

1 [Resolution opposing closure of St. Luke's Hospital]

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3 **Resolution opposing the plans of Sutter Health to cease operations at St. Luke's**
4 **Hospital, requesting City Departments to identify pending applications sought in**
5 **furtherance of such closure and report such applications; and requesting the City**
6 **Attorney to investigate the actions taken by Sutter Health and initiate proceedings, if**
7 **warranted, under relevant statutes.**

8
9 WHEREAS, St. Luke's Hospital ("SLH") is a full-service 260-bed licensed acute care
10 hospital with more than 1,400 employees that has served the lower Mission and South of
11 Market neighborhoods of San Francisco since 1912; and

12 WHEREAS, the southeastern San Francisco neighborhoods served by SLH have been
13 designated by the federal government as Medically Underserved Areas since 1982; and,

14 WHEREAS, SLH affiliated with Sutter Health in 2001 and became a component of the
15 Sutter Health integrated health care service delivery system in Northern California, which
16 includes California Pacific Medical Center ("CPMC") in San Francisco; and,

17 WHEREAS, Sutter obtained a formal affiliation agreement between SLH and CPMC in
18 2005 which enabled Sutter Health to consolidate all of its acute hospital care operations and
19 facilities in San Francisco under a single CPMC license (consisting of SLH [3555 Cesar
20 Chavez St.]; CPMC-California East [3773 Sacramento St.]; CPMC-California West [3700
21 California Street]; CPMC-Davies Campus [Castro and Duboce Streets]; and CPMC-Pacific
22 [2333 Buchanan St.]); and,

23 WHEREAS, of the ~~five~~ four Sutter acute hospital care facilities operating in San
24 Francisco, only SLH provides services to Medically Underserved Areas designated by the
25 federal government; and,

1 WHEREAS, during 2006-2007, the patients receiving acute hospital care services from
2 SLH were 39.56% Hispanic and 17.82% African American, while those receiving inpatient
3 hospital services from the other ~~four~~ three acute care facilities operating under the CPMC
4 license in San Francisco were less than 1% Hispanic and only 6.41% African American; and,

5 WHEREAS, during the period of January, 2005 through June, 2005, the five acute
6 hospital care facilities operating in San Francisco under the CPMC license had a total of
7 32,259 emergency room visits, 40.45% (13,049) of which were visits to the SLH emergency
8 room; and of the total visits to the SLH emergency room, 28.01% were Hispanic and 26.16%
9 African American while the total emergency room visits to the other four CPMC acute care
10 facilities during this same period were less than one-tenth of one percent and only 8.2%
11 African American; and ,

12 WHEREAS, the Board of Supervisors found, in Resolution No. 328-04, file no. 040607
13 adopted May 18, 2004 which is incorporated by this reference, that notwithstanding the "non-
14 profit" status of its hospitals and self-promotion as a charitable enterprise, the business
15 practices of Sutter Health/CPMC in San Francisco discriminate against and severely
16 disadvantage uninsured and low-income people and medically underserved communities,
17 finding, among other things, that:

18 (1) CPMC and other Sutter hospitals "*have practiced aggressive debt collection*
19 *tactics against uninsured patients who are unable to pay their bills, routinely*
20 *sending uninsured patients' bills to collection agencies that sue uninsured*
21 *patients and seize funds from patients bank accounts, among other actions;*"

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23 (2) "*Sutter Health's discriminatory pricing and aggressive collection practices have*
24 *been systematic and widespread, involving hundreds of uninsured patients each*
25 *year;*" and

1 (3) "Sutter Health's practices have harmful effects on the City's public health system
2 and exacerbate the city's fiscal crisis by forcing uninsured residents to seek care
3 at public facilities."; and,

4 WHEREAS, the public record of Sutter business practices and actions related to its
5 acute care operations in San Francisco and recent events and admissions of Sutter officials
6 specifically concerning the future of acute care operations at St. Luke's Hospital have
7 revealed Sutter's implementation of an aggressive plan to generate excessive revenue and
8 capture a greater share of profitable health care service markets in San Francisco by
9 abandoning services provided to uninsured people, Hispanic and African American residents,
10 and medically underserved neighborhoods in San Francisco and expanding hospital
11 operations for access by insured, middle and upper income, non-Hispanic, largely non-African
12 American residents of San Francisco neighbors that already enjoy a significant surplus of
13 readily available and accessible medical and hospital services; and

14 WHEREAS, Key elements of Sutter's plan include: (1) construction of a new Cathedral
15 Hill acute care facility on Van Ness Avenue to be operated under CPMC license; (2)
16 deliberate, staged dismantling of SLH hospital operations through transfers of selected
17 services over time to other CPMC facilities; (3) complete and final termination of SLH acute
18 care services by default in 2013 when closure of the hospital will be required by law due to
19 Sutter's failure to retrofit or rebuild the facility to meet seismic safety standards; and (4)
20 relocation of SLH remaining services to other CPMC facilities, including the new Cathedral
21 Hill facility; and,

22 ///

23 WHEREAS, the Office of the Legislative Analyst for the City and County of San
24 Francisco concluded in a report issued in August 2006, that the Sutter business plan actions
25 described above "would remove a critical health care component from southeast San

1 *Francisco, which the federal government designated as a Medically Underserved Area.”*
2 (Legislative Analyst Report, GAO Item #2: SB 1953 – Hospital Seismic Retrofits and St.
3 Luke’s Hospital [OLA No. 032-06], August 9, 2006, p. 1-2.) The LAO recommended in its
4 August 2006 report that the Board of Supervisors take certain necessary and appropriate
5 actions to delay implementation of Sutter’s plans to relocate and abandon acute care
6 operations in southeastern San Francisco “*until an adequate plan is put in place to serve this*
7 *medically-underserved community.*” (Id. at p. 9); and,

8 WHEREAS, the voters of the City and County of San Francisco have adopted
9 amendments to the Charter creating the Health Commission and authorizing other actions to
10 protect the health of the people of this City, and have found and declared that “*elimination or*
11 *curtailment of health services by private hospitals and clinics in this community may have a*
12 *detrimental effect on the health and well-being of this community,*” establishing grounds for
13 adoption on November 8, 1988 of the Community Health Care Planning Ordinance, in which
14 APPENDIX 17: Health Care Community Service, Sec. II, provides in pertinent part:

15 “Prior to closing a hospital inpatient or outpatient facility, eliminating or reducing the
16 level of services provided, or prior to the leasing, selling or transfer of management,
17 the hospital shall provide public notice, including notice posted at the entrance to the
18 facility or facilities affected and *mailed to the San Francisco Health Commission, of*
19 *their intention. Such notice shall be posted and mailed not less than 90 days prior to*
20 *the intended date of the action. The notice shall contain a detailed list of the proposed*
21 *reductions or changes and the number of patients and employees affected by facility*
22 *and service. The commission shall make findings based on evidence and testimony*
23 *from public hearings that the proposed action will or will not have a detrimental impact*
24 *on the health care service of the community. The commission shall further explore in*
25

1 *these public hearings what alternative means are available in the community to provide*
2 *the service or services to be eliminated or curtailed."*

3 WHEREAS, in complete disregard for the health and safety of the people of San
4 Francisco and willful violation of the above-cited City Code provisions, Sutter attempted to
5 proceed with implementation of its plan to wholly abandon and relocate SLH acute care
6 operations by closing and relocating SLH pediatric and infant intensive care services on
7 November 18, 2007, without public notice, opportunity for public comment and debate, or due
8 consideration, report and recommendation by the Health Commission as required by the
9 above-cited Code provisions; and,

10 WHEREAS, the Unruh Civil Rights Act (Cal. Civ. Code § 51(b).) provides in part that:
11 *"All persons within the jurisdiction of this state are free and equal, and no matter what*
12 *their sex, race, color, religion, ancestry, national origin, disability, medical condition,*
13 *marital status, or sexual orientation are entitled to the full and equal accommodations,*
14 *advantages, facilities, privileges, or services in all business establishments of every*
15 *kind whatsoever."*

16 WHEREAS, the City Attorney is authorized by Section 17204 of the California
17 Business and Professions Code to institute and prosecute civil actions for appropriate
18 equitable and legal relief against any "person" (including profit and non-profit corporations,
19 joint ventures, partnerships, and other business arrangements) for engaging in any "*unlawful,*
20 *unfair or fraudulent business act or practice and unfair, deceptive, untrue, or misleading*
21 *advertising . . .*" (as defined in Bus. & Prof. Code § 17200); and

22 WHEREAS, the deliberate medical redlining plan of Sutter Health to generate
23 excessive revenue and capture a greater share of profitable health care service markets in
24 San Francisco by abandoning services provided to uninsured people, Hispanic and African
25 American residents, and medically underserved neighborhoods in San Francisco and

1 expanding hospital operations for access by insured, middle and upper income, non-Hispanic,
2 largely non-African American residents of San Francisco neighborhoods that already enjoy a
3 significant surplus of readily available and accessible medical and hospital services is a
4 disgraceful and contemptible attack on our community as a whole and present a clear and
5 present danger to the public health and safety of the people of San Francisco; now, therefore,
6 be it

7 RESOLVED, That the San Francisco Board of Supervisors calls upon Sutter Health to
8 immediately cease and desist all actions in furtherance of any and all plans to close St.
9 Luke's Hospital and abandon its plans to discontinue the provision of acute care hospital
10 services in southeast San Francisco; and, be it

11 FURTHER RESOLVED, That all City Departments immediately identify and report to
12 the Board of Supervisors any and all existing and future formal or informal requests by Sutter
13 for permits, approvals, authorizations, sanctions, or other official actions allowing, supporting,
14 and/or having the effect of assisting implementation or otherwise furthering Sutter's plans to
15 discontinue the provision of acute care hospital services in southeast San Francisco; and, be
16 it

17 FURTHER RESOLVED, That the Board of Supervisors of the City and County of San
18 Francisco hereby requests the City Attorney to investigate the business practices of Sutter
19 Health for possible action under applicable law; and be it

20 FURTHER RESOLVED, That the Board of Supervisors urges all City Departments
21 and representatives to work cooperatively with the recently established Blue Ribbon Panel
22 and Community Outreach Task Force in their efforts to look at the health care needs of San
23 Francisco, and, in particular, the role that St. Luke's plays.



City and County of San Francisco

City Hall
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102-4689

Tails Resolution

File Number: 071489

Date Passed:

Resolution opposing the plans of Sutter Health to cease operations at St. Luke's Hospital, requesting City Departments to identify pending applications sought in furtherance of such closure and report such applications; and requesting the City Attorney to investigate the actions taken by Sutter Health and initiate proceedings, if warranted, under relevant statutes.

April 1, 2008 Board of Supervisors — AMENDED

Ayes: 10 - Alioto-Pier, Ammiano, Chu, Daly, Elsbernd, Maxwell, McGoldrick,
Mirkarimi, Peskin, Sandoval

Excused: 1 - Dufty

April 1, 2008 Board of Supervisors — ADOPTED AS AMENDED

Ayes: 9 - Ammiano, Chu, Daly, Elsbernd, Maxwell, McGoldrick, Mirkarimi,
Peskin, Sandoval

Noes: 1 - Alioto-Pier

Excused: 1 - Dufty

File No. 071489

I hereby certify that the foregoing Resolution was ADOPTED AS AMENDED on April 1, 2008 by the Board of Supervisors of the City and County of San Francisco.




Angela Calvillo
Clerk of the Board

Date Approved

Mayor Gavin Newsom

Date: April 17, 2008

I hereby certify that the foregoing resolution, not being signed by the Mayor within the time limit as set forth in Section 3.103 of the Charter, became effective without his approval in accordance with the provision of said Section 3.103 of the Charter.



Clerk of the Board

File No.
071489