



# Saint Francis & St. Mary's Acquisition

Hearing before the San Francisco Board of Supervisors,  
Rules Committee

March 18, 2024



# UCSF Health's Goals for the Acquisition

## A New Direction for UCSF Health

- Make healthcare services more accessible to all San Franciscans.
- Acquire St. Mary's & Saint Francis to create a new community hospital division focused on less complex healthcare services:
  - Retain and grow the services presently offered at both hospitals.
  - Retain and grow the open medical staff with the addition of both UCSF faculty physicians and additional private practice providers.
  - Retain and grow the employee base to meet the expanded portfolio of programs.
  - Make investments to improve facilities and equipment to meet patient needs.
  - Continue providing financial assistance and charity care at the same levels.
- Strengthening these two hospitals will benefit both San Francisco & UCSF Health
  - For San Francisco, preserving emergency rooms, maintaining services for the unhoused, enhancing behavioral health and offering more access to key services in critical parts of the city.
  - For UCSF Health, creating more capacity for complex care while creating a closer connection with community-based health services.

# Challenges in health care are impacting SFMH & SMMC.

- Competition is fierce for the next generation of physician workforce and clinical staff.
- It is very expensive to modernize facilities and invest in necessary equipment to support innovations in care delivery.
- Rising costs make the financial model of emergency rooms and inpatient care more difficult.
- We need a way for patients to be able to stay local for most of their primary and specialty care needs.
- SFMH & SMMC are losing millions of dollars per month and almost certainly face a reduction in services and/or the possible closure of one or more of the facilities absent UCSF Health's acquisition.



# Access to UCSF Health care is constrained by limited capacity.

- A record number of patients are seeking our services – we are over 90+% full.
- An aging population and complex diseases are driving more San Francisco and Bay Area patients to UCSF Health.
- UCSF Health has the largest physician group in San Francisco, representing every medical and surgical specialty, but they're impacted by space constraints.
- UCSF Health's emergency department is one of the busiest in the city.
- Almost a third of our current patients could be seen in a community setting if that care was integrated with their care providers and records at UCSF Health.



# This acquisition is an opportunity to better serve San Francisco.

Keeping care close to home and expanding access to specialized services is better for our organizations and our community.

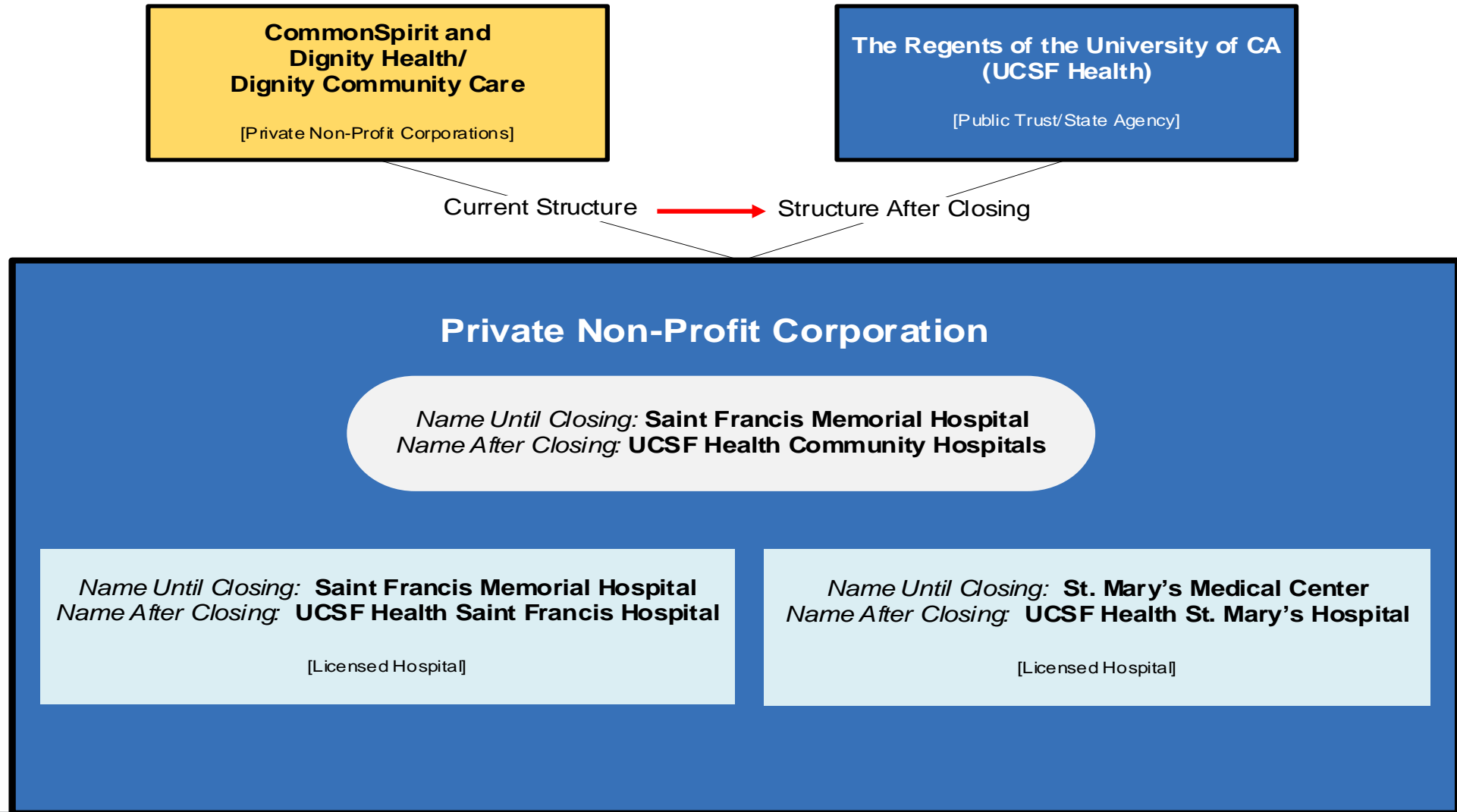
- St. Mary's and Saint Francis can continue their excellent programs and remain a vital part of the neighborhoods and community we serve.
- UCSF Health will invest in people, programs and infrastructure, allowing St. Mary's and Saint Francis to serve more patients and helping address our capacity constraints and growing patient demand.
- Connecting both hospitals' community-based care with the clinical excellence of UCSF Health's academic medical center will help enhance patient outcomes, quality and safety.

# Key Elements of the Transaction

UCSF Health is acquiring Saint Francis Memorial Hospital, St. Mary's Medical Center and their associated outpatient clinics.

- Both hospitals will be maintained as full-service community hospitals continuing to provide the care and services they do today.
- The hospitals will maintain their existing enrollments in Medicare and Medi-Cal and will be operated as separately licensed general acute care facilities.
- The hospitals will retain their open medical staffs, ensuring local doctors can continue to practice at each location and preserving critical longstanding patient-provider relationships.
- The workforce of St Mary's and Saint Francis will be retained. No layoffs will occur as a result of this transaction.
- Staff will be employed by UCSF Health Community Hospitals, a non-profit entity that will own the two hospitals, and which will become part of the UCSF Health affiliates network.
- Applicable collective bargaining agreements will be honored.
- Once the facilities are transferred to UCSF Health there will be no Catholic affiliation or restrictions on medical services.
- Estimated immediate investment of \$75-\$100M to address deferred maintenance projects and needed facilities and equipment improvement.

# Transaction Structure





# We're building on a legacy of community care.

UCSF Health will build on the strengths of the hospitals, including their dedicated community physicians and employed staff by:

- Continuing to honor our shared commitment to providing quality, affordable care to all, including the underserved.
- Expanding key services such as cardiology and surgery in the first year.
- Bolstering hospital medicine programs and both EDs to better support providers and improve patient experience.
- Upgrading technology and equipment.



# Safety, stability and support are our top priorities.

- We're committed to a thoughtful, people-centered transition that is focused on patient safety and supports physicians and staff.
- For patients, physicians and staff, it may not feel like much is changing on Day 1 – and that's a good thing.
- Maintaining stability means minimizing disruption.
- Systems and processes at Saint Francis and St. Mary's will remain separate and different than what we have at UCSF Health. But both hospitals will align with our clinical quality standards and clinical policies.
- Payors will be asked to honor their existing agreements applicable to the hospitals in order to maintain the services that are provided today.
- In recognition of their long history of caring for San Franciscans and as the newest addition to the UCSF Health system, the two hospitals' new names will be UCSF Health Saint Francis Hospital and UCSF Health St. Mary's Hospital.



# Community Stakeholder Engagement (Ongoing):

## Community Organizations

- API Council
- Chinatown North Beach Mental Health Clinic
- Code Tenderloin
- Conard House
- Curry Senior Center
- Felton Institute
- GLIDE
- Haight Ashbury Neighborhood Council
- Hamilton Family Services
- HealthRIGHT 360
- Hospital Council
- Hyde Street Community Services
- Larkin Street Youth Services
- Lower Nob Hill Neighborhood Alliance
- Lower Polk Neighbors
- Mental Health Association of San Francisco
- North of Panhandle Neighborhood Association
- Richmond Area Multi-Services, Inc.
- Raphael House
- San Francisco Community Clinic Consortium
- San Francisco Community Health Center
- Tenderloin Community School
- Tenderloin Neighborhood Development Corp
- Haight Street Merchants Association
- Third Street Navigation Center
- Urban Alchemy

## Government Leaders

- Mayor Breed
- Governor's Staff
- Senator Wiener
- Assemblymember Ting
- Assemblymember Haney
- San Francisco Board of Supervisors
- San Francisco Department of Public Health

## Community Meetings

- 3 Town Halls: Oct. 25, Nov. 7, Nov. 8
- Merchant Walk: Feb. 29

## California Nurses Association

- Meeting w/ UCSF bargaining unit: Oct. 26
- Responses to RFIs: Oct. 18, Feb. 9

**UCSF** Health  
Redefining possible.™