



SAN JOAQUIN
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San Joaquin County and Dignity Health Announce 18-Month Master Services Agreement Extension at San Joaquin General Hospital

Stockton, CA – Yesterday, the San Joaquin County Board of Supervisors unanimously voted to extend their current Management Services Agreement (MSA) with Dignity Health for an additional 18-months to provide management services at San Joaquin General Hospital (SJGH). The cost associated with this extension agreement is \$4,500,000 for the period between January 1, 2024 through June 30, 2025.

On May 3, 2022, the San Joaquin County Board of Supervisors made a special finding that SJGH services could be more efficiently, effectively, and economically provided by an MSA with Dignity Health and entered into an agreement with Dignity Health for management services at SJGH for an initial 18-month period with a 10-year initial period option. The current agreement will expire December 31, 2023, and the Board action was necessary to continue the important best practices that Dignity Health – St. Joseph's Medical Center is implementing.

"The County's expressed goals for this partnership include the ability to continue providing essential, high-quality services to San Joaquin County residents efficiently, while protecting County taxpayers from the future risk of uncertain or open-ended subsidies for its health system," said San Joaquin County Board of Supervisors Chair Robert Rickman. "During the initial phase of the MSA, the hospital has achieved a number of outstanding successes, including ongoing initiatives, which have improved both the quality and financial performance of the hospital."

After extensive meetings with SJGH leadership and Dignity Health – St. Joseph's Medical Center leadership, the County determined that continuing the relationship between Dignity Health and SJGH will result in long-term stability that is essential to improve quality and financial metrics. Some of the new policies and procedures that have been enacted since the MSA was initiated in 2022 include:

Quality Improvement Items

- A Joint Commission Accreditation Survey centered around improving safety and quality has been completed with no critical findings identified.
- The CMS Leapfrog Hospital Survey rating is expected to improve to an "A" by the end of calendar year 2024, breaking the seven-year "F" rating.
- All SJGH-acquired infections have declined significantly.
- The Midas Quality Reporting System implementation is 97% complete, replacing the manual system.
- Regulatory surveys on reportable events and patient grievances cleared without violation, and fined late reporting issues have been eliminated.
- Incomplete patient records were reduced from over 15,000 to less than 200.

- A new Deputy Director of SJGH Nursing was hired to drive quality compliance improvements.

Financial Improvement Items

An estimated \$30.0 million in financial performance improvements driven by several initiatives to enhance revenue and control costs include:

- Launching the Clinical Documentation Improvement (CDI) Program to assist in accelerating revenues.
- Introducing the Revenue Integrity Program to assist in lifting revenues through pricing strategies and charge capture opportunities.
- Initiating the Cerner revenue cycle uplift and optimization aimed at enhancing cash collections by improving key financial metrics including automating workflows.
- Increasing improvement of collections on small balance accounts.
- Leveraging the CommonSpirit Group Purchasing Organization to achieve supply/pharmacy savings.
- Implementing 3M CodeAssist, a tool that examines physician reports to assign more accurate CPT® and ICD codes for billing.
- Correcting trauma criteria billing by implementing controls to capture trauma claim requirements accurately and consistently.
- Hiring a new CFO and key revenue cycle leaders to drive ongoing initiatives to lift revenue outside volume growth.

"Dignity Health and St. Joseph's Medical Center are proud of the accomplishments made over the initial 18-month month period of our Management Services Agreement with San Joaquin General Hospital," said Donald J. Wiley, President & CEO of Dignity Health - St. Joseph's Medical Center. "From financial processes to quality of care, under new CEO Rick Castro, his leadership team and the Board of Supervisors, SJGH has improved performance across all of these important metrics. With the extension of the MSA, we look forward to continuing to collaborate with SJGH to ensure that services and quality healthcare are available to the residents of San Joaquin."

About San Joaquin General Hospital

Established in 1857, San Joaquin General Hospital (SJGH) and its related clinics form the basis for the County's safety-net health care system with 80 percent of its patients utilizing Medicare or Medi-Cal and serving more than 1,340,000 patients annually. With a 196-bed hospital, a level-II trauma center, and multiple facilities dedicated to comprehensive outpatient services, SJGH provides a full range of inpatient services including General Medical/Surgical Care, High-Risk Obstetrics and Neonatal Intensive Care, Pediatrics and Intensive Care. Additionally, SJGH provides a graduate medical education program that encourages graduates to continue to stay and serve County residents. The Post-graduate residency program has trained over 3,000 physicians since 1932.

About Dignity Health

With hospitals, clinics, urgent care, and home health in Arizona, California, and Nevada, Dignity Health is dedicated to providing compassionate, high-quality, and affordable patient-centered care with special attention to the poor and underserved. Dignity Health is a part of CommonSpirit Health, a nonprofit health system committed to advancing health for all people and serving the common good.

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