

County Of Sonoma Agenda Item Summary Report

Clerk of the Board Use Only
Meeting Date **Held Until**
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Agenda Item No: **Agenda Item No:**
 _____ _____

Department: Health Services

4/5 Vote Not Required

Contact:
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Board Date:
9/28/2009

Deadline for Board Action:
9/28/2009

AGENDA SHORT TITLE:

Public Workshop to receive community input regarding Sutter Medical Center of Santa Rosa's November 2008 Proposed Revised Business Plan.

REQUESTED BOARD ACTION:

No board action required at this time.

CURRENT FISCAL YEAR FINANCIAL IMPACT - None.

Explanation (if required): None.

Prior Board Action: 02/09/96 – Authorized execution of Hospital Lease, Health Care Access Agreement and Master Settlement Agreement with Sutter Sonoma Medical Center, Inc.; 12/22/08 – Public Workshop regarding Sutter's November 2008 Proposed Revised Business Plan; 7/20/09 - Public Workshop regarding Sutter's November 2008 Proposed Revised Business Plan.

Alternatives – Results of Non-Approval: Reduced opportunity to receive public input regarding Sutter Medical Center of Santa Rosa's November 2008 Proposed Revised Business Plan.

Background:

I. Sutter's Health Care Access Agreement Obligations

On March 26, 1996, the County leased the Chanate campus hospital facilities to Sutter Medical Center of Santa Rosa (Sutter) and entered into a Health Care Access Agreement (HCAA) which requires Sutter to either retrofit the Chanate hospital or construct a new hospital to comply with its obligations under the HCAA. In October 2004, Sutter presented its Business Plan to the Board of Supervisors to construct a new 118 bed hospital at the Wells Fargo Center of the Arts site. After considering public comment, the Board approved the Plan. Although approved, the land use approval process was not completed and construction of the new hospital was not initiated.

II. Sutter's Proposed Revised Business Plan

In November 20, 2008 Sutter submitted to the County a Proposed Revised Business Plan to construct a smaller 70-bed hospital ("November 2008 Proposed Revised Business Plan"). The proposed new 70-bed hospital includes a potential 29-bed expansion as part of its design, and the construction of a medical office building and a 28-bed Physician Medical Center. Sutter has indicated that the November 2008 Proposed Revised Business Plan fully complies with the HCAA, and commits Sutter to continue to provide access to a wide range of health services to Sonoma County residents, including government funded and the uninsured through March 25, 2021.

At the direction of the Board and in close consultation with the County Administrator's Office and County Counsel, the Department conducted a preliminary analysis of Sutter's November 2008 Proposed Revised Business Plan. A copy of the Department's report, titled *Preliminary Analysis of Sutter's 2008 Revised Business Plan* is attached as Exhibit A. On July 14, 2009 the Board received the Department's report and adopted a resolution finding that Sutter Medical Center of Santa Rosa's 2008 Revised Business Plan could comply with the Health Care Access Agreement. The Board also directed the Permit and Resource Management Department to proceed with the environmental review of the project, including consideration of a reasonable range of alternatives.

III. Opportunities for Community Input

The Department greatly values the input of stakeholders and members of the community regarding Sutter's 2008 Proposed Revised Business Plan. Community input has been an important contributor to the Department's analysis. The Department has received public input from a variety of sources including:

- a. *Focus Groups* – The Department conducted 9 two-hour focus groups with community stakeholders – three in January 2009, two in July 2009, three in August 2009 and one in September 2009. The meetings were attended by over 100 individuals representing a broad range of stakeholders including local hospitals (Santa Rosa Memorial Hospital; Sutter Medical Center of Santa Rosa; Petaluma Health Care District, Healdsburg District Hospital, Sonoma Valley District Hospital, Palm Dive District Hospital); Sonoma County Indian Health Center, Southwest Community Health Center, Northern California Medical Associates, Sonoma County Medical Association; Southwest Community Health Center OB/Women's Health; Santa Rosa Family Practice Residency Program; Kaiser Permanente of Santa Rosa; Partnership HealthPlan of California; Coastal Valleys EMS Agency; Planned Parenthood Golden Gate; Northern California Health Care District Joint Powers Authority; Psychstrategies, Inc., Sonoma County Veterans Affairs; Sonoma County Council on Aging, the Healthcare Foundation Northern Sonoma County and representatives for Assemblywoman Noreen Evans. The August 2009 meeting focused on specific issues identified in the Department's analysis, including Medical Surgical/ICU; Emergency Medical Services, and the Residency Program, and the September 2009 meeting provided the opportunity for general comments.
- b. *Board Workshop* – In addition to today's Workshop, the Board has conducted two Workshops, one on December 2008 and a second on July 20, 2009. All the workshops were well attended and included significant public comment.
- c. *Department's Sutter Website* - The Department has established a website related to Sutter's Proposed Revised Business Plan located at www.sonoma-county.org/county-sutter-proposal. The website includes a link which allows the public to provide input to the Department regarding the proposed transaction. For the period November 2008 through July 2009, the website has received over 3000 visits.

BACKGROUND CONT.

- d. *Other Activities* – Department staff have met with community stakeholders on numerous occasions and received correspondence providing input on the proposed transaction.

The Department has received over 390 specific letters and comments related to the proposed transaction. The Department placed comments into one of the following five categories covering a wide range of topics. Below is a summary and description of the comments to date.

Table 1: Summary of Public Comment	Bed Capacity	Access	Charity/Indigent Gov. Progs	HCAA Services	Other/District Hospital
% of Comments	34%	27%	15%	15 %	9%

- a. *Bed Capacity* – This category includes comments related to the overall capacity of the proposed 70-bed facility. Approximately 34% of the public comments – more than any other category – addressed bed capacity with most comments expressing concern the new facility does not include sufficient number of med/surg and ICU beds. Some comments expressed concern that Sutter’s analysis did not take into account peak demand and seasonal surges or that the size of the facility was insufficient given population growth and the aging population.
- b. *Access* – This category includes comments related to how the new facility will impact access to care for Sonoma County residents. Approximately 27% of the comments addressed access to care. Most comments expressed concern regarding the impact a decreased number of beds would have on overall system capacity and the potential that patients would be redistributed to other Sonoma County hospitals. Some expressed concern regarding the geographic location of the proposed hospital, its distance from the core population base in Santa Rosa and the underserved. Transportation was also cited as an issue for the elderly and the fact that buses don’t run 24/7 to the facility. Expressing a different point of view, others noted that more buses would run to the new location than currently run to the Chanate location, thus patients would be able to access the new location with greater ease.
- c. *Charity Care/Indigent Care/Government Programs*. This category includes comments related to how the proposed facility will impact charity care, indigent care and health care for those enrolled in government plans. Approximately 15% of the comments addressed this issue. As noted above, some felt the geographic location of the hospital to northern Santa Rosa would provide reduced access for underserved populations. Others expressed concern the proposed facility would not serve the indigent and uninsured, resulting in redistribution of these patients to other hospitals.
- d. *HCAA Services* – This category includes comments related to jail inmate services, sexual assault services, quarantine services, HIV/AIDS Services, Residency Program, emergency medical services, geriatric services, veteran’s services, palliative care, women’s health services, and AODS services. Approximately 15% of the comments addressed this issue. Most comments related to the Residency Program and emergency medical services. Some thought that the reduced number of beds would have a negative impact on the Residency program and its future accreditation. Some indicated the proposed facility may have an adverse impact on emergency medical services by increasing emergency department traffic in Santa Rosa’s other two core hospitals, potentially impacting through-put and the capacity of the other hospitals to comply with Coastal Valley’s EMS Agency’s no diversion policy. Some commented on the fact that without the Physician’s Medical Center, the new facility would not qualify as an approved ST-Segment Elevation Myocardial Infarction Center. The lack of interventional cardiology services in the new hospital was also identified.
- e. *Other* – This category includes comments regarding the impact of the November 2008 Proposed Revised Business Plan on district hospitals, overall impact on the health care system and other miscellaneous issues. This category included approximately 9% of the comments, with most comments related to the economic impact the new hospital would have on district hospitals. Multiple comments were concerned with the negative effect redistribution of patients, including uninsured and underinsured, would have on other hospitals. Comments included a concern that the proposed 70-bed hospital could result in the closure of one or more of the much needed district hospitals. Other comments related to the Physicians Medical Center, its focus on outpatient and specialty care and its viability under health care reform.

BACKGROUND CONT.

In addition to the above comments, the Board of Supervisors has received many emails from Sonoma County residents and current Sutter employees expressing their support for the program. Emails have also been received expressing opposition to the plan.

IV. Next Steps

Environmental Review. As directed by the Board, the Permit and Resource Management Department has initiated an environmental impact review of the project, including consideration of a reasonable range of alternatives. It is currently projected that the Planning Commission will make its recommendation on the Environmental Impact Report (EIR) in April/May of 2010 and that the EIR will be submitted to the Board for certification and approval in August/September 2010.

1. *Additional Analysis.* The Department’s report provided to the Board in July 2009 was preliminary in nature. Additional analysis will be conducted by the Department including, but may not be limited to, 2008 Office of Statewide Health Planning and Development (OSHDP) data, impact of Partnership HealthPlan of California implementation of Medi-Cal Managed Care, changes to the residency program, and impact of the proposed facility on emergency medical services.

Additional Community Input. Prior to the Department’s submission of a final report to the Board, the Department will conduct additional focus groups and Board Workshop. Throughout the process of review, the Department will continue to seek input from the public, community stakeholders and providers.

Board Approval. The Department will submit its final report and recommendation regarding Sutter’s Proposed Revised Business Plan to the Board concurrently with the Board’s decision on the EIR, or shortly thereafter.

Attachments: Preliminary Analysis of Sutter’s 2008 Revised Business Plan

On File With Clerk: Health Care Access Agreement; Sutter Medical Center of Santa Rosa’s November 2008 Proposed Revised Business Plan

CLERK OF THE BOARD USE ONLY

Board Action (If other than “Requested”)

Vote:

Supplemental information included as an attachment to this item will be available online at the following website:

Health Care Access Agreement:

<http://www.sonoma-county.org/health/admin/pdf/healthcareaccessagrmt.pdf>

Preliminary Analysis:

http://www.sonoma-county.org/health/admin/pdf/preliminary_analysis_of_sutter_2008_revised_bus_plan_07_14_09.pdf

For further information, please call (707) 565-2241.