



SAN JOAQUIN
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FOR IMMEDIATE RELEASE

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**San Joaquin County and Dignity Health Announce 3-Year
Management 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 (now known as CommonSpirit) for an additional 3 years to provide management services at San Joaquin General Hospital (SJGH). The cost associated with this extension agreement is \$5,744,891 for the period between July 1, 2025 through June 30, 2028.

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 Board extended that agreement for an additional 18 months in October 2023. The current agreement will expire on June 30, 2025, and the Board action was necessary to continue the important best practices that Dignity Health/CommonSpirit is implementing.

“Our partnership with CommonSpirit helps us deliver high-quality healthcare to San Joaquin County residents while protecting taxpayers,” said Paul Canepa, Chair of the San Joaquin County Board of Supervisors. “Since the agreement began, the hospital has made great progress in improving patient care and its finances. We’re excited to keep working together to build a strong, unified healthcare system that provides excellent care to everyone—no matter their ability to pay.”

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 Centers for Medicare and Medicaid Services (CMS) Leapfrog Hospital Safety Grade rating improved to a high C in Spring 2024, breaking the seven-year "F" rating.
- All SJGH-acquired infections have declined significantly.
- The Midas Quality Reporting System launched which replaced the manual system and is providing the ability to review post discharge reports.
- The Culture of Safety survey was completed with increased participation, from 20% to 80%; staff Leapfrog education continues to progress.

- 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 \$50.0 million in financial performance improvements driven by several initiatives to enhance revenue and control costs include:

- Hiring a new CFO and key revenue cycle leaders to drive ongoing initiatives to lift revenue outside volume growth.
- Advancing Registered Nurse recruitment and retention efforts resulting in reduced traveling nurses; an approximate savings of \$14.0 million; and a 16.4% decrease in SJGH nursing vacancy rates.
- Launching the Clinical Documentation Improvement (CDI) Program to assist in accelerating revenues resulting in a considerable increase in coding accuracy driven by the Program.
- 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. Supply chain savings are estimated to be approximately \$10.8 million.
- 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.
- Realizing savings by rationalizing the Huron revenue cycle contract and terminating marketing contracts.

“Since the implementation of the Management Services Agreement, CommonSpirit Health and St. Joseph’s Medical Center have had a profound impact on both financial and quality measures at San Joaquin General Hospital,” said BJ Predum, Market President, Dignity Health Central Valley. “By improving and standardizing processes, I am proud of all that we have accomplished together to enhance the health and wellbeing of the San Joaquin County community.”

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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.