

March 9, 2008

Safety net unraveling as county health care role diminishes

By BLEYS W. ROSE
THE PRESS DEMOCRAT

In a trend that has rapidly escalated over the past year, the holes in Sonoma County's health care safety net are widening as patients with mental and other medical problems are being shifted from hospitals and clinics to community-based groups.

Transformation of county-run Community Hospital into a medical center operated by

a private nonprofit corporation little more than a decade ago marked the beginning of the move away from institution-based care

for patients with little or no private insurance.

Now, the commitment of county government to support health services is being called into question as officials shut or propose closing inpatient clinics that have historically been the county's responsibility.

Concern is voiced across the health care spectrum, not just from the activists, unions and affected agencies. The volume and the depth of sentiment also is coming from doctors, nurses, mental health counselors, families of patients and others who question whether vital services are being jettisoned and whether the pullback has gone too far.

"The supervisors are acting like they don't want to have anything to do with the health care system, like they want the big hospitals to fight it out and deal with the last one standing," said Linda Johnson, president of Sebastopol's Palm Drive Hospital board.

County officials bristle at charges they are abandoning their responsibilities.

"No way, it is the opposite," said Supervisor Tim Smith, the board's leading voice on health care. "You have a growing demand for health-related services that has risen over time, like a 747 taking off from JFK, and a flat funding line from the state.

"When you don't have the funding, you pull back and get innovative, working with

nonprofits and cooperating with the hospitals. You become the master of using bubble gum and baling wire to hold the safety net together."

Fourteen months ago, Sutter Medical Center, which is owned by Sacramento-based Sutter Health, declared its intention to bow out of its contract with Sonoma County and abandon its plan to build a new hospital.

Last June, supervisors approved closing the Sutter-run inpatient psychiatric facility.

A month ago, St. Joseph Health System said it would close its Fulton Road inpatient psychiatric unit affiliated with Memorial Hospital.

And just two weeks ago, Sonoma County health officials said they will propose shutting their inpatient alcohol and drug rehab program at the Orenda Center.

Art Ewart, the county's mental health director, defends the shift toward reliance on community-based alternatives for mental health services, saying that funding expensive inpatient facilities doesn't make sense. For some time, treatment of mental illness has turned to community-based alternatives, such as Proposition 63, which funded anything but the typical lock-'em-up institution.

"You treat the mentally ill person better by finding them better housing, finding them a job and enabling them to live outside an institution," Ewart said. "You don't need a lot of locked rooms in an institution to do this."

Critics, however, said the closures have the appearance of a mad, unseemly race to the financial bottom line with disregard for public or corporate responsibility.

"We are not facing the fact that we have a bankrupt health care system with public officials so scared to raise taxes so that problems just sit there and fester," said Bob Shirrell, veteran health care consultant.

"All of a sudden, everybody is running for the door, giving up all at once. It is illegal, immoral and fattening the financial condition of nonprofits that are supposed to do the right thing."

Over the past decade, health providers have been under tremendous pressure as medical costs soared, a half-dozen physician groups succumbed to bankruptcy and the area's home-grown HMO, Health Plan of the Redwoods, tumbled into oblivion.

The unraveling of the financial stability of a community that once could afford to support three major hospital groups, a network of community clinics and several small hospitals catering to local taxpayers has forced policy makers into tough

positions.

"The county still has an obligation to take care of the indigent, but like anything else in life, whether public or private program, there is always pressure when reimbursement rates do not keep pace with costs, and medical cost inflation causes institutions to look for better ways to operate," said Mark Kostielney, the retired county health services director who brokered the deal that brought Sutter to Sonoma County.

Government officials in health care say the historic responsibilities are being attended to, albeit in a distinctly different manner than ever before. Government contracting for patient care -- whether with private hospitals, with nonprofit agencies or with community-based treatment programs -- is part of a nationwide trend.

Inpatient facilities, an expensive component of health care funded by private insurance, have been on their way out for some time. Costs are much lower when care is provided in an outpatient setting, but medical professionals warn that such services aren't always adequate and can sometimes prove downright dangerous to the public or to the patient.

Unions representing health care workers, such as the Service Employees International Union and California Nurses Association, say they are alarmed at government's willingness to give up on commitments to poor and indigent patients.

"What is extraordinary is the extent to which two major hospital systems are fundamentally engaged in carving up the market so that it leaves no one accountable and public officials unable to meet community health needs," said Paul Kumar, the SEIU's governmental relations director.

Kumar said nonprofit hospital chains like Sutter and Memorial take in more revenue than they spend, but are demonstrating more commitment to generating revenue than to providing indigent and charity care.

"They are shutting down low-margin, money-losing services for indigent and Medi-Cal patients so they can consolidate their market and cater to lucrative specialties that net them high reimbursement rates from insurance companies," he said.

Smith said county government has less leeway than nonprofit health corporations to make adjustments in health services because most funding comes from state and federal sources that are making 10 percent across-the-board cuts.

Of the county's \$213 million health care budget, half comes from federal and state governments and a third from a share of the state sales tax and vehicle

license fees. Only 6 percent comes from the county general fund that supervisors directly control, he said.

Although all five supervisors have supported sales tax measures for open-space land purchases and commuter rail lines, Smith said the board isn't likely to rush into tackling health care separate from the national debate over universal health coverage. There are too many "stakeholders" involved in health care -- ranging from hospital corporations to state government to insurance companies -- over which county government has little control.

"We can be a convener, but it is clear that we can't be all things to all people," he said.

"Someday we will have to talk about a general sales tax that would include health," Smith added, but voters need to know exactly what they are going to get."

You can reach Staff Writer Bleys W. Rose at 521-5431 or bleys.rose@pressdemocrat.com