

Preliminary Analysis of the June 24, 2004 LHH Admissions Policy Hearing Before the City Services Committee of the Board of Supervisors

- Q: Dr. Katz has claimed repeatedly that SFGH was hemorrhaging millions of dollars due to an inability to transfer patients to LHH. Dr. Katz has also claimed repeatedly — despite analyses that have proved otherwise — that he can save \$1.7 million by speeding up discharges from SFGH to LHH. Has the Board of Supervisors investigated either claim?**
- A:** It is not known whether the Board of Supervisors investigated either of Dr. Katz's claims. But community members have analyzed data obtained under public records requests, and at best, only \$510,000 could be saved by increasing revenue. Dr. Katz, however, does not consider the expenditure side of the equation, and with just the cost of additional security staff at LHH, and not factoring in security-related capital expenditures to LHH's physical plant, the \$510,000 in increased revenue drops to either a net loss of \$165,000 (i.e., requiring additional funding from the General Fund), or a revenue-neutral amount of a positive \$5,925 (as in, six thousand dollars), not \$1.7 million.
- Q: What was the reason for holding the June 24, 2004 admissions policy hearing before the City Services Committee?**
- A:** The agenda for the June 24 hearing noted that the purpose of the hearing was *"To consider the issue of patient placement at Laguna Honda Hospital and whether patients with incompatible diagnoses are being housed in the same facilities."*
- Q: What was the principal outcome of the June 24 hearing?**
- A:** As a verbatim transcript of the June 24 hearing shows, then Supervisor Tony Hall asked Supervisor Dufty, the Chairperson of the City Services Committee to table the hearing to the Call of the Chair. Supervisor Hall stated that he "was not going to stand back and have Laguna Honda's budget cut back so you can accommodate some people that, in reality, should go elsewhere [not to LHH]." Hall wanted to obtain an opinion from the City Attorney regarding whether Katz's decision to change the admissions policy was valid or not, and whether Katz had the authority to change the admissions policy unilaterally. . Hall also asked for weekly reports from Laguna Honda administrators. Hall indicated if the admissions policy was not resolved, he would call Dr. Katz in a follow-up hearing for additional questioning.
- Q: What happened between June 24 and October 5, 2004?**
- A:** The Board of Supervisors did not schedule or hold a follow-up hearing that Supervisor Hall had wanted help. Under a public records request, the community was told LHH's administrators never filed written weekly reports requested by Supervisor Hall. Instead, only a handful of phone calls were placed to Supervisor Hall. However, the doctors at LHH sent two information packets to Supervisor Hall, challenging many of the misstatements made during the June 24 hearing.
- Q: What was the stated reason for calling for the follow-up hearing on October 5, 2004?**
- A:** During Roll Call for Introductions at the October 5 full Board of Supervisors meeting, Supervisor Elsbernd asked that the follow-up hearing be returned to City Services from the Call of the Chair. The minutes of October 5 stated that the purpose of the follow up hearing was *"To consider Follow up hearing on an updated presentation from the Department of Public Health on the current practice of moving psychiatric patients from San Francisco General Hospital to Laguna Honda Hospital."* This is the same purpose that was stated for the follow-up hearing when it was moved from City Services to the new Government Audits and Oversight Committee hearing held February 28, 2005. The change in the purpose of the hearings illustrates that DPH is trying to downplay the issue of patient and staff safety resulting at LHH from the intermingling of patients with different diagnoses by painting the issue in terms of SFGH's financial problems instead.
- Q: What did the Department of Public Health claim was the problem at San Francisco General Hospital?**
- A:** During Director of Public Health Mitch Katz's opening remarks, he stated the specific problem that prompted his becoming involved and changing the LHH admissions policy was because **"there were 35 patients at General Hospital who were judged to be ready for skilled nursing care. All had been approved by Laguna Honda. ...But there was essentially a bottleneck [at SFGH]."**

Rebuttal: During the June 24 hearing, Dr. Mario Rivero testified: "As a result of that, fewer than three patients are waiting at San Francisco General on any given day for a Laguna Honda bed. Now, this is a far cry from the figures that have been put forward both in the press and here. ... Many of the 35 patients that are quoted are individuals who are either not ready for Laguna Honda, refusing to come to Laguna Honda, or have other issues that make it not an appropriate placement, such as they wanted a different facility to go to." Elsewhere it has been documented that Dr. Katz had informed the LHH Medical Staff on May 17, 2004 that there were 20 SFGH patients who were causing the "bottleneck." Katz was quoted in the June 7, 2004

Matier and Ross column in the *San Francisco Chronicle* that there 25 patients causing the so-called bottleneck. By the June 24 hearing, Katz had increased the number to 35 patients, without explaining how it had increased from 20 to 35 patients in just over a month.

Q: What else did Dr. Katz allege on June 24?

A: Statement 1: “Then we were on diversion almost half the time [at SFGH] because the emergency room was backed up because we had all these people who couldn’t go upstairs. So now we’re diverting ambulances.”

Rebuttal: The Board of Supervisors should request records of the amount of time SFGH was actually on diversion to verify whether Katz’s claim of “half of the time” was true or an exaggeration.

Statement 2: “Then we were on diversion almost half the time [at SFGH] because the emergency room was backed up because we had all these people who couldn’t go upstairs. So now we’re diverting ambulances.”

Rebuttal: The Board of Supervisors should request records of the amount of time SFGH was actually on diversion to verify if Dr. Katz’s estimate of “half the time” was accurate, or an exaggeration.

Statement 3: [Referring to a slide showing data] ... “This [shows the] number of days of people at General who no longer needed acute service. You’ll see that, at the time I got involved, you were at 1,175 days and we’ve now brought it all the way down to 441 [days]. And we’ve brought down the number of patients from 90 to 57.”

Rebuttal: It’s odd that the number of days was reduced by 62.5%, but that the number of patients involved was reduced by only 36.7%. It would be interesting to learn the discharge destination of the reduction of the 33 patients from 90 to 57, and whether they were discharged to home, sent to the MHRF, to LHH’s admitting unit M5, or to LHH’s Rehabilitation unit. Without knowing the discharge destination of the patients, it is not known whether Katz’s claim that the “Flow Project” was working is accurate.

Statement 4: [Referring to a slide showing data about the number of patients transferred to LHH from SFGH] ... “You’ll see that beginning around the time we got involved there’s a large spike in the number of patients coming from General. That top line. But it’s not wildly different. It’s always been a sawtooth curve going up and down, reflecting what our actual needs are.”

Rebuttal: Data presented during the August 26, 2004 LHH Joint Conference Committee shows that the increase in the number of patients coming from SFGH rose from 50.7% in FY 00-01 to 60.2% in FY 03-04, and that for July 2004, the ratio of SFGH admits to LHH jumped again to 61.3% (ostensibly from the full year average for FY 03-04 that ended in June). By the end of the calendar year for 2004, DPH and LHH had released data that showed admissions to LHH had grown to 73% of all admissions. To that extent, admissions to LHH from SFGH are *wildly* different than five years ago, and not “not wildly different,” as Katz mis-testified.

Q: Who made the decision to change LHH’s admissions policy? Supervisor Hall asked Dr. Katz whether the decision to change LHH’s admissions policy was “solely your decision.”

A: Dr. Katz answered, “Yes.”

Q: What else did Dr. Katz allege on June 24?

A: Statement 5: “Following that, we are now, having resolved the issue, **we’re now again taking people directly from home because there’s currently no one waiting at General Hospital.** The services have been done so well that it turns out we can now take people from the community. We no longer are losing the amount of money we were.”

Rebuttal: Katz could not possibly “have resolved the issue” by June 24 on the day he made this unsupported claim, because for the remaining six months of calendar 2004, admissions data through December show that more people from the community were *not* admitted to LHH, and SFGH patients continue to take priority. As noted above, 73% of admissions to LHH in 2004 involved SFGH patients. If there was no one waiting at SFGH for a bed at LHH on June 24, why did the July through December data show an inordinate number of admissions from SFGH?

Statement 6: [Answering a question raised by Supervisor McGoldrick about whether the SFGH “backlog” waiting list had been resolved and had become a manageable number] ... “The most we’ve had [on the waiting list] in the last five weeks is two patients]” Katz answered.

Rebuttal: If in the five weeks preceding the June 24 hearing the most SFGH had were two patients on the waiting list, then it is inexplicable how Katz claimed that up to 35 patients had been backlogged.

Q: Was there really a backlog of patients at SGH? Supervisor McGoldrick asked Dr. Katz how SFGH had gotten to a point of having 35 people on the list.

A: Dr. Katz answered, “It built up over a series of months.” In other documents, MD’s at LHH have documented that there were never more than 9 patients waiting at any one time at LHH, so for Dr. Katz to have alleged 35 had been built up over several months is not true.

Q: At what point in time did the LHH admissions policy change? Referring to the admission policy change that prioritized taking SFGH patients first, Supervisor Hall asked Dr. Katz “When did this policy [change] take place?”

A: Dr. Katz answered, “January [2004].” However, the admissions policy change was actually dated March 2, 2004. If SFGH patients were being prioritized for first admissions at LHH as early as January, then a possibly illegal *de facto* policy was in place and at work for two months even before a formal written policy had been implemented!

Q: What else did Dr. Katz allege on June 24?

A: Statement 7: Dr. Katz stated: “But the idea was to say, “The first priority of Laguna Honda would be people [SFGH patients] that were deemed to be acceptable.” Supervisor McGoldrick interjected, asking Katz “ ‘Deemed to be acceptable’ by whom?”. Katz replied, “**We’re only talking about people [SFGH patients] who Laguna Honda had decided they could take**, but they didn’t yet have room for.”

Rebuttal: As documented elsewhere, many of the patients in the Web Based Referral Tracking System (WBRTS) were inappropriate referrals to LHH, and many of them included people that LHH had *not* decided it could take. Some of the people on the daily lists generated by WBRTS were: a) already deceased, b) had declined admissions to LHH, c) were already discharged from SFGH, d) were medically or psychiatrically unstable and inappropriate for referral to LHH, or e) were pending discharge to another facility. These were not people LHH had agreed it could take, so Dr. Katz was not presenting accurate statements to the Board of Supervisors.

Statement 8: [Answering a question posed by McGoldrick concerning SFGH’s Ward 4A] ... “General Hospital has their own skilled nursing facility, which is a maximum of 30 beds. [Aside: Check license for SFGH; do they really only have 30 SNF beds?] The way we try to distinguish the use. And I should say that [SFGH’s] skilled nursing facility, which we also run with our own staff, **has never refused any patients**, and all patients go as soon as there is a bed from General Hospital, it’s in the same building.”

Rebuttal: Anecdotal reports indicate that SFGH’s 4A SNF unit has in fact refused to accept some SFGH patients, for some of the same reasons as LHH has refused to accept them: Some patients are too unstable, or too dangerous, to be cared for in a skilled nursing facility (SNF) due to their acuity level. The Board of Supervisors has a duty to check out the veracity of Katz’s claim the 4A SNF has never declined referrals.

Statement 9: Katz asserted that under “the best of circumstances, the **best I’ve ever been able to do is to move someone from General Hospital to Laguna in 2-3 days**. For the skilled nursing facility that’s at General Hospital, they move that same day if there’s an empty bed. So I try to use those beds for people who are on 30 days of antibiotics.”

Rebuttal: In fact, LHH has often taken patients from SFGH on the same day they are first referred to Laguna Honda when an empty bed has been available. In addition, since the June 24 hearing, Dr. Katz has increased the number of patients being sent to LHH to obtain their 30-day course of antibiotic treatment. And since the June 24 hearing, Dr. Katz has closed approximately half of the former 30 beds in SFGH’s 4A SNF because he is now transferring those patients to LHH instead in order to paint a better financial picture of SFGH’s budget.

Statement 10: Katz stated: “So, I know there’s been a lot of concern about age and whether or not the age mix at Laguna Honda has changed. There’s no question that it has been changing. It has been changing over a period of five to ten years. **But I think, as you’ll see in the graph, the change is not huge by any means.** It remains true that there are more people at Laguna Honda that are over the age of 99 than under the age of 30.” Katz then states that there “**has not really represented a fundamental shift in Laguna Honda.**”

Rebuttal: In fact, the majority of the change in the age of LHH patients has seen only gradual changes in the past five to ten years. But starting five years ago when the first psychosocial Units were introduced at LHH in 2001, the change in age demographics accelerated. And comparing the full calendar year of 2003 to 2004, the percent change of patients over the age of 70 declined by 27.3%, while the number of patients under the age of 30 saw a percent change increase of 108.3% (or a 114.3% absolute change), while those under 40 had a 77.2% percent change increase (or a 87.5% absolute change). As well, those over the age of 90 have seen a 44.3% percent change (or a 41.0% absolute change) reduction in those admitted to LHH in 2004 compared to 2003. *The age distribution demographic shift is a direct result of the March 2, 2004 admissions policy change that Dr. Katz made unilaterally, and it resulted in a fundamental shift in the age demographics in the single year following the March 2004 admission policy change.*

Statement 11: In regards to recidivism rates at LHH, Katz stated: “How many people, if you will, fail? One way to gauge failure is [to assess how many] people who get discharged within 7 days [from LHH that had been transferred from SFGH]. There has been some increase, but again, these are pretty small as a percentage increase. Pretty small. And 30 days, really none between this year and last year.” Katz also claimed that patients being sent to Laguna Honda from SFGH are not bouncing back to SFGH in 7-30 days: “The answer is no.”

Rebuttal: The Board of Supervisors has neglected to request recidivism rates of those SFGH patients admitted to LHH who then “fail” by Dr. Katz’s definition. Until the recidivism rates are analyzed and released to the public, there is no way to gauge whether Dr. Katz’s asserts that as a percent change, the recidivism rate is “small.”

Statement 12: In regards to a “return policy,” with no questions asked, Katz testified that “What we’ve instituted during this period is if Laguna Honda takes a patient who turns out to be too difficult for Laguna Honda, we have a “no questions asked” return policy to General. So they just go back to General and we look for some other place to place them.”

Rebuttal: This statement is as untrue today as when Katz stated it on June 24, 2004. LHH MD’s have had great difficulty returning patients to SFGH who prove to be too problematic to manage safely at LHH. There is not a “no questions asked” returns policy. Getting someone out of LHH who proves beyond the capabilities of LHH staff to manage safely has been an ongoing problem at LHH even before the change in admission policy, and it has only gotten worse since.

Statement 13: In an extended exchange between Supervisor Hall and Mitch Katz that followed Virginia Leishman’s testimony on June 24, Dr. Katz asserted that “The psychiatric facility called the Mental Health Rehab Facility is currently running a census of about 90. It can take at a maximum of 130.”

Rebuttal: Katz’s statement is untrue on a number of levels. First, the former MHRF had a maximum of 147 beds, not 130. Second, after a “deal” was struck with the unions in August 2004, the number of psych beds at the MHRF was reduced from 147 to 47, with a loss of 100 beds. Those 100 beds were converted to so-called “step-down” units, the majority of which are board-and-care residential care beds, not acute psychiatric beds, which the City desperately needs, and which voters who had passed the MHRF bond initiative were led to believe they would get with their bond funding. Didn’t happen. And now, DPH an Dr. Katz are attempting to transfer SFGH patients to LHH to receive “services that were formerly offered at the MHRF.” Problem is, LHH does not have the trained staff to adequately care for the MHRF-need patients, so those patients are receiving substandard care at LHH that is not in their best interests, nor meeting their care needs.

Statement 14: In an exchange between Supervisor Hall and Mitch Katz about 5150 involuntary holds from LHH to SFGH, Katz stated “We had six 5150s from the whole hospital. ... We don’t know, because we’re not presenting that, whether those people came from General Hospital yet. **The situation does seem, by everyone’s admission, to have gotten better.**”

Rebuttal: Katz’s statement indicates that there had only been six 5150’s, but information received under a public records request shows that between January and June 2004, there had been eleven 5150’s, not six. By the end of December, LHH had a total of 23 5150’s for the entire calendar year in 2004. Surely, DPH’s computer systems can track the source of admission into LHH to be able to stratify what percentage of the 5150’s had come from SFGH. If noting else, doing a chart audit on 23 charts should not prove beyond DPH’s capabilities to track manually if its computers can’t do that for them.

Statement 15: When Supervisor Hall stated “I’m not going to allow innocent people’s lives be put in danger because what I think is a budget crunch,” Katz responded that “Because there is nobody waiting anymore. ... Because my policy that people go first from the General no longer has any relevance, because there’s no longer any backlog and **people have been coming primarily from the community.**”

Rebuttal: Katz’s statement that by June the majority of LHH admissions were coming from the community is untrue. By the end of calendar year 2004, fully 73 of admissions to LHH were coming from SFGH, and increase from 2003 when approximately 50% were coming from SFGH. Data presented to the LHH Joint Conference Committee on August 26 showed Katz’s claim inaccurate, because 61% of the July 2004 admissions are coming from SFGH. The Board of Supervisors should investigate thoroughly the decreased admissions from the community, which were displaced in favor of increased admissions from SFGH.

Statement 16: Supervisor Hall inquired about a “compromise” that Dr. Katz repeatedly referred to between the LHH doctors and DPH administration. Dr. Katz said the compromise “The compromise is that if there are patients [at SFGH] that Laguna Honda feels that they cannot take care of, we will place those patients in non-County facilities to care for those patients, and that the money will come from the only long-term care budget that you’ve appropriated to me, which is the Laguna Honda budget.”

Rebuttal: Minutes of the LHH Joint Conference Committee on August 26 shows the LHH doctors had *not* agreed to the so-called “compromise,” and it was never subsequently accepted.

Conclusion:

To the extent that Dr. Katz made many misrepresentations during the June 24 City Services Committee hearing needs a thorough hearing. Why he made these many allegations during official testimony that fall apart under close examination should be investigated thoroughly.

Note:

This preliminary analysis will be updated in the future. It was first presented on February 28, 2005 to the Board of Supervisors’ Government Audits and Oversight Committee as written testimony by Patrick Monette-Shaw at the first follow-up hearing to the June 24, 2004 LHH admissions policy hearing held before the then-named City Services Committee.