

TRANSITION TIMES

UCSF STANFORD HEALTH CARE

News and Information – September 23, 1999

Transition Times is a publication of UCSF Stanford Health Care. The goal is to provide timely updates on activities, decisions and plans for employees and physicians.

Plan Approved to Reconfigure Services at UCSF/Mount Zion Medical Center

The UCSF Stanford Health Care Board of Directors today adopted the recommendation of the dean of the UCSF School of Medicine to transfer inpatient and emergency room services at UCSF/Mount Zion Medical Center to the UCSF Medical Center at Parnassus.

The recommendation was made as part of an agreement between the presidents of Stanford University and the University of California to allow UCSF to determine the future of Mount Zion since it is an integral part of the UCSF operation.

The UCSF Stanford board's resolution instructs the staff to immediately begin the process to implement the UCSF recommendation consistent with legal and operational requirements. A detailed implementation plan and timetable will be presented to the UCSF Stanford board at its Oct. 22 meeting.

Under the UCSF plan, patient care services at Mount Zion will be reconfigured to create a hub of services focusing on the UCSF Cancer Center, ambulatory surgery, an urgent care center and outpatient clinical services. Inpatient services will be centralized at the UCSF Medical Center at Parnassus, along with adding new operating rooms, expanding critical care services and increasing emergency room capacity.

In a written statement, Haile Debas, dean of the UCSF School of Medicine, said, "The recommendation to make these changes comes with great reluctance and only as a result of extreme external pressures created by the health care market and financing mechanisms for teaching hospitals."

On behalf of the UCSF Stanford board, Chair Isaac Stein said, "UCSF is to be commended for the hard work and deep consideration given this matter. Their deliberations have been guided by a desire to maintain Mount Zion as an asset and provider of high quality care to the community and to support UCSF's mission of medical education, research and public service." By its recommendation, "UCSF has preserved both Mount Zion and Parnassus," Stein said.

The following is the news release issued today by the UCSF campus that explains the UCSF/Mount Zion recommendation.

FOR IMMEDIATE RELEASE
September 23, 1999

UCSF recommendation on the future of UCSF/Mount Zion Medical Center

After a careful review of hospital financial losses, patient volume, revenue options, and community and education requirements, Haile T. Debas, MD, dean of the UCSF School of Medicine, today (Sept. 23) regretfully recommended in a report to UCSF Stanford Health Care the transfer of inpatient and emergency services from UCSF/Mount Zion Medical Center.

Patient care services at Mount Zion should be reconfigured to create a hub of services focusing on the UCSF Cancer Center, ambulatory surgery, an urgent care center, and outpatient clinical services, according to the report.

1 Inpatient services now provided at Mount Zion should be transferred to the UCSF Medical Center at Parnassus
2 Heights, the report recommends.

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4 "Mount Zion serves the community and UCSF with excellence and commitment and will continue to do so," Debas
5 said. "The recommendation to make these changes comes with great reluctance and only as a result of extreme
6 external pressures created by the health care market and financing mechanisms for teaching hospitals."

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8 Only through this kind of strategic reconfiguration can UCSF continue to use Mount Zion as a health care facility to
9 support the University's missions of patient care, education, research, and community service, Debas said.

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11 Any decisions regarding the recommendation or its implementation must be made by the UCSF Stanford board.
12 Before the transfer of inpatient services or closure of the emergency department could occur, UCSF Stanford would
13 be required to file a public notice with the San Francisco Department of Public Health and the California Health
14 Services Department within 90 days of implementation.

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16 Debas's recommendation, made in consultation with faculty leaders in the UCSF School of Medicine, calls for
17 centralizing inpatient services at the UCSF Medical Center at Parnassus Heights, along with adding new operating
18 rooms, expanding critical care services, and increasing emergency room capacity.

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20 The reconfiguration of patient services across UCSF sites would preserve both Mount Zion and Parnassus Heights
21 as active centers, each providing a different set of programs vital to the mission of the UCSF School of Medicine
22 and the financial strength of UCSF Stanford Health Care.

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24 The UCSF Stanford Health Care board requested a recommendation from Debas to guide planning as they cope
25 with large financial losses facing the merged clinical services of UCSF and Stanford University. The
26 recommendation was delivered to the board by Lee Goldman, MD, UCSF chair and professor of medicine and
27 acting vice chancellor for medical affairs while Debas is on a sabbatical leave until January.

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29 "The UCSF School of Medicine relies on the inpatient services at UCSF/Mount Zion for a substantial portion of its
30 medical training programs, and our recommendation to change this portion of the Mount Zion program comes with
31 great regret," Goldman said. "The recommendation comes only after a State Auditor's report confirmed the facts of
32 the financial situation facing UCSF Stanford and concerted efforts to obtain additional public financial support for
33 Mount Zion produced no additional revenue."

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35 The reconfiguration plan is designed to respond to financial losses suffered by UCSF Stanford Health Care as a
36 result of severe reductions in Medicare payments required by the federal Balanced Budget Act of 1997, growing
37 losses from unreimbursed care provided to Medi-Cal patients, and cuts in payments from HMOs and other managed
38 care programs. In terms of Medicare reductions alone, UCSF Stanford lost \$14 million in 1998, will lose \$28
39 million this year, and the loss is expected to continue growing to \$46 million annually in 2002.

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41 The reconfiguration plan recognizes the fact that the total number of patients hospitalized at both UCSF sites is not
42 large enough to justify operating two acute care hospitals, Goldman said. In addition, large capital expenditures
43 would be required to bring Mount Zion into compliance by 2008 with state seismic requirements for acute care
44 hospital buildings, he said.

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46 UCSF's decision to integrate with Mount Zion in 1989 was based on two assumptions -- limited space at Parnassus
47 Heights prevented the growth of clinical and academic programs and the financial strength of the clinical programs
48 at Parnassus Heights would offset needed investments in services at Mount Zion. The recommendation cautions that
49 the second assumption is no longer true -- the extremely competitive health care market in which teaching hospitals
50 must survive now makes it impossible for the overall clinical enterprise to offset growing losses at Mount Zion. But
51 the need for space to accommodate new and growing clinical programs at UCSF remains unchanged, and the
52 reconfiguration plan attempts to provide that opportunity while establishing a more secure financial base.

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54 If the UCSF Stanford board adopts the recommendation to transfer inpatient services, the plan might involve the
55 following implementation steps.
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1 Between 50 to 80 patients a day currently are hospitalized at Mount Zion. With centralization of inpatient services
2 at Parnassus Heights, about 44 additional patients a day would be expected to be hospitalized at the UCSF Medical
3 Center with the remainder expected to go to other San Francisco hospitals.

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5 Under the proposed reconfiguration plan, Mount Zion would remain the primary site for a large number of new and
6 growing programs. The UCSF Cancer Center recently received designation as the only National Cancer Institute-
7 designated cancer center in Northern California. The UCSF Cancer Center will remain located at Mount Zion and
8 soon will include a new five-story, 88,000 square foot building devoted to outpatient cancer services and radiation
9 therapy. Now under construction, the new building is slated to open next year.

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11 Mount Zion also will remain home to a vast network of clinics and doctors' offices where patients from the Western
12 Addition neighborhood and throughout the city receive primary medical care. Mount Zion programs include many
13 of UCSF's women's health services and the newly established UCSF Osher Center for Integrative Medicine.

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15 Mount Zion will continue to offer specialized services to assist a large Russian immigrant population near the
16 facility, including a case manager and translation services. To assist those who require hospitalization, the
17 interpreter staff at Parnassus Heights also would be expanded.

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19 A new urgent care center with extended evening and weekend hours would be established at Mount Zion under the
20 proposed reconfiguration plan to ensure continuing availability of services to the neighborhood. The proposal for
21 the facility calls for maintaining supplies and meeting other requirements to enable its use as an emergency services
22 center in the event of a disaster.

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24 In order to accommodate services transferred from Mount Zion, certain patient areas at the UCSF Medical Center at
25 Parnassus Heights would be expanded. The UCSF Medical Center could be expanded with additional emergency
26 department treatment stations, critical care beds, and operating rooms to accommodate the additional patient volume
27 that would result from centralization of inpatient care.

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29 Debas and the UCSF School of Medicine faculty leaders also propose the formation of joint committees of faculty
30 and hospital leaders to help with the integration process and ensure that educational programs are not compromised.

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32 The UCSF School of Medicine uses Mount Zion as a training site for 89 residents and for 15 percent of all medical
33 student rotations. With the centralization of inpatient services at the UCSF Medical Center, the school would need
34 to find new opportunities for this training.

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