



City and County of San Francisco  
Edwin M. Lee  
Mayor

## San Francisco Department of Public Health

Barbara A. Garcia, MPA  
Director of Health

# MEMORANDUM

**DATE:** June 12, 2014

**TO:** Dr. Edward Chow, Health Commission President, and Members of the Health Commission

**THROUGH:** Barbara A. Garcia, MPA, Director of Health

**FROM:** Colleen Chawla, Deputy Director of Health and Director of Policy & Planning

**RE:** June 17, 2014 Proposition Q Hearing on the Reduction of Skilled Nursing Facility Beds at California Pacific Medical Center

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This memo provides background on the Proposition Q hearing on the reduction of skilled nursing facility (SNF) beds at California Pacific Medical Center (CPMC).

### **Proposition Q**

Proposition Q, passed by San Francisco voters in November 1988, requires private hospitals in San Francisco to provide public notice prior to closing a hospital inpatient or outpatient facility, eliminating or reducing the level of services provided, or prior to the leasing, selling or transfer of management. Upon such notice, the Health Commission is required to hold a public hearing during which the hospital shall be afforded an opportunity to present any information relating to its proposed action and to respond to matters raised by any other persons during that hearing. At the conclusion of the public hearing the Health Commission shall make findings based on evidence and testimony from the public hearings and any submitted written material that the proposed action will or will not have a detrimental impact on health care services in the community.

### **Changes to Skilled Nursing Facility Beds at CPMC**

CPMC is currently licensed for 212 SNF beds on three of its four campuses, at California, Davies, and St. Luke's. Of CPMC's 212 licensed SNF beds, 99 are currently staffed. Pursuant to correspondence from Warren Browner, MD, MPH, Chief Executive Officer of CPMC, to the Secretary of the Health Commission dated May 1, 2014 (copy attached), CPMC proposes to reduce total staffed SNF beds by 24 beds from 99 to 75. Specifically, CPMC intends to realign its SNF beds as outlined in the table below.

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**The mission of the San Francisco Department of Public Health is to protect and promote the health of all San Franciscans.**

We shall ~ Assess and research the health of the community ~ Develop and enforce health policy ~ Prevent disease and injury ~  
~ Educate the public and train health care providers ~ Provide quality, comprehensive, culturally-proficient health services ~ Ensure equal access to all ~

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Table 1: CPMC's Current and Future Skilled Nursing Bed Inventory

Campus	Current Licensed Beds	Current Staffed Beds	2014 Staffed Bed Plan	Change in Staffed Beds
California	95	46	0	-46
Davies	38	34	38	+3
Pacific	0	0	0	0
St. Luke's	79	59 (19 designated SNF; 40 designated subacute)	77 (37 designated SNF; 40 designated subacute)	+18
<b>TOTAL</b>	<b>212</b>	<b>99</b>	<b>75</b>	<b>-24</b>

In their memo, CPMC states that changes in the marketplace as a result of healthcare reform and improvements in delivery of care have resulting in fewer of their patients being referred to their SNF beds. They have indicated that while they are reducing the aggregate number of potential SNF beds, they are not reducing the volume or level of actual SNF services they have been or will be providing and expect that 75 SNF beds would be adequate to accommodate their current average daily census of 68 patients.

### Skilled Nursing Facility Beds Addressed in the 2013 Health Care Services Master Plan

The Health Care Services Master Plan (HCSMP), developed by the San Francisco Department of Public Health and the San Francisco Planning Department, identifies the current and projected need for, and locations of, health care services in San Francisco and contains recommendations on how to achieve and maintain an appropriate distribution of, and access to, such services.<sup>1</sup> Exhibit 35 of the HCSMP, included below, summarizes hospital beds in San Francisco as of 2012.

Exhibit 35. Type and number of hospital beds in San Francisco (2012)

Hospital	Type of Bed			
	General Acute	Acute Psychiatric	Skilled Nursing	Total
Chinese Hospital	54	0	0	54
California Pacific Medical Center				
California Campus	299	0	101	400
Davies Campus	194	0	38	232
Pacific Campus	295	18	0	313
St. Luke's Campus	141	0	79	220
Jewish Home	0	13	478	491
Kaiser Foundation Hospital	247	0	0	247
Laguna Honda Hospital & Rehabilitation Center	11	0	769	780
San Francisco General Hospital & Trauma Center	403	106	89	598

<sup>1</sup> San Francisco Department of Public Health and San Francisco Planning Department, *Health Care Services Master Plan*, October 2013. <http://www.sfdph.org/dph/files/HCSMP/Final/FINAL-HCSMP-October2013.pdf>

Hospital	Type of Bed			
	General Acute	Acute Psychiatric	Skilled Nursing	Total
St. Francis Memorial Hospital	253	35	0	288
St. Mary's Medical Center	336	35	32	403
University of California, San Francisco				
Langley Porter	0	67	0	67
Mt. Zion	140	0	0	140
Parnassus	580	0	0	580
<b>Total</b>	<b>2,953</b>	<b>274</b>	<b>1,586</b>	<b>4,813</b>

Source: OSHPD Preliminary 2012 Hospital Annual Utilization Database, Extracted on May 31, 2013

The following analysis on SNF beds is excerpted from the 2013 Health Care Services Master Plan:

San Francisco's LTC Occupancy Rate Exceeds that of State Despite Fewer Available Beds per Population

In addition to OSHPD-reporting long-term care (LTC) facilities, Laguna Honda Hospital operated 780 long-term care beds in 2010, and Jewish Home operated 478 long-term care beds. When combined with OSHPD long-term care facility data, the **number of long-term care beds per 1,000 adults age 24 and older in San Francisco was 4.1 compared to 5.1 statewide in 2010.**<sup>2</sup> (Please see exhibit below.) The LTC occupancy rate in San Francisco was higher than that of California at 91.8 percent compared to 86.1 percent, meaning that the ability of existing providers to expand in the event of increased need is limited; this finding complements existing data suggesting that San Francisco patients use 13 times more skilled nursing facility bed days per year than the state as a whole.<sup>3</sup> This is important to note since San Francisco's population trends show that San Francisco residents are older than California residents overall and that the population over 75 is expected to increase by almost two-thirds over the next two decades.

*Exhibit 55. Long-term care beds and licensed bed occupancy rates (2010)*

	San Francisco	California
Beds per 1,000 adults age 24+	4.1	5.1
Occupancy rate (percent)*	91.8**	86.1

Source: OSHPD and OSCAR (Online Survey, Certification and Reporting)

\* Occupancy Rate = (Patient Bed Days)/(Licensed Bed Days) x 100%

\*\* NOTE: OSHPD does not distinguish between long-term care and rehabilitation beds in long-term care facilities. Rehabilitation beds, for which there are often vacancies, may be deflating the true occupancy rate for long-term care beds, for which there is often a wait list in San Francisco.

<sup>2</sup> Online Survey, Certification and Reporting (OSCAR) data. OSCAR is a data network maintained by the Centers for Medicare and Medicaid Services (CMS) in cooperation with state long-term care surveying agencies. [www.ahcancal.org/research\\_data/oscar\\_data](http://www.ahcancal.org/research_data/oscar_data) accessed April 2012

<sup>3</sup> Resource Development Associates. *Institutional Master Plan Update Analysis. Prepared for the Chinese Hospital Association of San Francisco and Commissioned by the San Francisco Department of Public Health.* [http://zasfplan.sfplanning.org/IMP/IMP\\_docs/Chinese%20Hospital\\_2011\\_05\\_19.pdf](http://zasfplan.sfplanning.org/IMP/IMP_docs/Chinese%20Hospital_2011_05_19.pdf)

Results from the San Francisco Human Services Agency – Department of Aging 2012 needs

**2,321**

Projected number of SNF beds needed to meet San Francisco's needs by 2050. After the current wave of hospital seismic safety rebuilds (projected completion 2015), analysts project that San Francisco will have only 1,619 SNF beds (702 SNF bed gap).

Source: [Resource Development Associates, Chinese Hospital Association of San Francisco, Institutional Master Plan Update Analysis, 2011](#)

assessment affirms concern regarding San Francisco's ability to meet the long-term care needs of seniors and adults with disabilities.<sup>4</sup> According to the report, the number of Medi-Cal-funded beds in the city's Skilled Nursing Facilities (SNFs) has dropped dramatically. As a result, many seniors and persons with disabilities who require long-term care are forced to move outside the city, away from family and friends, becoming socially and culturally isolated in the later years of their lives.

SNFs have also converted beds from long-term care to short-term rehabilitation, shifting their funding from Medi-Cal to Medicare, which is more lucrative. These facilities are under financial pressure to complete the course of rehabilitation and discharge patients within

prescribed time frames. They may tend to emphasize rehabilitative activities at the expense of custodial care, or they may hurry discharge without the needed supports in place for the patient to transition home safely. In addition to complaints about poor care (feeding assistance, unanswered call bells, etc.) in rehabilitation facilities, the San Francisco Ombudsman Program, which investigates complaints of seniors in care, frequently responds to complaints about rights related to discharge planning.

Although San Francisco's population is older than California overall, the rate of long-term care beds is slightly lower than the state's, while the San Francisco occupancy rate is higher.

## Discussion

### Distinction between Licensed, Available, and Staffed Beds

The figures used in the Health Care Services Master Plan reflect licensed beds as of 2012 as reported by the Office of Statewide Health Planning and Development (OSHPD). Licensed beds are distinguished from available and staffed beds as follows:

- **Licensed beds** are defined as the maximum number of beds for which a hospital holds a license to operate.
- **Available beds** are defined as beds that are physically existing and actually available for overnight use, regardless of staffing levels. Available beds would include beds that can be placed back into service within 24 hours.
- **Staffed beds** are defined as beds that are set up, staffed, equipped and in all respects ready for use by patients remaining in the hospital overnight.

CPMC reduced its licensed SNF beds at the California campus by six, from 101 to 95, which explains the differences between data reported for CPMC in Exhibit 2 and Table 1. Though hospitals commonly have fewer available beds than licensed beds and fewer staffed beds than available beds, licensed beds are the standard measure reported by OSHPD, and therefore used in the Health Care Services Master Plan analysis. A reduction in staffed and/or available beds has the most direct impact on current availability of care in the community.

<sup>4</sup> San Francisco Human Services Agency-Department of Aging and Adult Services, Office on the Aging. *Assessment of the Needs of San Francisco Seniors and Adults with Disabilities, Part II: Analysis of Needs and Services*. April 12, 2012.

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*Subacute Skilled Nursing Facility Beds*

Subacute care is a level of care needed by a patient who does not require acute hospital care, but who requires more intensive skilled nursing care than is provided to the majority of patients in a SNF. Subacute patients are medically fragile and require special services, such as inhalation therapy, tracheotomy care, intravenous tube feeding, and complex wound management care. Subacute care is provided under SNF licensure. No changes to CPMC's subacute services are identified for 2014.

**Conclusion**

Despite the focus on increasing community-based long-term care as an alternative to institutional care, data from the Health Care Services Master Plan indicates a clear and increasing need for SNF beds in San Francisco. Though CPMC's SNF beds have historically been utilized primarily for short-term rehabilitation rather than long-term custodial care, the industry trend toward conversion of long-term beds to short-term beds means that any reduction of SNF beds, regardless of type, creates an overall capacity risk for San Francisco and is likely to have a detrimental impact on health care services in the community. A draft resolution is attached for your consideration.