



Blue Shield
of California
Foundation

An Independent Member
of the Blue Shield Association

July 22, 2005

Edgar Pierluissi
Vice President/Medical Director, Quality
San Mateo Medical Center Foundation
222 W. 39th Street
San Mateo, CA 94403

Dear Mr. Pierluissi:

Congratulations. The Trustees of the Blue Shield of California Foundation (BSCF) have approved a grant in the amount of \$20,000 for the period August 1, 2005 – August 1, 2006 to San Mateo Medical Center Foundation (grantee) for San Mateo Medical Center's participation in BSCF's **Hospital Scholarship Program**. Funds provided under this grant will be used for to support your hospital's participation in the Institute for Healthcare Improvement's "100K Lives Campaign", working to reduce morbidity and mortality by introducing best practices to extend or save 100,000 lives nationwide by June, 2006. The key objectives for the program are: **1. Enrollment in IHI's "100K Lives Campaign"** (grantee will formally enroll in the Campaign by August 15, 2005 through www.ihf.org); **2. Completion of Implementation of Proposed Interventions by August 2006** (as outlined in your Program application); **3. Confidential Data Reporting to IHI** (grantee will report baseline and monthly raw hospital mortality and patient discharges to IHI); and **4. Sponsored Hospital Activities** (grantee will attend monthly Campaign conference calls). The activities supported by this grant are to be executed under your direction.

Payment of the grant funds will be made after receipt by the Foundation of a countersigned copy of this letter by August 5, 2005. To facilitate your receipt of the payment check, please indicate on the countersigned copy the name of the person in your organization to whom the checks should be sent.

By countersigning this letter, you accept full responsibility for control and expenditure of Foundation grant funds, and for complying with the following provisions:

- 1. Use of Grant Funds.** Under United States law, Foundation grant funds, and income earned thereon, may be expended only for charitable, religious, scientific, literary or educational purposes. This grant is made only for the purposes stated in this letter, and it is understood that these grant funds will be used for such purposes substantially in accordance with the approved budget. No substantial variances, including the timing of expenditures, will be made from the approved budget without the Foundation's prior approval *in writing*; and no funds provided under this grant may be used for any other project, nor transferred to any other person or organization.
- 2. Use of Income.** The Foundation encourages, whenever feasible, the deposit of grant funds in an interest-bearing account. Any interest earned is to be used in direct furtherance of the purposes of the grant. Any grant funds, and any income earned thereon, not expended or committed for the purposes of the grant, shall be returned to the Foundation.

3. No Political Activity or Lobbying. Foundation grant funds may not be used by your organization to: (i) intervene in any election or support or oppose any political party or candidate for public office; or (ii) attempt to influence any legislation, within the meaning of section 4945 of the Internal Revenue Code of 1986 and the Treasury Regulations thereunder.

4. Required Reports. Written reports, signed by an appropriate officer of your organization, are to be furnished to the Foundation, to the attention of Andrew McFarland, by no later than the following dates:

February 1, 2006	Interim Report
September 1, 2006	Final Report

These reports should contain: (i) a detailed narrative account of what was accomplished by this grant, including a description of progress made toward achieving the goals of the grant described above; and (ii) a financial statement reflecting expenditures of the grant funds, and any income earned thereon, according to the categories of the approved budget, as of the end of the period covered by the report.

The purpose of these reports is to permit the Foundation to learn from its experience as a grantmaker and to meet its obligations under federal and state regulations. *Failure to submit these reports on time will disqualify your organization from receiving future funding from the Foundation.*

5. Evaluation and Monitoring. The Foundation may monitor and conduct an evaluation of operations under this grant. This may include a visit from Foundation staff, Trustees, and/or Foundation advisors, to observe your organization's program, discuss the program with your organization's personnel, and review financial and other records and materials connected with the activities financed by this grant. In addition, you shall provide to the Foundation copies of any publications or other materials produced, in full or in part, with Foundation funds.

6. Publicity. The Foundation may include basic information about this grant in its public reports and may also refer to the grant in a press release. If there are special considerations concerning the public announcement of this grant, or if you would like to coordinate a public announcement of your grant with the Foundation, we encourage you to contact the Program Director, Lisa Payne-Simon, to discuss your plans.

7. Tax Status. It is understood that by countersigning this letter, San Mateo Medical Center Foundation confirms that it has been determined by the Internal Revenue Service to be an organization described in section 501(c)(3) of the Internal Revenue Code of 1986, that is not a private foundation as described in section 509(a) of the Code, and that this determination has not been revoked or modified and continues in full force and effect. If the determination is revoked or modified, you must notify the Foundation immediately. No payment hereunder shall be required to be made at any time after your organization ceases to be an organization described in section 501(c)(3) that is not a private foundation.

If this letter correctly sets forth your understanding of the terms of this grant, please indicate your agreement to such terms by having the enclosed copy of this letter countersigned by an appropriate officer of your organization and returned to the Foundation to the attention of Andrew McFarland. If at any time during the life of this grant you have questions or if changes in circumstance arise, please feel free to contact the Program Director, Lisa Payne-Simon.

The Blue Shield of California Foundation is pleased to support your important work.

Sincerely,



Crystal Hayling
President and CEO

ACCEPTED AND AGREED:

Grantee: San Mateo Medical Center
EIN: 94-6000532
By: Edgar Pierluissi, M.D.
Title: Vice President and Medical Director, Quality
Date: 8/10/05

Direct payment check to:

Name: Edgar Pierluissi, M.D.
Title: Vice President and Medical Director, Quality
Address: 222 W. 39th Avenue
San Mateo, CA 94403

Please return by August 5, 2005

