

Original 1993 policy of San Francisco public hospital surfaces, titled “patient gift fund”

by Patrick Monette-Shaw
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An initial 1993 policy of San Francisco’s Laguna Honda Hospital (LHH) has surfaced, titled “patient gift fund.”

PATIENT'S GIFT FUND		Number:	45-1
		Page:	1 of 1
		Effective:	09-01-93
		Supersedes:	New
		Origin:	Finance
		Document:	45devgft
		Approval:	Nevins
POLICY: The Patients' Gift Fund Management Committee, comprised of the Associate Administrator for Finance (CFO)-Chairperson, Director of Nursing, Associate Administrator for Operations (COO), a patient appointed by the Residents' Council for a one year term, and other persons as may be designated by the Executive Administrator, shall have the responsibility to coordinate, plan, review and recommend the approval of projects and fund expenditures to the Executive Administrator.			

The day after KGO TV (ABC, Channel 7)" broadcast its “I-Team” investigation on May 20 about the diversion of funds intended to benefit patients that were spent on staff instead, doctors Derek Kerr and Maria Rivero submitted a public records “Sunshine” request to obtain five successive versions of LHH’s policy #45-01 that governs use of charitable contributions intended to benefit patients.

On June 3, the Department of Public Health’s public information officer, Eileen Shields, provided Kerr and Rivero with two versions of the policy — revisions made in November 1998 and December 2004. Shields indicated there was no version of the policy dated in April 2002, the May 2000 version was simply reviewed without revisions, and that the original policy adopted on September 1, 1993 was “not retained” because the record was past the retention period (see slide show, in Part 2).

Reasonable people wonder whether the 1993 original policy was “not retained” because the title of the initial policy — “Patient Gift Fund” — clearly conveyed the fund was to be used only for patient benefit.

The doctors found a copy of the original 1993 “Patient’s Gift Fund Policy” in their records, and are submitting it as an addendum to materials previously submitted to San Francisco’s civil grand jury.

In December 1998, the title of the policy was changed to “Laguna Honda Hospital Gift Fund,” perhaps in a politically-correct language change since LHH’s acute patients are referred to as “patients,” but long-term care patients are called “residents” in deference to LHH being their home.

There were few other changes in the 1998 revision beyond the title of the policy, and the 1998 version retained all of the oversight controls, including having a patient representative on the Gift Fund Management Committee, which had existed when the policy was first adopted in September 1993.

Despite the change of the policy’s title, LHH’s staff always referred to it as the “patient gift fund,” knowing that patients were who the fund was created to benefit.

The 1998 revision did add a list of seven sub-accounts within the gift fund, all of them “restricted use” accounts for patient benefit.

(Continued in Part 2 ...)

As previously reported, the December 2004 changes introduced a few weeks after John Kanaley started as LHH’s executive administrator, removed the patient representative from the Gift Fund Management Committee and removed quarterly reports to the Health Commission, both specified in the original 1993 version.

The 2004 revision to LHH’s patient gift fund policy also retained the list of seven sub-accounts within the gift fund that had been added in the 1998 first revision to policy #45-01.

Most hospitals normally retain the original version of each policy when they revise policy and procedure manuals.

Why on earth would LHH “not retain” the original version of an ongoing policy?

Policy and procedure manuals are typically the first thing surveyors, and licensing and certification agencies, request during inspections, since they are required by law. Policy manuals are also required by accrediting agencies such as the Joint Commission on Accreditation of Healthcare Organizations (a.k.a., JCAHO), and the Commission on Accreditation of Rehabilitation Facilities (a.k.a., CARF), the latter accreditation which LHH hopes to eventually earn.

Policy manuals are developed to ensure compliance with relevant rules and regulations. Good policies and procedures change slowly and infrequently, if at all, unless necessitated by evolving technology, medical practices, or standards in patient care.

Licensing and accreditation issues aside, managers need published policies for making decisions in areas prone to risk, such as fiduciary oversight of funds intended for patients.

But accounting practices and oversight of charitable contributions raised to benefit patients seldom need to change, since accounting standards rarely evolve.

This begs the question: Why was LHH’s patient gift fund policy revised significantly at least three times — in November 1998, December 2004, and April 2010 — so that it now bears little resemblance to the policy first adopted in 1993, and is now titled “Gift Fund Management”?

Feedback: monette-shaw@westsideobserver.com.

Public Records Tutorial:

San Franciscans can acquire public records simply by contacting city department public information officers and identifying records being sought.

All you need to do is cite the San Francisco Sunshine Ordinance, which covers both open public meetings and access to local government public records.

Details regarding filing records requests are located on the **Sunshine Ordinance Task Force** web site.

Figure 1: Original Patient Gift Fund Policy #45-01 adopted on September 1, 1993

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AUTHORITY: The authority for the establishment of the Laguna Honda Patients' Gift Fund and acceptance of gifts is provided in the Administrative Code, amplified by a 10-31-61 opinion of City Attorney Dion R. Holm. Authority to determine which expenditures fulfill the code's broad intent and purpose resides in the Executive Administrator or designee, the Patients' Gift Fund Management Committee.

PURPOSE: To ensure that Patients' Gift Fund expenditures "add comfort, welfare, pleasure and happiness to the residents." This "restricted" fund is available neither to support the minimum obligation of the City to operate the Hospital nor to fund routine City expenditures; rather, the fund shall benefit residents in general to enhance the quality of life of patients beyond the basic care provided by the City at the Hospital.

PROCEDURE TO EXPEND THE FUND:

1. Routine expenditures of \$400 or less.
 - 1.1 Requesting Division Heads shall submit requests for expenditure of \$400 or less to the Patients' Gift Fund Management Committee for approval. Include the frequency and the estimated annual aggregate.
 - 1.2 The Committee shall note approved expenditures in its Minutes. The requesting Division Head shall review invoices against approved projects and forward them to the Chief Accountant for preparation of payment for final approval of the Chief Financial Officer.
2. Expenditures exceeding \$400.
 - 2.1 Requesting Division Heads shall submit requests for expenditure exceeding \$400 either individually or in the cumulative aggregate of a series of similar expenditures to the Patients' Gift Fund Management Committee.
 - 2.2 The Committee shall note approved expenditures in its Minutes. The requesting Division head shall review invoices against approved projects and forward them to the Executive Administrator for approval, and then to the Chief Accountant for preparation of payment for final review by the Chief Financial Officer.
3. The Chairperson, Patients' Gift Fund Management Committee shall prepare quarterly expenditure statements for presentation to the Executive Administrator and to the Joint Conference Committee.
4. The Chairperson shall assure that this fund is maintained in compliance with all applicable City codes and financial operating standards.
5. Examples of valid expenditures: lunches at restaurants; ward entertainment; purchase and repair of television and video equipment; as well as other expenditures for the comfort, welfare, pleasure and happiness of the patients.

Figure 2: Response to Public records Request, June 3, 2010

From: Eileen.Shields@sfdph.org
To: [REDACTED]
Sent: 6/3/2010 9:42:41 A.M. Pacific Daylight Time
Subj: Re: INFORMATION REQUEST: LHH GIFT FUND POLICY

Dear Dr. Kerr:

Below are responses to the records you have requested.
(Embedded image moved to file: pic18504.jpg)

Request:

Please provide electronic copies of 5 previous versions/revisions of LHH Hospitalwide Policy 45-01, issued on or about the following dates;

- 1) September 1st, 1993 (recorded as 93/09/01) --Record past retention period. Not retained.
- 2) November 16th, 1998 (recorded as 98/11/16) (See attached file: 1998.45-01gft.pdf)
- 3) May 25th, 2000, (recorded as 00/05/25)-- Policy reviewed but not revised
- 4) April 12th, 2002, (recorded as 04/12/02 or 02/04/12) --No policy recorded with these dates.
- 5) December 2nd, 2004--(See attached file: 2004.45-01gft.pdf)

Note: Yellow highlighting in red-dashed image is Ms. Shield's response.

Figure 3: Patient Gift Fund Mission Statement for Major Bequests, dated May 14, 2004

LAGUNA HONDA HOSPITAL MISSION STATEMENT GIFT FUND	
<u>Donors</u>	<u>Purpose</u>
William Lenahan	For the use by the patients of Laguna Honda Hospital, for their recreational, social and educational needs.
Marie Lewis	For recreational, social and educational needs of the patients of Laguna Honda Hospital.
Martin J. Heller	For the benefit of the patients/inmates of Laguna Honda Hospital. Promote the welfare, pleasure, personal happiness and comfort of the person benefitted. For the aged and infirm.
Manford Harris	For the benefit, happiness, pleasure and comfort of Laguna Honda Hospital patients.
Hazel Putnam	For the benefit and comfort of patients of Laguna Honda Hospital.
LHH Volunteer, Inc.	For musicians, fruits, cookies, woodworking, camera Club, Farm Green House, ward money, sodas, popcorn, bingo prizes and patients' bus trips.
Miscellaneous Gift	For the happiness, pleasure, benefit and comfort of patients of Laguna Honda Hospital.
Ermeth Dirovizza	For the specific use of patients' activities on holidays.
Barbara Wylie Trust	For expenditures that enhance the general benefit and comfort of residents of Laguna Honda Hospital.
Frances M. Nocetti Memorial Fund	For ADHC residents activities like bingo prizes and for Sr. Nutrition Program.