



*Sutter Medical Center  
of Santa Rosa*

A Sutter Health Affiliate

3325 Chanate Road  
Santa Rosa, CA 95404  
(707) 576-4000

August 19, 2009

Rita Scardaci, Director of Health Services  
County of Sonoma  
475 Aviation Blvd.  
Santa Rosa, CA 95403

Re: Santa Rosa Family Medicine Residency Program

Dear Rita:

Sutter Medical Center of Santa Rosa (SMCSR) has determined that in order for the Santa Rosa Family Medicine Residency Program (Residency Program) to be supported by SMCSR in a viable and sustainable way, it is necessary to request the Accreditation Council for Graduate Medical Education (ACGME) to transfer sponsorship of the Residency Program back to SMCSR.

Our goal in establishing the Santa Rosa Family Medicine Residency Consortium (Consortium) was to provide a broader base of financial support for the Residency Program. For the last three years, SMCSR has been engaged in an effort with community partners toward this end, creating a Consortium of health care organizations to share funding of the Residency Program.

Planning for the implementation of the Consortium business model was underway when it was clarified that Medicare's policy requires that in order to claim Indirect Medical Education (IME) and Direct Medical Education (DME) a hospital must incur at least 90% of the cost of residents and faculty. Due to the Medicare rules, SMCSR would be required to invest an additional \$8.9 million over five years if the funding of the Consortium was structured as it was originally conceived in the business plan. For this reason, it is not possible for SMCSR to fund the Consortium as originally hoped. Despite best intentions by all parties, the Participation Agreements formalizing the Consortium were never executed. The Consortium never assumed administration of the Residency Program. The residents and faculty have always been employed by SMCSR. Therefore, no infrastructure transition needs to take place.

Fortunately, the lack of a formal Consortium does not preclude community health care organizations from continuing to work collaboratively as academic partners supporting the Residency Program. The training program is currently well supported academically by community health care organizations and by Kaiser Foundation Hospitals and The Permanente Medical Group in particular, and SMCSR will continue to work with these partners to provide an excellent educational experience for the residents.

SMCSR hereby notifies the County of its intent to transfer ACGME sponsorship from the Consortium back to SMCSR. No ACGME complications are anticipated. Attached is more detailed information.

Sincerely,

Michael J. Cohill  
Chief Executive Officer

## **Santa Rosa Family Medicine Residency Program**

### Background

On June 26, 2007, the Sonoma County Board of Supervisors approved Sutter Medical Center of Santa Rosa's (SMCSR's) Affiliation Agreement with Southwest Community Health Center to operate and improve reimbursements for services provided at the Chanate Family Practice Center previously operated by SMCSR.

On October 21, 2008, the Sonoma County Board of Supervisors approved SMCSR's business plan to transfer sponsorship of the Santa Rosa Family Medicine Residency program (Residency Program) to the Santa Rosa Family Medicine Residency Consortium (Consortium).

The Consortium structure allowed for shared funding of the Residency Program. Though SMCSR would continue to be the major funder, Kaiser Foundation Hospitals and The Permanente Medical Group (Kaiser Permanente) would provide significant funding as well.

The Consortium is a nonprofit corporation created to provide financial and educational support for the Residency Program. Specifically, the Consortium's original purpose, as outlined in the business plan, was to act as the Sponsoring Institution for the Residency Program pursuant to the Accreditation Council for Graduate Medical Education (ACGME). As sponsor, the Consortium would have been responsible for both financial and educational administration of the Residency, including direct employment of the residents.

Partners in the community with an interest in the Residency Program, including Sutter SMCSR, Sutter Medical Center of Santa Rosa, Sutter, Medical Foundation North Bay, Kaiser Permanente, Southwest Community Health Center, University of California San Francisco (UCSF), Sonoma County Department of Health Services, and Santa Rosa Memorial Hospital make up the Consortium.

After the County Board of Supervisors approved the business plan in October 2008, the Consortium worked toward implementing the plan. The process included transferring ACGME sponsorship to the Consortium (completed in February 2009) and drafting legal agreements between the Consortium and its partners outlining the financial and educational terms of participation. These agreements were not executed. The Consortium's infrastructure was never implemented and the Consortium never assumed administration of the Residency. SMCSR has continued to fund the Residency and employ the residents.

During the planning of the Consortium business model, insurmountable funding obstacles were discovered. SMCSR was to share the funding of the Residency Program with Kaiser Permanente. SMCSR would have continued to be the major funder of the

Program, contributing \$4 million annually, while Kaiser Permanente planned to be a second major funder, contributing \$2.7 million annually for residents' salaries and benefits. The primary source of SMCSR's funding is reimbursement revenue from Medicare to hospitals providing graduate medical education.

As recognized by the Consortium Board, unfortunately, Medicare restrictions<sup>1</sup> rendered the business plan no longer viable, preventing the Consortium model from moving forward. If the business plan were implemented as originally conceived, SMCSR would lose significant Medicare medical education reimbursement revenue, causing an additional \$8.9 million deficit in funding the Residency Program over the first five years. SMCSR has no guaranteed financial partner(s) beyond the five year business plan (the business plan does not cover the last six years of the Residency Program losses pursuant to the term of the Health Care Access Agreement, which no organization(s), besides SMCSR, has ever committed to financially support). SMCSR would be responsible for this deficit and has no other funding source to replace lost Medicare reimbursement for the Residency Program - in these uncertain economic times the tolerance of Sutter Health and SMCSR for exposure to additional financial risk has diminished dramatically. It is not possible to structure the shared funding without jeopardizing SMCSR's ability to collect Medicare reimbursement revenue. See attached financials.

### Discussion

In light of the changed circumstances, it is necessary and prudent to request ACGME to transfer sponsorship of the Residency Program from the Consortium back to SMCSR. SMCSR is notifying the County Board of Supervisors' of its intention to seek ACGME transfer of the sponsorship back to SMCSR and to continue to operate the Residency Program as it has since 1996, under the funding and management of SMCSR.

SMCSR and the Consortium have worked together to ensure a common understanding of the situation. In June 2009, the Consortium Board recognized that the business plan for Consortium sponsorship of the Residency Program was no longer viable as it was originally conceived. Looking forward, the Consortium partners are mutually interested in maintaining strong academic partnerships and providing an excellent education for the residents. Furthermore, SMCSR is in the process of reviewing faculty salaries. SMCSR always pays "market" salaries notwithstanding its financial situation.

The current training program has already transformed in the last few years into one that is supported by multiple institutions, as opposed to being centered around a single source of sites for education. Fortunately, the lack of a formal Consortium does not preclude the partners from working together to support a program of excellent education for the residents. Ensuring physician participation from those affiliated sites where residents

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<sup>1</sup> Medicare's "90% rule" states that a hospital must incur at least 90% of the total of the cost of the residents' and faculty salaries and benefits in order to claim (and collect) Medicare reimbursement revenue related to rotations at non-provider sites. Kaiser's funding was designated for payment of residents' salaries and benefits only. This would prevent SMCSR from meeting the terms of Medicare's 90% rule.

rotate on the Graduate Medical Education Committee (GMEC), which oversees meeting ACMGE guidelines, is a way to keep key Consortium partners engaged. SMCSR and Sutter Health are committed to and value primary care physician education in our community. Sutter Health is also promising support of SMCSR as it evolves to a new regionalized structure and strategy. In fact, Sutter Health has begun to take a more focused approach to residency programs throughout its system by developing a Clinic Council to catalogue Sutter Health's Graduate Medical Education (GME) programs and identify opportunities, to explore and improve GME clinical training programs for physicians in order to strengthen the attractiveness of primary care careers, to retain and attract high quality graduates throughout the system, and to assess current and potential quality, value and cost effectiveness of GME programs and identify opportunities for improvement. SMCSR has already begun work with California Pacific Medical Center (CPMC), a San Francisco-based Sutter Health affiliate, to support and enhance the Residency Program in Sonoma County. CPMC runs four accredited residencies including Internal Medicine and four accredited Fellowships.

SMCSR's unequivocal commitment to the Residency Program is consistent with its contractual obligations with the County of Sonoma under the Health Care Access Agreement until its expiration. The SMCSR hospital will remain a major participating site of the Residency Program. SMCSR remains committed to its goal to enrich and diversify the learning experience for physicians in the Residency Program until the expiration of the Health Care Access Agreement. SMCSR will continue to work with Southwest Community Health Center and UCSF. Kaiser Permanente has expressed an interest in continuing to support educational rotations at their facility and it is our hope to continue to work with Kaiser Permanente to further define their involvement over time. SMCSR welcomes the opportunities work with these academic partners.

As discussed, the Consortium never assumed administration of the Residency Program. SMCSR has and will continue to fund the Residency Program and employ the residents. Therefore, no infrastructure transition needs to take place except the formal return of the program sponsorship to SMCSR by ACGME.

SMCSR has received a great deal of assistance from academic partners. These partnerships will support the Residency Program needs going forward. Additionally Sutter Health's regional planning will provide new resources for resident education.

SMCSR recognizes the importance of the Residency Program in bringing high quality physicians to Sonoma County. It is our intention to continue the quality training experience for residents as we have since 1996 through the full term of the Health Care Access Agreement. We plan to continue to work with health care providers (academic partners) in the community to ensure the Residency Program remains an excellent educational program that will draw outstanding physicians to our community now and in the future.

**SUTTER MEDICAL CENTER OF SANTA ROSA  
 PROJECTED NET LOSS - FAMILY MEDICINE RESIDENCY PROGRAM  
 YEARS 2009 THROUGH 2013**

1) PROJECTED NET LOSS FOR SMCSR USING ORIGINAL GME / IME REIMBURSEMENT

	Proj 2009	Proj 2010	Proj 2011	Proj 2012	Proj 2013	5 - yr Totals
SMCSR Share of Costs for Residency Program	4,187,454	4,536,900	4,821,072	4,959,223	5,067,305	
Reimbursement - GME	1,401,757	1,414,630	1,426,125	1,381,362	1,335,111	
Reimbursement - IME	2,199,000	2,306,939	2,240,598	2,037,594	1,954,301	
	<u>3,600,757</u>	<u>3,721,569</u>	<u>3,666,723</u>	<u>3,418,957</u>	<u>3,289,412</u>	
<b>Net Loss for SMCSR</b>	<b><u>586,697</u></b>	<b><u>815,331</u></b>	<b><u>1,154,349</u></b>	<b><u>1,540,266</u></b>	<b><u>1,777,893</u></b>	<b><u>5,874,536</u></b>

2) PROJECTED NET LOSS FOR SMCSR USING REVISED GME / IME REIMBURSEMENT

	Proj 2009	Proj 2010	Proj 2011	Proj 2012	Proj 2013	5 - yr Totals
SMCSR Share of Costs for Residency Program	4,187,454	4,536,900	4,821,072	4,959,223	5,067,305	
Reimbursement - GME	1,143,753	887,486	619,179	557,430	494,697	
Reimbursement - IME	1,766,552	1,413,717	854,847	605,771	484,479	
	<u>2,910,304</u>	<u>2,301,203</u>	<u>1,474,026</u>	<u>1,163,202</u>	<u>979,177</u>	
<b>Net Loss for SMCSR</b>	<b><u>1,277,150</u></b>	<b><u>2,235,697</u></b>	<b><u>3,347,046</u></b>	<b><u>3,796,021</u></b>	<b><u>4,088,128</u></b>	<b><u>14,744,042</u></b>

NOTES:

Source of SMCSR Share of Costs: October 2008 Business Plan for Consortium

Revised GME / IME reimbursement reflects decrease due to loss of ability to claim resident FTE's working in offsite locations

## **Santa Rosa Family Medicine Residency Program Q&A – August 31, 2009**

### **1. What happened to render the Consortium Model for the Residency Program no longer viable?**

The main obstacle encountered in implementing the Consortium model this year was the clarification of a Medicare rule affecting reimbursement for education. Medicare rules state that SMCSR must incur at least 90% of the total cost of the residents' salaries and benefits and teaching supervision costs in order to qualify for Medicare reimbursement related to resident rotations at non-Sutter sites. Kaiser restricted their annual \$2.7 million funding commitment to fund residents' salaries and benefits due to the structure of Kaiser's funding process. Kaiser and SMCSR representatives worked diligently to find a solution to the 90% rule imposed by Medicare that would not jeopardize SMCSR's Medicare revenue, but were unable to find a solution.

Therefore, the Consortium Board recognized that Medicare restrictions rendered the Consortium business plan no longer viable, preventing the Consortium model from moving forward.

### **2. What were the financial ramifications if the Consortium Model went forward as planned?**

If the business plan were implemented as originally conceived, SMCSR would lose significant Medicare medical education reimbursement revenue, causing an additional \$8.9 million deficit in funding the Residency Program over the first five years.

SMCSR is solely responsible for the Residency Program through the term of the HCAA. SMCSR would be responsible for the deficit in funding the Residency Program with no other funding source to replace lost Medicare reimbursement for the Residency Program. SMCSR had no funding commitment from any other Consortium member within or beyond the first five years of the program. Therefore, in these uncertain economic and health care times the tolerance of Sutter Health and SMCSR for exposure to additional financial risk has diminished dramatically.

### **3. Is there any alternative funding scenario where the Consortium Model could have moved forward?**

If another Consortium partner could provide at least approximately \$2.7 million dollars annually of unrestricted funding, the program could have moved forward without jeopardizing SMCSR's ability to collect Medicare reimbursement revenue. This type of financial commitment would be required for the duration of the HCAA in order maintain the Consortium Model.



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**5. Is SMCSR planning to reduce the number of residents in the program?**

Although the HCAA does not address the number of resident slots, SMCSR currently has no plans to reduce the number of residents in the program.

**6. Will SMCSR move its Residency Program slots outside of the County?**

No. Residency slots must remain in Sonoma County because the residency slots are tied to SMCSR's Medicare provider number and cannot be moved.

**7. What is the Graduate Medical Education Committee (GMEC) and who will participate on the GMEC?**

The GMEC is charged with oversight and coordination of all graduate medical education (GME) provided by SMCSR. The GMEC provides for coordination and adherence to all GME policies and procedures at all sites providing educational experience for the residents, ensuring compliance with the standards for accreditation with the Accreditation Council for Graduate Medical Education (ACGME).

The GMEC will be run under the ACGME institutional requirement. The GMEC will meet quarterly to provide oversight of quality and patient safety related to care provided by the residents. The GMEC will report to SMCSR's Medical Executive Committee. We will ask the Academic Partners' physicians responsible for resident rotations to participate on the GMEC. Their direct knowledge of the quality of care provided by residents in their organizations is extremely important to assure that the training meets ACGME requirements.

**8. Resident Program faculty expected pay increases under the Consortium Model due to increased funding from Kaiser. Will the faculty still get pay increases?**

SMCSR is in the process of conducting a review of the current fair market value of compensation for the faculty. SMCSR is committed to paying "fair market" salaries notwithstanding its financial situation.

**9. Now that the Residency Program will remain with SMCSR instead of the Consortium, will the Residency Program operate differently now?**

SMCSR maintained employment of the residents and the faculty. SMCSR will continue to work with Southwest Community Health Center and UCSF. Kaiser Permanente has expressed an interest in continuing to support educational rotations at their facility. SMCSR hopes to continue to work with Kaiser Permanente to further define their involvement over time. SMCSR remains committed to enrich and diversify the learning experience for physicians in the Residency Program and welcomes opportunities to work with Kaiser and other health care providers in the community as academic partners.

#### **4. Is the 70 bed SMCSR hospital large enough to support the Residency Program?**

Hospital sizing is based upon patient demand. The size of the new hospital is not directly related to having enough patients to provide training for the residents. The new SMCSR will have 70 licensed beds and 28 care stations including a 16 bed Universal Care Unit (UCU) and a 12 bay Emergency Department (ED). If patient demand for beds in the new SMCSR hospital is robust, there will be enough patients to provide training for the residents. Having enough patients may be a challenge we have to overcome.

- It is important to note that physicians (who are not employed by hospitals) admit patients to hospitals. Administrators of hospitals do not admit patients. No matter how many beds are at SMCSR, the number of patients that a resident will see will depend on how many patients are admitted to the hospital by physicians.
  
- In addition to building a much more efficient and modern hospital than today's current Chanate campus, there are also elements of the new hospital design that will increase through put. The UCU, which is in addition to the 70 licensed beds, adds capacity to the new SMCSR. The 16 bed UCU greatly enhances flexibility and frees up licensed beds for more critical patients by shifting non-critical observation patients to a unit providing the appropriate level of care. This unit will have beds in stations that are separated with walls and have sliding glass doors so that each station is private. The peak times for the medical and surgical departments are the daytime hours while the peak times for the ED are the evening and overnight hours. The UCU will be utilized constantly assisting both the ED and the medical surgical departments expanding capacity because the peak times differ for the various departments.
  
- Today, hospital through put is increasing. Elimination of avoidable hospitalizations and shortening the time a patient stays in the hospital continues to be a focus of activity for both enhancing patient care and improving affordability. Using year-to-date data through May 2009, average length of stay at SMCSR has decreased from 4.5 (2007) to 3.9 (2008) to 3.7 (2009); an 18% decrease in length of stay over the two year period. A reduction in average length of stay is indicative of the minimization of in-hospital complications such as infections or falls and, thus, an improvement in the quality of care and therefore allows for more patients to be seen.



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San Francisco  
School of Medicine



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SANTA ROSA  
family medicine residency

*Over 30 Years of Excellence*

October 12, 2009

Penny Iverson-Lawrence  
Senior Survey Administrator  
Accreditation Council for Graduate Medical Education  
515 North State Street, Suite 2000  
Chicago, IL 60654

Dear Ms. Iverson-Lawrence:

This refers to your letter dated January 12, 2009 to Dr. Colin Kopes-Kerr and to the letter dated October 22, 2008 to the Accreditation Council for Graduate Medical Education ("ACGME") from Dana Ellerbe, the Designated Institutional Official for the Sutter Medical Center of Santa Rosa ("SMCSR"), copies of which are enclosed for your convenience. In 2008, SMCSR requested the sponsor of the University of California (San Francisco)/Santa Rosa Program ("the Program") be changed to the Santa Rosa Residency Consortium ("the Consortium.") This requested was granted as evidenced by your January 12, 2009 letter.

The Santa Rosa Residency Consortium will not be able to maintain responsibility for the Program and is requesting transfer of sponsorship of the Program back to SMCSR. SMCSR will resume its responsibilities as sponsoring institution as outlined in the ACGME Institutional Requirements. The Program will continue to operate as it has historically in the spirit of excellence, with dedicated participating sites, and according to ACGME guidelines. The sponsor change will not affect the current structure and curriculum of the Program, and the current Program Director, Jeff Haney, M.D., will remain unchanged.

Please be assured that the change in sponsorship from the Consortium to SMCSR will be seamless for residents, faculty, and patients. Please contact me if you have any questions.

Sincerely,

[Redacted Signature]  
Helen Hammer, MD  
Designated Institutional Official  
Santa Rosa Residency Consortium

[Redacted Signature]  
Lisa Amador  
Designated Institutional Official  
Sutter Medical Center of Santa Rosa

cc: Jerry Vasilius, PhD, Executive Director of the Review Committee  
Ingrid Philibert, PhD, MHA, MBA, Director, Department of Field Activities



*Sutter Medical Center  
of Santa Rosa*

A Sutter Health Affiliate

3325 Chanate Road  
Santa Rosa, CA 95404  
(707) 576 4000

October 22, 2008

Ingrid Philibert, Ph.D.  
Director of Field Activities  
ACGME  
515 North State Street, Suite 2000  
Chicago, IL 60610

Dear Dr. Philibert,

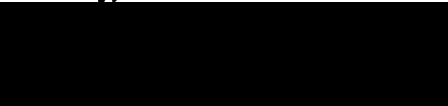
Acting as DIO for the Sutter Medical Center Santa Rosa, it is my pleasure to make the formal request of you, as Director of Field Activities, to register the "Santa Rosa Residency Consortium" as the new sponsor of our ACGME-accredited residency program. By taking this step, Sutter Medical Center of Santa Rosa will forthwith no longer be the sponsoring institution for the program.

The formal name of our program will remain unchanged as the "University of California (San Francisco) / Santa Rosa Program." We would like to continue to retain "Santa Rosa Family Medicine Residency" as part of our address.

The new DIO for the Santa Rosa Residency Consortium will be  
Helen Hammer, M.D.  
Director, Graduate Medical Education  
Santa Rosa Family Medicine Residency  
3324 Chanate Road  
Santa Rosa, CA 95404

Thank you for your assistance in this matter.

Sincerely,



Dana Ellerbe  
Designated Institutional Official  
Sutter Medical Center of Santa Rosa



Accreditation Council for  
Graduate Medical Education

515 N. State Street  
Suite 2000  
Chicago, IL 60654

Phone 312.755.5000  
Fax 312.755.7498  
www.acgme.org

January 12, 2009

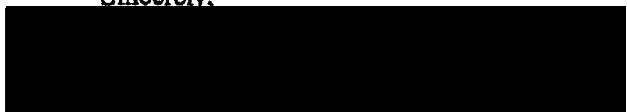
Colin Kopes-Kerr, MD  
Program Director  
Sutter Medical Center of Santa Rosa  
3325 Chanate Road  
Santa Rosa, CA 95404

Dear Dr. Kopes-Kerr:

Your email addressed to Dr. Ingrid Philibert, Senior Vice President, Field Activities, has been forwarded to my attention as the individual who manages the institutional database of accredited programs. Per your request, we have changed the sponsor for the University of California (San Francisco)/Santa Rosa Family Medicine Program #1200511065 from Sutter Medical Center of Santa Rosa #050152 to Santa Rosa Consortium #058249. The program name is now listed as "Santa Rosa Consortium/University of California (San Francisco)".

The program record in our Accreditation Data System (ADS) should now reflect this change. If I can be of further assistance, please do not hesitate to contact me at 312/755-5014.

Sincerely,



Penny Iverson-Lawrence  
Senior Survey Administrator

cc: Jerry Vasilius, Ph.D.  
Ingrid Philibert, Ph.D.  
Samantha Alvarado



**Accreditation Council for  
Graduate Medical Education**

515 N. State Street  
Suite 2000  
Chicago, IL 60654

Phone 312.755.5000  
Fax 312.755.7498  
www.acgme.org

October 14, 2009

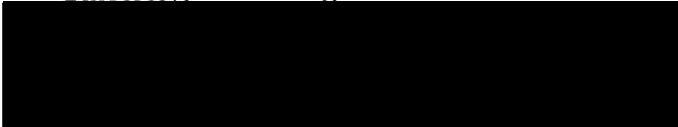
Helen Hammer, MD  
Designated Institutional Official  
Santa Rosa Residency Consortium  
3324 Chanate Road  
Santa Rosa, CA 95404

Dear Dr. Hammer:

Per your request, we have changed the sponsor for the Santa Rosa Consortium/University of California (San Francisco) Family Medicine Program #1200511065 from the Santa Rosa Consortium #058249 to the Sutter Medical Center of Santa Rosa #050152. The program name is now listed as "University of California (San Francisco)/Santa Rosa Program".

The program record in our Accreditation Data System (ADS) should now reflect this change. If I can be of further assistance, please do not hesitate to contact me at 312/755-5014.

Sincerely,

  
Penny Iversoff-Lawrence  
Senior Survey Administrator

cc: Lisa Amador, DIO, Sutter Medical Center of Santa Rosa  
Jerry Vasilias, Ph.D.  
Ingrid Philibert, Ph.D.  
Samantha Alvarado

In Affiliation with the  
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**SANTA ROSA**  
family medicine residency

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Santa Rosa Family Medicine Residency Consortium  
Board of Directors  
3324 Chanate Rd.  
Santa Rosa, CA 95404

November 2, 2009

Rita Scardaci  
County of Sonoma  
Department of Health Service  
475 Aviation Blvd., Suite 210  
Santa Rosa, CA 95403

Dear Rita,

As you are aware, the Santa Rosa Family Medicine Residency (Residency) has been in a period of prolonged transition. This letter serves to inform you of our understanding of recent events, hope for the Residency's future and an accompaniment to a letter from Sutter Medical Center of Santa Rosa (SMCSR). In February of 2006, SMCSR asked the community to help with the financial and educational responsibilities of the Residency. The announcement led to the formation of a redesign group. This group envisioned a consortium of community stakeholders as sponsor of the Residency. The Santa Rosa Family Medicine Residency Consortium (Consortium) was born. Over the next three years the Consortium and its partners worked on both the financial and educational model that would support the Residency.

In October of 2008, SMCSR presented a detailed five year business plan to the County Board of Supervisors to transfer the Accreditation Council for Graduate Medical Education (ACGME) sponsorship to the Consortium. Since October, the Consortium has worked diligently to enact the financial plan that was detailed to you. Unfortunately, in the span of development of the Consortium, Medicare (the primary funder for medical education) passed a new rule limiting how funding could be obtained by sponsoring hospitals. SMCSR evaluated how this rule would affect their Medicare reimbursement under the consortium model. In June of 2009, SMCSR informed the Consortium Board that the rule would cost them an additional \$8.9 million over the five year business plan that they had not expected. The Consortium board agreed, based on that rule, that the current business plan was not feasible.

Over the next three months, the Consortium worked together to sort out next steps based on the fiduciary responsibility of supporting the needs of the Residency and the financial constraints that exist in the costs of running a Residency program. After a great deal of brainstorming, processing, and collaborative work, the Consortium Board voted to "wind down and dissolve" on September 17th. The decision was not taken lightly and only comes with feeling reassured that SMCSR, the County, and community partners will continue in their due diligence to support the jewel that is our community-based Residency.

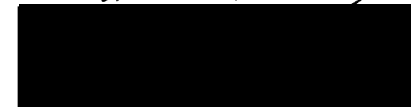
The work and partnerships developed during the last three years in formation will not be lost in ending of the Consortium. As a result of the work of the Consortium, the Residency is stronger now than three years ago. The University of California San Francisco affiliated Residency program now provides ambulatory care via the management of Southwest Community Health Center. It utilizes new teaching sites at Kaiser Santa Rosa, Children's Hospital Oakland, and various community clinics. Residents and the community benefit from an expanded and skilled faculty employed by a variety of community partners. Growth continues to occur via curriculum expansion, installation of an electronic record, and new facets of faculty development. We have every expectation that these changes and the partnerships that aided in their development will continue under continued SMCSR sponsorship.

In June it was unclear how the partnerships and collaborative spirit borne out of the past three years of hard work could endure. With a great deal of discussion and cooperative work it is clear that what we have accomplished in three years will not be tossed aside and that the spirit of cooperation and community will continue as follows:

- SMCSR will provide the majority of inpatient residents training.
- Southwest Community Health Center will operate the Chanate Family Practice Center – the residents' ambulatory clinic site.
- SMCSR will partner to support Kaiser-based faculty and rotations in pediatrics, musculoskeletal medicine, and specialties at Kaiser.
- Children's Hospital Oakland will teach residents pediatric emergency care.
- There will be a Graduate Education Committee with membership from the multitude of academic partners providing oversight of the educational experience.
- There will be a continued group of community partners focused on fund development, grants, and strategic planning.

It is our hope that the County will work with SMCSR and its academic partners to maintain an exceptional Residency program that meets the needs of the County. As Graduate Medical Education funding continues to decline and change, we would also like the County's continued support in working with the Residency in strategic planning and development of community support. While there is no perfect plan given the complexities of GME and medicine in general, the plan which SMCSR and its partners have designed and are in the process of executing will make for a strong Residency that will remain one of the very best in the country.

Sincerely,



Jeff Haney, MD  
Program Director  
Santa Rosa Family Medicine Residency

Board of Directors  
Santa Rosa Family Medicine Residency Consortium