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MEMORANDUM

To: San Francisco Health Commission

From: Amiee Alden, UCSF Sr. Director, Local & State Gov't Relations

Date: November 13, 2025

RE: Proposition Q Update on Acquisition of St. Mary's and

Saint Francis Hospitals

UCSF Health is pleased to provide an update to the San Francisco Health Commission (the "Commission") on the activities of UCSF Health St. Mary's Hospital and UCSF Health Saint Francis Hospital (together, the "Community Hospitals") since our last update to the Commission in March of this year. Below are responses to your request for information.

Introduction

UCSF Health continues to deepen its commitment to San Francisco by strengthening St. Mary's and Saint Francis Hospitals through significant investments in facilities, technology, and operations – a multi-year effort to keep care accessible, modern, and connected across the City. Since the August 2024 acquisition of Saint Francis and St. Mary's Hospitals, UCSF Health has expanded services, strengthened inpatient coverage, and improved core facilities to better meet the needs of patients. These improvements are already creating a more connected system, opening up capacity for complex care and enabling patients to be seen faster.

As previously shared with Commission staff, to strengthen further the connection between the Community Hospitals and the broader UCSF Health system, UCSF Health Saint Francis Hospital and UCSF Health St. Mary's Hospital have been renamed UCSF Health Hyde Hospital and UCSF Health Stanyan Hospital, respectively. The transition will take place over several months as the hospitals implement the new names across systems, signage, and materials. The new names reflect where these hospitals have served San Franciscans for more than a Century – on Hyde and Stanyan Streets – and align with UCSF Health's place-based naming conventions.



1. Data and information about patient accessibility and utilization of medical and behavioral health services at UCSF Health Stanyan (St. Mary's) and UCSF Health Hyde (Saint Francis) Hospitals, including Medi-Cal, Medicare, uninsured, and Healthy SF patients.

Detailed data reflecting patient accessibility and utilization of medical and behavioral health services have been provided via a spreadsheet, as well as graphs representing volume trends since UCSF Health's acquisition of the Community Hospitals. There has been an overall increase in volume at the Community Hospitals driven by an increase in inpatient and psych services.

Preserving and Strengthening Existing Community Hospital Programs and Services

UCSF Health remains committed to maintaining and strengthening the medical and behavioral health services offered at the Community Hospitals as of August 1, 2024, facilitating continuity of care and access for patients. We continue to assess operations and make investments to enhance patient care. As previously reported, upon taking control of the Community Hospitals, we found that they were in greater disrepair than previously anticipated, with significant deferred maintenance on the buildings, as well as opportunities to enhance existing services and processes. We continue to face financial and operational challenges resulting from the past lack of investment, but we remain deeply committed to the Community Hospitals and the essential programs and services they provide. While we are still projecting significant financial loss this fiscal year, we have progressed in our efforts to drive an operational and financial turnaround.

Improving facilities and Infrastructure:

Since the acquisition of the Community Hospitals, UCSF Health **has invested over \$135 million** to repair, replace, and build upon their facilities and infrastructure.

- UCSF Health has conducted facility assessments and completed targeted infrastructure improvements to enhance operations and patient care. Since the acquisition, we have made over \$63 million available for facility assessment, design, maintenance and repairs, and equipment upgrades. This includes the following:
 - \$4.2 million to activate 60 new inpatient beds at UCSF Health Stanyan (St. Mary's)
 - \$5 million for deferred maintenance issues (e.g., elevators, electrical, roof and floors)
 - \$9 million for imaging equipment, including CT and Portable X-Ray machines
 - \$1.8 million for lab and pathology equipment
 - \$1.2 million for cardiology equipment (cardiac catheterization lab and portable EKG)
 - \$3.2 million for pharmacy / conversion to Pyxis medication dispensing system

- In addition, we have invested over \$72 million in IT infrastructure, enhancements, and upgrades, including the October 4th transition from the CommonSpirit electronic medical record (EMR) system, Cerner, to UCSF Health's EMR, Epic. The transition to Epic included procedure and clinical scheduling tools as well as revenue cycle management. In addition to the transition to Epic, the following additional core IT and communications infrastructure have been updated and integrated to UCSF Health's platforms:
 - Voalte for integrated clinical communications and clinical code calls
 - Updating of basic IT infrastructure (wired and wireless networks and laptops / PCs)
 - Incident reporting for quality improvement and regulatory reporting
 - Everbridge for non-clinical code calls
- Implementing Epic as well as UCSF's patient capacity flow management system (PCMC) at both Community Hospitals will allow more patients to be treated in the community setting, and to move more easily to other UCSF campuses if their needs escalate. The investment in technology infrastructure will ensure interoperability and a seamless patient experience across campuses.

Strengthening programs and services:

- UCSF Health is focused on strengthening the Community Hospitals as key parts
 of the UCSF Health system, ensuring patients have the right care in the right
 setting.
- We have expanded hospital medicine services at UCSF Health Stanyan (St. Mary's), with a team from the UCSF Health Parnassus Campus relocating to there in May. This allows us to care for more patients locally, while continuing to support the essential services UCSF Health Stanyan (St. Mary's) provides today. (The new team did not replace existing hospital medicine at UCSF Health Stanyan (St. Mary's) the additional staff and providers are accretive to current programming to enable more patients to be seen at the hospital).
- We have opened two additional units at UCSF Health Stanyan Hospital (St. Mary's) and are adding more nurses / staff as needed to accommodate patient volume creating room for up to 60 additional patients per day.
- We have also expanded the breadth and depth of critical subspecialist consults available to support inpatients, including cardiology, neurology, gastroenterology, psychiatry, endocrinology, general surgery, infectious disease, orthopedics, critical care, and oncology.
- We have integrated procedural / surgical scheduling to reduce wait times and improve geographic access for UCSF cardiology and gastroenterology patients.

- We are adding new advanced imaging (CT/MRI) at UCSF Health Stanyan Hospital (St. Mary's) to improve access to diagnostics for patients needing emergency, inpatient, and outpatient treatment.
- We are partnering with nationally recognized experts to expand access to inpatient rehabilitation services at both hospitals.
- As further described, below, we have expanded pediatric specialty care in the burn center at UCSF Health Hyde Hospital (Saint Francis).

Providing clarity and stability while honoring a rich history:

The name change of the Community Hospitals is part of our broader effort to invest in these long-standing institutions and create a unified system of excellent care across UCSF Health – expanding access, improving coordination, and ensuring that high-quality care is available to everyone who seeks it. Importantly, renaming helps address the hesitation we've heard from some patients about seeking care at the Community Hospitals. Ultimately, this change is about providing clarity and stability for patients, staff, and the community about these hospitals' future as part of UCSF Health.

At the same time, we recognize that Saint Francis and St. Mary's have been part of San Francisco for more than a century, representing compassion, humility, service, and dedication. These names carry deep meaning for staff, physicians, and the community — and that legacy will always remain part of UCSF Health. To honor this history, we will create permanent recognition installations at both hospitals — developed in collaboration with staff, physicians, and community voices — that celebrate their rich histories and lasting contributions.

Update re Bothin Burn Center Operations

As reported in March, UCSF Health made key improvements to pediatric care for the burn program and the services offered at the Bothin Burn Center at UCSF Health Hyde Hospital (Saint Francis) (the "*Burn Center*"). These changes included 24-7 pediatric intensivist coverage, pediatric pain and anesthesia protocols, standardized admission and transfer protocols, and pediatric-specific nurse training and competencies. Today, the Burn Center is fully staffed – a significant improvement since the acquisition. We have also consulted with former leaders of a prominent burn unit in Southern California to assist us in further improving our quality, safety, and operations. We are in the process of recruiting for a faculty leader to expand our ability to take on even more care.

Update re Radiation Oncology Services:

As shared with Commission staff in September, UCSF Health conducted an in-depth evaluation of the oncology programs at both Community Hospital sites and has determined that it is in the best interest of our patients to concentrate radiation oncology therapy at our higher volume sites, including Mission Bay, Parnassus, and Mt. Zion. Effective December 31, 2025, radiation oncology

therapy will no longer be offered as a treatment option that can be performed at the Community Hospitals.

This decision reflects our commitment to delivering care that meets the highest standards set by national accrediting bodies. Collectively, the programs at both Community Hospitals treat approximately 27 patients per month. The existing equipment is at the end of its usable life, and the underlying technology is incompatible with Epic, our systemwide electronic medical record which went live at the Community Hospitals earlier this month. (A single EMR across UCSF Health is essential to supporting safer, more connected care and a better patient experience.)

Radiation oncology requires significant investment to keep pace with evolving standards of care and technology. With low patient volumes and aging equipment, it has become increasingly difficult to sustain the program across multiple sites. Concentrating care in higher-volume programs enables patients to benefit from the latest technology, consistent protocols, and broad clinical expertise.

All impacted staff have been offered a position within UCSF Health. Patients currently undergoing treatment will complete their care at their existing location. Importantly, oncology care—including diagnosis, surgery, and medical oncology—will continue at both Community Hospitals. Going forward, patients and their physicians will be able to choose from convenient options for radiation oncology therapy—at UCSF Health's nearby campuses or at other local community hospitals. This approach centers on patient choice, with oncologists helping patients decide the best setting for radiation therapy and supporting access to advanced technology and expertise

<u>Update re Sister Mary Philippa Health Center</u>

The Sister Mary Philippa Health Center is located in rented space owned by Common Spirit. UCSF Health is attempting to extend the lease, which expires next year. In the event we are unable to obtain an extension, we are exploring options and allocating the necessary funding to relocate. We are committed to maintaining the health center and its programs and services.

<u>Update Regarding Services Co-Located at UCSF Health Stanyan (St. Mary's)</u> (MHRC/SF Healing Center operated by Crestwood and Kentfield Hospital):

There has been no update since the last hearing. UCSF Health Community Hospitals owns the building at 450 Stanyan Street where the San Francisco Healing Center (operated by Crestwood Behavioral Health) and Kentfield Hospital San Francisco (operated by American Advanced Management) are located. The Healing Center and Kentfield Hospital are both separately licensed and operated by independent entities not associated with UCSF Health. As the owner of the building, UCSF Health Community Hospitals is a landlord to these operators and the relationships are governed by individual lease agreements. UCSF Health Community Hospitals continues to abide by the terms of the lease agreements.

Maintenance of Payor Contracts

There has been no significant update since the last hearing. UCSF Health continues to ensure that the Community Hospitals (i) participate in the Medi-Cal program as participating facilities (ii) honors the existing Medi-Cal managed care and other contracts that have covered the provision of services to Medi-Cal beneficiaries at the Community Hospitals. UCSF Health also remains

committed to maintaining inpatient psychiatric and other behavioral health services for Medi-Cal beneficiaries receiving care at the Community Hospitals

As part of the transaction with Dignity Health, the Community Hospitals agreed to assume all the payor contracts maintained by Dignity Health and/or CommonSpirit Health applicable to the provision of hospital services at UCSF Health Stanyan (St. Mary's) and UCSF Health Hyde (Saint Francis) ("Community Hospital Payor Contracts"). In addition, as part of its agreement with the California Attorney General, UCSF Health agreed to negotiate Community Hospital Payor Contracts separately from the payor contracts covering services provided at other UCSF Health facilities. The Community Hospitals continue to work with commercial payors to ensure the maintenance of the Community Hospital Payor Contracts.

Access to Formerly Restricted Services.

Neither of the Community Hospitals are subject to Dignity Health's Ethical and Religious Directives or the Statement of Common Values and there are no policy-based restrictions on the care patients may receive. UCSF Health Hyde (St. Francis) continues to provide adult gender affirming care, and construction continues to be under way to upgrade the Gender Institute.

2. Data and information on the continuation of existing behavioral health services at the UCSF Health Stanyan (St. Mary's) and UCSF Health Hyde (Saint Francis) Hospitals.

Proposition 1 Funding

UCSF Health is committed to maintaining behavioral health services at the Community Hospitals. As you know, UCSF Health has re-applied for funding made available through California's Proposition 1 *Behavioral Health Continuum Infrastructure Program (BHCIP)* program grants. UCSF Health and the San Francisco Department of Public Health are co-applicants on a grant application that would provide funding for the expansion of behavioral health services at UCSF Health Saint Francis. Specifically, the funds would allow UCSF Health to remodel the 3rd, 4th and 9th floors of the building where UCSF Health Hyde (Saint Francis) is located in order to add over 50 acute and sub-acute psychiatric and behavioral health beds. The subacute beds would be operated by Crestwood Behavioral Health in a model that is similar to Crestwood's Healing Center currently operated at UCSF Health Stanyan (St. Mary's) Hospital.

Addressing facility issues in Psychiatric Units

As previously reported, UCSF Health has identified some safety issues in our psychiatric units that will require construction to resolve. After further analysis, we have determined that additional investment is needed and have now allocated over \$5 million to evaluate and design fixes to mitigate the safety issues. We have been able to maintain the patient volume and will be able to expand once the construction is completed.

3. Data and information about the workforce at UCSF Health Stanyan (St. Mary's) and UCSF Health Hyde (Saint Francis) hospitals, including payor organizations accepted by providers, including physicians and advanced practice clinicians.

Community Hospitals Workforce

The Community Hospitals are working to recruit and retain a vibrant provider population while maintaining an open medical staff and adapting to the ongoing impacts of a changing healthcare landscape, including a nationwide primary care shortage, along with challenges facing independent community physicians, particularly in a high-cost market like the San Francisco Bay Area. Since our last update, a small number of community physicians have departed and have been replaced by a mix of other community physicians and UCSF faculty. New community physicians with expertise in endocrinology, infectious disease, primary care, and psychiatry have joined the medical staff. UCSF faculty physicians also now provide coverage in high-demand areas such as cardiology, neurology, critical care, hospital medicine, neurosurgery, pulmonology, and gastroenterology. Together, UCSF faculty and community physicians are improving coordination, shortening wait time, and allowing more patients to receive advanced care close to home.

Below is data regarding the number employed staff by the Community Hospitals as of October 2025:

	Headount	FTE
Stanyan (St. Mary's)	925	686
Hyde (Saint Francis)	805	623

As mentioned above, some additional staff has been hired to support the new inpatient units that have been brought online. The Community Hospitals have also insourced their security and parking teams which were previously contracted out.

In June of this year, UCSF Health made the very difficult decision to eliminate approximately 200 positions across UCSF Health as part of a broader effort to address serious financial challenges and protect our ability to care for patients in the years ahead. This reduction is part of broader efforts to confront those challenges and reshape how we operate. We are taking actions across the organization—including freezing hiring, reducing discretionary spending, and pausing non-essential work. As part of this reduction in force, 11 positions within the Community Hospitals were eliminated; of these 6 were career employees and 5 were agency staff.

Open Medical Staff and Physician Contracting

The Community Hospitals have retained an open medical staff model since completion of the Dignity Health transaction. As previously communicated, the medical staffs of the hospitals formerly known as St. Mary's and Saint Francis were combined into a single medical staff, but the medical staff remains independent from UCSF Health's medical staff. As a result of the open medical staff model, the Community Hospitals do not control the contracting of independent providers treating patients at the facilities.

4. Leadership and Governance structure and ownership details for UCSF Health Stanyan (St. Mary's) and UCSF Health Hyde (Saint Francis) Hospitals.

Leadership Transitions:

As described in our last update, the Community Hospitals are led by a Chief Operating Officer for the Community Hospital Division, reporting to the President of the UCSF Health Network Business Unit (which includes the Community Hospitals as well as the UCSF Health Affiliates Network). After a national search, Brian Sinotte started as President of the Network Business Unit as of November 4, 2025 – replacing Dr. Josh Adler who has been serving as interim Network President. James Bennan continues to serve as interim COO for the Community Hospital Division, reporting to the new Network President.

Governance Structure / Ownership

There have been no changes to ownership or governance structure from the information provided for the March 2024 hearing and July 2024 follow up memo. On August 1, 2024, UCSF Health replaced Dignity Health as the sole corporate member of the nonprofit public benefit corporation formerly known as "Saint Francis Memorial Hospital" and now called "UCSF Health Community Hospitals," which owns the assets of both UCSF Health Stanyan Hospital (St. Mary's) and UCSF Health Hyde Hospital (Saint Francis).

The UCSF Health Community Hospitals entity maintains a separate fiduciary board of directors and each hospital is separately licensed with its own participation agreements with government insurance programs. The licensure of both Community Hospitals remains separate from UCSF Medical Center license. As previously discussed, the employees of UCSF Health Stanyan (St. Mary's) and UCSF Health Hyde (Saint Francis) Hospitals have become UCSF employees represented by UC Unions.

5. Progress on seismic improvements, and associated costs, to UCSF Health Stanyan (St. Mary's) and UCSF Health Hyde (Saint Francis) hospital buildings.

UCSF Health is still in the process of completing its seismic evaluation of the Community Hospital buildings and does not have a definitive timeline for completing its seismic plans. UCSF Health remains committed to compliance with applicable HCAI/OSPHD reporting obligations associated with its operation of the Community Hospitals, including the submission of plans related to proposed improvements for Nonstructural Performance Category ("NPC") and Structural Performance Category ("SPC") buildings in 2026.

Thank you for the opportunity to update the Commission on UCSF Health's acquisition of St. Mary's and Saint Francis Hospitals. If you have any further questions, please don't hesitate to contact me at: amiee.alden@ucsf.edu.