

## **FACT SHEET**

### **HASC REPORT: “KING-HARBOR CLOSURE HOSPITAL INPATIENT IMPACT ANALYSIS”**

The attached report, produced by the Hospital Association of Southern California (HASC), uses publicly available data obtained from the Office of Statewide Health Planning and Development (OSHPD). Both public and private sector hospitals are required to report data to OSHPD on a regular basis. The HASC report focuses on trends in admissions to public and private hospitals by patients seen in the hospitals' emergency departments (ED) between 2000 and 2006.

The report's major findings include the following:

- Private “impacted” hospitals (those in the area surrounding MLK-Harbor) saw a significant increase in admissions through the ED between 2000 and 2006.
- The downsizing of MLK-Harbor Hospital accounted for about 30% of the increase seen in impacted hospital admissions.
- Private hospital closures had an even greater impact (47%) on private sector admissions in this area during the same time period.
- LAC+USC shows a decrease in the number of admissions through the ED between 2000 and 2003.
- With the exception of MLK-Harbor, DHS facility admissions have remained stable for the past three years.

It should be noted that although the title of the report indicates that it is an analysis of the impact of the closure of MLK-Harbor Hospital, OSHPD data were not available for 2007, the year in which MLK closed. Therefore the report only reviews the years leading up to the year of closure.

While the department does not dispute the accuracy of the data, a number of factors contributing to the findings are not presented in the report.

#### **Downsizing of MLK-Harbor Hospital**

The number of admissions at MLK-Harbor declined significantly as the trauma center was closed and other measures were taken to reduce the complexity of services provided at the facility as a result of problems associated with quality of care. The Trauma Center was closed in December 2004, and the department implemented trauma care contracts with California Hospital and St. Francis Medical Center to maintain services to the community.

The inpatient and ED services at MLK eventually were closed entirely in August 2007. During the downsizing and following the closure, additional beds were opened at both Harbor-UCLA Medical Center and Rancho Los Amigos National Rehabilitation Center. In addition, contracts were negotiated with seven hospitals in the area surrounding MLK-Harbor to provide payment for uninsured patients requiring admission who were brought to the facilities via ambulance. Private beds were also purchased at St. Vincent Medical Center.

#### **Pediatric and Obstetrics Patients**

Over the past fifteen years, DHS has seen a continuous decline in the number of patients choosing to give birth in DHS hospitals due to the availability of Medi-Cal for all otherwise-uninsured pregnant women. More recently, increases in available coverage for low-income children (Healthy Families, Healthy Kids) have resulted in a shift in pediatrics patients to the private sector, as those with insurance have more healthcare options.

#### **Changes in County Transfer Policy**

In December 2003, the County implemented revised transfer policies that restrict transfers into any DHS hospital if the hospital's beds and ED bays are full and the patient would have to remain in the ED for an extended period of time. The intent of these policies is to protect patient safety, so that patients will not be transferred into a facility that cannot provide appropriate care. The policy

change reduced the number of transfers into the system by about 400 to 500 patients per month system-wide.

### **Implementation of AB 394 Nurse Staffing Ratio Requirements**

The passage of California's nurse staffing ratio law effective January 1, 2004 required hospitals to staff inpatient and ED beds at specified levels to promote patient safety. This meant that patients could not be admitted to beds unless adequate nurses were on duty. Nurses were already in short supply and this increased the demand for nurses throughout the State, which resulted in a demand for increased salaries for licensed nurses. DHS hospitals had difficulty hiring and retaining nurses until the recent approval of salary increases for licensed nurses, pharmacists, and other healthcare professionals effective October 2006.

### **Other Factors Influencing Admissions to DHS Hospitals through the ED**

LAC+USC Medical Center has seen a shift in the source of admissions. An increased percentage of patients are now admitted directly from clinics and physicians (instead of through the ED). Between 2000 and 2006, the percentage of admissions through these other sources increased by about 10%.

In 2006, orthopedic services were added to Olive-View Medical Center, serving patients who reside in the San Fernando Valley and who would formerly have had to go to LAC+USC to receive these services.

More recently, LAC+USC added nine Observation beds during 2007. The use of these beds for patients needing a short-stay admission (less than 24 hours) serves to improve patient flow in the ED as well as to reduce the need for regular inpatient beds.

### **Additional Concerns about the Report**

The report indicates that the payer mix at MLK-Harbor changed between 2000 and 2006, resulting in an increase in the percentage of inpatients with Medicare. This statement is misleading because the increase in percentage of Medicare inpatients at MLK-Harbor does not reflect an increase in the number of Medicare patients admitted; rather it was entirely due to a decrease in patients with other payer sources. Since the August 2007 closure of inpatient and ED services there have been no inpatients with any payer source at MLK.

### **Conclusion**

The department has taken a number of steps to mitigate the downsizing and subsequent closure of MLK-Harbor Hospital. Trauma contracts were implemented with two private hospitals; additional beds were budgeted for both Harbor-UCLA and Rancho Los Amigos, resulting in an increase in patient census; and the department contracted with seven private hospitals to provide additional inpatient care to the uninsured.

Declining admissions through the at LAC+USC between 2001 and 2003/2004 were primarily due to the loss of obstetrics and pediatric patients to the private sector; implementation of a new transfer policy that limits transfers from the private sector if there are no available beds; and changes in admission practices among physicians affiliated with the hospital.

Although admissions at DHS hospitals other than MLK-Harbor have remained stable since FY 03/04, the department continues to take steps to ensure the availability of care. Salary increases were approved by the Board for key healthcare professionals, including nurses and pharmacists. In addition, the Board has approved funding to expand the ED at Harbor-UCLA and at Olive View-UCLA Medical Center.

**DEPARTMENT OF HEALTH SERVICES**  
**WORKLOAD STATISTICS**  
**FISCAL YEARS 2003-04 THROUGH 2007-08**

	Actual 2003-04	(1)	Actual 2004-05	(1)	Actual 2005-06	(1)	Actual 2006-07	(1) (2)	FYE 2007-08	(3) (4)
<b>Admissions</b>										
LAC+USC	37,922		36,834		36,643		37,515		38,674	
H/UCLA	21,591		20,798		21,208		21,649		21,646	
MLK	11,310		10,460		11,114		6,148		487	
RLANRC	2,357		2,332		2,228		2,232		2,534	
OV/UCLA	12,309		12,781		13,181		13,630		14,503	
HDHS	--		--		--		--		--	
Total Admissions	85,489		83,205		84,374		81,174		77,844	
<b>Discharges</b>										
LAC+USC	39,673		38,971		38,187		39,070		40,224	
H/UCLA	22,473		21,836		22,252		22,750		22,778	
MLK	11,328		10,477		11,115		6,287		526	
RLANRC	2,388		2,342		2,231		2,239		2,486	
OV/UCLA	13,209		13,662		14,197		14,700		15,792	
HDHS	--		--		--		--		--	
Total Discharges	89,071		87,288		87,982		85,046		81,806	
<b>Patient Days</b>										
LAC+USC	259,128		247,835		236,520		229,220		221,796	
H/UCLA	121,512		119,720		124,100		129,210		133,590	
MLK	74,664		64,970		63,510		37,595		1,830	
RLANRC	55,632		52,560		49,640		49,640		63,684	
OV/UCLA	62,952		64,605		71,175		70,810		71,736	
HDHS	366		--		--		--		--	
Total Patient Days	574,254		549,690		544,945		516,475		492,636	
<b>Average Daily Census</b>										
LAC+USC	708		679		648		628		606	
H/UCLA	332		328		340		354		365	
MLK	204		178		174		103		5	
RLANRC	152		144		136		136		174	
OV/UCLA	172		177		195		194		196	
HDHS	1		--		--		--		--	
Total Average Daily Census	1,569		1,506		1,493		1,415		1,346	
<b>Average Length of Stay</b>										
LAC+USC	6.5		6.4		6.2		5.9		5.5	
H/UCLA	5.4		5.5		5.6		5.7		5.9	
MLK	6.6		6.2		5.7		6.0		3.5	
RLANRC	23.3		22.4		22.3		22.2		25.6	
OV/UCLA	4.8		4.7		5.0		4.8		4.5	
HDHS	--		--		--		--		--	
Total Average Length of Stay	6.4		6.3		6.2		6.1		6.0	
<b>Hospital Births</b>										
LAC+USC	1,440		1,449		1,479		1,551		1,534	
H/UCLA	963		1,038		1,047		1,146		1,133	
MLK	673		592		512		405		33	
OV/UCLA	899		932		1,019		1,085		1,129	
Total Hospital Births	3,975		4,011		4,057		4,187		3,829	
<b>Environmental Health Inspection</b>										
PHS <sup>(5)</sup>	356,556		367,836		349,272		N/A		N/A	
<b>JCHS Visits</b>										
	277,473		271,627		267,572		258,673		256,666	
<b>Office of Ambulatory Care</b>										
Public/Private Partnership Visits	565,122		573,606		567,040		599,361		577,961	
General Relief Visits	18,135		5,145		--		--		--	
Total P/PP and GR	583,257		578,751		567,040		599,361		577,961	

**DEPARTMENT OF HEALTH SERVICES**  
**WORKLOAD STATISTICS**  
**FISCAL YEARS 2003-04 THROUGH 2007-08**

	Actual 2003-04	(1)	Actual 2004-05	(1)	Actual 2005-06	(1)	Actual 2006-07	(1) (2)	FYE 2007-08	(3) (4)
<b><u>Emergency Dept (ED) Visits</u></b>										
LAC+USC	138,462		143,950		153,561		136,838		133,622	
H/UCLA	73,951		68,681		62,338		59,005		57,247	
MLK	45,258		34,200		42,612		48,639		3,583	
OV/UCLA	44,607		44,269		42,080		38,578		41,078	
Total ED Visits	302,178		291,100		300,591		283,060		235,530	
<b><u>ED Psychiatric Visits</u></b>										
LAC+USC	8,967		7,919		7,926		7,903		8,206	
H/UCLA	6,997		7,729		7,785		8,445		8,111	
MLK	3,989		4,813		4,442		1,817		0	
OV/UCLA	4,067		3,940		4,288		4,219		4,157	
Total ED Psychiatric Visits	24,020		24,401		24,441		22,384		20,474	
<b><u>Ambulatory Care Hospital Outpatient Visits</u></b>										
LAC+USC	521,880		530,947		562,344		580,501		577,210	
H/UCLA	274,771		276,891		285,143		289,441		291,929	
MLK	164,314		147,250		163,991		138,204		--	
RLANRC	53,038		57,402		59,369		58,960		59,770	
OV/UCLA	181,643		185,710		197,645		200,721		199,349	
HDHS	--		--		--		--		--	
Total Hospital O/P Visits	1,195,646		1,198,200		1,268,492		1,267,827		1,128,258	
<b><u>MACC/CHC's/HC's Ambulatory Care Visits</u></b>										
<b><u>MACC</u></b>										
MLK	--		--		--		--		132,788	
HDHS	60,295		69,623		78,877		83,798		79,719	
Total MACC	60,295		69,623		78,877		83,798		212,507	
<b><u>CHC's</u></b>										
LAC+USC Healthcare Network	365,648		346,297		331,079		314,156		300,816	
Coastal Network	70,608		71,756		73,145		71,746		70,544	
Southwest Network	175,007		108,561		104,292		99,816		103,564	
Valley Care Network - SFV	68,744		70,904		69,394		69,675		71,363	
Valley Care Network - AV	--		--		--		--		--	
Total CHC's	680,007		597,518		577,910		555,393		546,287	
<b><u>HC's</u></b>										
LAC+USC Healthcare Network	9,388		9,269		9,075		7,897		7,447	
Coastal Network	37,181		37,401		34,587		31,727		32,805	
Southwest Network	9,725		9,264		9,907		9,299		9,168	
Valley Care Network - SFV	40,143		42,003		41,363		40,384		41,231	
Valley Care Network - AV	61,617		66,082		68,532		70,016		70,454	
Total HC's	158,054		164,019		164,464		159,323		161,105	
<b><u>Total MACC/CHC's/HC's</u></b>										
LAC+USC Healthcare Network	375,036		355,566		340,154		322,053		308,263	
Coastal Network	107,789		109,157		107,732		103,473		103,349	
Southwest Network	184,732		117,825		114,199		109,115		245,520	
Valley Care Network - SFV	108,887		112,907		110,757		110,059		112,594	
Valley Care Network - AV	121,912		135,705		148,409		153,814		150,173	
Total MACC/CHC's/HC's	898,356		831,160		821,251		798,514		919,899	
<b><u>CHC/HC Public Health Visits</u></b>										
LAC+USC Healthcare Network	18,656		14,769		14,053		11,147		12,091	
Coastal Network	1,515		1,175		1,126		934		966	
Southwest Network	--		--		--		--		--	
Valley Care Network - SFV	5,973		3,728		3,042		374		1,157	
Public Health <sup>(5)</sup>	345,231		398,702		353,295		N/A		N/A	
Total Public Health Visits	369,375		418,374		371,516		12,455		14,214	

**DEPARTMENT OF HEALTH SERVICES**  
**WORKLOAD STATISTICS**  
**FISCAL YEARS 2003-04 THROUGH 2007-08**

Actual 2003-04	(1)	Actual 2004-05	(1)	Actual 2005-06	(1)	Actual 2006-07	(1) (2)	FYE 2007-08	(3) (4)
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**Footnotes:**

n/a = information not available.

- (1) Source: Verified Workload Report provided by each facility for June 2004 through June 2007. High Desert Health System reporting as a MACC for FY 2003-04 and forward.
- (2) Workload statistics report has incorporated the MetroCare Implementation Plan approved by the Board of Supervisors on October 17, 2006. The plan includes the increase of the outpatients visit at MLK and the bed realignments to LAC+USC, H/UCLA, and RLANRC.
- (3) Monthly Workload Report provided by each facility for FY 2007-08 as of December 2007.
- (4) MLK reporting as a MACC for FY 2007-08 and forward.
- (5) The Department of Public Health was formed on July 6, 2006. Workload data from PHP&S budget units and AVRC will no longer be part of the report beginning FY 2006-07.