Department of Public Health Uses Flawed Data — Again

Rebuttal to Economic Impact of the SFGH to LHH Patient Flow Project

IN A DECEMBER 16 MEMO TO MITCH KATZ, DIRECTOR OF PUBLIC HEALTH, DPH's Chief Financial Officer, Gregg Sass, claimed that by transferring patients from SFGH to LHH through a misguided Patient Flow Project would result in a "conservative estimate" of $1.7 million in savings. But Sass' methodology was based on flawed data, and his estimate of annual savings is grossly over-estimated. Here's why:

Sass bases his "economic impact analysis" on a patient referral database known as the "Web Based Referral Tracking System" (WBRTS). He asserts that the number of patients on a "two-week moving average" had declined from an average of 13 patients in December 2003 to only one or two in recent months (meaning in December 2004). He asserts the decline has stablized at approximately 10 patients lower than in previous years. Then, Sass takes a leap in logic to calculate the difference in costs between caring for a patient at SFGH versus at LHH; he then exrapolates further, claiming that additional revenue at SFGH would result by having 10 more beds available ***every day of the year*** for new acute admissions at SFGH, resulting in $1.7 million. Sass' math is based on flawed assumptions and estimated averages.

However, the underlying data in the WBRTS is completely flawed, and LHH staff have asserted since at least March 2004 that the WBRTS database is riddled with errors and erroneous data. In a January 2005 analysis by Maria Rivero, MD, an admitting physician at Laguna Honda, she notes that DPH has been told repeatedly that the database lists inappropriate referrals. Flawed data entry includes:

- Patients who are not yet ready for a move to LHH are entered as ready to move.
- Patients who have been discharged from, or who have died at, SFGH remain in the database for 72 hours or longer.
- Patients who have been transferred to another facility, or who have already declined being transferred to LHH, are included in the WBRTS.
- Patients who do not have skilled nursing facility needs, a requirement for admission to LHH, are included.
- Behaviorally, or medically, unstable patients inappropriate for LHH are included.
- Patients who require restrictive physical restraints, which are prohibited at LHH, are included.

Rivero's analysis concludes Sass' calculations are three times higher than valid data; by her calculations, ***DPH can save, at best only $510,000 annually, not $1.7 million***. (Both analyses will be posted at www.stoplhhdownsize.com.)

But neither Sass or Rivero include in their analyses the cost of increased security at LHH. There are reports that DPH has asked the Sheriff's Department for 17 new security positions at LHH, but only 14 were approved. Assuming that the 14 positions include four Institutional Police Officers and 10 Cadets, the table below estimates the annual cost for increasing security at LHH. (A public records request has been submitted to obtain the actual positions being requested.)

Job Class Code	Position Title	Salary at Step 5	+ 25% Fringe Benefits	Subtotal for One Position	# of Positions	Total Annual Cost
8204	Institutional Police Officer	$56,758	$14,190	$70,948	4	$283,790
8300	Cadets	$31,356	$7,839	$39,195	10	$391,950
				Total	**14**	**$675,740**
				Revised Estimated Cost Savings from WBRTS		**$510,000**
				Annual Cost to the General Fund		($165,740)

Committee to Save Laguna Honda Hospital and Rehabilitation Center

DPH's $1.7 Million Savings Falls Apart on Closer Inspection.

Instead the Patient Flow Project May Cost The City $165,000 ***More*** Annually!

For Further Information, Visit:
www.stopLHHdownsize.com