding and Report.** The Associate Dean and Hospital Administrator shall provide to the Panel a written description of the dispute, including, where relevant, the particular questions on which the Associate Dean and Hospital Administrator seek the Panel's recommendations.
 - a. Fact Finding.** The Panel shall engage in fact finding as required by the dispute and recommend how best to resolve the dispute. The Panel may submit written questions to the Parties, may request oral statements, and may review relevant documents. Each Party has the right to submit oral or written statements to the Panel.
 - b. Report.** Within 30 working days after the date set for close of evidence, the Panel shall submit to the Associate Dean and the Hospital Administrator a written report, including the Findings of Fact and Recommendations for Resolution of the majority

of the Panel; reports of dissenting Panel members, if any, may also be forwarded to the Associate Dean and the Administrator, but the Findings of Fact and Recommendations for Resolution of the majority shall be the Panel's recommendation.

3. **Review by the Associate Dean and the Hospital Administrator.** The Associate Dean and Administrator shall make every effort to complete their review and to determine whether they have the authority to implement the panel's Recommendation within ten (10) working days of their receipt of the Panel's Report. The failure of either the Associate Dean or the Hospital Administrator to implement the Panel's Recommendation when it is within their authority to do so is grounds for termination of this Agreement for cause.
4. **Deadlines.** All deadlines in this Section may be changed by mutual agreement of the Associate Dean and Administrator.

C. Remedies.

1. **Process.** No claims or suits shall be filed in any court of law or other tribunal prior to the completion of the formal resolution process set forth in Section XV.B.
2. **Limitations.** The remedies available to the Parties under this Agreement shall be limited as follows:
 - a. **Action for Damages.** After completion of the formal resolution process set forth in Section XV.B., the University may file an action for damages in the amount the City/County owes under its obligation to make monthly payments pursuant to Section VI.C.1. Similarly, after completion of the formal resolution process set forth in Section XV.B., City/County may file an action for damages in the amount of any costs incurred in paying City/County employees or third parties for providing services that University is required to perform under this Agreement but has failed to perform over and above any amounts obtained by City/County from the withholding of monthly payments pursuant to Section VI.C.1.
 - b. **Defenses Not Limited.** In any judicial action filed by either party alleging a breach of this Agreement, each Party retains the right to assert any and all available defenses. The recommendations of the Dispute Resolution Panel are advisory only.
 - c. **Termination.** A Party asserting a breach of this Agreement which constitutes an Event of Termination for Cause as set forth in Section XIII.C.3. may terminate this Agreement for cause in addition to or as an alternative to the remedies set forth in this Section.
3. **Intent Regarding Limitation of Actions.**
 - a. **Waiver.** City/County and University would not have entered into this Agreement if either of them were to be liable in damages under or with respect to this Agreement other than as explicitly set forth in C.2.a. and b. of this Section XV. Accordingly, except as explicitly set forth in C.2.a. and b. of this Section XV, each Party covenants not to sue or claim damages, and expressly waives its right to do so,

for (1) any breach of, or which arises out of, this Agreement; or (2) arising out of or connected with any dispute, controversy, or issue regarding the application or interpretation or effect of the provisions of this Agreement.

- b. **Termination.** Termination of this Agreement shall not affect the limitation on the rights of the parties to seek damages, except to the extent permitted by C.2.a. and b. of this Section XV, arising out of any breach that occurred prior to Termination of this Agreement, including a breach for which this Agreement has been terminated.
- c. **City/County's Sole Monetary Obligations.** City/County's sole monetary obligations under this Agreement are limited to the payment for Covered Services, as described in Section VI and as limited by Section XIII.C.4.
 - (i) City/County shall not be liable for any delay in disbursement of funds for payment for the Covered Services.
- d. **University's Sole Monetary Obligations.** University's sole monetary obligations under this Agreement are limited to payments necessary to cover City/County's cost of paying City/County employees or third parties for providing services that University is required to perform under this Agreement but has failed to perform.
- e. **Tort Cause of Action Permitted.** Nothing herein is intended to preclude either party from suing the other for damages for injury to person or property arising from the tortious conduct of either party or the officers, employees, or agents of either Party.

XVI. MISCELLANEOUS

- A. **Independent Contractor.** In the performance of this Agreement, the University is at all times acting as an independent contractor. The City/County shall neither have nor exercise any control over the specific methods by which University performs its duties under this Agreement; its sole interest and responsibility shall be to ensure that such duties are rendered in a competent, efficient, and satisfactory manner in accordance with the terms of this Agreement.
- B. **Compliance with Accreditation Standards.** The Parties shall perform this Agreement, to the extent practicable, in accordance with the standards of the JCAHO, Title 22 of the California Administrative Code, and any other accreditation agencies with jurisdiction to review and approve teaching hospitals in California. During the term of this Agreement, the University shall maintain approval of its School of Medicine pursuant to the standards of the Liaison Committee on Medical Education and shall maintain approval of all training programs by the appropriate specialty boards.
- C. **Licenses.** During the term of this Agreement, the Parties shall obtain and maintain all appropriate licenses required by law for the operation of the Hospital and for the provision of services hereunder.
- D. **Assignment and Subcontracting.** This Agreement shall be binding on and inure to the benefit of the Parties and their respective successors and assigns; provided, however, that neither Party may assign any or all of its interests, rights, or obligations under this Agreement without the prior written consent of the other Party. Neither Party may subcontract for the performance of any of its duties under this Agreement without the prior written consent of the other Party. This provision shall not

limit the right of either Party to engage individuals who may perform services under this Agreement; however, each Party shall remain fully responsible for its performance as provided in this Agreement.

- E. No Third Party Beneficiaries.** None of the provisions of this Agreement are or shall be construed as for the benefit of or enforceable by any person not a Party to this Agreement.
- F. Modification.** This Agreement shall constitute the entire agreement of the Parties with respect to its subject matter. With the exception of the payment methodology as provided in Section VI.B., this Agreement may not be modified except by a written amendment properly approved and executed by both Parties.
- G. Waiver.** No waiver, express or implied, or any breach of this Agreement, shall constitute a waiver of any right under this Agreement or of any subsequent breach, whether of a similar or dissimilar nature.
- H. Severability.** If any provision of this Agreement shall be unenforceable for any reason, all other provisions shall remain in force and effect.
- I. Nondiscrimination.** The University shall abide by the nondiscrimination provisions of San Francisco Administrative Code, Chap. 12B, attached as Exhibit C and incorporated herein by reference and made a part of this Agreement, excepting 12B.2.(g)(1), (3), (4), (5), (6), (7), (8), (9), and (h)(1).
- J. Divestment.** The University is not the government of South Africa, a person or business entity organized under the laws of South Africa, or a person or entity doing business in South Africa. The University does not have a prohibited ownership interest as defined in the San Francisco Administrative Code Section 10.211(k). The City/County reserves the right to terminate this contract for default if the University violates the terms of this clause.
- K. Drug Free Workplace Act.** If the University is required by its performance under this Agreement to comply with the Drug Free Workplace Act of 1988 (Pub. L. 100-690, Title V, Subtitle D), the University shall abide by all applicable terms and conditions of that Act.
- L. MacBride Principles - Northern Ireland.** The City/County urges companies doing business in Northern Ireland to move towards resolving employment inequities and encourages such companies to abide by the MacBride Principles. The City/County urges San Francisco companies to do business with corporations that abide by the MacBride Principles (Ordinance 107.89).
- M. Tropical Hardwood Ban.** The City/County urges contractors not to import, purchase, obtain, or use for any purpose any tropical hardwood or tropical hardwood product.
- N. Governing Law.** This Agreement shall be governed by the laws of the State of California.
- O. Notices.** Unless otherwise specified in this Agreement, any notice, document, or other communication given or made hereunder shall be in writing and shall be deemed given upon (i) hand delivery or (ii) deposit of the same in the United States registered or certified mail, first-class postage and fees prepaid, and correctly addressed to the Party for whom it is intended at the following addresses:

If to City/County: Executive Administrator

San Francisco General Hospital
1001 Potrero, Room 2A11
San Francisco, CA 94110

If To University: Associate Dean
San Francisco General Hospital
1001 Potrero, Room 2A21
San Francisco, CA 94110

or at such other place or places as may from time to time be specified in a notice similarly given. Each Party shall at all times keep the other Party notified of its current address and shall promptly notify the other Party of any change of address.

- P. Days.** Provisions in this Agreement relating to number of days shall be calendar days, unless otherwise specified, provided that if the last day for any period to give notice, reply to a notice, or to undertake any other action occurs on a Saturday, Sunday, or a bank or City/County holiday, then the last day for undertaking the action or giving or replying to the notice shall be the next succeeding business day.
- Q. Exhibits.** The Exhibits listed in the Table of Contents are deemed incorporated into this Agreement in their entirety.
- R. Construction Agreement.** Although certain provisions of this Agreement were drawn by City/County and certain provisions were drawn by University, the provisions of this Agreement shall be construed as a whole according to their common meaning and not strictly for or against any party in order to achieve the objectives and purposes of the Parties. Any caption preceding the text of an Article, Section, or Subsection or in the Table of Contents is included only for convenience of reference and shall be disregarded in the construction and interpretation of this Agreement. Wherever required by the context, the singular shall include the plural and vice versa, and the masculine gender shall include the feminine or neuter genders, or vice versa.
- S. Further Assurances; Covenant to Sign Documents.** Each Party covenants, on behalf of itself and its successors, heirs and assigns, to take all actions and to do all things, and to execute, with acknowledgement or affidavit if required, any and all documents and writings that may be necessary or proper to achieve the purposes and objectives of this Agreement.
- T. References; Terminology.** Unless otherwise specified, whenever in this Agreement reference is made to the Table of Contents, any Article, Section, or Exhibit, or any defined term, the reference shall be deemed to refer to the Table of Contents, Article, Section, or Exhibit, or defined term of this Agreement. The use in this Agreement of the words "including", "such as", or words of similar import when following any general term, statement, or matter shall not be construed to limit such statement, term, or matter to the specific items or matters whether or not language of non-limitation, such as "without limitation" or "but not limited to," or words of similar import is used with reference thereto, but rather shall be deemed to refer to all other items or matters that could reasonably fall within the broadest possible scope of such statement, term, or matter.
- U. Signature Pages.** For convenience, the signatures of the parties to this Agreement may be executed and acknowledged on separate pages which, when attached to this Agreement, shall constitute this as one complete Agreement.

November 12, 1991

- V. Waiver; Cumulative Remedies; Notice of Waiver.** Failure by a Party to insist upon the strict performance of any of the provisions of this Agreement by the other Party, irrespective of the length of time for which such failure continues, shall not constitute a waiver of the Party's right to demand strict compliance by the other Party in the future. No waiver by a Party of a Default shall be effective or binding upon that Party unless made in writing by that Party. No such waiver shall be implied from any omission by a Party to take any action with respect to such Default. No express written waiver of any Default shall affect any other Default or cover any other period of time, other than the Default and/or period of time specified in the express waiver. One (1) or more written waivers of a Default under any provision of this Agreement shall not be deemed to be a waiver of any subsequent Default, or Unmatured Event of Default, or of the performance of any provision of this Agreement. All of the rights or remedies permitted or available to a Party under this Agreement, or at law or in equity, shall be cumulative and not alternative, and the exercise of any right or remedy shall not constitute a waiver or election of remedies with respect to any other permitted or available right or remedy.
- W. Section Headings.** Section headings are for convenience only and shall not be construed as part of this Agreement.
- X. Americans with Disabilities Act (ADA).** The parties acknowledge that, pursuant to the ADA, programs, services, and other activities provided by a public entity to the public, whether directly or through a contractor, must be accessible to the disabled public. The Parties agree to provide the services specified in this Agreement in a manner that complies with the ADA and any and all other applicable federal, state, and local disability rights legislation. The Parties agree not to discriminate against disabled persons in the provision of services, benefits, or activities provided under this Agreement.
- Y. Termination of Prior Agreement.** Upon the effective date of this Agreement, the Affiliation Agreement between the Parties dated July 1, 1959, is terminated.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be signed by their respective officers thereunto duly authorized the day and year first above written.

CITY AND COUNTY OF SAN FRANCISCO,
a municipal corporation

Mayor

Clerk, Board of Supervisors

10110354.WP5

November 12, 1991

Chief Administrative Officer

Purchaser

10110354.WP5

November 12, 1991

Director of Health

Health Commission

APPROVED AS TO FORM:
LOUISE H. RENNE, City Attorney

Executive Administrator

By: _____
Deputy City Attorney

REGENTS OF THE UNIVERSITY OF CALIFORNIA,
a California Corporation

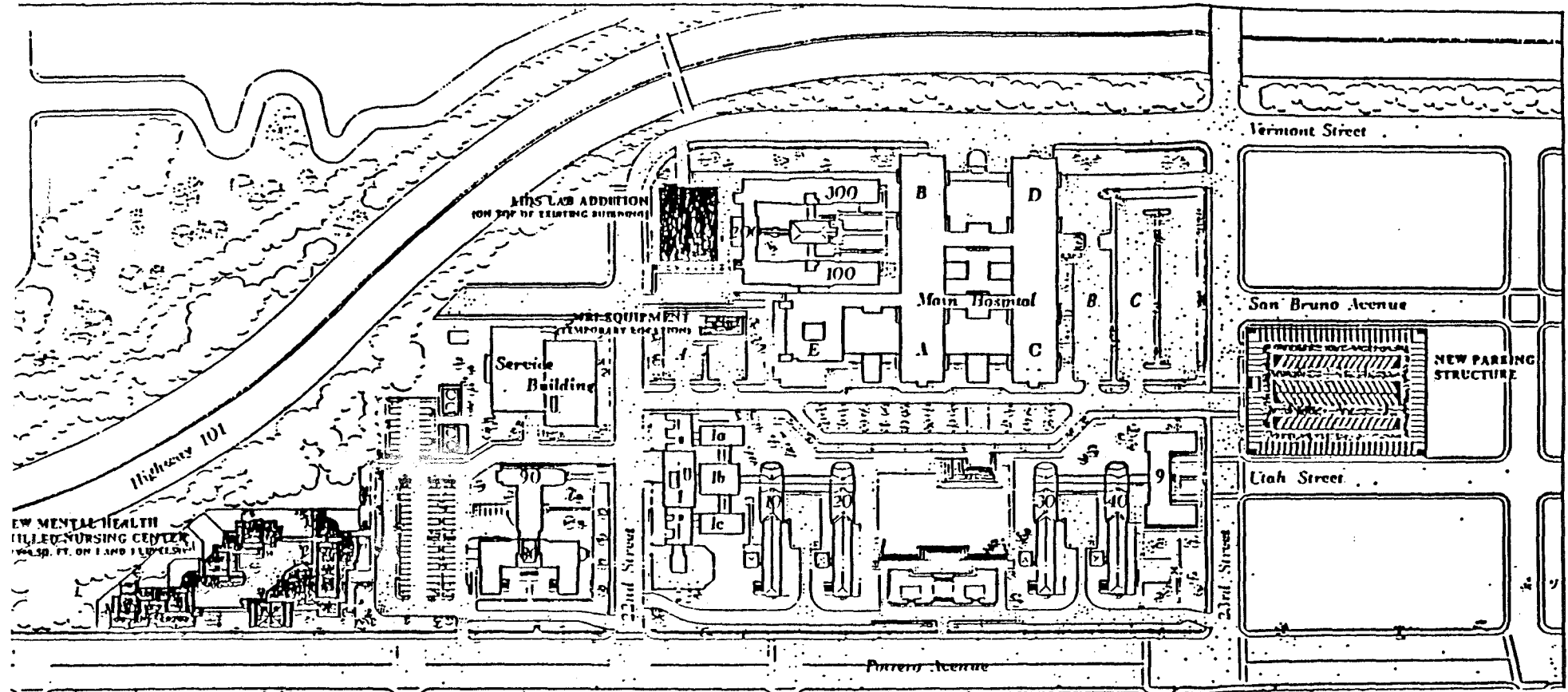
Associate Secretary

President

APPROVED AS TO FORM:

By: _____
University Counsel of the Regents

EXHIBIT A: HOSPITAL CAMPUS



Not pictured but included as part of the Hospital Campus is the City/County Paramedic Division Facility located at 2789 25th Street.

EXHIBIT B

HEALTH COMMISSION

CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 3-93

DEPARTMENT OF PUBLIC HEALTH
MISSION STATEMENT RESOLUTION

WHEREAS, the Health Commission wishes to adopt a Mission Statement describing the broad goals and roles of the Department of Public Health to guide planning, budgeting and policy; and

WHEREAS, the following Mission Statement has been proposed by the Department of Public Health:

It is the mission of the San Francisco Department of Public Health to promote and sustain the best possible state of physical and mental health and functioning for all San Franciscans. The Department shall:

- Protect and promote a healthy environment;
- Actively pursue access for all, and the elimination of financial, cultural, linguistic, physical and operational barriers to services;
- Lead the development of financial and human resources and programs, in partnership with communities, consumers, providers, employees and other public and private entities;
- Design and advocate policies, plans, standards and programs to prevent or remediate conditions that threaten the public's health;
- Assess, evaluate, educate and disseminate information regarding conditions that affect the public's health;
- Deliver high quality, cost-effective, personal health services, especially for the poor and others with inadequate access to services, and with priority to those in greatest need;
- Provide and coordinate citywide emergency medical services; and
- Be publicly accountable for the development, design and execution of health policies and programs; now, therefore, be it

RESOLVED, that the Health Commission adopts the Department of Public Health's Mission Statement; and be it

FURTHER RESOLVED, that this Mission Statement replace all previous Mission Statements.

I hereby certify that the foregoing resolution was adopted by the Health Commission at its meeting of Tuesday, March 16, 1993.



Sandy Ouye Mori
Executive Secretary to
the Health Commission

EXHIBIT C

San Francisco Administrative Code

Section 12B.1

CHAPTER 12B

NONDISCRIMINATION IN CONTRACTS

- Sec. 12B.1. All Contracts to Include Nondiscrimination Provisions; Definitions.
- Sec. 12B.2. —Nondiscrimination Provisions of Contract.
- Sec. 12B.3. Human Rights Commission Empowered.
- Sec. 12B.4. Affirmative Action Guidelines.
- Sec. 12B.5. Chapter Applies Only to Discriminatory Employment Practices.
- Sec. 12B.6. Severability.

SEC. 12B.1. ALL CONTRACTS TO INCLUDE NONDISCRIMINATION PROVISIONS; DEFINITIONS. All contracting agencies of the the City and County of San Francisco, or any department thereof, acting for or on behalf of the City and County, shall include in all contracts, franchises, leases, concessions or other agreements involving real or personal property, hereinafter negotiated, let, awarded, granted, renegotiated, extended or renewed, in any manner or as to any portion thereof, a provision obligating the contractor, franchisee, lessee, concessionaire, or other party of said agreement not to discriminate on the ground or because of race, color, creed, national origin, ancestry, age, sex, sexual orientation, disability or Acquired Immune Deficiency Syndrome or AIDS Related Condition (AIDS/ARC), against any employee of, or applicant for employment with, such contractor, franchisee, lessee, or concessionaire, and shall require such contractor, franchisee, lessee or concessionaire to include a similar provision in all sub-contracts, or subleases or other subordinate agreements let, awarded, negotiated or entered into thereunder.

(a) Definitions. As used in this Chapter the term: "Age" refers to and shall include any employee or applicant for employment who has attained the age of 40 years and has not attained the age of 65 years. For the purposes of this Section, discrimination because of age shall mean dismissal from employment of, or refusal to employ or rehire any person because of his or her age, if such person has attained the age of 40 years and has not attained the age of 65 years, if the person is physically able and mentally competent to perform the services required. Age limitations of apprenticeship programs in which the State or its political subdivisions participate shall not be considered discriminatory within the meaning of this Section.

"Contract" shall mean and include an agreement to provide labor, materials, supplies or services in the performance of a contract, franchise, concession or lease granted, let or awarded for and on behalf of the City and County of San Francisco.

"Contractor" means any person or persons, firm, partnership, corporation, or combination thereof, who submits a bid and/or enters into a contract with department heads and officers empowered by law to enter into contracts on the part of the City and County for public works or improvements to be performed, or for a franchise, concession or lease of property, or for goods, services or supplies to be purchased, at the expense of the City and County or to be paid out of moneys deposited in the treasury or out of trust moneys under the control or collected by the City and County.

"Subcontractor" means any person or persons, firm, partnership, corporation or any combination thereof, who enters into a contract or agreement with the contractor to perform a substantial specified portion of the contract for public works, improvements, supplies, goods or services, or for a lease, franchise or concession, let, granted or awarded for or on behalf of the City and County in accordance with the plans and specifications of such contract. Such term shall include any contractor who enters into a contract with any subcontractor for the performance of 10 percent or more of the subcontract.

"Subcontract" shall mean and include an agreement or contract under or subordinate to a prime contract, franchise, lease, or concession granted, let or awarded for or on behalf of the City and County of San Francisco.

"Concession" includes a grant of land or other property by or on behalf of the City and County of San Francisco to a person for the purpose or use specified in said grant.

"Concessionaire" shall mean and include a person who is the grantee or beneficiary of a concession as herein defined.

"Franchise" shall mean and include a right or privilege conferred by grant from the City and County of San Francisco, or any contracting agency thereof, and vested in and authorizing a person to conduct such business or engage in such activity as is specified in said grant.

"Franchisee" shall mean and include a person who is the grantee or beneficiary of a franchise as herein defined.

"Lease" shall mean and include a contract by which the the City and County of San Francisco, or any contracting agency thereof, grants to a person the temporary possession and use of property, for reward, and the latter agrees to return the same to the former at a future time.

"Lessee" shall mean and include a person or tenant taking possession of property under a lease as herein provided, and further included a bailee under a bailment agreement providing a rental for personal property.

"Sublease" shall mean and include a lease by which a lessee or tenant grants or lets to another person part or all of the leased property for a shorter term and under which said lessee or tenant retains some right or interest under the original lease.

"Sex" shall mean the character of being male or female.

"Sexual orientation" shall mean the choice of human adult sexual partner according to gender.

"Disability" is a physical or mental impairment which substantially limits one or more major life activities, is regarded as having such an impairment, or has a record of such an impairment.

"Qualified Disabled Employee" shall mean a person able to perform the essential functions of a job with reasonable accommodation.

"Supplier" means any person or persons, firm, partnership, corporation, or any combination thereof, who submits a bid or enters into a contract with the awarding agency of the City and County, or who submits a bid or enters into a contract with any contractor, subcontractor, lessee, sublessee, franchisee or concessionaire engaged in the performance of a contract let, awarded or granted by or on behalf of the City and County, for the supplying of goods, materials, services, equipment or furnishings. (Amended by Ord. 489-86, App. 12/18/86)

SEC. 12B.2. NONDISCRIMINATION PROVISIONS OF CONTRACT. Every contract or subcontract for or on behalf of the the City and County of San Francisco, as provided in Section 12B.1 hereof, shall contain the provisions following which shall be known as the nondiscrimination provisions of such contract.

In the performance of this contract, the contractor, subcontractor or supplier agrees as follows:

(a) Wherever the work is performed or supplies are manufactured in the United States, the contractor, subcontractor or supplier will not discriminate against any employee or applicant for employment because of race, color, religion, ancestry, national origin, age, sex, sexual orientation, disability or AIDS/ARC. Discrimination on the basis of sex includes sexual harassment as defined in Section 16.9-25(b) of this Code. The contractor, subcontractor or supplier will take affirmative action to ensure that applicants are employed, and that employees are treated equally during employment, without regard to their race, color, religion, ancestry, national origin, age, sex, sexual orientation, disability or AIDS/ARC. Such action shall include, but not be limited to, the following: Employment, upgrading, demotion or transfer, recruitment or recruitment advertising; layoff or termination; rate of pay or other forms of compensation; and selection for training, including apprenticeship. Nothing in this ordinance shall require or prohibit the establishment of new classifications of employees in any given craft. The provisions of this Section with respect to age shall not apply to (1) termination of employment because of the terms or conditions of any bona fide retirement or pension plan, (2) operation of the terms or conditions of any bona fide retirement or pension plan which has the effect of a minimum service requirement, (3) operation of the terms or conditions of any bona fide group or insurance plan. The contractor, subcontractor or supplier agrees to post in conspicuous places, available to employees and applicants or employees and applicants for employment, notices in such form and content as shall be furnished or approved by the awarding authority setting forth the provisions of this Section.

(b) Except as in this Section provided or in cases where the law compels or provides for such action any provisions in any contract agreement or undertaking entered into on or after the effective date of this Chapter which prevent or tend to prevent the employment of any person solely by reason of his or her age, who has attained the age of 40 years and has not attained the age of 65 years shall be null and void.

(c) The contractor, subcontractor or supplier shall provide reasonable accommodation for qualified applicants for employment and for qualified disabled employees. Said contractor, subcontractor or supplier need not provide reasonable accommodation if such would present an undue hardship. An undue hardship may include but not be limited to deminimus cost, violation of the seniority rights of other co-workers as established by a bona fide seniority system, or would present a health or safety risk to the employee or co-employees. The burden of establishing an undue hardship rests on the employer.

(d) The contractor, subcontractor or supplier will in all solicitations or advertisements for employees placed by or on his or her behalf, state that qualified applicants will receive consideration for employment without regard to race, creed,

color, ancestry, national origin, age, sex, sexual orientation or disability. Any solicitations or advertisements that satisfy similar requirements under federal law, subject to the approval of the awarding authority, will also satisfy this requirement.

(e) The contractor, subcontractor or supplier will send to each labor union or representative of workers with which he or she has a collective bargaining agreement or other contract or understanding, a notice, in such form and content as shall be furnished or approved by the awarding authority, advising the said labor union of workers' representative of the contractor's, subcontractor's or supplier's commitments under this Section, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

(f) The contractor, subcontractor or supplier will permit access to his records of employment, employment advertisements, application forms, and other pertinent data and records by the awarding authority, the Fair Employment Practices Commission or the San Francisco Human Rights Commission, for the purposes of investigation to ascertain compliance with the nondiscrimination provisions of this contract, and on request provide evidence that he or she has or will comply with the nondiscrimination provisions of this contract.

(g) That contractor, subcontractor or supplier shall be deemed to have breached the nondiscrimination provisions of this contract upon:

(1) A finding by the director of the San Francisco Human Rights Commission, or such other official who may be designated by the Human Rights Commission, that contractor, subcontractor, or supplier has wilfully violated such nondiscrimination provisions; or

(2) A finding by the Fair Employment Practices Commission of the State of California that a contractor, subcontractor or supplier has violated any provision of the Fair Employment Practices Act of California or the nondiscrimination provisions of this contract; provided, that the Fair Employment Practices Commission has issued a final order pursuant to Section 1426 of the Labor Code, or has obtained a final injunction pursuant to Section 1429 of the Labor Code; provided further, that for the purposes of these provisions, an order or injunction shall not be considered final during the period within which (1) appeal may be taken, or (2) the same has been stayed by order of court, or (3) further proceedings for vacation, reversal or modification are in progress before a competent administrative or judicial tribunal.

(3) Upon such finding by the Director of the Human Rights Commission, or other official designated by the Human Rights Commission, or the Fair Employment Practices Commission, the awarding authority shall notify the contractor, subcontractor or supplier that unless he or she demonstrates to the satisfaction of the Director of the San Francisco Human Rights Commission, or other official designated by the Human Rights Commission, within such reasonable period as the Human Rights Commission shall determine, that the violation has been corrected, action will be taken as set forth in subparagraph (h) and (i) hereof.

(4) The Human Rights Commission shall, within ten days of the date of issuance of any finding by the Director of the Human Rights Commission or other official designated by the commission in the enforcement of this chapter, mail to any person or persons affected by said finding, a copy of said finding, together with

written notice of his right to appeal. Notice of appeal must be filed in writing with the chairman of the Commission within 20 days of the date of mailing said copy and notice.

(5) For purpose of appeal proceedings under this Section, a quorum shall consist of eight members of the Commission. The vote of the majority of the full Commission shall be necessary to affirm reverse or modify such decisions, order or other action rendered hereunder. Should a member of the Human Rights Commission be designated under Section 12B.2(f)(1) of this contract, that commissioner may not participate in an appeal under this Section except as a witness.

(6) The presiding officer of the Commission shall have the power to administer oaths to witnesses in appeals before the commission under this Section. In the event that any person shall fail or refuse to appear as a witness in any such proceeding after being requested to do so, and if it shall appear to the Commission that his or her testimony, or books, records, documents or other things under his or her control are material and relevant as evidence in the matter under consideration by the Commission in the proceeding, the presiding officer of the Commission may subpoena such person, requiring his or her presence at the proceeding, and requiring him or her to bring such books, records, documents or other things under his or her control.

(7) All appeals to the Human Rights Commission shall be open to the public. Records and minutes shall be kept of such proceedings and shall be open to public inspection. Upon reaching a decision in any appeal, the Commission shall give written notice thereof to the Director of the Human Rights Commission, or other official designated by the Human Rights Commission, and the appellant or appellants. The decision of the Commission shall be final unless within 15 days of the filing and service of written notice thereof appropriate legal proceedings are filed in a court of competent jurisdiction by any party to this contract.

(8) If any contractor, subcontractor or supplier under contract to the City and County of San Francisco shall fail to appear at an appeal proceeding of the Commission after having been given written notice to appear, such failure to appear shall be grounds for cancellation of the contract or subcontract and such contractor, subcontractor or supplier shall be deemed to have forfeited all rights, benefits and privileges thereunder.

(9) The Human Rights Commission of San Francisco shall promulgate rules and regulations for the implementation of the nondiscrimination provisions of this contract, and such rules and regulations shall, so far as practicable, be similar to those adopted in applicable federal executive orders.

(h) There may be deducted from the amount payable to the contractor, subcontractor or supplier by the City and County of San Francisco under this contract a penalty of \$50 for each person for each calendar day during which such person was discriminated against in violation of the provisions of this contract. In addition to any other penalties herein provided for the violation of the nondiscrimination provisions of this contract or for the failure of any contractor, subcontractor or supplier to abide by the rules and regulations herein contained, this contract may be forthwith cancelled, terminated or suspended, in whole or in part, by the contracting agency upon the basis of a finding as set forth in Section

12B.2(f) that the contractor, subcontractor or supplier has discriminated contrary to the provisions of this contract, and all moneys due or to become due hereunder may be forfeited to, and retained by, the City and County of San Francisco.

(i) A breach of the nondiscrimination provisions in the performance of this contract shall be deemed by the City and County of San Francisco to be material breach of contract and basis for determination by the officer, board or awarding authority responsible for the awarding or letting of such contract that the contractor, subcontractor or supplier is an irresponsible bidder as to all future contracts for which such contractor, subcontractor or supplier may submit bids. Such person, firm or corporation shall not for a period of two years thereafter, or until he shall establish and carry out a program in conformity with the nondiscrimination provisions of this contract, be allowed to act as a contractor, subcontractor or supplier under any contract for public works, goods or services for or on behalf of the City and County of San Francisco.

(j) Nothing contained in this contract shall be construed in any manner so as to prevent the City and County of San Francisco from pursuing any other remedies that may be available at law.

(k) Nothing contained in this contract shall be construed in any manner so as to require or permit the hiring of aliens on public works as prohibited by law.

(l) The contractor, subcontractor or supplier will meet the following standards for affirmative compliance:

(1) If the contractor, subcontractor or supplier has been held to be an irresponsible bidder under Section 12B.2(i) hereof, he or she shall furnish evidence that he or she has established and is carrying out a program in conformity with the nondiscrimination provisions of this contract.

(2) The contractor, subcontractor or supplier may be required to file with the Human Rights Commission a basic compliance report, which may be a copy of the federal EEO-1, or a more detailed report as determined by the Commission. Wilful false statements made in such reports shall be punishable as provided by law. No contractor, subcontractor or supplier shall be held in nonconformance for not filing such a report with the Human Rights Commission unless he or she has been specifically required to do so in writing by the Human Rights Commission.

(3) Personally, or through his or her representatives, the contractor, subcontractor or supplier shall, through negotiations with the unions with whom he or she has collective bargaining or other agreements requiring him or her to obtain or clear his or her employees through the union, or when he or she otherwise uses a union as an employment resource, attempt to develop an agreement which will:

(a) Define and outline responsibilities for nondiscrimination in hiring, referral, upgrading and training.

(b) Otherwise implement an affirmative antidiscrimination program in terms of the unions' specific areas of skill and geography, such as an apprenticeship program, to the end that minority workers will be available and given an equal opportunity for employment.

(4) The contractor, subcontractor supplier or trade association shall notify the contracting agency of opposition to the nondiscrimination provisions of this contract by individuals, firms or organizations during the term of this contract. (Amended by Ord. 489-86, App. 12/18/86; Ord. 84-87, App. 3/20/87)

SEC. 12B.3. HUMAN RIGHTS COMMISSION EMPOWERED. The San Francisco Human Rights Commission, its presiding officer and its director are hereby granted the power to do all acts and exercise all powers referred to in Section 12B.2 hereof. (Added by Ord. 261-66, App. 10/21/66)

SEC. 12B.4. AFFIRMATIVE ACTION GUIDELINES. The following affirmative action guidelines shall apply to all contracts for or on behalf of the City and County of San Francisco, as provided in Section 12B.1 hereof.

In order to be eligible to bid or to have a bid considered by the awarding agency, the contractor in all contracts shall submit an affirmative action program which shall meet the requirements of the Human Rights Commission.

The Human Rights Commission may also require contractors, subcontractors and suppliers to take part in a pre-bid or pre-award conference in order to develop, improve or implement a qualifying affirmative action program.

(a) Affirmative action nondiscrimination programs developed pursuant to this Section shall be effective for a period of 12 months next succeeding the date of approval by the Human Rights Commission. Contractors, subcontractors and suppliers who are members in good standing of a trade association which has negotiated an affirmative action nondiscrimination program with the Human Rights Commission may make this association program their commitment for the specific contract upon approval of the Human Rights Commission without the process of a separate pre-bid or pre-award conference. Such an association agreement shall be effective for a period of 12 months next succeeding the date of approval by the Human Rights Commission. Trade associations shall provide the Human Rights Commission with a list of members in good standing in such association. The Human Rights Commission shall annually supply contracting agencies of the City and County with a list of contractors, subcontractors and suppliers who have developed approved affirmative action nondiscrimination programs.

(b) The awarding agency shall be responsible for notifying all prospective bidders of the requirements of this Section and also when requested by Human Rights Commission, for notifying the Human Rights Commission of each contract which is being proposed to be put to public bid.

(c) The proposed affirmative action program required to be submitted under Section 12B.4 hereof, and the pre-bid or pre-award conference which may be required by Human Rights Commission, shall, without limitation as to the subject or nature of employment activity, be concerned with such employment practices as:

- (1) Apprenticeship where approved programs are functioning, and other on the job training for nonapprenticeable occupations;
- (2) Classroom preparation for the job when not apprenticeable;
- (3) Preapprenticeship education and preparation;
- (4) Upgrading training and opportunities;
- (5) Encouraging the use of contractors, subcontractors and suppliers of all ethnic groups, provided, however, that any contract subject to this ordinance shall

require the contractor, subcontractor or supplier to provide not less than the prevailing wage, working conditions, and practices generally observed in private industries in the City and County of San Francisco for such work; and

(6) The entry of qualified minority journeymen into the industry.

(d) Affirmative action nondiscrimination agreements resulting from the proposed affirmative action programs or the pre-bid or pre-award conferences shall not be confidential and may be publicized by the Human Rights Commission at its discretion. In addition, the Human Rights Commission may report to the Board of Supervisors, either on request of the Board or on its own initiative, on the progress or the problems which attend the implementation of these agreements or any other aspect of enforcement of this ordinance.

(e) Any job training or education program using the funds, facilities, or staff of the City and County of San Francisco which, in the judgment of the Board of Supervisors or the Human Rights Commission, can make a contribution to the implementation of this ordinance shall submit reports to the Human Rights Commission as requested and shall be required to cooperate with the contractors, subcontractors, suppliers and unions and with the Human Rights Commission for the effectuation of the affirmative action nondiscrimination programs developed under this ordinance. (Amended by Ord. 498-75, App. 1/5/75)

SEC. 12B.5. CHAPTER APPLIES ONLY TO DISCRIMINATORY EMPLOYMENT PRACTICES. This Chapter shall not confer upon the City and County of San Francisco or any agency, board or commission thereof any power not otherwise provided by law to determine the legality of any existing collective bargaining agreement and shall have application only to discriminatory employment practices by contractors, subcontractors or suppliers engaged in the performance of City and County contracts.

(a) The Board of Supervisors shall appropriate such funds from the General Fund of the City and County of San Francisco, subject to budgetary and fiscal provisions of the Charter, as it may deem necessary for the enforcement of this ordinance. (Amended by Ord. 340-68, App. 12/6/68)

SEC. 12B.6. SEVERABILITY. If any clause, sentence, paragraph or part of this Title or the application thereof to any person or circumstances, shall, for any reason, be adjudged by a court of competent jurisdiction to be invalid, such judgment shall not affect, impair or invalidate the remainder of this title. (Amended by Ord 261-66, App. 10/21/66)

EXHIBIT D

INSURANCE

a. University at its sole cost and expense, shall insure its activities in connection with this Agreement and obtain, keep in force and maintain insurance as follows;

- 1) Comprehensive Form General Liability Insurance or an equivalent funded program of self-insurance (automobile owned, non-owned, contractual, products and completed operations coverages included) with a combined single limit of no less than \$3,000,000 per occurrence.
- 2) Medical Professional and Hospital Liability Insurance or an equivalent program of self-insurance for bodily injury, property damage and personal injury in an amount no less than one million dollars (\$1,000,000) per claimant and two million dollars (\$2,000,000) each occurrence, with a general aggregate of five million dollars (\$5,000,000) applying. If such insurance is written on a commercial claims made form, following termination of this Agreement, coverage shall survive for the maximum reporting period available from insurance sources at each anniversary date of such insurance. Coverage shall also provide for a retroactive date of placement, coinciding with the effective date of this Agreement.
- 3) Workers' Compensation and Employers Liability Insurance or Self Insurance in a form and amount covering University's full liability under the Workers' Compensation Insurance and Safety Act of the State of California as amended from time to time.
- 4) Such other insurance in such amounts which from time to time may be reasonably required by the mutual consent of University and City/County to protect against other insurable risks relating to performance under this Agreement.

It should be expressly understood, however, that coverages required herein shall not in any way limit the liability of the University. Upon the execution of this Agreement, University shall furnish City/County with Certificates of Insurance or self-insurance evidencing compliance with all requirements. The Certificates shall:

- (a) Make provisions for thirty (30) day advance written notice to City/County for any modification, change or cancellation of any of the above insurance coverages.
- (b) Name City/County as an additional insured. Such a provision, however, shall not apply with respect to a.3) above.

INSURANCE (continued)

It should be further understood that the provisions under (b) above shall apply in proportion to or to the extent of the negligent acts or omissions of University, its officers, agents or employees and as stipulated under the Indemnity Provisions of Article XIV of this agreement.

b. City/County , at its sole cost and expense, shall insure its activities in connection with this Agreement and obtain, keep in force, and maintain insurance as follows:

1) Comprehensive Form General Liability Insurance or an equivalent program of self-insurance (automobile owned, non-owned, contractual, products and completed operations coverages included) with a combined single limit of no less than \$3,000,000 per occurrence. If such form of coverage would not be obtainable then:

2) Commercial Form General Liability Insurance or an equivalent program of self-insurance with limits as follows:

(a)	Each Occurrence	\$3,000,000.00
(b)	Products Completed Operations Aggregate	\$2,000,000.00
(c)	Personal and Advertising Injury	\$1,000,000.00
(d)	General Aggregate	\$6,000,000.00

However, if such insurance is written on a claims-made form, following termination of this Agreement, coverage shall survive for the maximum reporting period reasonably available. Coverage shall provide for a retroactive date of placement coinciding with the effective date of this Agreement.

3) Business Auto Liability Insurance or equivalent self-insurance for owned, scheduled, non-owned or hired automobiles with a combined single limit of no less than \$3,000,000.00 per occurrence.

4) Medical Professional and Hospital Liability Insurance or an equivalent program of self-insurance for bodily injury, property damage and personal injury in an amount no less than one million dollars (\$1,000,000) per claimant and two million dollars (\$2,000,000) each occurrence, with a general aggregate of five million dollars (\$5,000,000) applying. If such insurance is written on a commercial claims made form, following termination of this Agreement, coverage shall survive for the maximum reporting period available from insurance sources at each anniversary date of such insurance. Coverage shall also provide for a retroactive date of placement, coinciding with the effective date of this Agreement.

INSURANCE (continued)

5) Workers' Compensation and Employers Liability Insurance or self-insurance in a form and amount covering City/County's full liability under the Workers' Compensation Insurance and Safety Act of the State of California as amended from time to time.

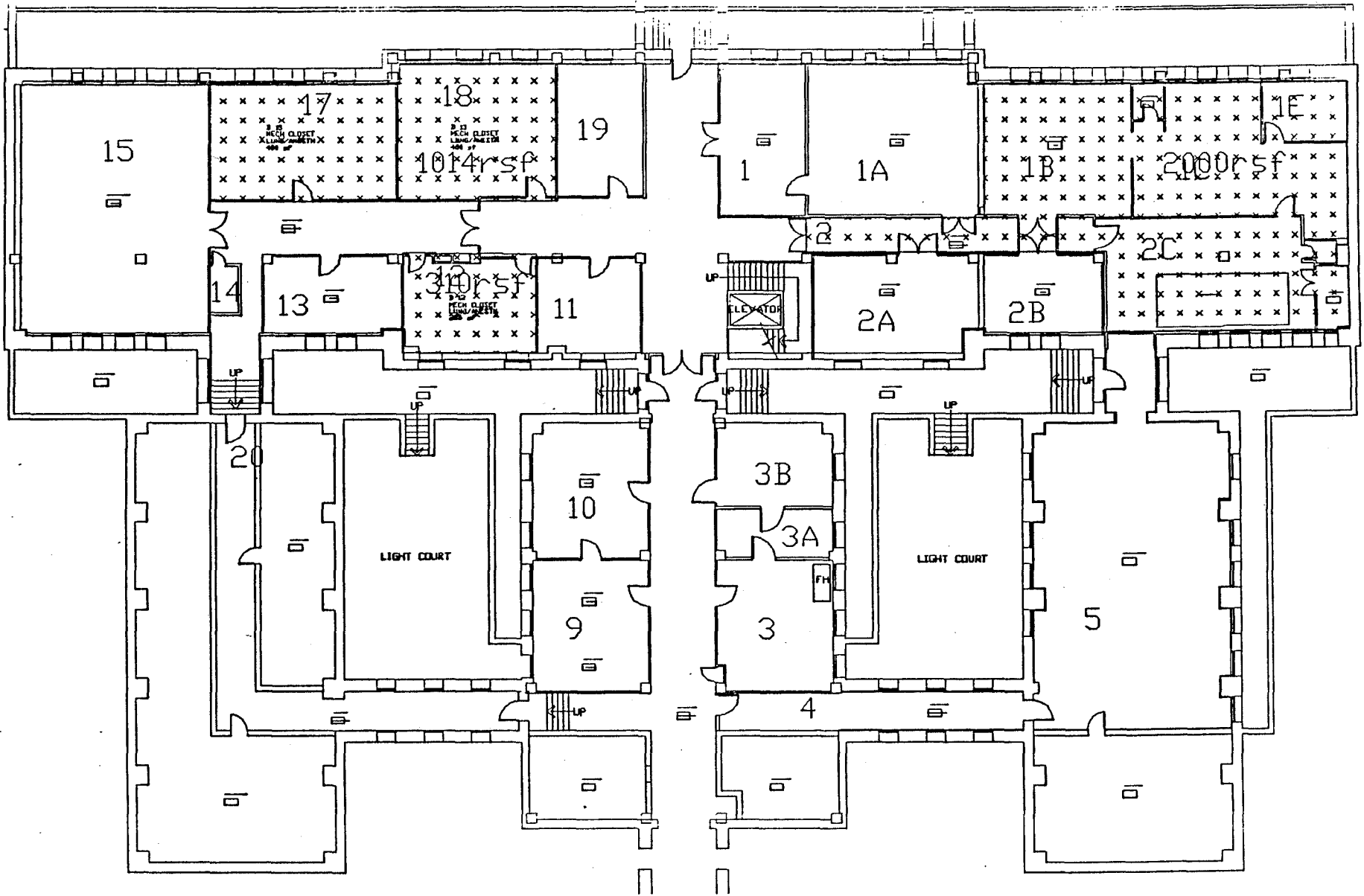
6) Such other insurance in such amounts which from time to time may be reasonably required by the mutual consent of City/County and University to protect against other insurable risks relating to performance under this Agreement.

It should be expressly understood, however, that coverage required herein shall not in any way limit the liability of City/County. City/County agrees to maintain a self-insurance fund with respect to coverages enumerated above, agrees to provide University thirty (30) day advance written notice of depletion of such fund and agrees to use such fund as security for the obligations described in Article IV of this Agreement.

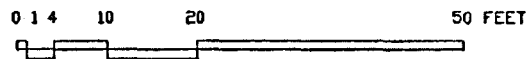
EXHIBIT E

FACULTY RESEARCH LEASE SPACE WORKSHEET

BUILDING	FLOOR	93 USE (rsf)
1		
	BSMT	3,275
	1	4,610
	2	16,600
	SUB	24,485
3		
	1	760
	2	3,640
	3	12,600
	SUB	17,000
5		
	1	40
	SUB	40
30		
	4	2,100
	5	5,600
30 BRIDGE	3	1,100
	4	1,100
	5	1,100
	SUB	11,000
90		
	1	360
	5	2,100
	SUB	2,460
100		
	2	17,050
	3	9,250
	SUB	26,300
TOTAL		81,285

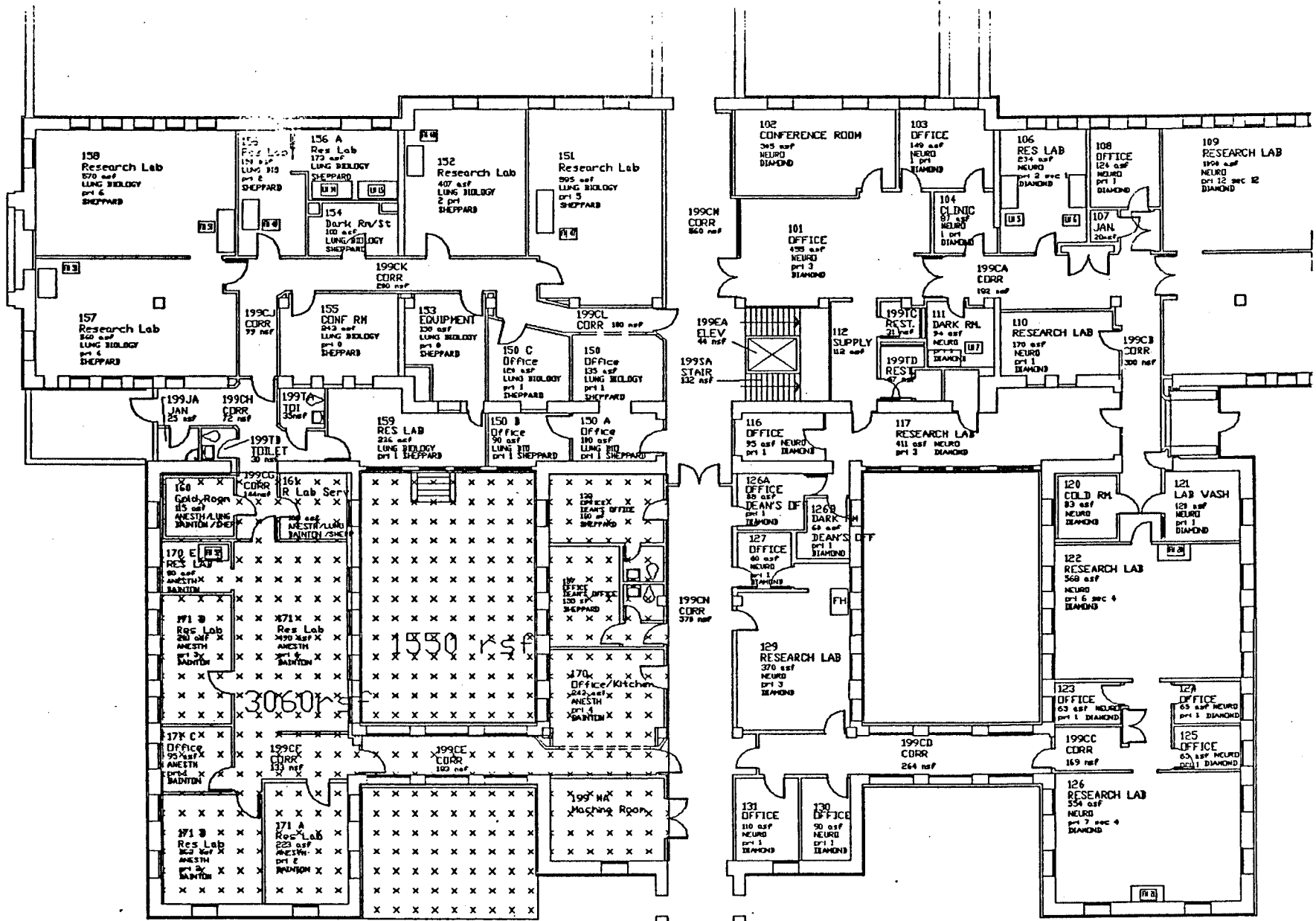


BUILDING 1 BASEMENT



3275 rsf





LUNG BIOLOGY / ANESTHESIOLOGY

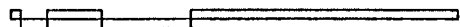
GALLO CENTER

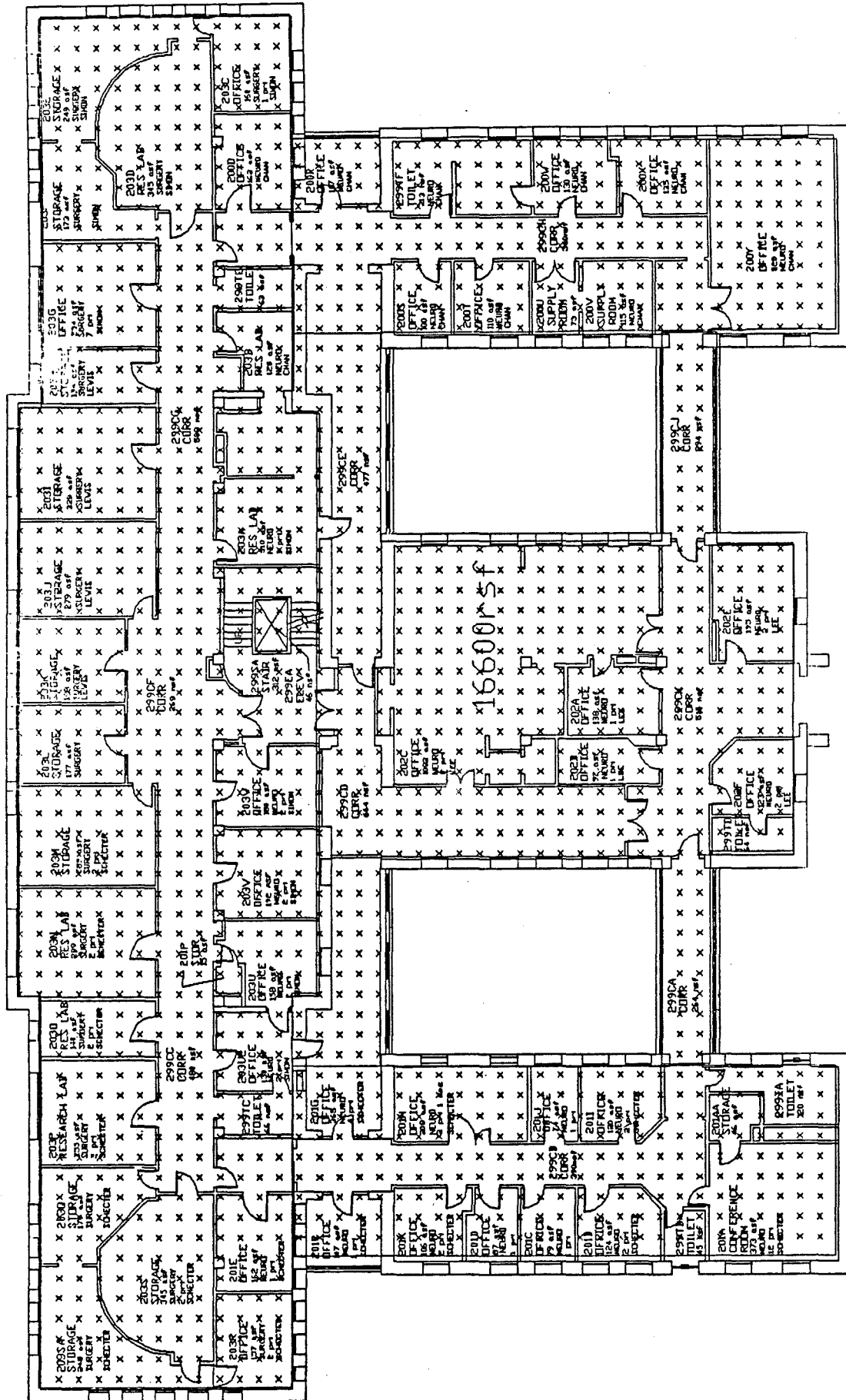
BUILDING 1 1ST FLOOR

4610 rsf



0 14 10 20 50 FEET





BUILDING 1 SECOND FLOOR

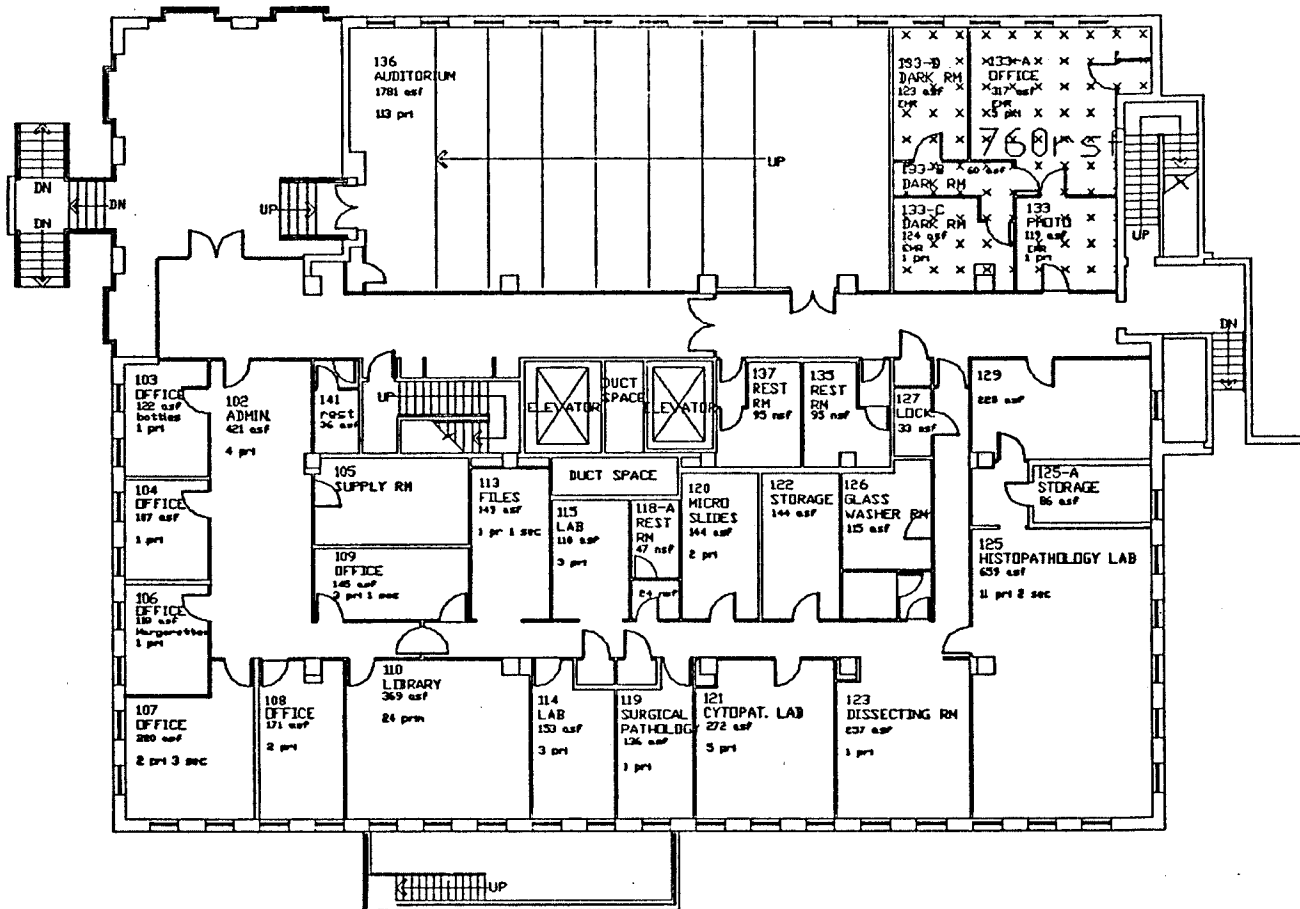
50 FEET

20

10

0 14

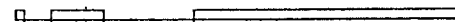
16600 r/sf

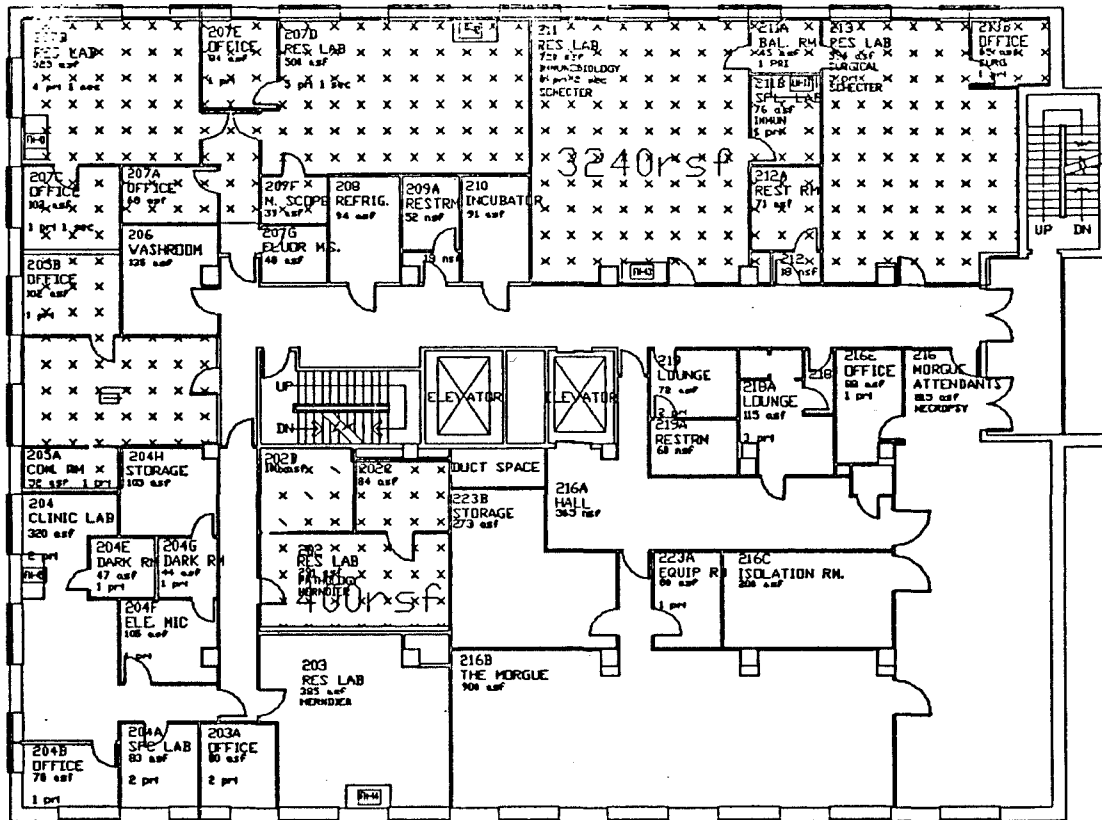


BUILDING 3 FIRST FLOOR

760 rsf

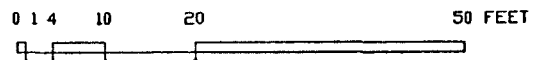
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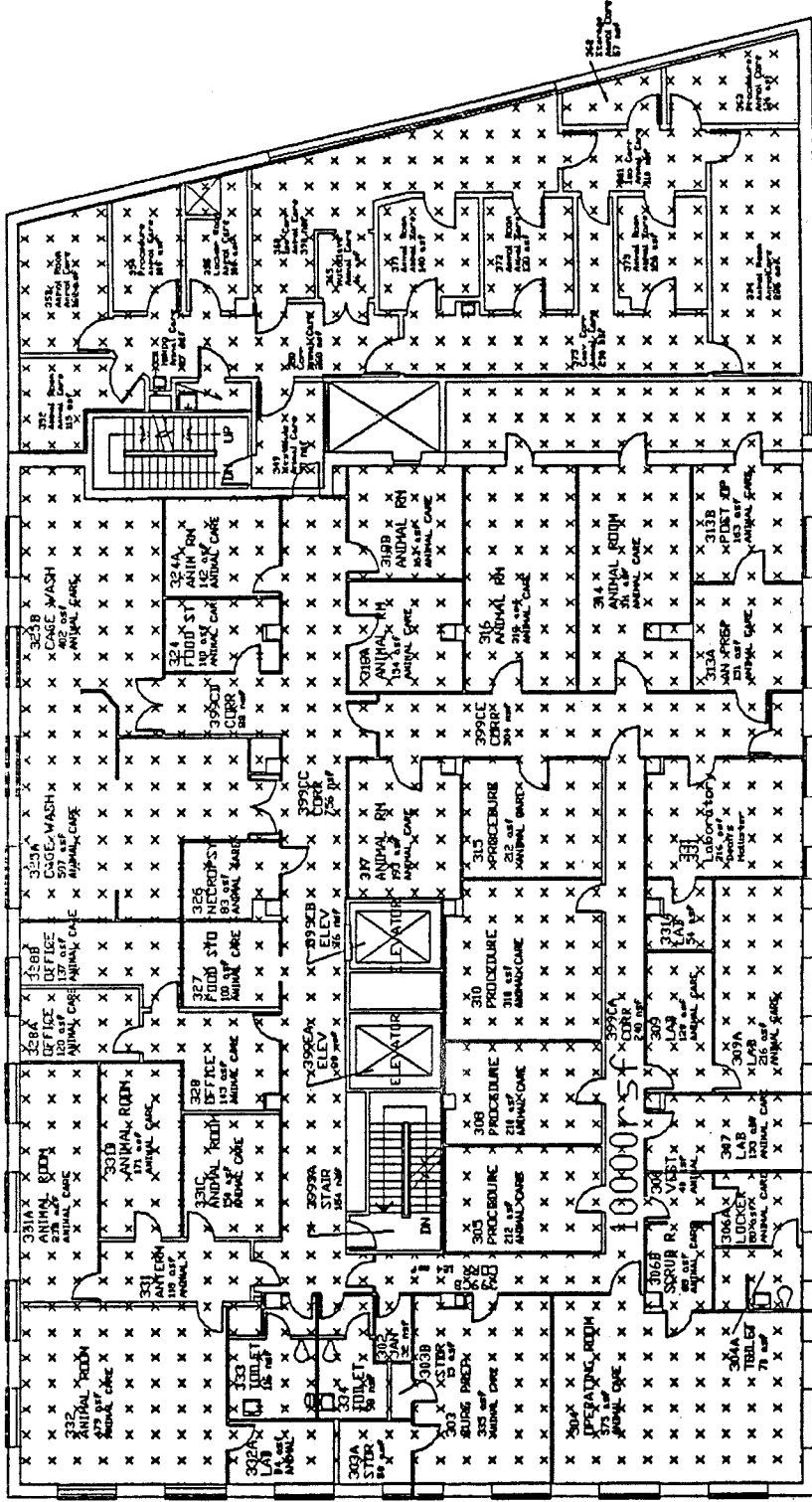




3640 rsf

BUILDING 3 SECOND FLOOR

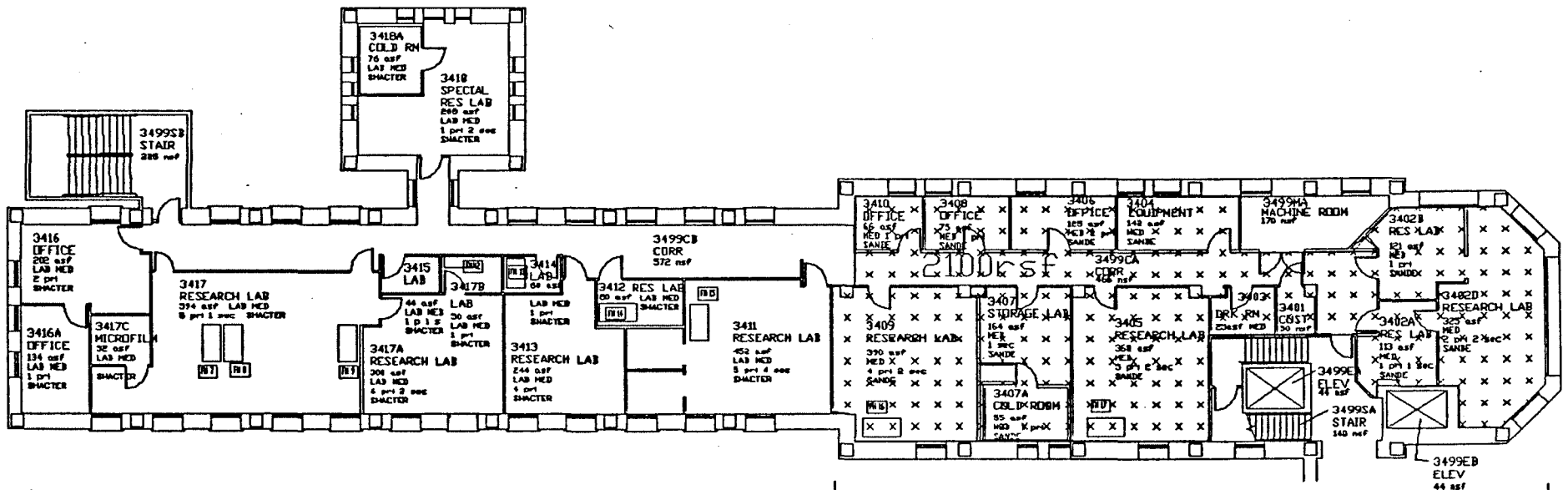




12600 rsf

BUILDING 3 THIRD FLOOR





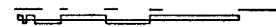
CHLAMYDIA RESEARCH

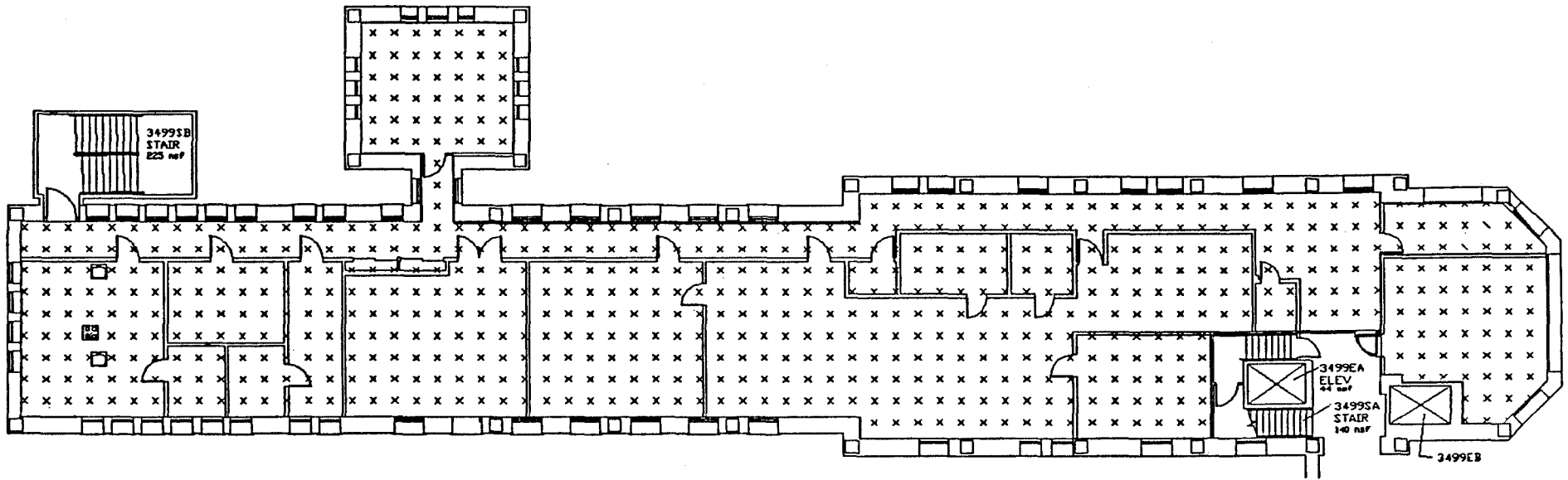
INFECTIOUS DISEASE

2100 rsf

BUILDING 30

4 TH FLOOR

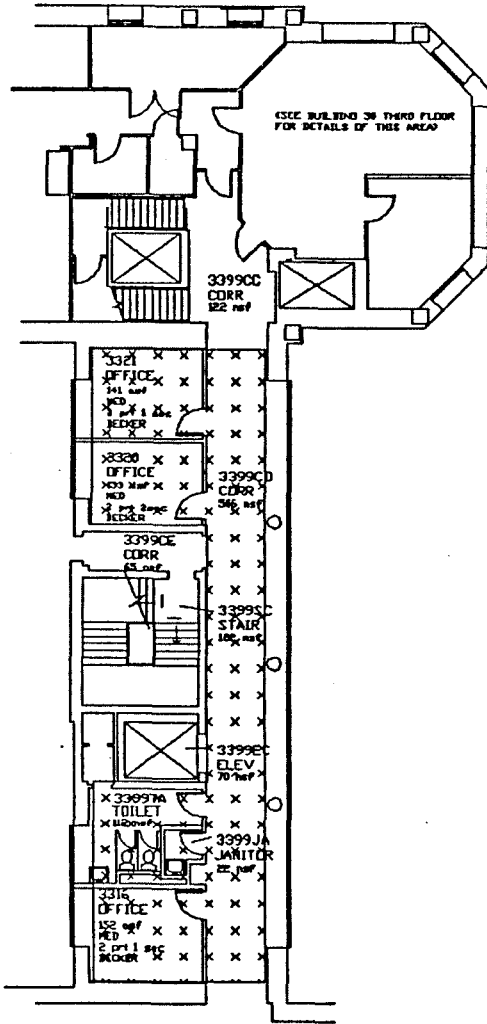




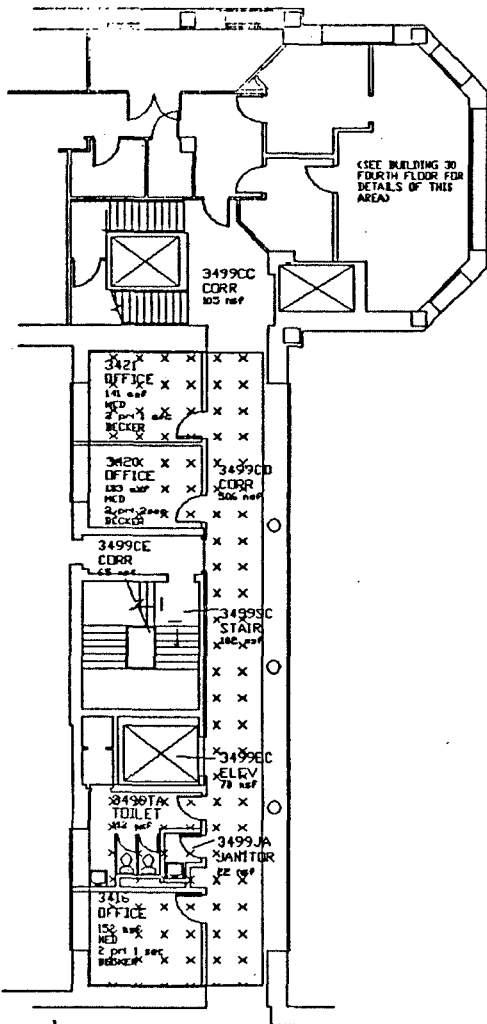
5600 rsf

BUILDING 30 5 TH FLOOR

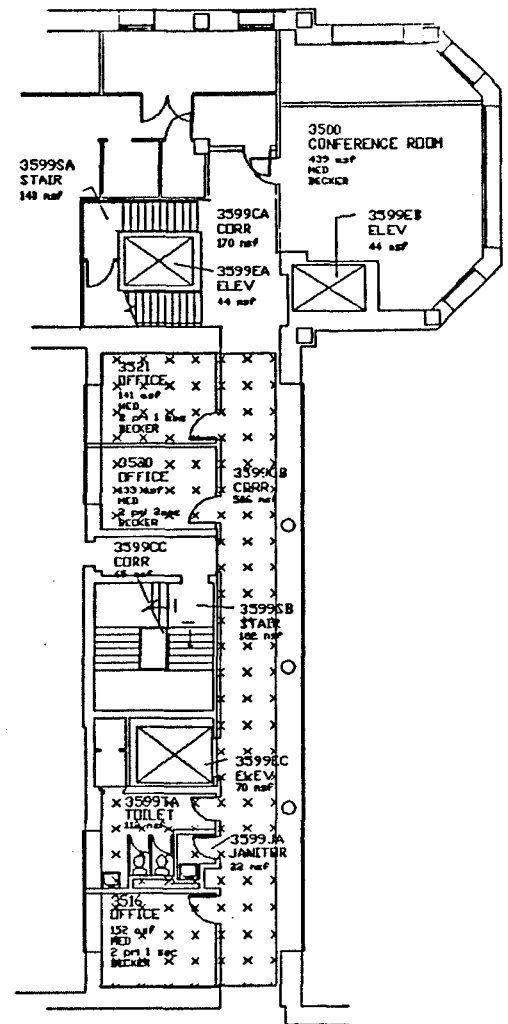




3RD FLOOR

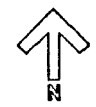
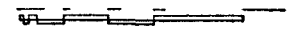


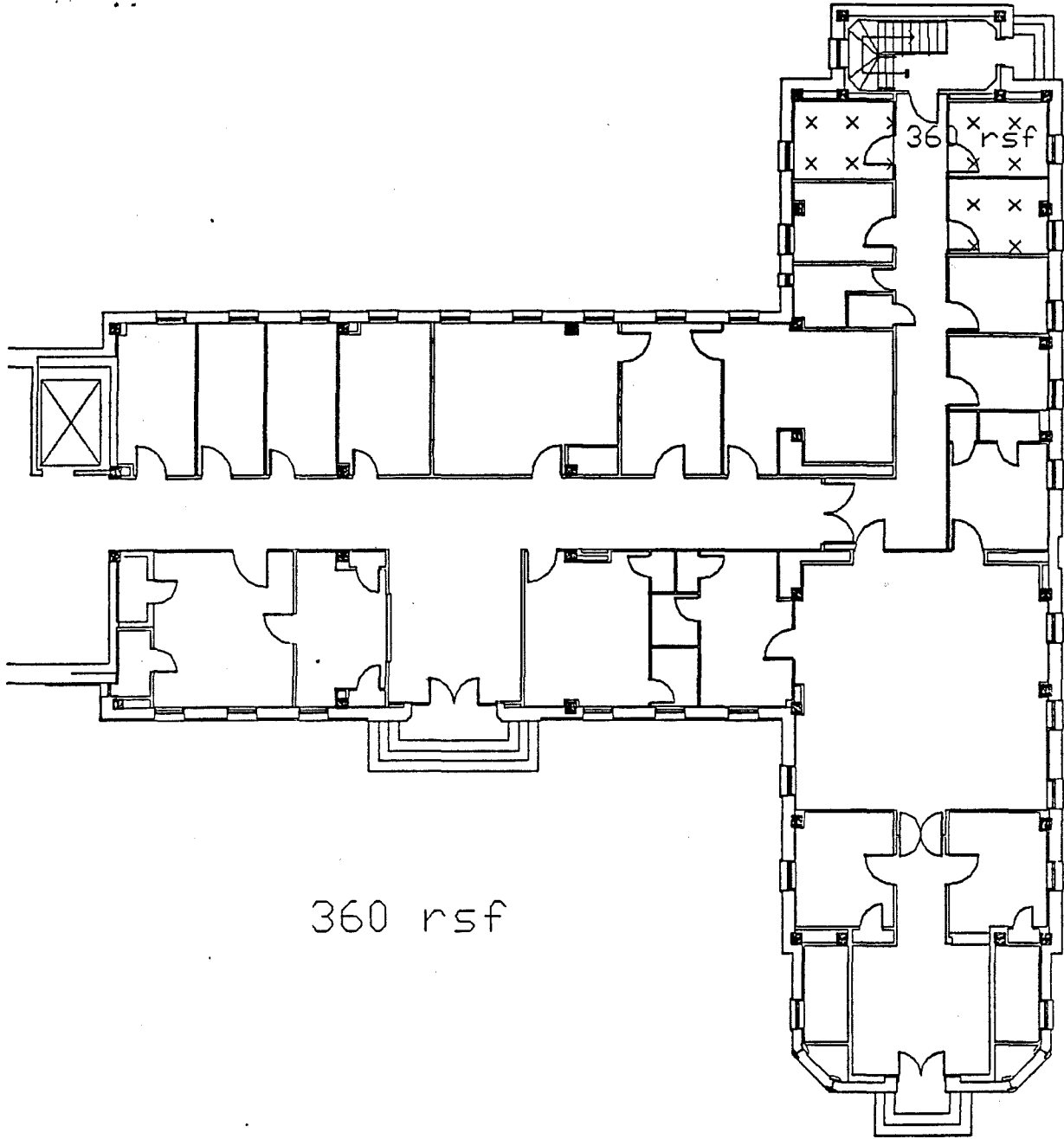
4TH FLOOR



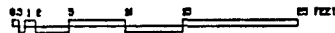
5TH FLOOR

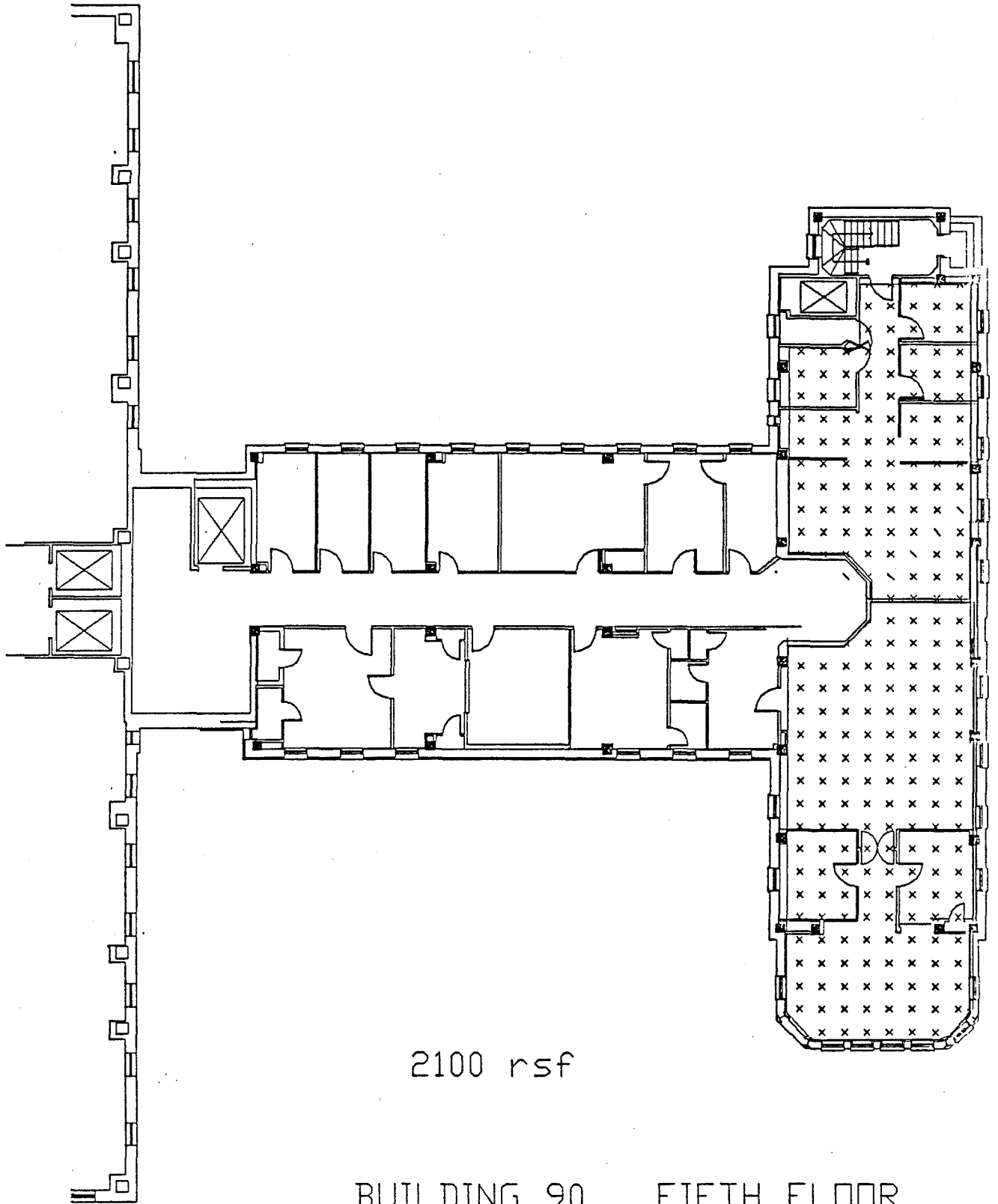
3300 rsf
 BUILDING 30 BRIDGE





BUILDING 90 FIRST FLOOR

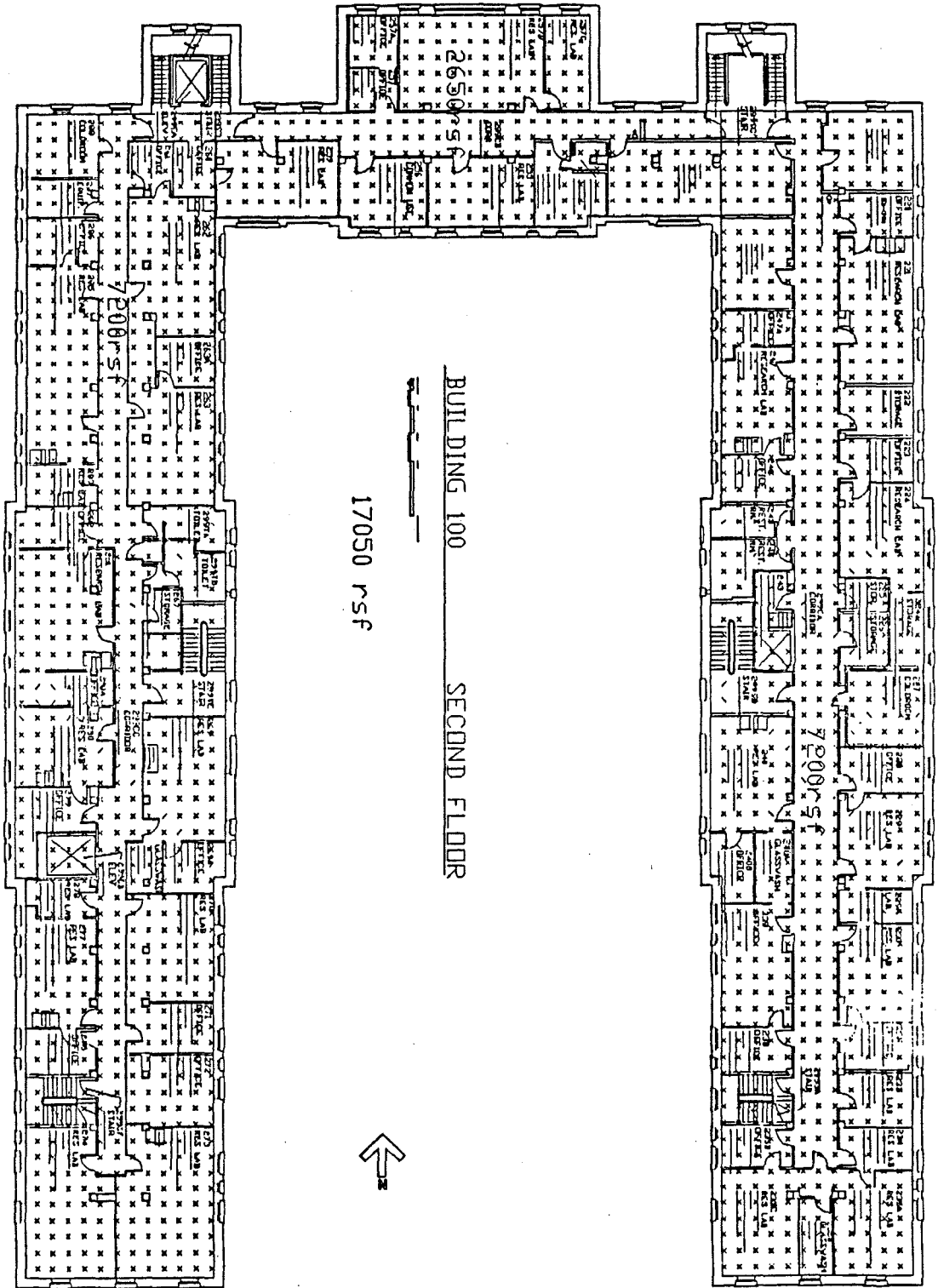




2100 rsf

BUILDING 90 FIFTH FLOOR

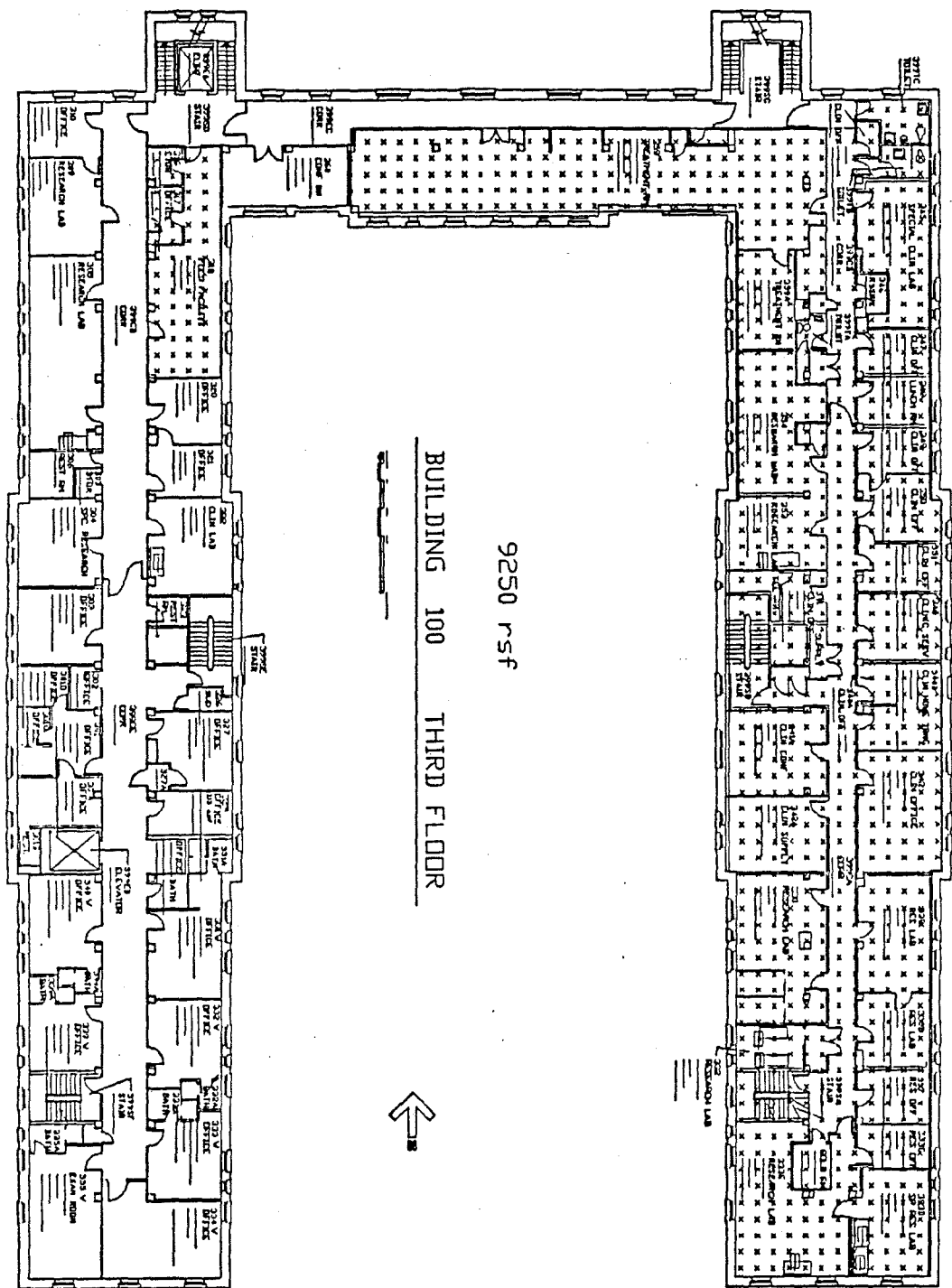




UCSF/SEGH
 BUILDING PLANS
 BUILDING 100
 SECOND FLOOR
 ARCHITECTURAL

I S MARTEL R BARON

100-2A



9250 rsf

BUILDING 100 THIRD FLOOR

UCSF/SFGH
 BUILDING PLANS
 BUILDING 100
 THIRD FLOOR
 ARCHITECTURAL

R. JANSSEN

100-3A

EXHIBIT F

December 28, 1993

EXECUTIVE DIRECTOR RICHARD CORDOVA
San Francisco General Hospital

Re: UC Offers of Employment to SFGH Physician Specialists

Dear Mr. Cordova:

This letter sets forth the procedures by which the University of California, San Francisco ("the University") will offer employment in accordance with Section X.E. and F. of the affiliation agreement to those physician specialists currently employed at San Francisco General Hospital ("SFGH") by the City and County of San Francisco (the "City and County") who also have either a paid part-time appointment and/or an academic affiliation with the University. The letter also briefly outlines the terms and conditions of employment which will be offered by the University to these physician specialists. Physician specialists (except those on approved leaves of absence) who are offered and accept the University's offer of employment will begin work as University employees effective Oct. 1, 1994.

1. By March 1, 1994, the City and County will provide the University with a list of all physician specialists employed at SFGH. The list shall include name, job title specialty, percentage of appointment, social security number and current mailing address.
2. No less than 30 days prior to Oct 1, 1994, the University will offer employment to the physician specialists and, by no later than Sept 15, 1994, the University will advise the City and County in writing of the physician specialists to whom offers of employment have been made. Offers of employment will not be extended to those physician specialists who have a date of separation from the City and County prior to Oct 30, 1994.
3. The offer of employment to the physician specialists will remain open until 5:00 p.m. on Sept 30, 1994. All acceptances must be received by close of business on SEPT 30, 1994.
4. Pursuant to Sections X.E. and F. of the Affiliation Agreement, the University will extend offers of employment in writing; the letter offering employment will include among other matters:


- a. The classification and position which will be offered to the physician specialist if he or she accepts University employment;
 - b. The initial salary or wage rate;
 - c. Percentage of appointment;
 - d. The starting date;
 - e. A statement that, if the physician specialist accepts employment with the University, he or she will be covered by all applicable Regents' personnel policies and procedures in effect on the date of Regents' employment; and
 - f. A statement that the physician specialist, if he or she has not already done so, must complete all necessary paperwork in order to become an employee of The Regents, including providing proof of eligibility to work in the United States and execution of the Loyalty Oath.
5. A City and County physician specialist to whom an offer of employment is made shall be entitled to accept the offer by signing the offer of employment and filing it with an authorized University representative on or before 5:00 p.m. on Sept 30, 1994. This shall be the exclusive method by which employment will be offered and accepted. For those who are on active status with the City and County as of Sept 30, 1994, and who are offered and accept the University's employment offer, employment with the University will begin July 1, 1994. Those employees who, on Sept 30, 1994, are on an approved leave of absence from the City and County and who receive an offer of employment, the offer of employment will not be effective until the first work day following the expiration date of the leave. Please advise the University no later than March 1 of all physician specialists who are then currently on leave with a return to work date scheduled after Oct 1, 1994 and update the list on the first day of July, Aug and Sept.
 6. Initial University employment will be in a position and classification specified by the University.
 7. The University will audit and classify each position in accordance with its academic personnel system and pay each former physician specialist in a manner consistent with University academic personnel policies and practices. The University retains sole discretion to determine how such policies and practices shall be applied to the specifics of the classification and the amount of pay of each physician specialist who is offered and accepts employment with the University is to receive.
 8. The physician specialists will receive benefits in accordance

with University policy. In calculating benefit eligibility, University service only will be used in accordance with standard University procedures.

9. Between *Sept* 1, 1994 and *Oct* 1, 1994, the University will offer an orientation program to all City and County physician specialists who may be offered University employment. The orientation will include comparative information so that the physician specialists will be informed of University benefits including retirement benefits, job specifications and conditions of employment.

Please feel free to contact my office with any questions. The University looks forward to working with SFGH in order to make this transition as smooth and efficient as possible.

Very truly yours,



Elliot Rapaport, M.D.
Associate Dean, SFGH

Items 7, 8 and 9 - Files 172-94-3, 97-94-3 and 97-94-4

Note: These items were continued at the March 15, 1994 Government Efficiency and Labor Committee meeting.

Department: Department of Public Health, San Francisco General Hospital (SFGH)

Items: File 172-94-3 - Ordinance authorizing the Director of Public Health to execute an affiliation agreement between the City and County of San Francisco and the Regents of the University of California for the provision of patient care services at San Francisco General Hospital.

File 97-94-3 - Ordinance amending Administrative Code by repealing Section 19.A.3, which authorizes and directs the Director of Public Health to designate space at San Francisco General Hospital in order that the University of California (UC) may conduct research projects. Since the use of research space at San Francisco General Hospital by UC is covered by the proposed Affiliation Agreement, this section of the Administrative Code would no longer be necessary if the Affiliation Agreement is approved.

File 97-94-4 - Ordinance amending Administrative Code by repealing Section 19.A.11, which authorizes the Health Commission and the Purchaser to enter into an agreement with the University of California for the provision of medical and laboratory services at San Francisco General Hospital for the period beginning July 1, 1959 and renewable on an annual basis thereafter. Again, this section of the Administrative Code will no longer be necessary should the proposed Affiliation Agreement be approved.

- Overview:**
1. The only written Affiliation Agreement between the City and County and the University of California was approved in 1959. A proposed Affiliation Agreement was submitted to the Board of Supervisors in 1987. The 1987 proposed agreement stipulated that Interns and Residents would be transferred from employment by the City and County of San Francisco to the employment by UC. The San Francisco Interns and Residents Association opposed the proposed Affiliation Agreement because of the employment transfer provision. The Board of Supervisors did not approve that proposed agreement.
 2. The Affiliation Agreement should be distinguished from the *UC Contract*. The purpose of the Affiliation Agreement is to establish the agreements and understandings of the parties in terms of their relationship, respective responsibilities, rights, obligations and expectations. The UC Contract is an annual budget document which

is re-negotiated each year as part of the budget process. The annual UC Contract establishes the amount that the City will reimburse the University for purchased services.

3. Despite that fact that this proposed Affiliation Agreement is not a budgetary document, it does set forth policies and define methodologies for future budgetary development and payment procedures.

4. Other key features of the proposed Affiliation Agreement involve the transfer of all San Francisco General Hospital Physician Specialists to the employment of the University of California. Currently, these Physician Specialists are all co-employed by the City and County of San Francisco and the University of California. This transfer of employment will affect approximately 182 individuals, who staff 66.5 full time equivalent Physician Specialist positions. These individuals would become employees solely of the University of California beginning October 1, 1994.

Also, the Affiliation Agreement calls for the consolidation of space leased by UC at San Francisco General Hospital with "research space", currently provided to UC at no charge and authorized by Administrative Code Section 19A.3 (which would be repealed by approval of the proposed ordinance in File 97-94-3 - Item 9) under a master lease agreement. No additional revenue would be gained by San Francisco General Hospital as a result of this lease consolidation.

5. Although the proposed Affiliation Agreement is not a budgetary document or contract for purchased services, the Budget Analyst has included budgetary data and service descriptions as summarized in this report and detailed in Attachment 1 to this report.

Description: The following subsections of this report describe certain substantive issues addressed in the proposed Affiliation Agreement.

1. *Covered Services* to be provided under the proposed Affiliation Agreement which are defined in the agreement as services for which the City and County makes payment including (a) patient care services rendered to unsponsored patients treated at SFGH, (b) management services, (c) supervision of Housestaff (interns and residents employed at SFGH, and (d) other services agreed upon by University and SFGH. Covered services include not only those services for which the City and County makes payment, but also those services for which the University may render professional bills, irrespective of collection. Nothing in this Agreement requires that the City and County shall pay for the same service that is paid for by another payer.

Memo to Government Efficiency and Labor Committee
 April 5, 1994 Government Efficiency and Labor Committee Meeting

The table below provides a summary budget by hospital department for the 1993-94 UC Contract for services provided to SFGH.

SUMMARY 1993-94 BUDGET FOR UC CONTRACT

<u>Department</u>	<u>Total Full Time Equivalent Positions</u>	<u>Total 1993-94 Budget</u>
<u>Medicine</u>		
Administration- Medical Staff Office	6.00	\$ 364,004
AIDS Clinic	36.78	2,623,574
AIDS Evening Clinic	4.10	244,643
Anesthesia	19.60	2,449,400
Biomedical Engineering	12.35	799,212
Cardiology	14.30	1,347,613
Clinical Labs	164.08	12,011,522
Emergency Services	15.76	2,497,672
Pediatric Emergency	2.00	279,437
Family Community Medicine	2.83	296,366
Gastro-intestinal AIDS	6.66	484,847
Housestaff Benefits		1,030,320
Intensive Care Unit Stat Laboratory	6.10	468,114
Medical HIV Testing	4.00	236,522
Nuclear Medicine	16.05	1,998,934
Obstetrics/Gynecology	2.00	166,823
Pathology	16.50	1,151,098
Pharmacy	3.00	249,974
Pulmonary AIDS	2.50	189,864
Radiology	1.20	218,623
Rehabilitation Medicine	0.50	65,253
Respiratory Therapy	<u>31.65</u>	<u>2,041,005</u>
Total- Medicine	367.96	\$31,214,820
<u>Psychiatry</u>		
Psychiatric	36.70	\$3,395,658
Psych Infant Parent	<u>2.80</u>	<u>198,670</u>
Total-Psychiatry	39.50	\$3,594,328
<u>Other Expenditures</u>		
Physician Services to Medically Indigent		\$2,300,000
Renal Dialysis		406,000
MIA Obstetrics/Gynecology		<u>50,000</u>
Total Other Expenditures		\$2,756,000
Grand Total	407.46	\$37,565,148

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The SFGH is currently addressing a projected 1993-94 revenue shortfall through a variety of expenditure reductions, revenue enhancements and one-time revenue from retroactive SB855 Disproportionate Share Payments. As part of this effort, the 1993-94 UC Contract is scheduled to reduce actual expenditures by approximately \$800,000 to \$1.0 million. This reduction is not expected to result in reduced UC Contract services as savings have been realized in actual expenditures.

Attachment 1 to this report provides a detailed breakdown of each UC budget unit, including expenditures by object, position detail and descriptions of services provided. As shown in the table on the previous page, the total 1993-94 UC contract budget is \$37,565,148.

2. Responsibilities of University

Under the proposed Affiliation Agreement, the University shall be responsible for: (a) provision of Covered Services; (b) supervision of Housestaff and University Personnel; (c) compliance with the terms of this Agreement; and (d) personnel responsibilities.

In general, the University shall provide a sufficient number of University Personnel and Housestaff (University interns and residents serving at San Francisco General) in order to render patient care which meets the clinical services negotiated and approved in the Contract Budget for any given fiscal year.

Housestaff and Medical Students

The University shall be solely responsible for selecting, supervising, and training of Housestaff (interns and residents), medical students, and any other University trainees rotating through the SFGH. The City and County shall pay the salaries and reimburse the University for the cost of fringe benefits of Housestaff for the portion of their residency when they are assigned to the SFGH. The number of Housestaff for which the City and County shall pay shall be negotiated annually and shall be determined no later than July 1 for the Contract Year which begins the following July 1.

3. Responsibilities Of City and County

The City and County, through the Director of Public Health, is responsible for the governance, administration, and operation of SFGH. This responsibility shall be exercised through the SFGH Executive Administrator as delegated by the Director; the Administrator may delegate to the University responsibility for aspects of SFGH operations, but he/she retains full authority for SFGH administration.

SFGH Budget The City and County shall develop, approve, and implement an annual budget for the SFGH, which shall include negotiation and approval of the annual Final UC Contract Budget.

4. **Joint Responsibilities - UC and City and County Responsibilities**

Revenue Maximization - The Parties (defined in the agreement as the City and County of San Francisco and the University) shall jointly be responsible for maximizing Third Party Reimbursement to the extent it is within each Party's control; each Party shall require personnel under its supervision to act cooperatively to enable the other to recover all available Third Party Reimbursement.

Property Leases - The proposed Affiliation Agreement submitted to the Board of Supervisors originally proposed that, within one year of the execution of this Agreement, it was to be the intent of the parties that all SFGH Campus space currently occupied by the University for research purposes would be consolidated into a single master lease agreement at no additional cost to either party. Presently, there are 14 Lease Agreements between the City and County and University covering 85,198 square feet of space on the SFGH Campus for research purposes. In addition, the University occupies or intends to occupy, 81,285 square feet of space on the SFGH Campus, for which it is not charged by the City and County and which is not currently subject to a lease between the City and County and University.

In response to the recommendation of the Budget Analyst in our report to the Government Efficiency and Labor Committee of March 16, 1994 that the proposed agreement be amended to clearly require that the lease negotiations be based on fair market rental values for that portion of space now leased by the University, the SFGH and UC have removed the provision of the proposed agreement that would require such negotiations for a master lease at no additional cost to either party.

Under the existing 14 lease agreements between UC and SFGH, current annual revenue of approximately \$231,000 is being paid by UC for the 85,198 square feet of space; a rental rate of approximately \$.226 per month per square foot (\$2.71 annually). Each of these leases have different expiration and rental adjustment dates. If the proposed 81,285 in research space is consolidated with the leased space at no additional rent to UC, the University would occupy a total of 166,483 square feet for the \$231,000 annual total rent payments, or approximately \$.116 per square foot per month (\$1.39 annually).

Memo to Government Efficiency and Labor Committee
 April 5, 1994 Government Efficiency and Labor Committee Meeting

The Department of Real Estate advises that the current fair market value of SFGH leased and UC research space is, on average, \$.55 per square foot per month (\$6.60 annually). Therefore, the total fair market value for the 166,483 square feet leased and or occupied by UC for research purposes is \$1,098,787 annually.

According to SFGH under the proposed Affiliation Agreement (and in actual practice now) the City and County will receive reimbursement for the fair market rental value of this occupied space through both cash and in-kind services. For the space leased under the 14 lease agreements, the City and County will receive cash in the amount of \$231,000 per year. In addition, the City and County will receive in-kind services in terms of malpractice coverage for University Physicians providing care to indigents and University administrative costs incurred on behalf of SFGH. The value of these in-kind services, or offsets to cash rental payments, is estimated by the parties to equal at least \$1.1 million annually (\$450,000 for malpractice coverage for indigent services and \$650,000 for University administrative services which would otherwise be incurred by the SFGH.

The table below compares the current fair market value of the UC-leased space and research space provided to UC at no charge, with the current rent payments and value of "offsets" described above.

	Fair Market Value (@\$.55 per sq.ft. per month) of Space Leased by UC and Space Provided at No Charge for <u>Research Purposes</u>	Current Revenue Received and Estimated Value of <u>"Offsets" Provided in Proposed Agreement</u>
14 Existing Leases for 85,198 Sq. ft.	\$562,307	\$231,000 Annual Rent Paid by UC for Leased Space
Research Space - 81,285 Sq. ft. provided at no charge to UC	<u>536,481</u>	450,000 Estimated Value of Malpractice Coverage <u>650,000</u> Estimated Value of UC Administrative Costs
Totals	\$1,098,788	\$1,331,000

Utilities The City and County agrees that the utility rates for the fourteen (14) leases shall be reduced from \$0.62 per square foot per month to \$0.4513 per square foot effective July 1, 1994 and each of said fourteen leases is amended to set forth the new rate for the base year July 1, 1994 through June 30, 1995. This reduced utility charge, based upon a reduction of pro rated charges for SFGH

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power plant operations, will result in the approximate loss of \$17,500 annually in utility payments to SFGH.

Chief of Staff and Medical Staff Office.

Effective July 1, 1994, the University and the City and County of San Francisco shall provide half of the financial support for the Medical Staff Office. Each year during annual budget negotiations, the University and the City and County shall develop a mutually acceptable budget for the Medical Staff Office. This condition of the agreement was actually put into effect, for the first time, in the current 1993-94 Fiscal Year budget. The cost of this condition is currently \$364,004 annually. However, the inclusion of this budget item was negotiated and not mandated by the Affiliation Agreement.

5. Covered Services

Patient Care Services. - The University shall, subject to the Final Contract Budget, provide the quantity and types of medical services required to meet the medical needs of all SFGH patients, including those who may experience limited access to other providers due to financial, social, cultural, geographic, or medical reasons, or who have other special needs. The University shall provide the same quality of care to all patients, regardless of financial sponsorship or ability to pay.

Off-site Services - If the patient's attending physician determines that diagnostic and/or therapeutic services necessary for the delivery of appropriate medical care are not available at SFGH, the attending physician shall arrange for the necessary services to be delivered elsewhere to the extent possible. This condition does not obligate the City and County, the University, or a physician to obtain services not covered or provided under the tertiary care contract or by the patient's third-party payor. (The tertiary care contract is a separate agreement for provision of critical care services not available.)

Management Services - The University shall provide administration and management of all clinical departments through Chiefs of Service. The Chiefs of Service shall be responsible for managing their respective Departments in compliance with all relevant professional standards, Joint Commission on Accreditation of Healthcare Organizations (JCAHO) standards, and this Agreement.

6. Payment For Covered Services

University Services Budget - Beginning in 1994, the University shall prepare and submit each year a University Services Budget three weeks before the SFGH budget is due to the Health Commission. The University Services Budget shall include the anticipated cost of providing all Covered Services for the following Contract Year and the anticipated cost of providing any supplemental services requested by City and County.

Final Contract Budget - The Final Contract Budget for Covered Services shall be approved annually, based on the University Services Budget. The approval process will involve consideration of the UC Contract Budget as part of the SFGH budget request which must be approved by the Health Commission, the Mayor and the Board of Supervisors.

Nothing in this Agreement shall specify the level of the Final Contract Budget for any Contract Year; such level is to be determined through the annual budget negotiation process, and subject to the final approval of the budget by the City and County. If the Final Contract Budget is different from the University Services Budget, the Parties (City and County and the University) will negotiate in good faith to determine the nature, level, and scope of services that will be provided within the Final Contract Budget.

Departmental Reviews. During the first two years of this Agreement, the SFGH Departments shall be reviewed by the University and the SFGH for the purpose of determining the nature, scope, and level of services provided to patients served in those Departments. In addition, the University and the SFGH shall determine the appropriate level of payment and the payment methodology for such services. Once the University and the City and County determine the appropriate level of payment and payment methodology for all Departments, the University shall prepare the University Services Budget in accordance with that payment method.

The Departmental reviews are to permit review and analysis of payment methodologies in order to adapt the provision of University and SFGH services to health care reform and new methods of health care financing. In the future, the payments to UC may be based on actual units of service provided, rather than reimbursement of actual UC costs or, alternatively, based on capitated rates for defined patient populations. Either alternatives would be more consistent with the State of California's strategic plan for implementation of a system of managed care or expected Federal health care reform initiatives.

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The proposed agreement stipulates that the changes in payment methodology will be enacted without further amendment to the Affiliation Agreement, but instead will be decided and implemented by the "President of the University or his/her designee and the Director of (Public) Health or his/her designee."

In response to the recommendation of the Budget Analyst in our report to the Government Efficiency and Labor Committee of March 16, 1994, the SFGH has agreed to submit the revised billing methods for approval by the Health Commission, the Mayor and the Board of Supervisors during the annual budget process.

The proposed agreement also provides that SFGH can put any of the services provided by UC out to bid as a means of seeking a lower cost provider or of substantiating the competitiveness of the University's costs. In such an event, SFGH must give UC a "right of first refusal", or an opportunity to match the lowest bidder.

Interim Payments. Until a Department is reviewed and the payment methodology agreed to by both Parties, payment shall be made in accordance with existing practices which reimburses UC for salaries and benefits of University employees, reimbursement for fringe benefits of Housestaff (interns and residents) and budgeted expenditures for materials and supplies and equipment.

Changes During a Budget Year - Subject to the budget and fiscal provisions of the City and County's Charter, the parties may agree at any time during a budget year that additional services may be necessary in order that SFGH may continue to provide adequate patient services hereunder. In addition, the parties agree that during the budget year, the scope of certain services historically provided may be reduced so that SFGH may continue to provide a range of services adequate to meet patient care needs. Should such a determination be made, City and County shall negotiate with the University in good faith for provision of such services in accordance with other provisions within this Agreement.

Budget Reductions - In the event of a reduction in the SFGH budget below the level of funding necessary to continue the services at the same scope, nature, and level as the 1993-94 budget year during any fiscal year thereafter, the Administrator shall determine which services shall be reduced, in consultation with the Director of Health, the Associate Dean, and the medical staff, so long as this determination is consistent with the Final Contract Budget. Budget reductions will be made in either the SFGH or University budget depending upon who provides those particular services. Such reductions will be subject to the approval of the Health Commission, the Mayor and the Board of Supervisors through the annual budget process.

Use of University Research Funds and Professional Fee Revenues -

Under the proposed Affiliation Agreement, as is the case now, UC physicians charge professional fees for inpatient physician services, separate from the SFGH billings for patient services. Current estimated professional fees received by UC amount to approximately \$12 million annually including payments, in 1993-94, of up to \$2.3 million annually by the City and County for professional services provided to medically indigent patients.

The proposed Affiliation Agreement provides that there shall be no restrictions on the University's use of professional fee revenues and research funds, *except that* all such revenues must be allocated in support of activities provided on the SFGH Campus or in support of the Schools of Medicine and Dentistry.

This condition provides assurance that UC professional fee revenues and research funds will benefit activities at SFGH. The SFGH states that audits will be conducted in order to monitor the use of such funds to assure compliance with this provision of the proposed agreement. According to the Associate Dean of the University of California, this practice has been in place since professional fees were first collected by UC for physician services. Such items as medical and office equipment, licensing and continuing education costs, support staff and non-physician health care providers have been paid for by UC over and above contract related expenditures. However, approximately \$1.0 million of the professional fees are used to supplement salaries of non-contract physician specialists in order that their salaries will conform to the University's physician salary scale.

7. Revenue and Billing

Inpatient - The City and County shall interview and screen every patient for financial responsibility. SFGH eligibility staff shall pursue payment sources both at the point of admission/registration and after discharge. The City and County shall bill and collect facilities charges in compliance with hospital eligibility guidelines.

Outpatient - The City and County shall bill and collect joint professional/facility fee charges for care rendered in the outpatient clinics, unless the Administrator and Associate Dean mutually agree that the University shall bill the professional component for particular outpatient services. This condition is intended to insure that the SFGH will experience no revenue loss as a result of the transfer of City and County employed Physician Specialists to the sole employment of the University of California.

8. Physician Transfer

As previously noted, the proposed Affiliation Agreement would require the transfer of all San Francisco General Hospital Physician Specialists to the employment of the University of California. Currently, these Physician Specialists are all co-employed by the City and County of San Francisco and the University of California. This transfer of employment will affect approximately 182 individuals, who staff 66.5 full time equivalent Physician Specialist positions. These individuals would become employees solely of the University of California beginning October 1, 1994.

Under the proposed terms of the transfer, the SFGH would reimburse the University for the cost of the salaries and fringe benefits of the 66.5 full time equivalent Physician Specialists, an amount of approximately \$7.3 million in the current 1993-94 SFGH budget.

The advantage of the proposed Physician transfer, according to SFGH, is that all Physicians working at SFGH will be employed under the UC contract instead of the current condition of many such Physicians being co-employed by UC and SFGH. This will result in administrative efficiencies since a dual personnel system for Physicians will not have to be operated for Physician Specialists. The Budget Analyst concurs with the potential administrative efficiencies, and will review the SFGH 1994-95 budget for operational savings if the Affiliation Agreement and Physician Transfer are approved.

9. Termination

Under the proposed Affiliation Agreement, termination by either party without cause requires notification and will be effective 24 months after June 30 of the then-current Contract Year.

For termination for cause, the Party which did not cause that event may terminate this Agreement by giving written notice stating the intention of the Party to terminate, said termination to be effective 12 months after June 30 of the then current Contract Year.

Termination for Non-Appropriation This Agreement is subject to the budget and fiscal provisions of the City and County's Charter which provides that an agreement can be terminated for non-appropriation of funds.

In the language of the proposed Affiliation Agreement, it is the University's opinion that the City and County is mandated by State law to provide or to contract for the provision of health care services for its indigent poor and that the State-imposed obligation overrides

any limitations contained in the fiscal provisions of the Charter. The University's opinion is that the laws of the State of California, do not limit the capacity of the City and County to contract as set forth in this Agreement. The City and County's opinion is that provisions of the California Constitution, and of the Charter subject this Agreement to annual appropriations which prevent the City and County from making financial commitments for a term longer than one year except to the extent that funds are appropriated for the purpose, thereby calling into doubt the ability of the City to make any payments for services for which monies have not yet been appropriated.

The proposed agreement further states that:

The Parties agree that charges will accrue under this Agreement only after prior written authorization certified by the Controller of the City and County and that amounts of obligations of the City and County hereunder shall not at any time exceed the amounts certified for the purpose of this Agreement and for the term stated in this Agreement. To the extent permitted by law, the obligations of the Controller hereunder shall be deemed ministerial and compellable by mandate.

The proposed agreement provides that the SFGH must give UC one year's notice for reductions to the number of Housestaff and certain faculty. The University must make educational and faculty commitments to such individuals. This in effect commits the City and County to expenditures of approximately \$9.0 million annually at present staffing levels, prior to appropriation of funds.

The SFGH has submitted the following rebuttal to the comments and recommendations of the Budget Analyst (see below) on the matter of termination for non-appropriation of funds.

"The annual appropriation provision was the last item agreed upon and is a deal breaker for the University. SFGH is convinced that the University will not enter into an affiliation agreement with the City without memorializing their argument as to why this provision of the Charter does not apply to this agreement.

This matter is critical to the University due to their investment at SFGH, their employment commitments to University faculty and other health care professionals employed at SFGH, and their concern for the disruption that a dis-affiliation would cause mid-way through the physicians' internships and residency programs.

The City Attorney's Office was deeply involved in these negotiations and is willing to sign off on this language. The City Attorney's Office has indicated that it does not believe that the University would prevail on this argument should the City ever fail to appropriate funds and this matter was litigated."

The Budget Analyst has been informed that the City Attorney will provide the Board of Supervisors with a written opinion on this provision of the proposed agreement on Monday, April 4, 1994.

Comments: 1. As previously noted, reductions to the utility charges for University leased space would result in reduced SFGH revenue of approximately \$17,500 annually. Also, proposed requirements for the City and County to pay 50% of UC's medical staff office costs would mandate expenditures of \$364,000 when such expenditures formerly were negotiated during the budget process.

2. Provisions of the proposed Affiliation Agreement that seemingly would limit the City and County's ability to terminate the UC contract for non-appropriation of funds are contrary to the Charter and would make the UC contract unique among all contracts and leases in the City budget. Although the Budget Analyst has not received a pending City Attorney opinion on this matter, we question whether the proposed Affiliation Agreement should be approved when it would commit the City and County to contracting for services in advance of appropriation of funds for that purpose. As previously noted, the potential cost of this commitment is a minimum of \$9.0 million for Housestaff salaries and some UC faculty. According to the proposed agreement, the City and County must provide UC with a minimum of 12 months notice before reducing or eliminating such services. The current 1993-94 UC contract budget is approximately \$37.6 million.

As of the writing of this report, the Budget Analyst has not been provided with a forthcoming City Attorney's opinion on this matter.

3. As previously noted, in response to the recommendation of the Budget Analyst in our report to the Government Efficiency and Labor Committee of March 16, 1994 that the proposed agreement be amended to clearly require that the lease negotiations be based on fair market rental values for that portion of space now leased by the University, the SFGH and UC have removed the provision of the proposed agreement that would require such negotiations for a master lease at no additional cost to either party.

3. Also as previously noted, the Budget Analyst's report on this item, dated March 16, 1994, had recommended that the proposed agreement not be approved unless future changes in contract

payment methodologies are made subject to the approval of the Health Commission, the Mayor and the Board of Supervisors. This recommendation was made because such changes in payment methods could affect either service delivery policies and practices or have an impact on City finances.

In response to the recommendation previously made by the Budget Analyst, SFGH has since agreed to submit its proposed changes in payment methods to the Health Commission, the Mayor and the Board of Supervisors during the annual budget process for approval.

Recommendation: 1. In accordance with Comment Number 3 above, and Point 9 (Termination) under Description, the Budget Analyst recommends that the proposed agreement not be approved unless the agreement is amended to clearly permit termination for non-appropriation of funds pursuant to the City Charter.

As noted, provisions of the proposed Affiliation Agreement that seemingly would limit the City and County's ability to terminate the UC contract for non-appropriation of funds are contrary to the City's Charter and would make the UC contract unique among all contracts and leases in the City's budget. We question whether the proposed Affiliation Agreement should be approved when it would commit the City and County to contracting for services in advance of appropriation of funds for that purpose. The potential cost of this commitment is a minimum of \$9.0 million. According to the proposed agreement, the City and County must provide UC with a minimum of 12 months notice before reducing or eliminating such services. The current 1993-94 UC contract budget is approximately \$37.6 million.

Irrespective of any forthcoming City Attorney opinion, the Budget Analyst does not believe that this provision of the proposed agreement is in the best fiscal interest of the City and County especially in light of the uncertainties surrounding health care reform issues and the likely restructuring of future health care financing methods.

2. Approval of certain fiscal impact provisions of the proposed Affiliation Agreement (a \$17,500 annual reduction in utility charges for leased space and a mandated sharing of UC medical staff office costs amounting to \$368,000 annually in the current UC contract budget) are policy matters for the Board of Supervisors.

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Department: Administration Office - Medical Staff Office

<u>No. FTE:</u>	Academic	0.50	
	Non-Academic	<u>5.50</u>	
			6.00

<u>Expenditures:</u>	Academic Salaries	\$43,749	
	Non-Academic Salaries	184,444	
	Fringe Benefits	49,849	
	Supplies	33,462	
	Other	<u>52,500</u>	
	Total		\$364,004

UC administration and Chief of Medical Services; support staff. Performs mandated regulatory and accreditation functions for the medical staff of the Hospital.

Positions:

0.50 Physician
1.00 Medical Staff Director
0.50 Secretary III
2.00 Credential's Assistants
<u>2.00 Patient Analysis</u>
6.00 Total

AIDS Clinic

<u>No. FTE:</u>	Academic	8.78	
	Non-Academic	<u>28.00</u>	
			36.78

<u>Expenditures:</u>	Academic Salaries	\$808,443	
	Non-Academic Salaries	1,312,302	
	Fringe Benefits	389,996	
	Supplies	<u>112,833</u>	
	Total		\$2,623,574

Ward 86 primary medical care to approximately 3,000 patients with HIV. Serves approximately 30% of the HIV population in SF; specialty care for patients with AIDS.

Positions:

8.78 Physicians	2.10 Nurse Practitioner
5.13 Administrative Assistants	0.40 Pharmacist
0.35 Adm. Analyst	0.65 Pharmacist Assistant
2.75 Hospital Assistant	0.77 Physician Assistant
2.00 Hospital Technican	5.00 Principal Clerk
<u>0.75 Management Service Officer</u>	1.50 Secretary II
5.70 Nurse	<u>0.90 Social Worker</u>
	36.78

AIDS Evening Clinic

<u>No. FTE:</u>	Academic	0.60	
	Non-Academic	<u>3.50</u>	
			4.10

<u>Expenditures:</u>	Academic Salaries	\$41,013	
	Non-Academic Salaries	145,480	
	Fringe Benefits	34,478	
	Supplies	<u>23,672</u>	
	Total		\$244,643

Primary care for HIV and AIDS infected individuals who are still able to work.

Positions:

0.60 Physician
1.10 Hospital Assist.
0.65 Nurse - Clinical
0.65 Nurse Practitioner
0.40 Physician As needed
<u>0.70 Social Worker</u>
4.10

Department Anesthesia

<u>No. FTE:</u>	Academic	12.40	
	Non-Academic	<u>7.20</u>	
			19.60

<u>Expenditures:</u>	Academic Salaries	\$1,856,987	
	Non-Academic Salaries	282,167	
	Fringe Benefits	274,865	
	Supplies	<u>35,381</u>	
	Total		\$2,449,400

Around the clock coverage for Trauma and Obstetrics as well as for scheduled surgery. Anesthesia performs 3,000 cases annually on both in and out patients.

<u>Positions:</u>	12.40 Physician
	1.00 Adm. Assistant
	1.00 Management Service Officer
	<u>5.20</u> Hospital Technicians
	19.60

Biomedical Engineering

<u>No. FTE:</u>	Academic	0	
	Non-Academic	<u>12.35</u>	
			12.35

<u>Expenditures:</u>	Academic Salaries		
	Non-Academic Salaries	\$628,859	
	Fringe Benefits	128,122	
	Supplies	<u>42,231</u>	
	Total		\$799,212

Provides technical support to the SFGH and clinics; Laguna Honda Hospital and other DPH entities. Services include equipment repair, routine maintenance, equipment inspection and calibration, and inservice training for medical and nursing staff.

<u>Positions:</u>	1.00 Adm. Assistant
	0.35 Adm. Analyst
	9.00 Elect. Techn.
	<u>2.00</u> Sr. Elec. Techns.
	12.35

Cardiology

<u>No. FTE:</u>	Academic	2.55	
	Non-Academic	<u>11.75</u>	
			14.30

<u>Expenditures:</u>	Academic Salaries	\$381,549	
	Non-Academic Salaries	496,259	
	Fringe Benefits	163,884	
	Supplies	<u>305,921</u>	
	Total		\$1,347,613

Invasive and non-invasive evaluation of the cardiovascular system; including echocardiography, holter monitoring, EDGs stress testing, CPKs, cardiac catheterization, pacemaker insertion, blood gases, electro physiology studies, attending coverage for the cardiac care unit and outpatient clinics.

<u>Positions:</u>	2.55 Physician
	1.00 Adm. Analyst-Business Manager
	2.75 Adm. Assistant
	6.00 Hospital Techs.
	1.00 Secretary II
	<u>1.00</u> Specialist-Cardiology
	14.30

Department Clinical Labs

No. FTE:	Academic	4.76		
	Non-Academic	159.32	164.08	
Expenditures:	Academic Salaries	\$868,499		Diagnostic testing and blood transfusion services; provided to ICUs and Trauma services on a 24 hour basis. Provides services to Laguna Honda Hospital, district health centers, satellite clinics and City Labs.
	Non-Academic Salaries	7,213,985		
	Fringe Benefits	1,271,532		
	Supplies	2,657,506		
	Total		\$12,011,522	
Positions:	4.76 Physician			
	0.50 Adm. Analyst			
	7.00 Adm. Assistant			
	2.00 Storekeeper			
	3.00 Program Analyst			
	1.00 Management Service Officer			
	90.09 Clin Lab Techs			
	55.73 Hosp. Asst.			
	164.08			

Emergency Services

No. FTE:	Academic	12.76		
	Non-Academic	3.00	15.76	
Expenditures:	Academic Salaries	\$2,082,725		Some physician coverage in the Emergency Department and base hospital services; manager of ????
	Non-Academic Salaries	75,127		
	Fringe Benefits	275,164		
	Supplies	54,656		
	Other	10,000		
	Total		\$2,497,672	
Positions:	12.76 Physician			
	0.75 Sr. Clerk			
	1.50 Adm. Assistant			
	0.75 Management Service Office			
	15.76			

Pediatric Emergency

No. FTE:	Academic	2.00		
	Non-Academic			
Expenditures:	Academic Salaries	\$248,352		Acute and emergency care for children in the Emergency Department and in the Children's Health Center.
	Fringe Benefits	31,085		
	Total		\$279,437	
Positions:	2.00 Physicians			

Family Community Medicine

No. FTE:	Academic	2.83		
	Non-Academic		2.83	
Expenditures:	Academic Salaries	\$254,897		Part of the attending physician coverage for outpatient services provided in the Family Health Center and Refugee Medical Clinic.
	Fringe Benefits	41,469		
	Total		\$296,366	
Positions:	2.83 Physicians			

Department Gastro-intestinal AIDS

<u>No. FTE:</u>	Academic	0.68	
	Non-Academic	<u>5.98</u>	
			6.66

<u>Expenditures:</u>	Academic Salaries	\$86,556	
	Non-Academic Salaries	173,250	
	Fringe Benefits	62,255	
	Equipment	<u>162,786</u>	
	Total		\$484,847

Gastroenterology care for patients with AIDS.

Positions:

0.68 Physician
1.00 Dietitian
2.00 Nurse-Clinical
1.00 Hospital-Tech
1.00 Licensed Vocational Nurse
0.50 Medical Assistant
0.38 Adm. Assistant
<u>0.10</u> Management Service Office
6.66

Housestaff Benefits

<u>No. FTE:</u>			
	Fringe Benefits	<u>\$1,030,320</u>	
	Total		\$1,030,320

<u>Expenditures:</u>			

City's reimbursement to the University for Housestaff (Interns and Residents) while they are at SFGH.

ICU Stat

<u>No. FTE:</u>	Academic	0.10	
	Non-Academic	<u>6.00</u>	
			6.10

<u>Expenditures:</u>	Academic Salaries	\$25,703	
	Non-Academic Salaries	378,130	
	Fringe Benefits	59,660	
	Supplies	<u>4,621</u>	
	Total		\$468,114

Positions:

0.10 Physician
<u>6.00</u> Clin. Lab Tech.
6.10

Medical HIV Testing

<u>No. FTE:</u>	Academic		
	Non-Academic	4.00	

<u>Expenditures:</u>	Academic Salaries		
	Non-Academic Salaries	\$175,596	
	Fringe Benefits	41,239	
	Supplies	<u>19,687</u>	
	Total		\$236,522

HIV testing and infection control services (surveillance, utilization review, quality assurance, prevention and training for HIV and other infectious diseases. HIV prevention education and training.

Positions:

1.00 Programmer/Analyst
1.00 Nurse, Clinical
1.00 Nurse Practitioner
<u>1.00</u> Hosp. Assistant
4.00

Department Nuclear Medicine

No. FTE: Academic 2.60
Non-Academic 13.45

16.05

Expenditures: Academic Salaries \$512,816
Non-Academic Salaries 685,977
Fringe Benefits 197,931
Supplies 602,210
Total \$1,998,934

Provides diagnostic and therapeutic services which analyze patient samples for minute amounts of hormones, drugs and vitamins. Includes bone scans, thyroid images, renal function, lung perfusion and heart procedures.

Positions: 2.60 Physician
1.00 Adm. Assist.
2.00 Clin Lab Tech
2.45 Hospital Assistant
7.00 Nuclear Med Tech
1.00 Staff Tech.
16.05

Obstetrics/Gynecology

No. FTE: Academic
Non-Academic 2.00

2.00

Expenditures: Non-Academic Salaries \$141,386
Fringe Benefits 15,137
Other 10,300
Total \$166,823

Provides services including family planning and is the referral site for all high risk pregnancies for the district health centers, jail and community based clinics. Contract provides midwife services.

Positions: 2.00 Nurse Midwife

Pathology

No. FTE: Academic 2.50
Non-Academic 14.00

16.50

Expenditures: Academic Salaries \$318,615
Non-Academic Salaries 595,393
Fringe Benefits 164,927
Supplies 72,163
Total \$1,151,098

Surgical pathology, autopsies, electron microscopy, immunohistochemistry and cytopathology.

Positions: 2.50 Physician
1.00 Prin. Clerk
3.00 Medical Transcribers
1.00 MSO
2.00 Cytotechnologist
5.00 Hosp. Lab. Tech.
2.00 Hosp. Assist.
16.50

Department Pharmacy

<u>No. FTE:</u>	Academic		
	Non-Academic	<u>3.00</u>	3.00
<u>Expenditures:</u>	Academic Salaries		
	Non-Academic Salaries	\$200,825	
	Fringe Benefits	46,673	
	Supplies	<u>2,476</u>	
	Total		\$249,974

UC provides some of the staff for administration of the Pharmacy, including associate directors. UC physicians and housestaff also assist in the Pharmacy and Poison Control Center.

Positions: 2.00 Assoc. Chief, Pharm.
1.00 Adm. Assistant
3.00

Pulmonary AIDS

<u>No. FTE:</u>	Academic	0.75	
	Non-Academic	<u>1.75</u>	2.50
<u>Expenditures:</u>	Academic Salaries	\$88,011	
	Non-Academic Salaries	84,611	
	Fringe Benefits	<u>17,242</u>	
	Total		\$189,864

Specialty pulmonary services (pertaining to lung diseases) for patients with AIDS.

Positions: 0.75 Physician
0.20 Adm. Analyst
1.55 Hosp. Tech.
2.50

Radiology

<u>No. FTE:</u>	Academic	<u>1.20</u>	
	Non-Academic		1.20
<u>Expenditures:</u>	Academic Salaries	\$198,310	
	Fringe Benefits	<u>20,313</u>	
	Total		\$218,623

Services include fluoroscopy, CT Scans, MRI, ultrasound and routine diagnostic coverage. The contract presently provides a small amount of current services which total approximately 150,000 tests per year.

Positions: 1.20 Physician

Rehab Medicine

<u>No. FTE:</u>	Academic	<u>0.50</u>	
	Non-Academic		0.50
<u>Expenditures:</u>	Academic Salaries	\$57,305	
	Non-Academic Salaries		
	Fringe Benefits	<u>7,948</u>	
	Total		\$65,253

The contract provides funding for the 0.5 FTE physician director for rehab services such as physical and occupational therapy.

Positions: 0.50 Physician

Department: Respiratory Therapy

<u>No. FTE:</u>	Academic	0.15	
	Non-Academic	<u>31.50</u>	
			31.65
<u>Expenditures:</u>	Academic Salaries	\$32,798	
	Non-Academic Salaries	1,677,294	
	Fringe Benefits	328,105	
	Supplies	<u>2,808</u>	
	Total		\$2,041,005

Disagnostic and therapeutic services to acutely ill patients, many of whom are on ventilators, primarily to critical care patients.

Positions:

0.15 Physician
1.00 Respiratory Therapy Director
28.50 Registered Respiratory Therapists
<u>2.00 Respiratory Asst. Tech.</u>
31.65

Total - All Medical Units

<u>No. FTE:</u>	Academic	55.66	
	Non-Academic	<u>312.30</u>	
			367.96
<u>Expenditures:</u>	Academic Salaries	\$7,906,328	
	Non-Academic Salaries	14,451,085	
	Fringe Benefits	4,652,194	
	Supplies	3,969,627	
	Equipment	162,786	
	Other	<u>72,800</u>	
	Total		\$31,214,820

Psychiatry

<u>No. FTE:</u>	Academic	16.00	
	Non-Academic	<u>23.50</u>	
			39.50
<u>Expenditures:</u>	Academic Salaries	\$1,386,177	
	Non-Academic Salaries	1,104,430	
	Fringe Benefits	493,050	
	Supplies	103,334	
	Equipment		
	Other	<u>507,337</u>	
	Total		\$3,594,328

Psychiatry: Part of the Department of Psychiatry is contracted to the University. These personnel work in conjunction with Physician Specialists and other City-funded to deliver a variety of inpatient and specialized outpatient service. Services include five inpatient units for specific target populations, the Psychiatric Emergency Service (PES) which is a 24-hour crisis intervention and evaluation service, consultation to all medical services at SFGH, the infant-parent program for infants at risk for serious emotional disorders and their families, a depression clinic funded by grants, the Citywide case management team, AIDS Health Project, and the Substance Abuse Service for methadone maintenance and detoxification.

Positions:

Psychiatry	13.00 Physician/Psychologist	Psychiatry	1.00 Physician
	2.00 Physicians-As needed	Infant Parent	<u>1.80</u> Staff Tech.
	0.75 Director		2.80
	5.60 Adm. Asst.		
	1.00 Secretary II	#REF!	Total Positions
	1.00 Adm. Analyst		
	0.50 Programmer Analyst		
	1.00 Public Adm. Analyst		
	1.00 Nurse Adm.		
	1.00 Nurse Pract.		
	<u>9.85</u> Social Workers		

Other Purchased Services

MIA Professional Fee	\$2,300,000	Pays for UC Physician services to medically indigent adults. Paid on a fee-for-service basis.
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Renal Dialysis	406,000	Acute inpatient kidney dialysis services performed by UCSF staff at SFGH
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Obstetrics/Gynecology	50,000	Pays for professional fees for a package of OB/Gyn services for women that don't qualify for Medi-Cal but can't afford to pay for full costs. The package is billed out on a sliding fee scale. Patients pay SFGH directly. UC receives 15% of net collection to cover physician component
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RECAP

Medical Units

Academic FTE	55.66	
Non-Academic FTE	<u>312.3</u>	
Total FTE	367.96	
Total Expenditures		\$31,214,820

Psychiatry

Academic FTE	16.00	
Non-Academic FTE	<u>23.50</u>	
Total FTE	39.50	
Total Expenditures		3,594,328

Other Services

MIA Professional Fee	2,300,000	
Renal Dialysis	406,000	
Obstetrics/Gynecology	<u>50,000</u>	

Total - 1993-94 UC Contract		\$37,565,148
Academic FTE	71.66	
Non-Academic FTE	<u>335.80</u>	
Total FTE	407.46	

Items 8, 9, 10 Files 172-94-3; 97-94-3; 97-94-4

Department: Department of Public Health, San Francisco General Hospital (SFGH)

Items: File 172-94-3 - Ordinance authorizing the Director of Public Health to execute an affiliation agreement between the City and County of San Francisco and the Regents of the University of California for the provision of patient care services at San Francisco General Hospital.

File 97-94-3 - Ordinance amending Administrative Code by repealing Section 19.A.3, which authorizes and directs the Director of Public Health to designate space at San Francisco General Hospital in order that the University of California (UC) may conduct research projects. Since the use of research space at San Francisco General Hospital by UC is covered by the proposed Affiliation Agreement, this section of the Administrative Code would no longer be necessary if the Affiliation Agreement is approved.

File 97-94-4 - Ordinance amending Administrative Code by repealing Section 19.A.11, which authorizes the Health Commission and the Purchaser to enter into an agreement with the University of California for the provision of medical and laboratory services at San Francisco General Hospital for the period beginning July 1, 1959 and renewable on an annual basis thereafter. Again, this section of the Administrative Code will no longer be necessary should the proposed Affiliation Agreement be approved.

- Overview:**
1. The only written Affiliation Agreement between the City and County and the University of California was approved in 1959. A proposed Affiliation Agreement was submitted to the Board of Supervisors in 1987. The Board of Supervisors did not approve that agreement.
 2. The Affiliation Agreement should be distinguished from the *UC Contract*. The purpose of the Affiliation Agreement is to establish the agreements and understandings of the parties in terms of their relationship, respective responsibilities, rights, obligations and expectations. The UC Contract is an annual budget document which is re-negotiated each year as part of the budget process. The annual UC Contract establishes the amount that the City will reimburse the University for purchased services.
 3. Despite that fact that this proposed Affiliation Agreement is not a budgetary document, it does set forth policies and define methodologies for future budgetary development and payment procedures.

4. Other key features of the proposed Affiliation Agreement involve the transfer of all San Francisco General Hospital Physician Specialists to the employment of the University of California. Currently, these Physician Specialists are all co-employed by the City and County of San Francisco and the University of California. This transfer of employment will affect approximately 182 individuals, who staff 66.5 full time equivalent Physician Specialist positions. These individuals would become employees solely of the University of California beginning July 1, 1995.

Also, the Affiliation Agreement calls for the consolidation of certain leased space at San Francisco General Hospital with research space, currently provided to UC at no charge and authorized by Administrative Code Section 19A.3 (which would be repealed by approval of the proposed ordinance in File 97-94-3 - Item 9) under a master lease agreement. No additional revenue would be gained by San Francisco General Hospital as a result of this lease consolidation.

5. Although the proposed Affiliation Agreement is not a budgetary document or contract for purchased services, the Budget Analyst has included budgetary data and service descriptions as summarized in this report and detailed in Attachment 1 to this report.

Description: The following subsections of this report describe certain substantive issues addressed in the proposed Affiliation Agreement.

1. *Covered Services* to be provided under the proposed Affiliation Agreement which are defined in the agreement as services for which City and County makes payment including (a) patient care services rendered to unsponsored patients treated at SFGH, (b) management services, (c) supervision of Housestaff (interns and residents employed at SFGH, and (d) other services agreed upon by University and SFGH. Covered services include not only those services for which the City and County makes payment, but also those services for which the University may render professional bills, irrespective of collection. Nothing in this Agreement requires that City and County shall pay for the same service that is paid for by another payer.

The table on the following page provides a summary budget by hospital department for the 1993-94 UC Contract for services provided to SFGH.

Memo to Government Efficiency and Labor Committee
 March 16, 1994 Government Efficiency and Labor Committee Meeting

SUMMARY 1993-94 BUDGET FOR UC CONTRACT

<u>Department</u>	<u>Total Full Time Equivalent Positions</u>	<u>Total 1993-94 Budget</u>
<u>Medicine</u>		
Administration- Medical Staff Office	6.00	\$ 364,004
AIDS Clinic	36.78	2,623,574
AIDS Evening Clinic	4.10	244,643
Anesthesia	19.60	2,449,400
Biomedical Engineering	12.35	799,212
Cardiology	14.30	1,347,613
Clinical Labs	164.08	12,011,522
Emergency Services	15.76	2,497,672
Pediatric Emergency	2.00	279,437
Family Community Medicine	2.83	296,366
Gastro-intestinal AIDS	6.66	484,847
Housestaff Benefits		1,030,320
Intensive Care Unit Stat Laboratory	6.10	468,114
Medical HIV Testing	4.00	236,522
Nuclear Medicine	16.05	1,998,934
Obstetrics/Gynecology	2.00	166,823
Pathology	16.50	1,151,098
Pharmacy	3.00	249,974
Pulmonary AIDS	2.50	189,864
Radiology	1.20	218,623
Rehabilitation Medicine	0.50	65,253
Respiratory Therapy	<u>31.65</u>	<u>2,041,005</u>
Total- Medicine	367.96	\$31,214,820
<u>Psychiatry</u>		
Psychiatric	36.70	\$3,395,658
Psych Infant Parent	<u>2.80</u>	<u>198,670</u>
Total-Psychiatry	39.50	\$3,594,328
<u>Other Expenditures</u>		
Physician Services to Medically Indigent		\$2,300,000
Renal Dialysis		406,000
MIA Obstetrics/Gynecology		50,000
Tertiary Care		<u>720,000</u>
Total Other Expenditures		\$3,476,000
Grand Total	407.46	\$38,285,148

The SFGH is currently addressing a projected 1993-94 revenue shortfall of \$20.4 million through a variety of expenditure reductions and revenue enhancements. As part of this effort, the 1993-94 UC Contract is scheduled to reduce actual expenditures by approximately \$800,000 to \$1.0 million. This reduction is not expected to result in reduced UC Contract services as savings have been realized in actual expenditures.

Attachment 1 to this report provides a detailed breakdown of each UC budget unit, including expenditures by object, position detail and descriptions of services provided. As shown in the table on the previous page, the total 1993-94 UC contract budget is \$38,285,148.

2. Responsibilities of University

Under the proposed Affiliation Agreement, the University shall be responsible for: (a) provision of Covered Services; (b) supervision of Housestaff and University Personnel; (c) compliance with the terms of this Agreement; and (d) personnel responsibilities.

In general, the University shall provide a sufficient number of University Personnel and Housestaff (University interns and residents serving at San Francisco General) in order to render patient care which meets the clinical services negotiated and approved in the Contract Budget for any given fiscal year.

Housestaff and Medical Students

The University shall be solely responsible for selecting, supervising, and training of Housestaff (interns and residents), medical students, and any other University trainees rotating through the SFGH. The City and County shall pay the salaries and reimburse the University for the cost of fringe benefits of Housestaff for the portion of their residency when they are assigned to the SFGH. The number of Housestaff for which the City and County shall pay shall be negotiated annually and shall be determined no later than July 1 for the Contract Year which begins the following July 1.

3. Responsibilities Of City and County

The City and County, through the Director of Public Health, is responsible for the governance, administration, and operation of SFGH. This responsibility shall be exercised through the SFGH Executive Administrator as delegated by the Director; the Administrator may delegate to the University responsibility for aspects of SFGH operations, but he/she retains full authority for SFGH administration.

SFGH Budget The City and County shall develop, approve, and implement an annual budget for the SFGH, which shall include negotiation and approval of the annual Final UC Contract Budget.

4. **Joint Responsibilities UC and City and County Responsibilities**

Revenue Maximization - The Parties (defined in the agreement as the City and County of San Francisco and the University) shall jointly be responsible for maximizing Third Party Reimbursement to the extent it is within each Party's control; each Party shall require personnel under its supervision to act cooperatively to enable the other to recover all available Third Party Reimbursement.

Property Leases - Within one year of the execution of this Agreement, it is the intent of the parties that all SFGH Campus space currently occupied by the University for research purposes will be consolidated into a single master lease agreement. Presently, there are 14 Lease Agreements between the City and County and University covering 85,198 square feet of space on the SFGH Campus for research purposes. In addition, the University occupies or intends to occupy, 81,285 square feet of space on the SFGH Campus, for which it is not charged by the City and County and which is not currently subject to a lease between the City and County and University. It is intended that both the leased space, and the space presently not subject to a lease, shall be covered by the master lease agreement and that the master lease agreement be at no additional cost to either party.

Under the existing 14 lease agreements between UC and SFGH, current annual revenue of approximately \$231,000 is being paid by UC for the 85,198 square feet of space; a rental rate of approximately \$.226 per month per square foot (\$2.71 annually). Each of these leases have different expiration and rental adjustment dates. If the proposed 81,285 in research space is consolidated with the leased space at no additional rent to UC, the University would occupy a total of 166,483 square feet for the \$231,000 annual total rent payments, or approximately \$.116 per square foot per month (\$1.39 annually).

The Department of Real Estate advises that the current fair market value of SFGH leased and UC research space is \$.55 per square foot per month (\$6.60 annually). Therefore, the total fair market value for the 166,483 square feet would equal \$1,098,787 annually. The current rent payments of \$231,000 would therefore be \$867,787 less than the current fair market value.

In consideration of the less than fair market rental of space, the parties to the proposed Affiliation Agreement have agreed to recognize certain costs incurred by UC as "offsets". These include the value of malpractice coverage for UC physicians and City-employed Physician Specialists (who would be transferred to UC employment on July 1, 1994 under the proposed agreement) for services provided at SFGH, and unspecified UC administrative costs for which the University is not reimbursed. The value of these two "offsets" is estimated by SFGH to equal \$1.1 million annually (\$450,000 annually for malpractice coverage and \$650,000 annually for unreimbursed UC administration costs.)

Utilities City and County agrees that the utility rates for the fourteen (14) leases shall be reduced from \$0.62 per square foot per month to \$0.4513 per square foot effective July 1, 1994 and each of said fourteen leases is amended to set forth the new rate for the base year July 1, 1994 through June 30, 1995. This reduced utility charge, for services provided by SFGH power plant, will result in the approximate loss of \$17,500 annual in utility payments to SFGH.

Chief of Staff and Medical Staff Office.

Effective July 1, 1994, the University and the City and County of San Francisco shall provide half of the financial support for the Medical Staff Office. Each year during annual budget negotiations, the University and the City and County shall develop a mutually acceptable budget for the Medical Staff Office. This condition of the agreement was actually put into effect, for the first time, in the current 1993-94 Fiscal Year budget. The cost of this condition is currently \$364,004 annually. However, the inclusion of this budget item was negotiated and not mandated by the Affiliation Agreement.

5. Covered Services

Patient Care Services. - The University shall, subject to the Final Contract Budget, provide the quantity and types of medical services required to meet the medical needs of all SFGH patients, including those who may experience limited access to other providers due to financial, social, cultural, geographic, or medical reasons, or who have other special needs. The University shall provide the same quality of care to all patients, regardless of financial sponsorship or ability to pay.

Off-site Services - If the patient's attending physician determines that diagnostic and/or therapeutic services necessary for the delivery of appropriate medical care are not available at SFGH, the attending physician shall arrange for the necessary services to be

delivered elsewhere to the extent possible. This condition does not obligate the City and County, the University, or a physician to obtain services not covered or provided under the tertiary care contract or by the patient's third-party payor. (The tertiary care contract is a separate agreement for provision of critical care services not available

Management Services - The University shall provide administration and management of all clinical departments through Chiefs of Service. The Chiefs of Service shall be responsible for managing their respective Departments in compliance with all relevant professional standards, Joint Commission on Accreditation of Healthcare Organizations (JCAHO) standards, and this Agreement.

6. Payment For Covered Services

University Services Budget - Beginning in 1994, the University shall prepare and submit each year a University Services Budget three weeks before the SFGH budget is due to the Health Commission. The University Services Budget shall include the anticipated cost of providing all Covered Services for the following Contract Year and the anticipated cost of providing any supplemental services requested by City and County.

Final Contract Budget - The Final Contract Budget for Covered Services shall be approved annually, based on the University Services Budget. The approval process will involve consideration of the UC Contract Budget as part of the SFGH budget request which must be approved by the Health Commission, the Mayor and the Board of Supervisors.

Nothing in this Agreement shall specify the level of the Final Contract Budget for any Contract Year; such level is to be determined through the annual budget negotiation process, and subject to the final approval of the budget by the City and County. If the Final Contract Budget is different from the University Services Budget, the Parties (City and County and the University) will negotiate in good faith to determine the nature, level, and scope of services that will be provided within the Final Contract Budget.

Departmental Reviews. During the first two years of this Agreement, the SFGH Departments shall be reviewed by the University and the SFGH for the purpose of determining the nature, scope, and level of services provided to patients served in those Departments. In addition, the University and the SFGH shall determine the appropriate level of payment and the payment methodology for such services. Once the University and the City and County determine the appropriate level of payment and payment methodology for all Departments, the University shall

prepare the University Services Budget in accordance with that payment method.

The Departmental reviews are to permit review and analysis of payment methodologies in order to adapt the provision of University and SFGH services to health care reform and new methods of health care financing. In the future, the payments to UC may be based on actual units of service provided, rather than reimbursement of actual UC costs or, alternatively, based on capitated rates for defined patient populations. Either alternatives would be more consistent with the State of California's strategic plan for implementation of a system of managed care or expected Federal health care reform initiatives.

The proposed agreement stipulates that the changes in payment methodology will be enacted without further amendment to the Affiliation Agreement, but instead will be decided and implemented by the "President of the University or his/her designee and the Director of (Public) Health or his/her designee." Therefore, important decisions concerning payments for health care services provided at SFGH by the University will be implemented without review and formal approval by the Health Commission, the Mayor and the Board of Supervisors. The only approvals by the Health Commission, the Mayor and the Board of Supervisors will be of the annual Contract budget which will authorize expenditure amounts but not methods of payment for services.

Interim Payments. Until a Department is reviewed and the payment methodology agreed to by both Parties, payment shall be made in accordance with existing practices which reimburses UC for salaries and benefits of University employees, reimbursement for fringe benefits of Housestaff (interns and residents) and budgeted expenditures for materials and supplies and equipment.

Changes During a Budget Year - Subject to the budget and fiscal provisions of the City and County's Charter, the parties may agree at any time during a budget year that additional services may be necessary in order that SFGH may continue to provide adequate patient services here under. In addition, the parties agree that during the budget year, the scope of certain services historically provided may be reduced so that SFGH may continue to provide a range of services adequate to meet patient care needs. Should such a determination be made, City and County shall negotiate with the University in good faith for provision of such services in accordance with other provisions within this Agreement.

Budget Reductions - In the event of a reduction in the SFGH budget below the level of funding necessary to continue the services at the same scope, nature, and level as the 1993-94 budget year during

any fiscal year thereafter, the Administrator shall determine which services shall be reduced, in consultation with the Director of Health, the Associate Dean, and the medical staff, so long as this determination is consistent with the Final Contract Budget. Budget reductions will be made in either the SFGH or University budget depending upon who provides those particular services. Such reductions will be subject to the approval of the Health Commission, the Mayor and the Board of Supervisors through the annual budget process.

Use of University Research Funds and Professional Fee Revenues -

Under the proposed Affiliation Agreement, as is the case now, UC physicians charge professional fees for UC physician services, separate from the SFGH billings for patient services. Current estimated professional fees received by UC amount to approximately \$12 million annually including payments of \$2.3 million annually by the City and County in lieu of professional fees for UC physician services provided to medically indigent patients.

The proposed Affiliation Agreement provides that there shall be no restrictions on University's use of professional fee revenues and research funds, *except that* all such revenues must be allocated in support of activities provided on the SFGH Campus or in support of the Schools of Medicine and Dentistry.

This condition provides assurance that UC professional fee revenues and research funds will benefit activities at SFGH. The SFGH states that audits will be conducted in order to monitor the use of such funds to assure compliance with this provision of the proposed agreement. According to the Associate Dean of the University of California, this practice has been in place since professional fees were first collected by UC for physician services. Such items as medical and office equipment, licensing and continuing education costs, support staff and non-physician health care providers have been paid for by UC over and above contract related expenditures. However, approximately \$1.0 million of the professional fees are used to supplement salaries of non-contract physician specialists in order that their salaries will conform to the University's physician salary scale.

8. Revenue and Billing

Inpatient - The City and County shall interview and screen every patient for financial responsibility. SFGH eligibility staff shall pursue payment sources both at the point of admission/registration and after discharge. The City and County shall bill and collect facilities charges in compliance with hospital eligibility guidelines.

Outpatient - The City and County shall bill and collect joint professional/facility fee charges for care rendered in the outpatient clinics, unless the Administrator and Associate Dean mutually agree that the University shall bill the professional component for particular outpatient services. This condition is intended to insure that the SFGH will experience no revenue loss as a result of the transfer of City and County employed Physician Specialists to the sole employment of the University of California.

9. Physician Transfer

As previously noted, the proposed Affiliation Agreement would require the transfer of all San Francisco General Hospital Physician Specialists to the employment of the University of California. Currently, these Physician Specialists are all co-employed by the City and County of San Francisco and the University of California. This transfer of employment will affect approximately 182 individuals, who staff 66.5 full time equivalent Physician Specialist positions. These individuals would become employees solely of the University of California beginning July 1, 1995.

Under the proposed terms of the transfer, the SFGH would reimburse the University for the cost of the salaries and fringe benefits of the 66.5 full time equivalent Physician Specialists, an amount of approximately \$7.3 million in the current 1993-94 SFGH budget.

The advantage of the proposed physician transfer, according to SFGH, is that all Physicians working at SFGH will be employed under the UC contract instead of the current condition of many such physicians being co-employed by UC and SFGH. This will result in administrative efficiencies since a dual personnel system for physicians will not have to be operated for Physician Specialists. The Budget Analyst concurs with the potential administrative efficiencies, and will review the SFGH 1994-95 budget for operational savings if the Affiliation Agreement and Physician Transfer are approved.

10. Termination

Under the proposed Affiliation Agreement, termination by either party without cause requires notification and will be effective 24 months after June 30 of the then-current Contract Year.

For termination for cause, the Party which did not cause that event may terminate this Agreement by giving written notice stating the intention of the Party to terminate, said termination to be effective 12 months after June 30 of the then current Contract Year.

Termination for Non-Appropriation This Agreement is subject to the budget and fiscal provisions of the City and County's Charter which provides that an agreement can be terminated for non-appropriation of funds.

In the language of the proposed Affiliation Agreement, it is the University's opinion that the City and County is mandated by state law to provide or to contract for the provision of health care services for its indigent poor and that the state imposed obligation overrides any limitations contained in fiscal provisions of the Charter. The University's opinion is that the laws of the State of California, do not limit the capacity of the City and County to contract as set forth in this Agreement. The City and County's opinion is that provisions of the California Constitution, and of the Charter subject this Agreement to annual appropriations which prevent the City and County from making financial commitments for a term longer than one year except to the extent that funds are appropriated for the purpose, thereby calling into doubt the ability of the City to make any payments for services for which monies have not yet been appropriated.

The proposed agreement further states that:

The Parties agree that charges will accrue under this Agreement only after prior written authorization certified by the Controller of the City and County and that amounts of obligations of the City and County here under shall not at any time exceed the amounts certified for the purpose of this Agreement and for the term stated in this Agreement. To the extent permitted by law, the obligations of the Controller here under shall be deemed ministerial and compellable by mandate.

The proposed agreement provides that the SFGH must give UC one year's notice for reductions to the number of Housestaff and certain faculty. The University must make educational and faculty commitments to such individuals for two to five year periods. This in effect commits the City and County to expenditures of approximately \$9.0 million annually at present staffing levels, prior to appropriation of funds.

Ms. Paula Jesson, Deputy City Attorney, will be providing a written opinion to the Government Efficiency and Labor Committee concerning the termination provisions in the proposed agreement.

The City Attorney and SFGH have requested that these proposed ordinances be continued to the April 5, 1994 meeting of the Government Efficiency and Labor Committee in order that the formal City Attorney opinion can be prepared.

- Comments:**
1. As previously noted, modifications to the utility charges for University leased space would result in reduced SFGH revenue of approximately \$17,500 annually. Also, proposed requirements for the City and County to pay 50% of UC's contract administrative costs would mandate expenditures of \$364,000 when such expenditures formerly were negotiated during the budget process.
 2. The proposed agreement would permit UC and the Department of Public Health to negotiate and alter the contract payment methodology without further amending the agreement or obtaining the approval of the Health Commission, the Mayor and the Board of Supervisors. The Budget Analyst concurs with the need for the payment methodology review process that will consider alternative methods of payment for services that would conform practices to future changes in health care delivery and financing. However, such alternate methods of payment may affect either service delivery policies and practices or have an impact on City finances. Therefore, the Budget Analyst believes that such matters should be submitted to the Health Commission, the Mayor and the Board of Supervisors for approval.
 3. Provisions of the proposed Affiliation Agreement that seemingly would limit the City and County's ability to terminate the UC contract for non-appropriation of funds are contrary to the Charter and would make the UC contract unique among all contracts and leases in the City budget. Although the Budget Analyst has not received a pending City Attorney opinion on this matter, we question whether the proposed Affiliation Agreement should be approved when it would commit the City and County to contracting for services in advance of appropriation of funds for that purpose. As previously noted, the potential minimum cost of this commitment is a minimum of \$9.0 million for Housestaff salaries and some UC faculty. According to the proposed agreement, the City and County must provide UC with a minimum of 12 months notice before reducing or eliminating such services. The current 1993-94 UC contract budget is approximately \$38.3 million.
 4. As previously noted, the provision of research space to the University without charge continues a long standing practice that is now a section of the Administrative Code that will be repealed if the Affiliation Agreement is approved. However, the proposed Affiliation Agreement also requires that a master lease be constructed to incorporate the existing 14 property leases for space rented by UC and the research space that is provided at no charge. According to the proposed agreement, this master lease will result in "no cost to either party". This language of the contract would seem to inhibit the City's ability to achieve fair market rents for leased space though the lease negotiation process as lease termination dates arrive in the future.

The "offsets" (unreimbursed costs incurred by UC in consideration of the free rent for research space) are not, in the opinion of the Budget Analyst, fully substantiated. The estimated value of malpractice coverage of \$450,000 seems reasonable. However, no supporting documentation of the administrative costs absorbed by UC in connection with this contract have been provided to the Budget Analyst.

- Recommendation:**
1. In accordance with Comment Number 2 above, the Budget Analyst recommends that the proposed agreement not be approved unless future changes in contract payment methodology are subject to the approval of the Health Commission, the Mayor and the Board of Supervisors.
 2. In accordance with Comment Number 3 above, the Budget Analyst recommends that the proposed agreement not be approved unless the agreement is amended to clearly permit termination for non-appropriation of funds pursuant to the City Charter.
 3. In accordance with Comment Number 4 above, the Budget Analyst recommends that the proposed agreement not be approved unless the provision for creation of a master lease for all SFGH space occupied by UC is amended to clearly permit negotiation based on fair market rental values for that portion of space now leased by the University.
 4. Approval of certain fiscal impact provisions of the proposed Affiliation Agreement (a \$17,500 annual reduction in utility charges for leased space and a mandated sharing of UC administration costs amounting to \$368,000 annually in the current UC contract budget) are policy matters of the Board of Supervisors.
 5. At the request of the City Attorney and the SFGH, continue the proposed ordinances to the April 5, 1994 meeting of the Government Efficiency and Labor Committee.

1993-94 UC Contract Budget

Department: Administration Office - Medical Staff Office

<u>No. FTE:</u>	Academic	0.50	
	Non-Academic	<u>5.50</u>	
			6.00

<u>Expenditures:</u>	Academic Salaries	\$43,749	
	Non-Academic Salaries	184,444	
	Fringe Benefits	49,849	
	Supplies	33,462	
	Other	<u>52,500</u>	
	Total		\$364,004

UC administration and Chief of Medical Services; support staff. Performs mandated regulatory and accreditation functions for the medical staff of the Hospital.

Positions:

0.50 Physician
1.00 Medical Staff Director
0.50 Secretary III
2.00 Credential's Assistants
<u>2.00</u> Patient Analysis
6.00 Total

AIDS Clinic

<u>No. FTE:</u>	Academic	8.78	
	Non-Academic	<u>28.00</u>	
			36.78

<u>Expenditures:</u>	Academic Salaries	\$808,443	
	Non-Academic Salaries	1,312,302	
	Fringe Benefits	389,996	
	Supplies	<u>112,833</u>	
	Total		\$2,623,574

Ward 86 primary medical care to approximately 3,000 patients with HIV. Serves approximately 30% of the HIV population in SF; specialty care for patients with AIDS.

Positions:

8.78 Physicians	2.10 Nurse Practitioner
5.13 Administrative Assistants	0.40 Pharmacist
0.35 Adm. Analyst	0.65 Pharmacist Assistant
2.75 Hospital Assistant	0.77 Physician Assistant
2.00 Hospital Technician	5.00 Principal Clerk
0.75 Management Service Officer	1.50 Secretary II
5.70 Nurse	<u>0.90</u> Social Worker
	36.78

AIDS Evening Clinic

<u>No. FTE:</u>	Academic	0.60	
	Non-Academic	<u>3.50</u>	
			4.10

<u>Expenditures:</u>	Academic Salaries	\$41,013	
	Non-Academic Salaries	145,480	
	Fringe Benefits	34,478	
	Supplies	<u>23,672</u>	
	Total		\$244,643

Primary care for HIV and AIDS infected individuals who are still able to work.
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Positions:

0.60 Physician
1.10 Hospital Assist.
0.65 Nurse - Clinical
0.65 Nurse Practitioner
0.40 Physician As needed
<u>0.70</u> Social Worker
4.10

Department Anesthesia

No. FTE: Academic 12.40
 Non-Academic 7.20

19.60

Expenditures: Academic Salaries \$1,856,987
 Non-Academic Salaries 282,167
 Fringe Benefits 274,865
 Supplies 35,381
 Total \$2,449,400

Around the clock coverage for Trauma and Obstetrics as well as for scheduled surgery. Anesthesia performs 3,000 cases annually on both in and out patients.

Positions: 12.40 Physician
 1.00 Adm. Assistant
 1.00 Management Service Officer
 5.20 Hospital Technicians
 19.60

Biomedical Engineering

No. FTE: Academic 0
 Non-Academic 12.35

12.35

Expenditures: Academic Salaries
 Non-Academic Salaries \$628,859
 Fringe Benefits 128,122
 Supplies 42,231
 Total \$799,212

Provides technical support to the SFGH and clinics; Laguna Honda Hospital and other DPH entities. Services include equipment repair, routine maintenance, equipment inspection and calibration, and inservice training for medical and nursing staff.

Positions: 1.00 Adm. Assistant
 0.35 Adm. Analyst
 9.00 Elect. Techn.
 2.00 Sr. Elec. Techns.
 12.35

Cardiology

No. FTE: Academic 2.55
 Non-Academic 11.75

14.30

Expenditures: Academic Salaries \$381,549
 Non-Academic Salaries 496,259
 Fringe Benefits 163,884
 Supplies 305,921
 Total \$1,347,613

Invasive and non-invasive evaluation of the cardiovascular system; including echocardiography, holter monitoring, EDGs stress testing, CPKs, cardiac catheterization, pacemaker insertion, blood gases, electro physiology studies, attending coverage for the cardiac care unit and outpatient clinics.

Positions: 2.55 Physician
 1.00 Adm. Analyst-Business Manager
 2.75 Adm. Assistant
 6.00 Hospital Techs.
 1.00 Secretary II
 1.00 Specialist-Cardiology
 14.30

Department Clinical Labs

No. FTE: Academic 4.76
 Non-Academic 159.32

164.08

Expenditures: Academic Salaries \$868,499
 Non-Academic Salaries 7,213,985
 Fringe Benefits 1,271,532
 Supplies 2,657,506
 Total \$12,011,522

Diagnostic testing and blood transfusion services; provided to ICUs and Trauma services on a 24 hour basis. Provides services to Laguna Honda Hospital, district health centers, satellite clinics and City Jails.

Positions:
 4.76 Physician
 0.50 Adm. Analyst
 7.00 Adm. Assistant
 2.00 Storekeeper
 3.00 Program Analyst
 1.00 Management Service Officer
 90.09 Clin Lab Techs
 55.73 Hosp. Asst.
 164.08

Emergency Services

<u>No. FTE:</u>	Academic	12.76	
	Non-Academic	<u>3.00</u>	15.76
<u>Expenditures:</u>	Academic Salaries	\$2,082,725	
	Non-Academic Salaries	75,127	
	Fringe Benefits	275,164	
	Supplies	54,656	
	Other	<u>10,000</u>	
	Total		\$2,497,672

Some physician coverage in the Emergency Department and base hospital services;

Positions:
 12.76 Physician
 0.75 Sr. Clerk
 1.50 Adm. Assistant
 0.75 Management Service Office
 15.76

Pediatric Emergency

<u>No. FTE:</u>	Academic	2.00	
	Non-Academic		2.00
<u>Expenditures:</u>	Academic Salaries	\$248,352	
	Fringe Benefits	<u>31,085</u>	
	Total		\$279,437

Acute and emergency care for children in the Emergency Department and in the Children's Health Center.

Positions:
 2.00 Physicians

Family Community Medicine

<u>No. FTE:</u>	Academic	<u>2.83</u>	
	Non-Academic		2.83
<u>Expenditures:</u>	Academic Salaries	\$254,897	
	Fringe Benefits	<u>41,469</u>	
	Total		\$296,366

Part of the attending physician coverage for outpatient services provided in the Family Health Center and Refugee Medical Clinic.

Positions:
 2.83 Physicians

Gastro-intestinal AIDS

<u>No. FTE:</u>	Academic	0.68	
	Non-Academic	<u>5.98</u>	6.66
<u>Expenditures:</u>	Academic Salaries	\$86,556	
	Non-Academic Salaries	173,250	
	Fringe Benefits	62,255	
	Equipment	<u>162,786</u>	
	Total		\$484,847

Gastroenterology care for patients with AIDS.

1993-94 UC Contract Budget

Attachment 1
page 4 of 7

Positions:

- 0.68 Physician
- 1.00 Dietitian
- 2.00 Nurse-Clinical
- 1.00 Hospital-Tech
- 1.00 Licensed Vocational Nurse
- 0.50 Medical Assistant
- 0.38 Adm. Assistant
- 0.10 Management Service Office
- 6.66

Housestaff Benefits

No. FTE:

Fringe Benefits	\$1,030,320	
Total		\$1,030,320

Expenditures:

City's reimbursement to the University for Housestaff (Interns and Residents) while they are at SFGH.

ICU Stat

No. FTE:

Academic	0.10	
Non-Academic	<u>6.00</u>	
		6.10

Expenditures:

Academic Salaries	\$25,703	
Non-Academic Salaries	378,130	
Fringe Benefits	59,660	
Supplies	<u>4,621</u>	
Total		\$468,114

Positions:

- 0.10 Physician
- 6.00 Clin. Lab Tech.
- 6.10

Medical HIV Testing

No. FTE:

Academic		
Non-Academic	4.00	
		4.00

Expenditures:

Academic Salaries		
Non-Academic Salaries	\$175,596	
Fringe Benefits	41,239	
Supplies	<u>19,687</u>	
Total		\$236,522

HIV testing and infection control services (surveillance, utilization review, quality assurance, prevention and training for HIV and other infectious diseases. HIV prevention education and training.

Positions:

- 1.00 Programmer/Analyst
- 1.00 Nurse, Clinical
- 1.00 Nurse Practitioner
- 1.00 Hosp. Assistant
- 4.00

Department Nuclear Medicine

No. FTE:

Academic	2.60	
Non-Academic	<u>13.45</u>	
		16.05

Expenditures:

Academic Salaries	\$512,816	
Non-Academic Salaries	685,977	
Fringe Benefits	197,931	
Supplies	<u>602,210</u>	
Total		\$1,998,934

Provides diagnostic and therapeutic services which analyze patient samples for minute amounts of hormones, drugs and vitamins. Includes bone scans, thyroid images, renal function, lung perfusion and heart procedures.

Positions:

2.60 Physician	2.45 Hospital Assistant
1.00 Adm. Assist.	7.00 Nuclear Med Tech
2.00 Clin Lab Tech	<u>1.00</u> Staff Tech.
	16.05

Board of Supervisors
Budget Analyst

Obstetrics/Gynecology

<u>No. FTE:</u>	Academic			Provides services including family planning and is the referral site for all high risk pregnancies for the district health centers, jail and community based clinics. Contract provides midwife services.
	Non-Academic	<u>2.00</u>	2.00	
<u>Expenditures:</u>	Non-Academic Salaries	\$141,386		
	Fringe Benefits	15,137		
	Other	<u>10,300</u>		
	Total		\$166,823	
<u>Positions:</u>	2.00 Nurse Midwife			

Pathology

<u>No. FTE:</u>	Academic	<u>2.50</u>		Surgical pathology, autopsies, electron microscopy, immunohistochemistry and cytopathology.
	Non-Academic	<u>14.00</u>	16.50	
<u>Expenditures:</u>	Academic Salaries	\$318,615		
	Non-Academic Salaries	595,393		
	Fringe Benefits	164,927		
	Supplies	<u>72,163</u>		
	Total		\$1,151,098	
<u>Positions:</u>	2.50 Physician 1.00 Prin. Clerk 3.00 Medical Transcribers 1.00 MSO 2.00 Cytotechnologist 5.00 Hosp. Lab. Tech. <u>2.00</u> Hosp. Assist. 16.50			

Department Pharmacy

<u>No. FTE:</u>	Academic			UC provides some of the staff for administration of the Pharmacy, including associate directors. UC physicians and housestaff also assist in the Pharmacy and Poison Control Center.
	Non-Academic	<u>3.00</u>	3.00	
<u>Expenditures:</u>	Academic Salaries			
	Non-Academic Salaries	\$200,825		
	Fringe Benefits	46,673		
	Supplies	<u>2,476</u>		
	Total		\$249,974	
<u>Positions:</u>	2.00 Assoc. Chief, Pharm. <u>1.00</u> Adm. Assistant 3.00			

Pulmonary AIDS

<u>No. FTE:</u>	Academic	<u>0.75</u>		Specialty pulmonary services (pertaining to lung diseases) for patients with AIDS.
	Non-Academic	<u>1.75</u>	2.50	
<u>Expenditures:</u>	Academic Salaries	\$88,011		
	Non-Academic Salaries	84,611		
	Fringe Benefits	<u>17,242</u>		
	Total		\$189,864	
<u>Positions:</u>	0.75 Physician 0.20 Adm. Analyst <u>1.55</u> Hosp. Tech. 2.50			

Radiology

No. FTE:	Academic	<u>1.20</u>		
	Non-Academic		1.20	
Expenditures:	Academic Salaries	\$198,310		Services include fluoroscopy, CT Scans, MRI, ultrasound and routine diagnostic coverage. The contract presently provides a small amount of current services which total approximately 150,000 tests per year.
	Fringe Benefits	<u>20,313</u>		
	Total		\$218,623	

Positions: 1.20 Physician

Rehab Medicine

No. FTE:	Academic	<u>0.50</u>		
	Non-Academic		0.50	
Expenditures:	Academic Salaries	\$57,305		The contract provides funding for the 0.5 FTE physician director for rehab services such as physical and occupational therapy.
	Non-Academic Salaries			
	Fringe Benefits	<u>7,948</u>		
	Total		\$65,253	

Positions: 0.50 Physician

Respiratory Therapy

No. FTE:	Academic	0.15		
	Non-Academic	<u>31.50</u>		
Expenditures:	Academic Salaries	\$32,798		Diagnostic and therapeutic services to acutely ill patients, many of whom are on ventilators, primarily to critical care patients.
	Non-Academic Salaries	1,677,294		
	Fringe Benefits	328,105		
	Supplies	<u>2,808</u>		
	Total		\$2,041,005	

Positions: 0.15 Physician
1.00 Respiratory Therapy Director
28.50 Registered Respiratory Therapists
2.00 Respiratory Asst. Tech.
31.65

Total - All Medical Units

No. FTE:	Academic	55.66		
	Non-Academic	<u>312.30</u>		
			367.96	
Expenditures:	Academic Salaries	\$7,906,328		
	Non-Academic Salaries	14,451,085		
	Fringe Benefits	4,652,194		
	Supplies	3,969,627		
	Equipment	162,786		
	Other	<u>72,800</u>		
	Total		\$31,214,820	

Psychiatry		
<u>No. FTE:</u>	Academic	16.00
	Non-Academic	<u>23.50</u>
		39.50
<u>Expenditures:</u>	Academic Salaries	\$1,386,177
	Non-Academic Salaries	1,104,430
	Fringe Benefits	493,050
	Supplies	103,334
	Other	<u>507,337</u>
	Total	\$3,594,328

Psychiatry: Part of the Department of Psychiatry is contracted to the University. These personnel work in conjunction with Physician Specialists and other City-funded to deliver a variety of inpatient and specialized outpatient service. Services include five inpatient units for specific target populations, the Psychiatric Emergency Service (PES) which is a 24-hour crisis intervention and evaluation service, consultation to all medical services at SFGH, the infant-parent program for infants at risk for serious emotional disorders and their families, a depression clinic funded by grants, the Citywide case management team, AIDS Health Project, and the Substance Abuse Service for methadone maintenance and detoxification.

Positions:

Psychiatry	13.00 Physician/Psychologist	Psychiatry	1.00 Physician
	2.00 Physicians-As needed	Infant Parent	<u>1.80</u> Staff Tech.
	0.75 Director		2.80
	5.60 Adm. Asst.		
	1.00 Secretary II		39.50 Total Positions
	1.00 Adm. Analyst		
	0.50 Programmer Analyst		
	1.00 Public Adm. Analyst		
	1.00 Nurse Adm.		
	1.00 Nurse Pract.		
	<u>9.85</u> Social Workers		
	36.70		

Other Purchased Services

MIA Professional Fee	\$2,300,000	Pays for UC Physician services to medically indigent adults. Paid on a fee-for-service basis.
Tertiary Care	720,000	Covers SFGH Medi-Cal patients who receive treatment at UCSF for tertiary care procedures for which SFGH does not have the ability to provide; paid on a fee-for-service basis.
Renal Dialysis	406,000	Acute inpatient kidney dialysis services performed by UCSF staff at SFGH
Obstetrics/Gynecology	50,000	Pays for professional fees for a package of OB/Gyn services for women that don't qualify for Medi-Cal but can't afford to pay for full costs. The package is billed out on a sliding fee scale. Patients pay SFGH directly. UC receives 15% of net collection to cover physician component

RECAP

Total - 1993-94 UC Contract

Academic FTE	71.66
Non-Academic FTE	<u>335.80</u>
Total FTE	407.46

Total Expenditures \$38,285,148

(Affiliation Agreement)

1 AUTHORIZING THE DIRECTOR OF PUBLIC HEALTH TO EXECUTE AN
2 AFFILIATION AGREEMENT BETWEEN THE CITY AND COUNTY OF SAN
3 FRANCISCO AND THE REGENTS OF THE UNIVERSITY OF CALIFORNIA FOR THE
4 PROVISION OF PATIENT CARE SERVICES AT SAN FRANCISCO GENERAL
5 HOSPITAL.

6 Be it ordained by the People of the City and County of San
7 Francisco:

8 SECTION 1. The Board of Supervisors hereby finds as
9 follows:

10 a. The affiliation between the City and County of San
11 Francisco and the University of California is over 100 years old;

12 b. The purchase of services by the City and County of San
13 Francisco from the University of California has become an
14 essential component of the public health and the public health
15 system for the residents of San Francisco;

16 c. The missions of the Department of Public Health and the
17 University of California are complementary and it is within their
18 best interest to fulfill their respective mission through an
19 affiliation;

20 d. The San Francisco Department of Public Health and the
21 University of California desire to continue to develop this
22 partnership in a way that is mutually beneficial to both parties,
23 that is focused on efficient management and the provision of a
24 level and quality of care that would not otherwise be possible,
25 that maximizes third party reimbursement, and that holds the
parties accountable to one another and to the public at large;

now therefore, *4/5/94 - superseded by amendment
of the whole adopted in
Committee. J. Blankenship*
BOARD OF SUPERVISORS

1 SECTION 2. The Board of Supervisors hereby authorizes the
2 Director of Public Health, on behalf of the City and County of
3 San Francisco, to execute the Affiliation Agreement with the
4 University of California, San Francisco, contained in Board of
Supervisors File No. 172-94-4.

5 SECTION 3. Chapter 12D of the San Francisco Administrative
6 Code, and Chapter 12B of the San Francisco Administrative Code
7 insofar as the provisions of Chapter 12B gives the Human Rights
8 Commission jurisdiction over the University of California, shall
9 not apply to the Affiliation Agreement or to the procedures
10 governing its approval.

11
12 RECOMMENDED:

13
14 *Richard Cordova*
15 Executive Director
San Francisco General Hospital

16
17 *Florence Stouck*
18 Director of Public Health

19
20 *Sandy Ouyes Mori*
San Francisco Health Commission

21
22 APPROVED AS TO FORM:

23 LOUISE H. RENNE
24 City Attorney

25 By: *Kathleen Murphy*
Deputy City Attorney

City and County of San Francisco



**Department of
Public Health**

**San Francisco General Hospital
Medical Center**

To: John Taylor
Clerk of the Board of Supervisors

Thru: Sandra Hernandez, MD / *SHD*
Director of Health

From: Richard Cordova *R Cordova*
SFGH Executive Administrator

Date: January 16, 1994

Re: **Calendar Items**

172-94-3
also see files
97-94-3 + 97-94-4

I am requesting your assistance with calendaring the attached items with the Board of Supervisors and the appropriate committee. These items are companion items and include the following:

- 1) The Affiliation Agreement Between the City and County of San Francisco and the Regents of the University of California;
- 2) An Amendment to the San Francisco Administrative Code by Repealing Section 19.A.3; and
- 3) An Amendment to the San Francisco Administrative Code by Repealing Section 19.A.11.

These items were approved by the Health Commission at its January 4, 1994 meeting.

Your assistance with calendaring these items will be very much appreciated.

cc: RDC:KM

RECEIVED
SAN FRANCISCO
94 JAN 19 AM 11:10
RF

A F F I D A V I T

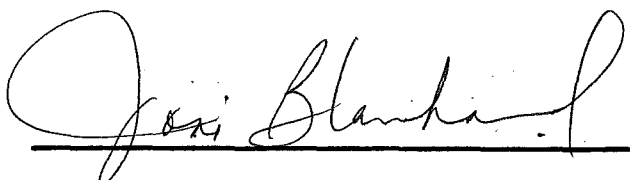
DATE AND TIME OF MEETING: 4/19/94 - 1:00 p.m.

- Budget Committee
- Economic Vitality & Social Policy Committee
- Government Efficiency & Labor Committee
- Health, Public Safety & Environment Committee
- Housing & Land Use Committee
- Rules Committee
- Select Committee on Base Closures
- Other SPUR

Mailing List Document No. 2033L mailed on
(DATE) 4/14/94

Mailing List from other Department or Agency also used and mailed on same date:

Yes No



Committee Clerk

Attachments: Notice
Mailing List from other Dept. if applicable

File No. ~~97944~~

172-94-3

A F F I D A V I T

DATE AND TIME OF MEETING: 4/5/94 2p.m.

- Budget Committee
- Economic Vitality & Social Policy Committee
- Government Efficiency & Labor Committee
- Health, Public Safety & Environment Committee
- Housing & Land Use Committee
- Rules Committee
- Select Committee on Base Closures
- Other SPUR

Mailing List Document No. 20166 mailed on
(DATE) 3/31/94

Mailing List from other Department or Agency also used and mailed on same date:

Yes No

Joni Blanchard
Committee Clerk

Attachments: Notice
Mailing List from other Dept. if applicable

File No. 172-94-3

A F F I D A V I T

DATE AND TIME OF MEETING: 3/15/94 2 p.m.

- Budget Committee
- Economic Vitality & Social Policy Committee
- Government Efficiency & Labor Committee
- Health, Public Safety & Environment Committee
- Housing & Land Use Committee
- Rules Committee
- Select Committee on Base Closures
- Other SPUR

Mailing List Document No. 2000L mailed on
(DATE) 3/10/94.

Mailing List from other Department or Agency also used and mailed on same date:

Yes No

Joni Blanchard
Committee Clerk

Attachments: Notice
Mailing List from other Dept. if applicable

File No. 172-94-3

LEGISLATIVE HISTORY SHEET

=====
 File Number: 172-94-003 ORDINANCE Recd: 01 19 1994

Heading: University of California/Affiliation Agreement

Title: Ordinance authorizing the Director of Public Health to execute an affiliation agreement between the City and County of San Francisco and the Regents of the University of California for the provision of patient care services at San Francisco General Hospital. (Also see File 97-94-3 and 97-94-4). (Department of Public Health)

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 Chronology:

01 24 1994 Referred to Government Efficiency and Labor Committee.
 02 02 1994 From Budget Analyst, advising of no fiscal impact.
 03 15 1994 Consideration continued to April 5, 1994.
 04 05 1994 Hearing held. Amendment of the Whole adopted.
 Consideration continued to 4/19/94 (see new title).
 04 05 1994 [Affiliation Agreement] Ordinance authorizing the
 Director of Public Health and the Purchaser to execute
 an affiliation agreement between the City and County
 of San Francisco and the Regents of the University of
 California for the provision of patient care services
 at San Francisco General Hospital; see Files 97-94-3
 and 97-94-4. (Department of Public Health)
 04 19 1994 Hearing held. Recommended for Board Meeting of 5/2/94
 (by roll call vote with Supervisor Hallinan
 dissenting).
 05 02 1994 Consideration continued to 5/9/94.
 05 09 1994 Passed for second reading. (Add Supervisor Alioto
 as co-sponsor.)
 05 27 1994 Approved; Ord. No. 210-94